

February 11, 2026

**Re: Public Comment Notice for Occupational Therapy Compact Commission (OTCC):
*Draft Rule on Member State Default, Non-Compliance, and Dispute Resolution***

The OTCC welcomes public input on the proposed *Draft Rule on Member State Default, Non-Compliance, and Dispute Resolution*. This 30-day public comment period provides an opportunity for interested individuals and organizations to express their opinions, concerns, and suggestions on the proposed *Draft Rule on Member State Default, Non-Compliance, and Dispute Resolution*. Your feedback is valuable to us and will be considered in the rule-making process.

Purpose:

The purpose of this public comment notice is to encourage and facilitate public input on the proposed *Draft Rule on Member State Default, Non-Compliance, and Dispute Resolution*. We are committed to transparency, accountability, and inclusivity in our rule-making process, and your comments will assist us in refining and finalizing this Rule.

Comment Period:

The public comment period for the proposed *Draft Rule on Member State Default, Non-Compliance, and Dispute Resolution* will be open for 30 days, starting from Thursday, February 12, 2026, and closing on Friday, March 13, 2026. ***All comments must be received by 5:00p.m. EST on Friday, February 14, 2025.***

How to Submit Comments:

Email your comments to executivedirector@otcompact.gov. Please indicate “Public Comment for Member State Default...rule” in the subject line of your email. All comments received will be considered part of the public record and may be subject to disclosure under applicable laws.

Public Hearing:

A public hearing on the proposed *Draft Rule on Member State Default, Non-Compliance, and Dispute Resolution* will be held on Wednesday, May 6, 2026 virtually, via Zoom.

Contact Information:

As necessary, please contact the OTCC Executive Director at ExecutiveDirector@otcompact.gov. We look forward to receiving your comments and thank you for your participation in shaping the future of the Occupational Therapy Compact Commission.

Kind regards,

Dr. Leahy Wilson James, Chair

Occupational Therapy Compact Commission

Rule Title	Rule on OTC Member State Default, Non-Compliance, and Dispute Resolution
Rule History	<ul style="list-style-type: none"> Drafted by Rules Committee: November 18, 2025 Reviewed by OTCC Executive Committee: February 9, 2026 Public Comment Period: February 12, 2026 – March 13, 2026 Voted by OTCC: XXXX
Rule Purpose	To further outline and clarify the requirements of OTC member states' compliance with the OTC legislation
Public Comment Instructions	Submit public comments via email to executivedirector@otcompact.gov . Use the subject line "Public Comment for Rule on OTC Member State Non-Compliance." Or, you may attend the meeting at which the rule will be discussed and voted on. Written comments must be received by close of business on Friday, March 13, 2026.

1

2 ***Chapter 8: Member State Default and Non-Compliance***

3 **§1: Definitions**

4 A. "Party state" means a state that is a part of a dispute.

5 **§2: Special Note**

6 None noted

7 ***Rule 8.1***

8 **Dispute Resolution Process – Informal, Mediation, and Arbitration:**

9 A. The Delegate in each member state shall enforce the Compact and take all actions necessary
10 and appropriate to effectuate the Compact's purposes and intent. The Commission supports
11 collaborative efforts to resolve disputes or controversies between and among all member
12 states. All affected parties are encouraged to communicate with each other directly and make
13 every effort to resolve issues informally prior to application of paragraphs (B) and (C) of this
14 rule.

15 i. Any member state may submit a written request to the Executive Committee for
16 assistance in interpreting the law, rules, and policies of the Compact. The Executive
17 Committee may seek the assistance of the Commission's legal counsel in interpreting
18 the Compact. The Executive Committee shall issue the Commission interpretation of
19 the Compact to all parties to the dispute.

20 ii. A member state that is party to a dispute may request the submission of a matter in
21 controversy to mediation. Mediation shall be conducted by a mediator appointed by
22 the Executive Committee from a list of mediators approved by the National
23 Association of Certified Mediators, unless a mediator is otherwise agreed to by all
24 parties to the dispute and pursuant to procedures customarily used in mediation
25 proceedings.

26 B. When disputes among party states are unresolved through informal attempts, the Commission
27 shall request assistance from the Executive Committee.

28 i. It is the duty of the Executive Committee to address disputes between or among the
29 member states concerning the Compact when informal attempts between the member
30 states to resolve disputes have been unsuccessful.

31 ii. The Executive Committee, on behalf of the Commission, in the reasonable exercise of
32 its discretion, has the authority to assist in the resolution of disputes between and
33 among member states concerning the Compact. This rule defines the course of action
34 the Executive Committee may take when such disputes cannot be informally resolved
35 and the matter is received by or referred to the Executive Committee.

36 C. Disputes between two (2) or more member states which cannot be resolved through informal
37 resolution or through the Executive Committee may be referred to an arbitration panel.

38 D. Informal Resolution

39 i. The Delegate of the state disputing another member state's interpretation or
40 application of the Compact shall contact the Delegate of the member state with which
41 the dispute has arisen. A written statement describing the situation should be provided
42 and sufficient time allowed for response and opportunity for the other Delegate to
43 review and investigate the issues raised in the dispute.

44 ii. If interpretation of the Compact is necessary, the Delegate shall contact the Executive
45 Committee and request assistance in interpreting relevant provisions. This
46 communication to the Executive Committee should be made through the Compact
47 Executive Director.

48 iii. The Delegate raising the concern shall document attempts to resolve the issues.

49 iv. If all issues are resolved to the satisfaction of all party states involved, no further
50 action is required.

51 E. Mediation

52 i. A state that is a party to a dispute may request, or the Executive Committee may
53 require, the submission of a matter in controversy to mediation.

54 ii. If a member of the Executive Committee is a party to the dispute, that individual must
55 recuse themselves from participating in the matter.

56 iii. Mediation shall be conducted by a mediator appointed by the Executive Committee
57 from a list of mediators approved by the National Association of Certified Mediators,
58 or a mediator is otherwise agreed to by all parties to the dispute and pursuant to
59 procedures customarily used in mediation proceedings.

60 iv. If all issues are resolved through mediation to the satisfaction of all party states
61 involved, no further action is required.

62 F. Executive Committee Resolution

63 i. Member states shall report to the Executive Committee, through the Compact
64 Executive Director, issues pertaining to disputes concerning the interpretation or
65 application of the Compact in a timely fashion.

66 ii. If the Executive Committee determines that the dispute arises from non-compliance
67 with the Compact, the Committee may, in its discretion, reclassify the dispute as a
68 non-compliance case and will provide a written notice to all parties of the dispute
69 citing the allegation(s) of non-compliance and follow the procedures in the Bylaws
70 and as provided in Section 11 of the Compact.

71 iii. In the event there are factual and/or legal issues to be resolved, the states involved in
72 the dispute shall provide written responses regarding the factual and/or legal issues in
73 dispute and the position of each party to the dispute on those issues to the Executive
74 Committee within thirty (30) days after receipt of the report referenced in paragraph
75 (D) of this rule for distribution to the Executive Committee.

76 iv. Upon receipt of the party states' responses, the Executive Committee shall develop a
77 dispute resolution proposal or plan within sixty (60) days and submit the proposal or
78 plan to the party states unless all parties agree that a longer period of time is needed
79 to address the issues in dispute.

80 v. Any controversy or dispute not resolved in accordance with paragraphs (D) through
81 (F) of this rule may result in dispute arbitration, as recommended by the Executive
82 Committee pursuant to paragraph (G) of this rule.

83 G. Arbitration

84 i. In the event of a dispute between states that cannot be resolved through informal
85 means, and upon the recommendation by the Executive Committee, the Delegate of
86 the initiating state(s) shall submit an Arbitration Request form to the Compact
87 Executive Director with a copy to be sent by the initiating state to the other party
88 state(s) involved.

89 ii. Each state party to the dispute and the Executive Committee shall submit a signed
90 Arbitration Agreement form which shall include:

91 a. Consent that the decision of the majority of the arbitrators is final and
92 binding;

93 b. The name of an appointee representing each state, unless more than two (2)
94 states are parties, on an arbitration panel. In the event there are more than
95 two (2) states that are parties to the dispute, the parties must agree on an
96 arbitrator selected by the state or states arguing either the affirmative or the
97 negative of the issue in dispute so that only one (1) arbitrator is selected by
98 the state or states on either side of the controversy. In the event an
99 agreement cannot be reached, such selection shall be made by the Executive
100 Committee.

101 c. The name of a third arbitration panel appointee mutually agreed upon and
102 independent of all the states involved in the dispute.

103 d. The Compact Executive Director shall coordinate the arbitration process.

104 e. Pursuant to paragraph G.ii.b of this rule, appointment of the arbitration
105 panel shall be completed by the party states involved within thirty (30) days
106 of the decision to appoint a panel.

107 f. All involved states shall agree on arbitration procedures, including a date
108 and location for the arbitration to take place which shall be within forty-five
109 (45) days of the appointment of the arbitration panel. In the event the parties

110 cannot agree, the arbitration panel shall make these and other procedural
111 decisions.

112 g. The panel shall render a decision within forty-five (45) days of the
113 completion of the arbitration.

114 h. The panel shall forward its decision to the Compact Executive Director and
115 Chair of the Commission and to each involved party state within seven (7)
116 days of its decision.

117 i. The decision of the arbitration panel shall be final and binding.

118 j. In the event arbitration is necessary, and unless otherwise agreed by the
119 parties, at the discretion of the arbitration panel, the prevailing party or
120 parties may be entitled to recover the costs of such arbitration, including
121 reasonable attorneys' fees, to the extent permitted by state law of the
122 prevailing party state.

123 k. Arbitration award decisions may be enforced in a court of competent
124 jurisdiction.

125 *Rule 8.2*

126 Compliance and Enforcement

127 A. The Delegate in each party state shall enforce the Compact and shall take all actions
128 necessary and appropriate to effectuate the Compact's purposes and intent. The Commission
129 supports voluntary, collaborative efforts to resolve compliance and enforcement issues in lieu
130 of formal dispute resolution procedures or other legal enforcement action between and
131 among all Compact party states. All affected parties are encouraged to communicate with
132 each other directly and make every effort to resolve issues informally prior to application of
133 paragraphs (E) through (G) of rule 8.2 and paragraphs (E) and (F) of this rule.

134 i. Any party state may submit a written request to the Executive Committee for
135 assistance in interpreting the Compact. The Executive Committee may seek the
136 assistance of legal counsel in interpreting the Compact, particularly concerning
137 compliance and enforcement. The Executive Committee's interpretation of the
138 Compact will be issued in writing to all parties to the dispute.

139 ii. At the discretion of the Executive Committee, appropriate technical assistance and
140 training may be provided to any party state seeking to voluntarily address a
141 compliance issue.

142 B. When compliance or enforcement is unresolved through informal attempts, the Delegate shall
143 request assistance from the Executive Committee.

144 i. It is the duty of the Executive Committee to address alleged substantive or recurrent
145 violations of the Compact when informal attempts to attain compliance have been
146 unsuccessful.

147 ii. The Commission, in the reasonable exercise of its discretion, shall enforce the
148 Compact.

149 C. Compliance and enforcement issues that cannot be resolved through informal resolution or
150 through the Executive Committee shall be referred to an arbitration panel or other
151 appropriate legal action as provided in Section 11 of the Compact at the discretion of the
152 Executive Committee.

153 D. Informal Resolution

- 154 i. When an alleged violation of the Compact comes to the attention of the Compact
155 Executive Director or Executive Committee, a written statement describing the
156 situation should be provided, and sufficient time allowed for response and
157 opportunity for other Delegate(s) to review and investigate the issues raised in the
158 dispute. The Compact Executive Director, on behalf of the Executive Committee,
159 shall contact the Delegate of the state(s) alleged to be in non-compliance with the
160 Compact and, when applicable, the Delegate of the state alleging non-compliance
161 with the provisions of the Compact.
- 162 ii. If the party state alleged to be in non-compliance with the Compact requires
163 assistance with interpretation of the Compact, the Delegate of that state, or the state's
164 legal representative may contact the Executive Committee to request assistance in
165 interpreting relevant Compact provisions and identifying steps to achieve compliance.
- 166 iii. The Executive Committee may consult with legal counsel and shall document efforts
167 to resolve the issues.
- 168 iv. If all issues are resolved to the satisfaction of the Executive Committee and the
169 state(s) involved, the Compact Executive Director shall prepare a written report to
170 document the resolution, and no further action is required.

171 E. Executive Committee Resolution

- 172 i. In the event that informal resolution of alleged non-compliance is not possible, the
173 Compact Executive Director shall notify the Executive Committee and furnish a
174 report of all issues pertaining to noncompliance allegations, including details of
175 informal resolution efforts, in a timely fashion.
- 176 ii. If the Executive Committee determines that a state is not in compliance with the
177 Compact, the Executive Committee shall provide a written notice to the state(s) citing
178 the specific allegation(s) of non-compliance or default.
- 179 iii. The state(s) shall provide a written response regarding the alleged default or
180 noncompliance to the Executive Committee within forty-five (45) days.
- 181 iv. The Executive Committee, Compact Executive Director, and legal counsel shall
182 develop and propose a plan for voluntary resolution of the allegation(s) of default or
183 non-compliance within sixty (60) days, which may include technical assistance and
184 training, and submit such plan to the involved state(s) for approval unless all parties
185 agree that a longer period of time is needed to address the default/noncompliance or
186 related issues.
- 187 v. If the state alleged to be in non-compliance or default does not agree with the
188 Executive Committee's proposed plan for resolution, or if the state fails to cure the

189 default or non- compliance after initially agreeing with the Executive Committee to
190 follow a remediation plan, the Executive Committee may conduct an investigation to
191 examine any evidence relevant to the allegation(s). Such evidence may include, but is
192 not limited to, statements and/or testimony of witnesses, documents, and other
193 information. An investigator may be appointed by the Executive Committee to
194 conduct the investigation.

- 195 vi. The Commission shall bear the expense of any investigation.
- 196 vii. The state alleged to be in non-compliance or default will be informed by the
197 Executive Committee in writing if additional incidents of apparent non-compliance
198 are discovered during the course of the investigation.
- 199 viii. All information obtained during the investigation, and reports prepared by the
200 Commission, shall be confidential and not subject to public disclosure unless
201 otherwise required by the laws of any state involved in the dispute.
- 202 ix. The state alleged to be in non-compliance will be provided an opportunity to submit a
203 written response to the preliminary findings within twenty (20) days, including
204 documentary evidence, and to meet with the investigator, if any, at the expense of the
205 Commission.
- 206 x. Within forty-five (45) days after the conclusion of the investigation, the Executive
207 Committee or its investigator shall prepare a written report including a summary of
208 factual findings. The report is provided to the state who is the subject of the
209 investigation for review and comment, including the opportunity to provide
210 corrections to the report, as appropriate. Any comments and/or corrections are
211 returned to the Executive Committee, through the Compact Executive Director,
212 within fourteen (14) days of issuance of the initial report.
- 213 xi. After review of the response of the state alleged to be in non- compliance, the
214 Executive Committee shall determine, based on a preponderance of the evidence
215 standard, violation(s), if any, of the Compact. If the Executive Committee
216 substantiates the allegations based on the evidence and legal authorities cited, the
217 Executive Committee shall schedule a conference, either in person or by telephonic or
218 electronic means, with the non-compliant state's Delegate, Assistant Attorney
219 General (or other legal representative), and Presiding Officer of the State's Licensing
220 Board (or designee) to determine if the violations may be remedied through training,
221 technical assistance, or other voluntary means within forty-five (45) days, unless all
222 parties agree that a longer period of time is needed to address the default/non-
223 compliance.
- 224 xii. Any compliance or enforcement issue pursuant to this section not resolved may result
225 in formal dispute arbitration, or other appropriate enforcement action pursuant to
226 Section 10. of the Compact, as determined by the Executive Committee.

xiii. Any member(s) of the Executive Committee whose state is involved in any compliance or enforcement issue shall be recused from consideration, discussion, or voting on any such case.

F. Dispute Arbitration

- i. In the event that a member state's Compact default/non-compliance cannot be resolved through the procedures described in Chapter 8 of the rules, the Executive Committee may order arbitration before a three (3) member arbitration panel for determination of the default/non-compliance and enforcement of the Compact.
- ii. Each involved state shall submit a signed Arbitration Agreement form which shall include:
 - a. Consent that the decision of the majority of the arbitrators is final and binding;
 - b. The name of an appointee to the arbitration panel selected by the state(s) alleged to be in default/non-compliance;
 - c. The name of an appointee to the arbitration panel selected by the Commission, or
 - d. A suggested arbitration panel appointee mutually agreed upon by all parties and independent of the involved state(s).
- iii. The Compact Executive Director shall coordinate the arbitration process.
- iv. Selection of the panel of arbitrators shall be completed, at the direction of the Compact Executive Director, within forty (40) days of the decision to appoint a panel.
- v. All parties shall agree on a date for the arbitration to take place, as well as applicable deadlines and procedures for any necessary discovery. In the event no agreement can be reached, these and other procedural decisions shall be made by the arbitration panel.
- vi. The location of arbitration shall be the principal offices of the Commission.
- vii. The panel shall render a decision within forty-five (45) days of the completion of the arbitration based upon the facts as stipulated, or proven by preponderance of the evidence at any hearing, and as required under the provisions of the Compact and any other applicable statutes, regulations and/or case law.
- iii. The panel shall forward its decision to the Chair of the Commission, via the Compact Executive Director, and to each involved party state within twenty-one (21) days of its decision.
- ix. The decision of the arbitration panel is final and binding.
- x. Unless otherwise agreed by the parties, and at the discretion of the arbitration panel, the prevailing party or parties may be entitled to recover the costs of the arbitration, including reasonable attorneys' fees, if permitted by the laws of the prevailing state.

264 Rule 8.3

265 Enforcement Remedies against a defaulting state

266 A. Notwithstanding the provisions of paragraphs (D) through (G) of rule 8.1 and paragraphs (D)
267 and (E) of rule 8.2, if the Commission determines that any state has at any time defaulted
268 ("defaulting state") in the performance of any of its obligations or responsibilities under this
269 Compact, or the provisions of the Bylaws or any duly promulgated rules, the Commission
270 may impose any or all of the following penalties:

- 271 i. Remedial training and technical assistance as directed by the Commission;
- 272 ii. Damages or costs in such amounts as are deemed to be reasonable as fixed by the
273 Commission;
- 274 iii. Suspension of membership in the Compact; and
- 275 iv. Termination of membership in the Compact.
 - 276 a. Suspension and termination shall be imposed only after all other reasonable
277 means of securing compliance under the Bylaws and rules have been
278 exhausted.
 - 279 b. Notice of suspension or notice of termination shall be sent by the
280 Commission in accordance with the Bylaws.

281 B. The grounds for default include, but are not limited to, failure of a member state to perform
282 such obligations or responsibilities imposed upon it by this Compact, Commission Bylaws,
283 or duly promulgated rules. The Commission shall notify the defaulting state in writing of the
284 penalty imposed by the Commission on the defaulting state pending a cure of the default
285 within a reasonable timeframe. The Commission shall stipulate the conditions and the time
286 period within which the defaulting state must cure its default. If the defaulting state fails to
287 cure the default within the time period specified by the Commission, in addition to any other
288 penalties imposed herein, the defaulting state may be terminated from the Compact upon an
289 affirmative vote of a majority of the member states and all rights, privileges, and benefits
290 conferred by this Compact shall be terminated from the effective date of termination.

291 C. The defaulting state is responsible for all assessments, obligations, and liabilities incurred
292 through the effective date of termination including any obligations, the performance of which
293 extends beyond the effective date of termination.

294 D. The Commission shall not bear any costs relating to the defaulting state unless otherwise
295 mutually agreed upon between the Commission and the defaulting state.

296 E. Reinstatement following termination of any party state requires both a reenactment of the
297 Compact by the defaulting state and the approval of the Commission pursuant to the rules.

298 Rule 8.4

299 Judicial Enforcement

300 The Commission may also, by majority vote of the members, initiate legal action in the United
301 States District Court for the District of Columbia or, at the discretion of the Commission, in the
302 United States District Court for the Eastern District of Virginia, to enforce compliance with the
303 provisions of the Compact, its duly promulgated rules, and Bylaws, against any member state in

304 default. In the event judicial enforcement is necessary, the prevailing party shall be awarded all
305 costs of such litigation including reasonable attorneys' fees.

306 **Adopted XXX; Effective XXX**
307 **Authority: §3 & §10 of the OTC Legislation**

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