Export Declaration (DEA Form 486) at least 15 days in advance of the shipment date in accordance with 21 CFR 1313.21 for every shipment of a threshold amount of the above listed chemicals to Colombia. All subsequent shipments of any of the identified chemicals to the same customer will continue to require 15 day advance notice and evidence of a documented legitimate need.

Furthermore, because DEA has concluded that all shipments to Colombia of the above chemicals may be diverted to the clandestine manufacture of a controlled substance, pursuant to 21 CFR 1313.41, it is DEA's intent to suspend such exports and imports for transhipment in the absence of documented proof of ultimate legitimate use. Shipments of these chemicals will be closely monitored by DEA to determine whether the exporters have presented sufficiently detailed documentation for DEA to conclude that the ultimate users have the specific, legitimate need for the type and quantity of the chemical being purchased and, that the chemical will not be used for the clandestine production of controlled substances. Export declarations and Notices of Importation for Transhipment for the specified chemicals will be reviewed utilizing the following criteria:

A. Whether the U.S. exporter, broker, or foreign exporter for transhipment has shown that the end use for all of the chemical will be for a legitimate purpose;

B. If the importer is not the end user, whether all users or distributors through to the end users are identified to DEA with sufficient documentation to confirm the legitimacy of their chemical needs; and

C. Whether the quantity and type of chemical is consistent with the nature and size of each end user's business.

A person who knowingly or intentionally exports a listed chemical in violation of section 1018 shall be fined in accordance with Title 18, imprisoned not more than 10 years, or both (21 U.S.C. 960(d) (5) and (6)).

U.S. and foreign exporters, and brokers are cautioned to view every order of these or substitute chemicals from Colombia and other countries in the region with extreme caution. In view of the existing evidence that all shipments to Colombia of the above chemicals may be diverted to the clandestine manufacture of a controlled substance, firms should recognize that export declarations and Notices of Importation for Transhipment will be subjected to the heightened standard of review set forth herein with respect to the identity of the end users and the documented legitimacy of usage. Failure to meet this standard will result in the suspension of the shipment pursuant to 21 CFR 1313.41.

Dated: March 22, 1996.

Stephen H. Greene,

Deputy Administrator, Drug Enforcement Administration.

[FR Doc. 96–7546 Filed 3–27–96; 8:45 am]

BILLING CODE 4410–09–M

UNITED STATES INFORMATION AGENCY

22 CFR Part 514

Exchange Visitor Program

AGENCY: United States Information Agency.

ACTION: Statement of policy.

SUMMARY: Since August of 1990, the Agency has continued its oversight of Summer Travel/Work programs, notwithstanding suggestions that the Agency is in fact without statutory authority to conduct such programs as currently configured. The Agency hereby announces its acceptance, as statutorily sound, of four Summer Travel/Work programs. A two year period of additional review of a fifth program is also hereby announced and adopted.

EFFECTIVE DATE: This policy statement is effective March 28, 1996.

FOR FURTHER INFORMATION CONTACT: Stanley S. Colvin, Assistant General Counsel, United States Information Agency, 301 4th Street, S.W., Washington, D.C. 20547; Telephone, (202) 619–6829.

SUPPLEMENTARY INFORMATION: In February of 1990, the General Accounting Office (''GAO'') issued its report entitled ''Inappropriate Uses of Educational and Cultural Exchange Visas.'' This report specifically identified Summer Travel/Work programs designated by the Agency for the past twenty-five years as an example of programs operating outside of the statutory parameters set forth under the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act.) As currently configured, Summer Travel/Work programs permit foreign university students to enter the United States during their summer months for the purpose of travel and the pursuit of employment opportunities wherever they may be found. Approximately 16,000 foreign university students to charges of inappropriate use of the Exchange Visitor Program and brought about, in March of 1993, the promulgation of new and comprehensive regulations governing exchange activities. These regulations, in turn, resulted in changes to the operations of flagship exchange programs and other programs of long-standing and venerable reputation. Underlying this policy and regulatory review was the Agency's identification of the core components of an exchange activity. These components—selection, screening, orientation, placement, monitoring, and the promotion of mutual understanding—define what an exchange is and whether one is actually occurring.

The use of these components in a review of the Summer Travel/Work programs demonstrates clearly why the Agency has determined that it lacks sufficient authority to continue the programs as currently configured. Today, five organizations conduct Summer Travel/Work programs pursuant to two substantially different program designs. Four of the five programs arrange all details of the program including prearranged employment and accommodations. The remaining program, accounting for approximately 12,000 of all participants, does not make advance arrangements for employment or accommodations. Participants in this program are left to their own devices in securing both employment and accommodation.

Given the design and operation of these four programs and their selection, screening, orientation, placement, and monitoring of program participants, the Agency is satisfied that statutory conformity is possible. Accordingly, the Agency has determined that these four Summer Travel/Work programs should be allowed to expand both their number of program participants and the countries from which they are selected. Program guidelines have been developed and the four programs currently selecting, screening, orienting, placing, and monitoring their program enter each year for this purpose.

The 1990 GAO report was the catalyst for what has become a five year debate regarding the public diplomacy value of Summer Travel/Work programs and the Agency's legal authority to continue them under the aegis of the Fulbright-Hays Act. The debate surrounding these programs occurs entirely along the fault lines that necessarily underlie the intersection of law and policy. The legal considerations of this debate are straightforward, while the policy considerations are less so.

Statutory Considerations

The Immigration and Nationality Act, as amended, sets forth at 8 U.S.C.

1101(a)(15)(J) an alien's statutory eligibility for entry into the United States on a J visa. The J visa was created, as a provision of the Fulbright-Hays Act, to facilitate educational and cultural exchange activities. Pursuant to the provisions of 1101(a)(15)(J), an exchange visitor is defined as:

(J) an alien having a residence in a foreign country which he has no intention of abandoning who is a bona fide student, scholar, trainee, teacher, professor, research assistant, specialist, or leader in a field of specialized knowledge or skill, or other person of similar description, who is coming temporarily to the United States as a participant in a program designated by the Director of the United States Information Agency, for the purpose of teaching, instructing or lecturing, studying, observing, conducting research, consulting, demonstrating special skills, or receiving training and who, if he is coming to the United States to participate in a program under which he will receive graduate medical education or training, also meets the requirements of section 212(j), and the alien spouse and minor children of any such alien if accompanying him or following to join him:

Given this statutory definition of an exchange participant, the GAO concluded that persons entering the United States to participate in Summer Travel/Work programs did not fall within the statutory parameters of the Fulbright-Hays Act and the Immigration and Nationality Act. Specifically, the GAO opined that the Summer Travel/Work programs do not require participants to engage in those activities set forth in both Acts.

In response to this GAO report, the Agency published a Statement of Policy and Notice in the Federal Register on August 13, 1990 (55 FR 32906.) This notice advised the public and those organizations facilitating Summer Travel/Work programs that, in light of the GAO report, a legal and policy review of the programs would be undertaken. This notice further advised that upon a favorable determination regarding the foreign policy value of these programs, the Agency would consider whether regulations could be drafted to conform the programs with existing law. The notice also advised that, in the alternative, the Agency might pursue legislation to specifically authorize the continuation of the programs.

As the debate regarding statutory authority began, the Agency received two well-reasoned and thorough legal memoranda suggesting the Agency did in fact possess adequate legal authority to facilitate Summer Travel/Work programs. These memoranda proved unpersuasive. Accordingly, the Agency remained unconvinced that it possessed sufficient statutory authority to facilitate Summer Travel/Work programs and so advised the Congress by letter dated June 10, 1991.

Additional support for this Agency determination was subsequently provided by a GAO Office of General Counsel letter opinion dated July 8, 1992. This letter opinion set forth a review of both the statutory language and legislative history of the Fulbright-Hays Act. The GAO affirmed its legal opinion set forth in the 1990 report but suggested that the Agency may be able to bring Summer Travel/Work programs into statutory compliance, stating:

Notwithstanding our conclusions, given the broad authority an agency has in promulgating regulations and implementing an activity conferred upon it by statute, Powell v. Schweiker, 688 F. 2d 1357, 1360–61 11th Cir. 1982), we think USIA could revise its regulations to establish trainee, summer student travel/work and international camp counselor programs that are consistent with the J-visa statute. We emphasize that any determination about the propriety of these programs must begin with the J-visa statute. If a program involves individuals whose status is comprehended by the categories set forth in the J-visa statute, and the statute authorizes the activity that such individuals will pursue, then the program would be consistent with the intent of the J-visa statute. These categories and activities intend an educational or cultural purpose.

Thus, the Agency laid to rest the question of whether it possessed sufficient statutory authority to continue Summer Travel/Work programs as currently configured. Having determined that it did in fact lack such authority, the Agency turned its attention to an examination of the policy and public diplomacy aspects underlying these activities.

Policy Considerations

Summer Travel/Work programs have been designated by the Agency for over twenty five years. When these programs began, a strict reciprocal element mandated that the number of United States students outbound from the United States approximate the number of foreign students inbound. Annual consultations with the program's sponsoring organizations were held and the number of participants for that year established. An additional requirement limited participation to foreign students lacking sufficient funds to enter the United States as tourists. Periodic reminders of this underlying policy were also transmitted to sponsoring organizations. The policy underlying these two requirements attempted to (i) ensure no adverse domestic labor market impact resulted from the activity; and (2) that only those persons otherwise financially unable to visit the United States would benefit from this opportunity.

These original policy objectives have been seriously eroded with the passage of time. Exchange programs facilitated under the auspices of the Fulbright-Hays Act must, as a matter of policy and law, have an underlying educational or cultural programmatic component which promotes the Act's raison d'etre of mutual understanding. Critics generally suggest that Summer Travel/Work programs do not possess an educational or cultural exchange component even when such terms are given their broadest of interpretations. Conversely, advocates of these programs suggest that ''experiential'' learning, whereby the participant gains insight into the American lifestyle and culture through travel and employment, does in fact fulfill the expected programmatic educational or cultural component.

The Agency's interpretation of what is an acceptable educational or cultural programmatic component is often quite broad. However, the Agency has determined that it is unable to adopt the concept of ''experiential'' learning as sufficient legal justification, in and of itself, for an exchange activity under the Fulbright-Hays Act. To do so, would suggest that any time an alien enters the country as a visitor for business or pleasure or as a temporary worker, an educational or cultural exchange occurs.

In light of this determination, and pursuant to the discussion set forth below, the Agency is willing, in general, to accept, ''experiential'' programs that otherwise incorporate those programmatic components common to all other exchange activities designated by the Agency.

The Components of Exchange

Since 1990, the Agency has engaged in an on-going review of the policy and public diplomacy considerations underpinning exchange activities. This review has proven useful in responding participants have agreed to abide by these guidelines in the absence of program specific regulations.

Because the remaining Summer Travel/Work sponsor does not operate its program in the manner that the Agency has determined would meet all threshold statutory requirements, the Agency is unable to allow this program to expand in size or scope. Thus, this sponsor will continue to be limited to the numerical program size at which it operated when statutory deficiencies were identified in February of 1990. In similar fashion, this sponsor will also be

limited to recruitment in only those countries in which it was operating Summer Travel/Work programs in 1990.

The Agency has agreed to permit the continued operation of this program under these terms notwithstanding its determination that such a program design continues to suffer certain statutory deficiencies. As agreed with the sponsor, the Agency will allow a two year period of continued study of this matter for the purpose of addressing the policy considerations arising from possible adverse domestic labor market impact due to the lack of preplacement. The Agency will seek the advice and counsel of the U.S. Department of Labor regarding labor market considerations and will continue this additional period of review until March 1, 1998.

List of Subjects in 22 CFR Part 514

Cultural exchange programs.

Dated: March 22, 1996.

Les Jin,

General Counsel.

Guidelines for Summer Work/travel Programs

In lieu of specific programmatic regulations governing the administration of Agency-designated Summer Travel/Work programs, the guidelines set forth below are hereby adopted by the Agency and shall be binding upon all newly designated programs and the existing Summer Travel/Work programs operated by the American Institute for Foreign Study, YMCA InterExchange, and Camp Counselors USA. These guidelines may be amended by the Agency at any time and shall remain in full force and effect until rescinded or Superseded by duly promulgated regulations.

(a) Introduction. These guidelines shall apply to the above described program sponsors and their administration of exchange visitor programs under which foreign university students are afforded the opportunity to travel and pursue employment in the United States for a four month period corresponding with their summer vacation.

(b) Participant Selection and Screening. In addition to satisfying the requirements set forth at § 514.10(a), sponsors shall adequately screen all program participants and at a minimum:

(1) Conduct an in person interview; and

(2) Ensure that the participant is a bona fide post-secondary school student is his or her home country; and

(3) Ensure that not more than ten percent of selected participants have previously participated in a summer travel/work program.

(c) Participant Orientation. Sponsors shall provide participants prior to their departure from the home country information regarding:

(1) The name and location of their employer; and

(2) Any contractual obligations related to their acceptance of paid employment in the United States.

(d) Participant Placements. Sponsors shall not facilitate the entry into the United States of any program participant for whom an employment position has not been arranged.

(e) Participant Compensation. Sponsors shall ensure that program participants receive pay and benefits commensurate with those offered to their American counterparts.

(f) Monitoring. Sponsors shall provide:

(1) All participants with a telephone number which allows 24 hour immediate contact with the sponsor; and

(2) Appropriate assistance to program participants on an as needed emergency basis.

(g) Placement report. In lieu of listing the name and address of the participant's pre-arranged employer on the form IAP–66 sponsors shall submit to the Agency a report of all participant placements. Such report shall reflect the participant's name, place of employment, and the number of times the participant has previously participated in any summer travel/work program. Such report shall be submitted semi-annually on January 30th and July 30th of each year and shall reflect placements made in the preceding six month period.

(h) Unauthorized activities. Placement as domestic employees in United States households is expressly prohibited.

[FR Doc. 96–7592 Filed 3–27–96; 8:45 am]

BILLING CODE 8230–01–M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 8597]

RIN 1545–AT58

Consolidated Groups and Controlled Groups—Intercompany Transactions and Related Rules; Correction

AGENCY: Internal Revenue Service, Treasury.

ACTION: Correction to final regulations.

SUMMARY: This document contains corrections to final regulations [TD 8597] which were published in the Federal Register for Tuesday, July 18, 1995 (60 FR 36671). The final regulations amend the intercompany transaction system of the consolidated return regulations.

EFFECTIVE DATE: July 18, 1995.

FOR FURTHER INFORMATION CONTACT: Roy Hirschhorn of the Office of Assistant Chief Counsel (Corporate), (202) 622–7770 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are the subject of these corrections are under sections 1502 and 267 of the Internal Revenue Code.

Need for Correction

As published, TD 8597 contains errors that are in need of correction.

Correction of Publication

Accordingly, the publication of the final regulations which are the subject of FR Doc. 95–16973, is corrected as follows:

On page 36679, under amendatory instruction ''Par. 2.'', the first column in the table is corrected by removing the reference to ''1.263A–1T(b)(2)(vi)(B)'' and in the seven entries for ''1.263A-1T'' correct the number ''1.263A–1T'' to read ''1.263A–7T''.

Cynthia E. Grigsby,

Chief, Regulations Unit, Assistant Chief Counsel (Corporate).

[FR Doc. 96–7388 Filed 3–27–96; 8:45 am]

BILLING CODE 4830–01–U

26 CFR Part 301

[TD 8595]

RIN 1545–AI24

Payment of Internal Revenue Tax by Check or Money Order and Liability of Financial Institutions for Unpaid Taxes; Correction

AGENCY: Internal Revenue Service, Treasury.

ACTION: Correction to final regulations.

SUMMARY: This document contains a correction to final regulations [TD 8595] which were published in the Federal Register for Friday, April 28, 1995 (60 FR 20899). The final regulations relate to payments with respect to internal revenue taxes and internal revenue stamps by check or money order.

EFFECTIVE DATE: April 28, 1995.

FOR FURTHER INFORMATION CONTACT: Robert A. Walker, (202) 622–3640 (not a toll-free number).