

specific proposed actions to address it. Compliance: Required within the next six calendar months after the effective date of this AD, unless already accomplished.

To prevent failure of the flight control system caused by a corroded elevator torque tube, which could result in loss of control of the airplane, accomplish the following:

(a) Drill two .5-inch diameter holes in the inboard side of the elevator torque tube arm in accordance with the ACCOMPLISHMENT INSTRUCTIONS section of and as specified in Figure 1 of Fairchild Aircraft Service Bulletin (SB) 226-27-050 or Fairchild Aircraft SB 227-27-028, both Issued: January 22, 1990, as applicable.

(b) Inspect the elevator torque tube in accordance with the ACCOMPLISHMENT INSTRUCTIONS section of Fairchild Aircraft SB 226-27-050 or Fairchild Aircraft SB 227-27-028, both Issued: January 22, 1990, as applicable.

(1) If corrosion is found inside the elevator torque tube, prior to further flight after the inspection required by paragraph (b) of this AD, replace the corroded elevator torque tube with a P/N 27-44026-007 elevator torque tube in accordance with the applicable maintenance manual.

(2) If corrosion is not found inside the elevator torque tube, prior to further flight after the inspection required by paragraph (b) of this AD, apply a corrosion preventive compound in accordance with the ACCOMPLISHMENT INSTRUCTIONS section of Fairchild Aircraft SB 226-27-050 or Fairchild Aircraft SB 227-27-028, both Issued: January 22, 1990, as applicable.

(c) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

(d) An alternative method of compliance or adjustment of the compliance time that provides an equivalent level of safety may be approved by the Manager, Airplane Certification Office (ACO), FAA, 2601 Meacham Boulevard, Fort Worth, Texas 76193-0150. The request shall be forwarded through an appropriate FAA Maintenance Inspector, who may add comments and then send it to the Manager, Fort Worth ACO.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Fort Worth ACO.

(e) The drilling, inspection, and application required by this AD shall be done in accordance with Fairchild Aircraft Service Bulletin 226-27-050 or Fairchild Service Bulletin 227-27-028, both Issued: January 22, 1990. This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from Fairchild Aircraft, P.O. Box 790490, San Antonio, Texas 78279-0490. Copies may be inspected at the FAA, Central Region, Office of the Assistant Chief Counsel, Room 1558, 601 E. 12th Street, Kansas City, Missouri, or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

(f) This amendment (39-9782) becomes effective on November 29, 1996.

Issued in Kansas City, Missouri, on October 10, 1996.

Marvin R. Nuss,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 96-26705 Filed 10-18-96; 8:45 am]

BILLING CODE 4910-13-U

DEPARTMENT OF COMMERCE

Bureau of Export Administration

15 CFR Parts 734, 740, 742, 752, 771A, 774, 776A and 799A

[Docket No. 960928265-6265-01]

RIN 0694-AB09

Commercial Communications Satellites and Hot Section Technology for the Development, Production or Overhaul of Commercial Aircraft Engines

AGENCY: Bureau of Export Administration, Commerce.

ACTION: Interim final rule.

SUMMARY: This interim final rule amends parts 774 and 799A of the Export Administration Regulations (the Commerce Control List) by revising Export Control Classification Numbers (ECCNs) 9A04A and 9A004 to control all commercial communications satellites. This interim final rule also amends the Export Administration Regulations (EAR) by imposing enhanced national security and foreign policy controls on all commercial communications satellites controlled under ECCNs 9A04.a. and 9A004.a. and hot section technology for the development, production or overhaul of commercial aircraft engines controlled under ECCNs 9E03.a.1 through a.12, .f and related controls, and 9E003.a.1 through a.12., .f and related controls, to supplement the national security controls on those items. The provisions of this interim final rule apply for items transferred from the USML to the CCL and to license applications for those items received after the effective date of this rule.

This interim final rule also amends the EAR to exclude commercial communications satellites and hot section technology from the *de minimis* provisions for items and commingled technology exported from abroad, from the mandatory foreign availability decontrol or export licensing provisions of the EAR, and from Special Comprehensive License eligibility. Finally, this interim final rule also

amends the licensing policy provisions of parts 742 and 776A of the EAR to reflect these new national security and foreign policy controls, providing for case-by-case review of applications for export and reexport to all destinations to determine if the export or reexport is consistent with U.S. national security and foreign policy interests.

Exporters are advised that license applications for commercial communications satellites controlled under ECCN 9A04.a. and 9A004.a., and hot section technology controlled under ECCN 9E03.a.1. through a.12 and .f, and related controls, and 9E003.a.1. through a.12 and .f, and related controls, will be subject to full interagency review in accordance with Executive Order 12981 of December 5, 1995 (60 FR 62981), as amended.

The EAR have been totally revised by an interim rule published on March 25, 1996 (61 FR 12714) that provides for a transition period within which exporters can take advantage of both the old rules and the new rules until November 1, 1996. Therefore, this interim final rule and all other amendments to the EAR during the transition period will amend both the new EAR and the old EAR, which are now designated with the letter "A" following the part number.

DATES Effective Date: This interim final rule is effective October 21, 1996 except the amendments to parts 776A and 799A are effective October 21, 1996 until November 1, 1996.

Comments: Comments must be received December 5, 1996.

ADDRESSES: Written comments should be sent to Nancy Crowe, Regulatory Policy Division, Office of Exporter Services, Bureau of Export Administration, Room 2705, 14th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20230.

FOR FURTHER INFORMATION CONTACT: Gene Christiansen, Office of Strategic Trade, Telephone: (202) 482-2984.

SUPPLEMENTARY INFORMATION:

Background

On October 23, 1992, the Bureau of Export Administration added a new ECCN 9A04 to the CCL to control certain commercial communications satellites previously controlled on the USML.

On March 25, 1996, BXA published an interim rule in the Federal Register (61 FR 12714) that completely revised and simplified the EAR, and redesignated the parts of the EAR prior to publication of that rule (15 CFR parts 768-799) by including an "A" following the part number (e.g., old part 768 is

now part 768A). The March 25 rule was effective April 24, 1996, and all EAR parts designated with "A" are effective until November 1, 1996. This interim final rule therefore amends the relevant parts of the EAR that end in "A" that were in effect prior to April 25, 1996 as well as the provisions of the new EAR. For example, commercial communications satellites are included under ECCN 9A04 in the old regulations (Supplement No. 1 § 799A.1 of the EAR), and under ECCN 9A004 in the new regulations (Supplement No. 1 part 774 of the EAR). Hot section technology for commercial aircraft engines is under ECCN 9E03 in the old regulations, and ECCN 9E003 in the new regulations.

This interim final rule amends ECCNs 9A04 and 9A004 on the CCL by removing the nine characteristics that identified commercial communications satellites under the jurisdiction of the Department of State. Such satellites are therefore now controlled on the CCL. The Department of State is publishing in the Federal Register a separate rule that removes commercial communications satellites from the USML. This interim final rule also amends the EAR by expanding national security controls and imposing foreign policy controls on commercial communications satellites controlled under ECCNs 9A04 and 9A004.

Space launch vehicles and all detailed design, development, production, or manufacturing data for all spacecraft including satellites, regardless of which government agency has jurisdiction over the export of the spacecraft, remains subject to the licensing authority of the Department of State. Commercial communications satellites are subject to Commerce licensing jurisdiction even if they include the individual munitions list systems, components, or parts identified in Category XV(f) of the USML. In all other cases, these systems, components, or parts remain on the USML, except that non-embedded, solid propellant orbit transfer engines ("kick motors") are subject to Commerce licensing jurisdiction (and not controlled under the USML) when they are to be utilized for a specific commercial communications satellite launch, provided the solid propellant "kick motor" being utilized is not specifically designed or modified for military use or capable of being restarted after achievement of mission orbit (such orbit transfer engines are always controlled under Category IV of the USML). Technical data, as defined in 120.21 of the ITAR, and defense services as defined in 120.8 of the ITAR, related to the systems, components, or parts referred to in Category XV(f) of the

USML are always controlled under the USML, even when the satellite itself is licensed by the Department of Commerce.

Technical data provided to the launch provider (form, fit, function, mass, electrical, mechanical, dynamic/environmental, telemetry, safety, facility, launch pad access, and launch parameters) for commercial communications satellites that describe the interfaces for mating of the satellite to the launch vehicle and parameters for launch (e.g. orbit, timing) of the satellite is under Commerce jurisdiction. Other technical data and all defense services and technical assistance for satellites and/or launch vehicles, including compatibility, integration, or processing data are controlled and subject to licensing by the Department of State, in accordance with 22 CFR Part 120 through 130. Approval for such technical assistance will require a Technical Assistance Agreement (TAA) and may require U.S. Government oversight.

This interim final rule also revises the List of Items Controlled under ECCNs 9E003 and 9E03 by adding a new paragraph .f to control technology not otherwise controlled in 9E003.a.1. through a.12 and 9E03.a.1. through a.12, and currently used in the development, production or overhaul of hot section parts and components of civil derivatives of military engines controlled on the U.S. Munitions List. This interim final rule also imposes enhanced national security and foreign policy controls on hot section technology for the development, production or overhaul of commercial aircraft engines controlled under ECCN 9E03.a.1. through a.12., .f and related controls, and 9E003.a.1. through a.12., .f and related controls. Note that this interim final rule does not change controls on developmental aircraft controlled under ECCNs 9A91 and 9A991. Hot section technology specifically designed, modified, or equipped for military uses or purposes, or developed principally with U.S. Department of Defense funding, is subject to the jurisdiction of the Department of State. Technology is subject to the EAR when actually applied to a commercial aircraft engine program. Exporters may seek to establish commercial application either on a case-by-case basis through submission of documentation demonstrating application to a commercial program in support of a request for an export license from Commerce in respect to a specific export or, in the case of use for broad categories of aircraft, engines, or components, a

commodity jurisdiction determination from State.

A license will be required for all exports and reexports to all destinations, except Canada, of commercial communications satellites controlled under ECCNs 9A04.a. and 9A004.a. and for hot section technology controlled under ECCNs 9E03.a.1. through a.12 and .f. and 9E003.a.1. through a.12 and .f. These items are not eligible for a Special Comprehensive License, and they are not subject to the mandatory foreign availability decontrol or export licensing provisions of the EAR. Exporters are advised that license applications for commercial communications satellites and hot section technology will be subject to full interagency review in accordance with Executive Order 12981 of December 5, 1995 (60 FR 62981). Applications for exports and reexports will be reviewed on a case-by-case basis to determine whether the export or reexport is consistent with U.S. national security and foreign policy interests. Specifically, the following factors are among those that will be considered to determine what action will be taken on license applications:

- (1) The country of destination;
- (2) The ultimate end-users;
- (3) The technology involved;
- (4) The specific nature of the end-use(s); and
- (5) The types of assurance against unauthorized use or diversion that are given in a particular case.

This interim final rule also amends part 734 of the EAR to exclude commercial communications satellites and hot section technology from the *de minimis* provisions for items and commingled technology exported from abroad, and amends parts 740 and 771A to exclude commercial communications satellites and hot section technology from License Exception GOV and General License GCG. Finally, this interim final rule also amends parts 738 and 742, and §§ 776A.2 and 776A.20 of the EAR to reflect the new foreign policy controls imposed by this interim final rule.

This interim final rule involves no new curtailment of exports, because the transfer or removal of items from the United States Munitions List to the CCL maintains a continuity of controls. Therefore, the provisions regarding the impact of new controls do not apply and contract sanctity also does not apply to this imposition of controls.

Consistent with the provisions of section 6 of the Export Administration Act, a foreign policy report was submitted to Congress on October 17, 1996, notifying the Congress of the

Department's intention to impose controls on commercial communications satellite and hot section technology associated with commercial aircraft engines that will be controlled on the CCL and subject to new control procedures.

Although the Export Administration Act (EAA) expired on August 20, 1994, the President invoked the International Emergency Economic Powers Act and continued in effect, to the extent permitted by law, the provisions of the EAA and the EAR in Executive Order 12924 of August 19, 1994, notice of August 15, 1995 (60 FR 42767), and August 14, 1996 (61 FR 42527).

Rulemaking Requirements

1. This interim final rule has been determined to be significant for purposes of E. O. 12866.

2. Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with a collection of information, subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number. This interim final rule involves collections of information subject to the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*). These collections have been approved by the Office of Management and Budget under control numbers 0694-0088.

3. This interim final rule does not contain policies with Federalism implications sufficient to warrant preparation of a Federalism assessment under Executive Order 12612.

4. Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this interim final rule by under 5 U.S.C. 553 or by any other law, this rule is not subject to the requirements of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*)

5. The provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, the opportunity for public participation, and a delay in effective date, are inapplicable because this regulation involves a military and foreign affairs function of the United States (Sec. 5 U.S.C. 553(a)(1)). Further, no other law requires that a notice of proposed rulemaking and an opportunity for public comment be given for this interim final rule.

However, because of the importance of the issues raised by these regulations, this rule is issued in interim final form and comments will be considered in the development of final regulations.

Accordingly, the Department encourages interested persons who wish to comment to do so at the earliest possible time to permit the fullest consideration of their views.

The period for submission of comments will close December 5, 1996. The Department will consider all comments received before the close of the comment period in developing final regulations. Comments received after the end of the comment period will be considered if possible, but their consideration cannot be assured. The Department will not accept public comments accompanied by a request that a part or all of the material be treated confidentially because of its business proprietary nature or for any other reason. The Department will return such comments and materials to the person submitting the comments and will not consider them in the development of final regulations. All public comments on these regulations will be a matter of public record and will be available for public inspection and copying. In the interest of accuracy and completeness, the Department requires comments in written form.

Oral comments must be followed by written memoranda, which will also be a matter of public record and will be available for public review and copying. Communications from agencies of the United States Government or foreign governments will not be made available for public inspection.

The public record concerning these regulations will be maintained in the Bureau of Export Administration Freedom of Information Records Inspection Facility, Room 4525, Department of Commerce, 14th Street and Pennsylvania Avenue, N.W., Washington, DC 20230. Records in this facility, including written public comments and memoranda summarizing the substance of oral communications, may be inspected and copied in accordance with regulations published in Part 4 of Title 15 of the Code of Federal Regulations. Information about the inspection and copying of records at the facility may be obtained from Margaret Cornejo, Bureau of Export Administration Freedom of Information Officer, at the above address or by calling (202) 482-5653.

List of Subjects

15 CFR Part 734

Administrative practice and procedure, Exports, Foreign trade.

15 CFR Parts 742 and 774

Exports, Foreign trade.

15 CFR Parts 740 and 752

Administrative practice and procedure, Exports, Foreign trade, Reporting and recordkeeping requirements.

15 CFR Parts 771A, 776A and 799A

Exports, Reporting and recordkeeping requirements.

Accordingly, parts 734, 742, 752, 771A, 774, 776A and 799A of the Export Administration Regulations (15 CFR Parts 730-799) are amended as follows:

1. The authority citation for 15 CFR part 734 continues to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 12924, 59 FR 43437, 3 CFR, 1994 Comp., p. 917; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; Notice of August 15, 1995 (60 FR 42767, August 17, 1995); Notice of August 14, 1996 (61 FR 42527).

2. The authority citation for 15 CFR part 740 continues to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 12924, 59 FR 43437, 3 CFR, 1994 Comp., p. 917; Notice of August 15, 1995 (60 FR 42767, August 17, 1995); Notice of August 14, 1996 (61 FR 42527).

3. The authority citation for 15 CFR part 742 continues to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 18 U.S.C. 2510 *et seq.*; 22 U.S.C. 3201 *et seq.*; 42 U.S.C. 2139a; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12924, 59 FR 43437, 3 CFR, 1994 Comp., p. 917; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; Notice of August 15, 1995 (60 FR 42767, August 17, 1995); Notice of August 14, 1996 (61 FR 42527).

4. The authority citation for 15 CFR part 752 continues to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 12924, 59 FR 43437, 3 CFR, 1994 Comp., p. 917; Notice of August 15, 1995 (60 FR 42767, August 17, 1995); Notice of August 14, 1996 (61 FR 42527).

5. The authority citation for 15 CFR part 774 continues to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 10 U.S.C. 7420; 10 U.S.C. 7430(e); 18 U.S.C. 2510 *et seq.*; 22 U.S.C. 287c; 22 U.S.C. 3201 *et seq.*; 22 U.S.C. 6004; Sec. 201, Pub. L. 104-58, 109 Stat. 557 (30 U.S.C. 185(s)); 30 U.S.C. 185(u); 42 U.S.C. 2139a; 42 U.S.C. 6212; 43 U.S.C. 1354; 46 U.S.C. app. 466c; 50 U.S.C. app. 5; E.O. 12924, 59 FR 43437, 3 CFR, 1994 Comp., p. 917; Notice of August 15, 1995 (60 FR 42767, August 17, 1995); Notice of August 14, 1996 (61 FR 42527).

6. The authority citation for 15 CFR part 776A continues to read as follows:

Authority: 50 U.S.C. App. 5, as amended; Pub. L. 264, 59 Stat. 619 (22 U.S.C. 287c), as amended; Pub. L. 90-351, 82 Stat. 197 (18

U.S.C. 2510 *et seq.*), as amended; Pub. L. 95-223, 91 Stat. 1626 (50 U.S.C. 1701 *et seq.*); Pub. L. 95-242, 92 Stat. 120 (22 U.S.C. 3201 *et seq.* and 42 U.S.C. 2139a); Pub. L. 96-72, 93 Stat. 503 (50 U.S.C. App. 2401 *et seq.*), as amended; Pub. L. 102-484, 106 Stat. 2575 (22 U.S.C. 6004); E.O. 12002 of July 7, 1977 (42 FR 35623, July 7, 1977), as amended; E.O. 12058 of May 11, 1978 (43 FR 20947, May 16, 1978); E.O. 12214 of May 2, 1980 (45 FR 29783, May 6, 1980); E.O. 12730 of September 30, 1990 (55 FR 40373, October 2, 1990), as continued by Notice of September 25, 1992 (57 FR 44649, September 28, 1992); E.O. 12924 of August 19, 1994 (59 FR 43437, August 23, 1994); E.O. 12938 of November 14, 1994 (59 FR 59099 of November 16, 1994).

7. The authority citation for 15 CFR parts 771A and 799A continues to read as follows:

Authority: 50 U.S.C. App. 5, as amended; Pub. L. 264, 59 Stat. 619 (22 U.S.C. 287c), as amended; Pub. L. 90-351, 82 Stat. 197 (18 U.S.C. 2510 *et seq.*), as amended; sec. 101, Pub. L. 93-153, 87 Stat. 576 (30 U.S.C. 185), as amended; sec. 103, Pub. L. 94-163, 89 Stat. 877 (42 U.S.C. 6212), as amended; secs. 201 and 201(11)(e), Pub. L. 94-258, 90 Stat. 309 (10 U.S.C. 7420 and 7430(e)), as amended; Pub. L. 95-223, 91 Stat. 1626 (50 U.S.C. 1701 *et seq.*); Pub. L. 95-242, 92 Stat. 120 (22 U.S.C. 3201 *et seq.* and 42 U.S.C. 2139a); sec. 208, Pub. L. 95-372, 92 Stat. 668 (43 U.S.C. 1354); Pub. L. 96-72, 93 Stat. 503 (50 U.S.C. App. 2401 *et seq.*), as amended; Pub. L. 102-484, 106 Stat. 2575 (22 U.S.C. 6004); E.O. 12002 of July 7, 1977 (42 FR 35623, July 7, 1977), as amended; E.O. 12058 of May 11, 1978 (43 FR 20947, May 16, 1978); E.O. 12214 of May 2, 1980 (45 FR 29783, May 6, 1980); E.O. 12730 of September 30, 1990 (55 FR 40373, October 2, 1990), as continued by Notice of September 25, 1992 (57 FR 44649, September 28, 1992); E.O. 12924 of August 19, 1994 (59 FR 43437, August 23, 1994); E.O. 12938 of November 14, 1994 (59 FR 59099 of November 16, 1994).

PART 734—[AMENDED]

§ 734.4 [Redesignated (b) through (f) as (c) through (g)]

8. Section 734.4 is amended by:

- a. Redesignating paragraphs (b) through (f) as (c) through (g) respectively; and
- b. Adding new paragraphs (b) and (h) to read as follows:

§ 734.4 De minimis U.S. content.

* * * * *

(b) There is no *de minimis* level for the reexport of foreign-origin items that incorporate items controlled by ECCN 9A004.a.

* * * * *

(h) Notwithstanding the provisions of paragraphs (c) and (d) of this section, U.S.-origin technology controlled under ECCNs 9E003.a.1. through a.12. and .f, and related controls does not lose its U.S.-origin when it is redrawn, used,

consulted, or otherwise commingled abroad in any respect with other technology of any other origin. Therefore, any subsequent or similar technology prepared or engineered abroad for the design, construction, operation, or maintenance of any plant or equipment, or part thereof, which is based on or uses any U.S.-origin technology controlled under ECCNs 9E003.a.1. through a.12. and .f, and related controls is subject to the EAR.

PART 740—[AMENDED]

§ 740.6 [Amended]

9. Section 740.6 is amended by:

- a. Redesignating paragraphs (b)(2)(iii) (A) through (C) as (b)(2)(iii) (B) through (D);
- b. Redesignating paragraphs (b)(2)(iv) (A) through (C) as (b)(2)(iv) (B) through (D); and
- c. Adding new paragraphs (b)(2)(iii)(A) and (b)(2)(iv)(A) to read as follows:

§ 740.6 Governments and international organizations (GOV).

* * * * *

(b) * * *

(2) * * *

(iii) * * *

(A) Commercial communications satellites controlled under ECCN 9A004 and hot section technology for the development, production or overhaul of commercial aircraft engines controlled under ECCN 9E003.a.1 through a.12. and .f, and related controls;

* * * * *

(iv) * * *

(A) Commercial communications satellites controlled under ECCN 9A004 and hot section technology for the development, production or overhaul of commercial aircraft engines controlled under ECCN 9E003.a.1 through a.12. and .f, and related controls;

* * * * *

PART 742—[AMENDED]

10. Part 742 is amended by adding new § 742.14 to read as follows:

§ 742.14 Significant items: commercial communications satellites; hot section technology for the development, production or overhaul of commercial aircraft engines, components, and systems.

(a) *License requirements.* Licenses are required for all destinations, except Canada, for ECCNs having an "SI" under the "Reason for Control" paragraph. These items include commercial communications satellites controlled by ECCN 9A004.a., and hot section technology for the development, production or overhaul of commercial

aircraft engines controlled under ECCN 9E003.a.1. through a.12., .f, and related controls.

(b) *Licensing policy.* Pursuant to section 6 of the Export Administration Act of 1979, as amended (EAA), foreign policy controls apply to commercial communications satellites controlled under 9A004.a. and technology required for the development, production or overhaul of commercial aircraft engines controlled by ECCN 9E003.a.1. through a.12. .f, and related controls. These controls supplement the national security controls that apply to those items. Applications for export and reexport to all destinations will be reviewed on a case-by-case basis to determine whether the export or reexport is consistent with U.S. national security and foreign policy interests. The following factors are among those that will be considered to determine what action will be taken on license applications:

- (1) The country of destination;
- (2) The ultimate end-user(s);
- (3) The technology involved;
- (4) The specific nature of the end-user(s); and
- (5) The types of assurance against unauthorized use or diversion that are given in a particular case.

(c) *Contract sanctity.* Contract sanctity provisions are not available for license applications reviewed under this § 742.14.

(d) [Reserved]

PART 752—[AMENDED]

§ 752.3 [Amended]

11. Section 752.3 is amended by redesignating paragraphs (a)(7) and (a)(8) as (a)(9) and (a)(10) respectively, and by adding new paragraphs (a)(7) and (a)(8) to read as follows:

§ 752.3 Eligible items.

(a) * * *

(7) Commercial communications satellites controlled under ECCN 9A004.a on the CCL;

(8) Hot section technology for the development, production or overhaul of commercial aircraft engines controlled under ECCN 9E003.a.1. through a.12. .f, and related controls;

* * * * *

PART 771A—[AMENDED]

12. Section 771A.14 is amended by adding a new paragraph (d)(4) to read as follows:

§ 771A.14 General License GCG; Shipments to agencies of cooperating government.

* * * * *

(d) * * *

(4) No commercial communications satellites controlled under ECCN 9A04.a. or hot section technology for the development, production or overhaul of commercial aircraft engines controlled under ECCN 9E03.a.1 through a.12, and .f, and related controls may be exported under this general license.

PART 774—[AMENDED]

Supplement to Part 774, Category 9
[Revised]

13. In Supplement No. 1 to part 774 (the Commerce Control List), Category 9 (Propulsion Systems, Space Vehicles, and Related Equipment), ECCNs 9A004 and 9E003 are revised to read as follows:

9A004 “Spacecraft”, (not including their payloads) and specially designed components therefor that are not subject to the authority of the Department of State. (See notes.)

License Requirements

Reason for Control: NS, AT, SI.

Control(s)	Country chart
NS applies to entire entry	NS Column 1.
AT applies to entire entry	AT Column 1.

SI applies to commercial communications satellites controlled by 9A004.a. See § 742.14 of the EAR for additional information.

License Exceptions

LVS: N/A
GBS: N/A
CIV: N/A

List of Items Controlled

Unit: Equipment in number; systems, components, parts and accessories in \$ value.

Related Controls: (1) The corresponding EU list number controls space launch vehicles (not including their payloads) and other “spacecraft” (not identified in this CCL entry). These items are subject to the export licensing authority of the U.S. Department of State, Office of Defense Trade Controls (See 22 CFR part 121, Category XV). For the control status of products contained in “spacecraft” payloads, see the appropriate categories of the U.S. Munitions List (USML). (2) For the control status of items contained in “spacecraft” payloads subject to the EAR, see the appropriate entries on the CCL.

Related Definition: Transferring registration or operational control to any foreign person of any commercial communications satellite controlled by this entry must be authorized on a license issued by the Bureau of Export Administration. This requirement applies whether the commercial communications satellite is physically located in the United States or abroad.

List of Items Controlled

a. Commercial communication satellites;

Technical Note: Commercial communications satellites are subject to Commerce licensing jurisdiction even if they include the individual munitions list systems, components, or parts identified in Category XV(f) of the USML. In all other cases, these systems, components, or parts remain on the USML, except that non-embedded, solid propellant orbit transfer engines (“kick motors”) are subject to Commerce licensing jurisdiction (and not controlled under the USML) when they are to be utilized for the specific commercial communications satellite launch, provided the solid propellant “kick motor” being utilized is not specifically designed or modified for military use or capable of being restarted after achievement of mission orbit (such orbit transfer engines are always controlled under Category IV of the USML). Technical data (as defined in § 120.21 of the International Traffic in Arms Regulations (ITAR)) and defense services (as defined in § 120.8 of the ITAR) related to the systems, components, or parts referred to in Category XV(f) of the USML are always controlled under the USML, even when the satellite itself is licensed by the Department of Commerce.

Note: Military communications satellites or multi-mission satellites, including commercial communications satellites having additional non-communication mission(s) or payload(s) are under the jurisdiction of the Department of State.

b. [Reserved]

c. Other “spacecraft” not subject to the export licensing authority of the U.S. Department of State, Office of Defense Trade Controls under 22 CFR part 121, Category XV.

Notes: 1. ECCN 9A004.c includes the international space station being developed, launched and operated under the supervision of the U.S. National Aeronautics and Space Administration. Exporters requesting a license from the Department of Commerce for spacecraft other than the international space station or a commercial communications satellite specified in 9A004 must provide a statement from the Department of State, Office of Defense Trade Controls, verifying that the item intended for export is under the licensing jurisdiction of the Department of Commerce.

2. All other spacecraft, including all other satellites not controlled under 9A004 and components, parts, accessories, attachments, associated equipment, and ground support equipment therefor are subject to the export licensing authority of the Department of State.

3. Items on Category XV(f) of the USML that are included in a commercial communications satellite to be exported under a Commerce license must be specifically listed on the Commerce license application. Such items when not included in a specific commercial communications satellite are under the jurisdiction of the Department of State.

4. Technical data provided to the launch provider (form, fit, function, mass, electrical, mechanical, dynamic/environmental, telemetry, safety, facility, launch pad access, and launch parameters) for commercial

communications satellites that describe the interfaces for mating of the satellite to the launch vehicle and parameters for launch (e.g. orbit, timing) of the satellite, are under Commerce jurisdiction. Other technical data and all defense services and technical assistance for satellite and/or launch vehicles, including compatibility, integration, or processing data are controlled and subject to licensing by the Department of State, in accordance with 22 CFR parts 120 through 130. Approval for such technical assistance will require a Technical Assistance Agreement (TAA) and may require U.S. Government oversight.

5. Once a satellite is launched, items remaining unlaunched are required to be returned immediately to the United States. If the satellite launch is canceled or unduly delayed, the satellite and all support equipment must be returned immediately to the United States.

6. Detailed design, development, production, or manufacturing data for all spacecraft, including satellites, regardless of which agency has jurisdiction over the export, and all systems components, parts, accessories, attachments, and associated equipment (including ground support equipment) specifically designed or modified for articles under Category XV on the United States Munitions List (including software source code and operating algorithms) are subject to licensing by the Department of State. This does not include that level of technical data (including marketing data) necessary and reasonable for a purchaser to have assurance that a U.S.-built item intended to operate in space has been designed, manufactured and tested in conformance with specified contract requirements (e.g., operational performance, reliability, lifetime, product quality, or delivery expectations) as well as data necessary for normal in-orbit satellite operations, to evaluate in-orbit anomalies, and to operate and maintain associated ground station equipment (except encryption hardware).

* * * * *

9E003 Other “technology”.

License Requirements

Reason for Control: NS, AT, SI.

Control(s)	Country chart
NS applies to entire entry	NS Column 1.
AT applies to entire entry	AT Column 1.

SI applies to 9E003. a.1. through a.12 and f. See § 742.14 of the EAR for additional information.

License Exceptions

CIV: N/A
TSR: N/A

List of Items Controlled

Unit: N/A.

Related Controls: (1) The corresponding EU List number does not control technology controlled under 9E003.f. (2) Hot section technology specifically designed, modified,

or equipped for military uses or purposes, or developed principally with U.S. Department of Defense funding, is subject to the jurisdiction of the Department of State. (3) Technology is subject to the EAR when actually applied to a commercial aircraft engine program. Exporters may seek to establish commercial application either on a case-by-case basis through submission of documentation demonstrating application to a commercial program in requesting an export license from Commerce in respect to a specific export or, in the case of use for broad categories of aircraft, engines, or components, a commodity jurisdiction determination from State.

Items

a. "Technology" "required" for the "development", "production" or overhaul of the following commercial aircraft engines, components or systems:

a.1. Gas turbine blades, vanes or tip shrouds made from directionally solidified (DS) or single crystal (CS) alloys having (in the 001 Miller Index Direction) a stress-rupture life exceeding 400 hours at 1,273 K (1,000 °C) at a stress of 200 MPa, based on the average property values;

a.2. Multiple domed combustors operating at average burner outlet temperatures exceeding 1,643 K (1370 °C), or combustors incorporating thermally decoupled combustion liners, non-metallic liners or non-metallic shells;

a.3. Components manufactured from organic "composite" materials designed to operate above 588 K (315 °C), or from metal "matrix" "composite", ceramic "matrix", intermetallic or intermetallic reinforced materials controlled by 1A002 or 1C007;

a.4. Uncooled turbine blades, vanes, tip-shrouds or other components designed to operate at gas path temperatures of 1,323 K (1,050 °C) or more;

a.5. Cooled turbine blades, vanes or tip-shrouds, other than those described in 9E003.a.1, exposed to gas path temperatures of 1,643 K (1,370 °C) or more;

a.6. Airfoil-to-disk blade combinations using solid state joining;

a.7. Gas turbine engine components using "diffusion bonding" "technology" controlled by 2E003.b;

a.8. Damage tolerant gas turbine engine rotating components using powder metallurgy materials controlled by 1C002.b;

a.9. Full authority digital electronic engine controls (FADEC) for gas turbine and combined cycle engines and their related diagnostic components, sensors and specially designed components;

a.10. Adjustable flow path geometry and associated control systems for:

a.10.a. Gas generator turbines;

a.10.b. Fan or power turbines;

a.10.c. Propelling nozzles;

Note 1: Adjustable flow path geometry and associated control systems do not include inlet guide vanes, variable pitch fans, variable stators or bleed valves for compressors.

Note 2: 9E003.a.10 does not control "development" or "production" "technology" for adjustable flow path geometry for reverse thrust.

a.11. Rotor blade tip clearance control systems employing active compensating casing "technology" limited to a design and development data base;

a.12. Gas bearings for gas turbine engine rotor assemblies;

a.13. Wide chord hollow fan blades without part-span support;

Note: Also see 9E003.f.

b. "Technology" "required" for the "development" or "production" of:

b.1. Wind tunnel aero-models equipped with non-intrusive sensors capable of transmitting data from the sensors to the data acquisition system;

b.2. "Composite" propeller blades or propfans capable of absorbing more than 2,000 kW at flight speeds exceeding Mach 0.55;

c. "Technology" "required" for the "development" or "production" of gas turbine engine components using "laser", water jet or ECM/EDM hole drilling processes to produce holes with:

c.1.a. Depths more than four times their diameter;

c.1.b. Diameters less than 0.76 mm; and

c.1.c. Incidence angles equal to or less than 25°; or

c.2.a. Depths more than five times their diameter;

c.2.b. Diameters less than 0.4 mm; and

c.2.c. Incidence angles of more than 25°;

Technical Note: For the purposes of 9E003.c, incidence angle is measured from a plane tangential to the airfoil surface at the point where the hole axis enters the airfoil surface.

d. "Technology" "required" for the "development" or "production" of helicopter power transfer systems or tilt rotor or tilt wing "aircraft" power transfer systems:

d.1. Capable of loss-of-lubrication operation for 30 minutes or more; or

d.2. Having an input power-to-weight ratio equal to or more than 8.87 kW/kg.

e.1 "Technology" for the "development" or "production" of reciprocating diesel engine ground vehicle propulsion systems having all of the following:

e.1.a. A box volume of 1.2 m³ or less;

e.1.b. An overall power output of more than 750 kW based on 80/1269/EEC, ISO 2534 or national equivalents; and

e.1.c. A power density of more than 700 kW/m³ of box volume;

Technical Note: Box volume: the product of three perpendicular dimensions measured in the following way:

Length: The length of the crankshaft from front flange to flywheel face;

Width: The widest of the following:

a. The outside dimension from valve cover to valve cover;

b. The dimensions of the outside edges of the cylinder heads; or

c. The diameter of the flywheel housing;

Height: The largest of the following:

a. The dimension of the crankshaft centerline to the top plane of the valve cover (or cylinder head) plus twice the stroke; or

b. The diameter of the flywheel housing.

e.2. "Technology" "required" for the "production" of specially designed components, as follows, for "high output diesel engines":

e.2.a. "Technology" "required" for the "production" of engine systems having all of the following components employing ceramics materials controlled by 1C007:

e.2.a.1. Cylinder liners;

e.2.a.2. Pistons;

e.2.a.3. Cylinder heads; and

e.2.a.4. One or more other components (including exhaust ports, turbocharger, valve guides, valve assemblies or insulated fuel injectors);

e.2.b. "Technology" "required" for the "production" of turbocharger systems, with single-stage compressors having all of the following:

e.2.b.1. Operating at pressure ratios of 4:1 or higher;

e.2.b.2. A mass flow in the range from 30 to 130 kg per minute; and

e.2.b.3. Variable flow area capability within the compressor or turbine sections;

e.2.c. "Technology" "required" for the "production" of fuel injection systems with a specially designed multifuel (e.g., diesel or jet fuel) capability covering a viscosity range from diesel fuel (2.5 cSt at 310.8 K (37.8 °C)) down to gasoline fuel (0.5 cSt at 310.8 K (37.8 °C)), having both of the following:

e.2.c.1. Injection amount in excess of 230 mm³ per injection per cylinder;

e.2.c.2. Specially designed electronic control features for switching governor characteristics automatically depending on fuel property to provide the same torque characteristics by using the appropriate sensors;

e.3. "Technology" "required" for the "development" or "production" of "high output diesel engines" for solid, gas phase or liquid film (or combinations thereof) cylinder wall lubrication, permitting operation to temperatures exceeding 723 K (450 °C), measured on the cylinder wall at the top limit of travel of the top ring of the piston.

f. Technology not otherwise controlled in 9E003.a.1. through a.12 and currently used in the "development", "production" or overhaul of hot section parts and components of civil derivatives of military engines controlled on the U.S. Munitions List.

PART 776A—[AMENDED]

14. Sections 776A.2 and 776A.20 are added effective October 21, 1996 until November 1, 1996 to read as follows:

§ 776A.2 Commercial communications satellites.

Pursuant to section 6 of the Export Administration Act of 1979, as amended, (EAA), foreign policy controls apply to commercial communications satellites controlled under 9A04.a. These controls supplement the national security controls that apply to those items.

(a) *License requirements.* Individual validated licenses are required for all exports and reexports of commercial communications satellites controlled by ECCN 9A04A.a. to all destinations, except Canada.

(b) *License review policy.* Applications for export and reexport

will be reviewed on a case-by-case basis to determine whether the export or reexport is consistent with U.S. national security and foreign policy interests. The following factors are among those that will be considered to determine what action will be taken on individual license applications:

- (1) The country of destination;
- (2) The ultimate end-users;
- (3) The technology involved;
- (4) The specific nature of the end-use(s); and
- (5) The types of assurance against unauthorized use or diversion that are given in a particular case.

* * * * *

§ 776A.20 Hot section technology for the development, production or overhaul of commercial aircraft engines, components or systems.

Pursuant to section 6 of the Export Administration Act of 1979, as amended, (EAA), an individual validated export license is required for hot section technology related to the development, production or overhaul of commercial aircraft engines, components or systems. These controls supplement the national security controls that apply to those items.

(a) *License requirements.* Individual validated licenses are required for all exports and reexports of hot section technology for the development, production or overhaul of civil gas turbine engines controlled by ECCN 9E03A.a.1 through a.12, .f, and related controls to all destinations, except Canada.

(b) *License review policy.* Applications for export and reexports will be reviewed on a case-by-case basis to determine whether the export or reexport is consistent with U.S. national security and foreign policy interests. The following factors are among those that will be considered to determine what action will be taken on individual license applications:

- (1) The country of destination;
- (2) The ultimate end-users;
- (3) The technology involved;
- (4) The specific nature of the end-use(s); and
- (5) The types of assurance against unauthorized use or diversion that are given in a particular case.

PART 799A—[AMENDED]

15. In Supplement No. 1 to § 799A.1 (the Commerce Control List), Category 9 (Propulsion Systems and Transportation Equipment), ECCNs 9A04A and 9E03A are revised effective October 21, 1996 until November 1, 1996 to read as follows:

9A04A “Spacecraft” (not including their payloads), and specially designed components therefor that are not subject to the authority of the Department of State. (See notes.)

Note: Space launch vehicles (not including their payloads) and other “spacecraft” (not identified in this CCL entry) are subject to the export licensing authority of the U.S. Department of State, Office of Defense Trade Controls (See 22 CFR part 121, Category XV). For the control status of products contained in “spacecraft” payloads, see the appropriate categories of the U.S. Munitions List (USML). For the control status of items contained in “spacecraft” payloads subject to the EAR, see the appropriate entries on the CCL.

Requirements

Validated License Required: QSTVWYZ
Unit: Equipment in number; parts and accessories in \$ value

Reason for Control: NS, FP (see Note)

GLV: \$0

GCT: No

GFW: No

Note: FP controls apply to items controlled in 9A04.a (see § 776.2 of this subchapter).

List of Items Controlled

a. Commercial communications satellites;

Technical Note: Commercial communications satellites are subject to Commerce licensing jurisdiction even if they include the individual munitions list systems, components, or parts identified in Category XV(f) of the USML. In all other cases, these systems, components, or parts remain on the USML, except that non-embedded, solid propellant orbit transfer engines (“kick motors”) are subject to Commerce licensing jurisdiction (and not controlled under the USML) when they are to be utilized for the specific commercial communications satellite launch, provided the solid propellant “kick motor” being utilized is not specifically designed or modified for military use or capable of being restarted after achievement of mission orbit (such orbit transfer engines are always controlled under Category IV of the USML). Technical data (as defined in § 120.21 of the International Traffic in Arms Regulations (ITAR)) and defense services (as defined in § 120.8 of the ITAR) related to the systems, components, or parts referred to in Category XV(f) of the USML are always controlled under the USML, even when the satellite itself is licensed by the Department of Commerce.

Note: Military communications satellites or multi-mission satellites, including commercial communications satellites having additional non-communication mission(s) or payload(s) are under the jurisdiction of the Department of State.

b. [Reserved]

c. Other “spacecraft” not controlled under Category XV of the USML.

Note: 9A04.c. includes the international space station being developed, launched and operated under the supervision of the U.S. National Aeronautics and Space Administration. Exporters requesting a validated license from the Department of

Commerce for spacecraft other than the international space station or a commercial communication satellite specified in 9A04, must provide a statement from the Department of State, Office of Defense Trade Controls, verifying that the item intended for export is under the licensing jurisdiction of the Department of Commerce.

Notes: 1. Transferring registration or operations control to any foreign person of any commercial communications satellite controlled by this entry must be authorized on a license issued by the Bureau of Export Administration. This requirement applies whether the commercial communications satellite is physically located in the United States or abroad.

2. All other spacecraft, including all other satellites not controlled under 9A04, and components, parts, accessories, attachments, associated equipment, and ground support equipment therefor are subject to the export licensing authority of the Department of State.

3. Items on Category XV(f) of the USML that are included in a commercial communications satellite to be exported under a Commerce license must be specifically listed on the Commerce license application. Such items when not included in a specific commercial communications satellite are under the jurisdiction of the Department of State.

4. Technical data provided to the launch provider (form, fit, function, mass, electrical, mechanical, dynamic/environmental, telemetry, safety, facility, launch pad access, and launch parameters) for commercial communications satellites that describe the interfaces for mating of the satellite to the launch vehicle and parameters for launch (e.g. orbit, timing) of the satellite, are under Commerce jurisdiction. Other technical data and all defense services and technical assistance for satellite and/or launch vehicles, including compatibility, integration, or processing data are controlled and subject to licensing by the Department of State, in accordance with 22 CFR parts 120 through 130. Approval for such technical assistance will require a Technical Assistance Agreement (TAA) and may require U.S. Government oversight.

5. Once a satellite is launched, items remaining unlaunched are required to be returned immediately to the United States. If the satellite launch is canceled or unduly delayed, the satellite and all support equipment must be returned immediately to the United States.

6. Detailed design, development, production, or manufacturing data for all spacecraft, including satellites, regardless of which agency has jurisdiction over the export, and all systems components, parts, accessories, attachments, and associated equipment (including ground support equipment) specifically designed or modified for articles under Category XV on the United States Munitions List (including software source code and operating algorithms) are subject to licensing by the Department of State. This does not include that level of technical data (including marketing data) necessary and reasonable for a purchaser to have assurance that a U.S.-built item

intended to operate in space has been designed, manufactured and tested in conformance with specified contract requirements (e.g., operational performance, reliability, lifetime, product quality, or delivery expectations) as well as data necessary for normal in-orbit satellite operations, to evaluate in-orbit anomalies, and to operate and maintain associated ground station equipment (except encryption hardware).

9E03A Other technology, as follows:

Requirements

Validated License Required: QSTVWYZ

Reason for Control: NS, FP (see Note)

GTDR: No

GTDU: No

GFW: No

Note: FP controls apply to technology controlled in 9E03.a.1 through a.12, and .f, and related controls (see § 776.19 of this subchapter).

Related controls: (1) Hot section technology specifically designed, modified, or equipped for military uses or purposes, or developed principally with U.S. Department of Defense funding, is subject to the jurisdiction of the Department of State. (2) Technology is subject to the EAR when actually applied to a commercial aircraft engine program. Exporters may seek to establish commercial application either on a case-by-case basis through submission of documentation demonstrating application to a commercial program in requesting an export license from Commerce in respect to a specific export or, in the case of use for broad categories of aircraft, engines, or components, a commodity jurisdiction determination from State.

List of Items Controlled

a. "Technology" "required" for the "development" "production" or overhaul of the following commercial aircraft engine components or systems:

a.1. Gas turbine blades, vanes or tip shrouds made from directionally solidified (DS) or single crystal (CS) alloys having (in the 001 Miller Index Direction) a stress-rupture life exceeding 400 hours at 1,273 K (1,000° C) at a stress of 200 MPa, based on the average property values;

a.2. Multiple domed combustors operating at average burner outlet temperatures exceeding 1,643 K (1370° C), or combustors incorporating thermally decoupled combustion liners, non-metallic liners or non-metallic shells;

a.3. Components manufactured from organic "composite" materials designed to operate above 588 K (315° C), or from metal "matrix" "composite", ceramic "matrix", intermetallic or intermetallic reinforced materials controlled by 1A02 or 1C07;

a.4. Uncooled turbine blades, vanes, tip-shrouds or other components designed to operate at gas path temperatures of 1,323 K (1,050° C) or more;

a.5. Cooled turbine blades, vanes or tip-shrouds, other than those described in 9E03.a.1, exposed to gas path temperatures of 1,643 K (1,370° C) or more;

a.6. Airfoil-to-disk blade combinations using solid state joining;

a.7. Gas turbine engine components using "diffusion bonding" "technology" controlled by 2E03.b;

a.8. Damage tolerant gas turbine engine rotating components using powder metallurgy materials controlled by 1C02.b;

a.9. Full authority digital electronic engine controls (FADEC) for gas turbine and combined cycle engines and their related diagnostic components, sensors and specially designed components;

a.10. Adjustable flow path geometry and associated control systems for:

a.10.a. Gas generator turbines;

a.10.b. Fan or power turbines;

a.10.c. Propelling nozzles;

Note 1: Adjustable flow path geometry and associated control systems do not include inlet guide vanes, variable pitch fans, variable stators or bleed valves for compressors.

Note 2: 9E03.a.10 does not control

"development" or "production"

"technology" for adjustable flow path geometry for reverse thrust.

a.11. Rotor blade tip clearance control systems employing active compensating casing "technology" limited to a design and development data base;

a.12. Gas bearings for gas turbine engine rotor assemblies;

a.13. Wide chord hollow fan blades without part-span support;

Note: Also see 9E03.f.

b. "Technology" "required" for the "development" or "production" of:

b.1. Wind tunnel aero-models equipped with non-intrusive sensors capable of transmitting data from the sensors to the data acquisition system;

b.2. "Composite" propeller blades or propfans capable of absorbing more than 2,000 kW at flight speeds exceeding Mach 0.55;

c. "Technology" "required" for the "development" or "production" of gas turbine engine components using "laser", water jet or ECM/EDM hole drilling processes to produce holes with:

c.1.a. Depths more than four times their diameter;

c.1.b. Diameters less than 0.76 mm; and

c.1.c. Incidence angles equal to or less than 25°; or

c.2.a. Depths more than five times their diameter;

c.2.b. Diameters less than 0.4 mm; and

c.2.c. Incidence angles of more than 25°;

Technical Note: For the purposes of 9E03.c, incidence angle is measured from a plane tangential to the airfoil surface at the point where the hole axis enters the airfoil surface.

d. "Technology" "required" for the "development" or "production" of helicopter power transfer systems or tilt rotor or tilt wing "aircraft" power transfer systems:

d.1. Capable of loss-of-lubrication operation for 30 minutes or more; or

d.2. Having an input power-to-weight ratio equal to or more than 8.87 kW/kg.

e.1 "Technology" for the "development" or "production" of reciprocating diesel engine ground vehicle propulsion systems having all of the following:

e.1.a. A box volume of 1.2 m³ or less;

e.1.b. An overall power output of more than 750 kW based on 80/1269/EEC, ISO 2534 or national equivalents; and

e.1.c. A power density of more than 700 kW/m³ of box volume;

Technical Note: Box volume: the product of three perpendicular dimensions measured in the following way:

Length: The length of the crankshaft from front flange to flywheel face;

Width: The widest of the following:

a. The outside dimension from valve cover to valve cover;

b. The dimensions of the outside edges of the cylinder heads; or

c. The diameter of the flywheel housing;

Height: The largest of the following:

a. The dimension of the crankshaft center-line to the top plane of the valve cover (or cylinder head) plus twice the stroke; or

b. The diameter of the flywheel housing.

e.2. "Technology" "required" for the

"production" of specially designed

components, as follows, for "high output diesel engines":

e.2.a. "Technology" "required" for the "production" of engine systems having all of the following components employing ceramics materials controlled by 1C07:

e.2.a.1. Cylinder liners;

e.2.a.2. Pistons;

e.2.a.3. Cylinder heads; and

e.2.a.4. One or more other components (including exhaust ports, turbocharger, valve guides, valve assemblies or insulated fuel injectors);

e.2.b. "Technology" "required" for the "production" of turbocharger systems, with single-stage compressors having all of the following:

e.2.b.1. Operating at pressure ratios of 4:1 or higher;

e.2.b.2. A mass flow in the range from 30 to 130 kg per minute; and

e.2.b.3. Variable flow area capability within the compressor or turbine sections;

e.2.c. "Technology" "required" for the "production" of fuel injection systems with a specially designed multifuel (e.g., diesel or jet fuel) capability covering a viscosity range from diesel fuel (2.5 cSt at 310.8 K (37.8° C)) down to gasoline fuel (0.5 cSt at 310.8 K (37.8° C)), having both of the following:

e.2.c.1. Injection amount in excess of 230 mm³ per injection per cylinder;

e.2.c.2. Specially designed electronic control features for switching governor characteristics automatically depending on fuel property to provide the same torque characteristics by using the appropriate sensors;

e.3. "Technology" "required" for the "development" or "production" of "high output diesel engines" for solid, gas phase or liquid film (or combinations thereof) cylinder wall lubrication, permitting operation to temperatures exceeding 723 K (450° C), measured on the cylinder wall at the top limit of travel of the top ring of the piston.

f. Technology not otherwise controlled in 9E03.a.1. through a.12 and currently used in the "development", "production" or overhaul of hot section parts and components of civil derivatives of military engines controlled on the U.S. Munitions List.

Dated: October 15, 1996.

Sue E. Eckert,

Assistant Secretary for Export Administration.

[FR Doc. 96-26806 Filed 10-18-96; 8:45 am]

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FEDERAL TRADE COMMISSION

16 CFR Parts 1, 305, 306, 460

Debt Collection Improvement Act of 1996

AGENCY: Federal Trade Commission (FTC).

ACTION: Final rule.

SUMMARY: This rule implements the Debt Collection Improvement Act of 1996 by making inflation adjustments in the dollar amounts prescribed for each type of violation established by the statutory civil penalty provisions within the FTC's jurisdiction.

EFFECTIVE DATE: November 20, 1996.

FOR FURTHER INFORMATION CONTACT: Alex Tang, Attorney, (202) 326-2447, Office of General Counsel, FTC, Sixth Street & Pennsylvania Avenue, N.W., Washington, D.C. 20580.

SUPPLEMENTARY INFORMATION: This regulation implements the Debt Collection Improvement Act (DCIA) of 1996, Pub. L. 104-134, section 31001(s) (Apr. 26, 1996) (amending the Federal Civil Penalties Inflation Adjustment Act (FCPIAA) of 1990, 28 U.S.C. 2461 note). The DCIA requires that the Commission publish regulations, no later than 180 days after the enactment of the statute and at least once every four years thereafter, making inflation adjustments in the dollar amount of "each civil monetary penalty provided by law within the [agency's] jurisdiction * * *." Pub. L. 104-134 at section 31001(s)(1)(A) (amending FCPIAA section 4). See also FCPIAA section 3(2) (defining "civil monetary penalty" as any "penalty, fine, or other sanction" for a "specific monetary amount" or "maximum" amount that is "assessed or enforced" by the agency in an "administrative proceeding" or through a "civil action" in federal court).

The DCIA requires that the adjustments be determined in accordance with section 5 of the FCPIAA, as amended. Section 5 provides that each civil penalty amount prescribed by statute is to be adjusted by a cost-of-living increase equal to the percentage, if any, by which the U.S. Department of Labor's Consumer Price Index (CPI) for June of the calendar year preceding the adjustment exceeds the June CPI for the calendar year in which

the civil penalty amount was "last set or adjusted pursuant to law." FCPIAA section 5 (b). These calculations are based on the comprehensive CPI for all urban consumers (1913 to present, base year 1967). FCPIAA section 3(3) (defining CPI). The increase is then mathematically rounded, pursuant to section 5 (a) of the FCPIAA, to arrive at the final adjusted figure, which may not exceed 10% of the current statutory civil penalty amount in the case of the initial adjustment. Pub. L. 104-134 at section 31001(s)(2) (limitation on initial adjustment).

Due to inflation since the civil penalty amounts in the Commission's statutes were "last set or adjusted pursuant to law," the increase will, in every case, be the maximum 10% initially permitted under the DCIA. *Id.* The increases to civil penalty amounts specified in the FTC Act will also apply with respect to civil penalties authorized pursuant to the FTC Act under other laws that the Commission is responsible for administering or enforcing. See, e.g., Wool Products Labeling Act sections 6(a), 8, et al., 15 U.S.C. 68d(a), 68f, et al.; Textile Fiber Products Identification Act sections 6, 7, et al., 15 U.S.C. 70d, 70e, et al.; Fair Credit Reporting Act (Consumer Credit Protection Act section 621), 15 U.S.C. 1681s; Equal Credit Opportunity Act (Consumer Credit Protection Act section 704(c)), 15 U.S.C. 1691c(c); Petroleum Marketing Practices Act section 203(e), 15 U.S.C. 2823(e); Telephone Disclosure and Dispute Resolution Act section 201(c), 15 U.S.C. 5711(c); Telemarketing and Consumer Fraud and Abuse Prevention Act section 6(b), 15 U.S.C. 6105(b); etc.

This regulation is being added to Part 1 of the Commission's existing Rules of Practice in a new Subpart L, entitled "Civil Penalty Adjustments Under the Debt Collection Improvement Act of 1996." Conforming amendments are also being made to 16 CFR 1.97 and 305.4 (Appliance Labeling penalty proceedings and Rule, respectively), to 16 CFR 306.1 (Fuel Rating Rule), and to 16 CFR 460.1 (R-Value Rule). The adjustments set forth in this regulation are effective 30 days after publication, as noted earlier, and will apply only to violations occurring after the effective date. See Pub. L. 104-134 at section 31001(s)(1)(C) (adding FCPIAA section 7).

The Commission has no discretion in determining the amounts of the published adjustments. Accordingly, the Commission finds it unnecessary to seek public comment in this matter. See 5 U.S.C. 553(b)(B) (exemption from notice-and-comment rulemaking procedures under the Administrative

Procedure Act). For that reason, the requirements of the Regulatory Flexibility Act also do not apply. See 5 U.S.C. 603 & 604 (requiring initial and final analyses only where notice-and-comment is required by 5 U.S.C. 553, *supra*). In promulgating this regulation, the Commission has consulted the Department of Justice (DOJ) with respect to those FTC civil penalty statutes concurrently administered or enforced by DOJ.

List of Subjects

16 CFR Part 1

Administrative practice and procedure, Penalties, Trade practices.

16 CFR Part 305

Advertising, Energy conservation, Household appliances, Labeling, Penalties, Reporting and recordkeeping requirements.

16 CFR Part 306

Gasoline, Labeling, Penalties, Reporting and recordkeeping requirements, Track practices.

16 CFR Part 460

Advertising, Insulation, Labeling, Reporting and recordkeeping requirements, Trade practices.

For the reasons set forth in the preamble, the Federal Trade Commission amends Title 16, chapter I, subchapters A, C, and D, of the Code of Federal Regulations, as follows:

SUBCHAPTER A—ORGANIZATION, PROCEDURES AND RULES OF PRACTICE

PART 1—GENERAL PROCEDURES

1. The authority for Part 1 continues to read as follows:

Authority: Sec. 6, 38 Stat. 721 (15 U.S.C. 46), unless otherwise noted.

2. Section 1.97 is amended by revising the first sentence of the introductory text to read as follows:

§ 1.97 Amount of penalty.

All penalties assessed under this subchapter shall be in the amount per violation as described in section 333(a) of the Energy Policy and Conservation Act, 42 U.S.C. 6303(a), adjusted for inflation pursuant to § 1.98, unless the Commission otherwise directs.* * *

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3. Part 1 is amended by adding a new Subpart L consisting of § 1.98 to read as follows: