

DEPARTMENT OF THE TREASURY**Office of Foreign Assets Control****31 CFR Parts 538, 550 and 560**

Sudanese Sanctions Regulations; Libyan Sanctions Regulations; Iranian Transactions Regulations: Licensing of Commercial Sales, Exportation and Reexportation of Agricultural Commodities and Products, Medicine, and Medical Equipment; Iranian Accounts on the Books of U.S. Depository Institutions; Informational Materials; Visas

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule; amendments.

SUMMARY: The Treasury Department is amending provisions relating to the financing of agricultural and medical sales appearing in the Sudanese Sanctions Regulations, the Libyan Sanctions Regulations, and the Iranian Transactions Regulations. While general licenses continue to prohibit financing of sales by entities of the Governments of Sudan, Libya or Iran, the amendments remove language prohibiting the issuance of specific licenses authorizing financing by entities of those governments. New appendices are added to identify approved eligible procurement bodies of the Governments of Libya and Iran. Technical changes are made in all three sets of regulations with respect to licensing requirements of other Federal agencies. Technical changes are made in the Iranian Transactions Regulations concerning debits and credits to Iranian accounts on the books of U.S. depository institutions and concerning eligible purchasers. Finally, technical changes are made to the Iranian Transactions Regulations to revise language on informational materials and on "H" (temporary worker) visas.

EFFECTIVE DATE: October 27, 1999.

FOR FURTHER INFORMATION CONTACT: Steven I. Pinter, Chief of Licensing (tel.: 202/622-2480) or William B. Hoffman, Chief Counsel (tel.: 202/622-2410), Office of Foreign Assets Control, U.S. Treasury Department, Washington, DC 20220.

SUPPLEMENTARY INFORMATION:**Electronic and Facsimile Availability**

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Background

On April 28, 1999, President Clinton announced that existing unilateral economic sanctions programs would be amended to modify licensing policies to allow specific licensing of the commercial sale of agricultural commodities and products, medicine and medical equipment where the United States Government has the discretion to issue such licenses. On August 2, 1999, the Treasury Department's Office of Foreign Assets Control ("OFAC") published in the **Federal Register** (64 FR 41784) amendments to the Sudanese Sanctions Regulations, 31 CFR part 538 (the "SSR"), the Libyan Sanctions Regulations, 31 CFR part 550 (the "LSR"), and the Iranian Transactions Regulations, 31 CFR part 560 (the "ITR") (collectively, the "Regulations"), to make available both general and specific licenses governing commercial sales of such goods.

The amendments permitted sellers, pursuant to an OFAC general license, to negotiate and sign executory contracts for commercial sales and exportation or reexportation of these agricultural or medical items to the target countries or their governments. Performance under such executory contracts was to be made contingent upon receipt of an OFAC specific license. Regulations, §§ 538.523, 550.569 and 560.530. Persons wishing to make commercial sales of certain bulk agricultural commodities to the target countries or their governments could apply for specific licenses to permit future entry into and performance of contracts for such sales. Regulations, § 538.524 and SSR, appendix A; § 550.570 and LSR, appendix A; § 560.531 and ITR, appendix B. The Regulations made all sales to the target countries subject to a series of requirements intended to ensure that such sales did not improperly benefit the target countries' governments.

With respect to payment for and financing of sales of agricultural and medical items, the Regulations provided by general license that parties were authorized, among other things, to utilize financing by third-country financial institutions that were not U.S. persons or target-country government banks. U.S. financial institutions were authorized by general license to advise or confirm such financing by third-country financial institutions, but specific licenses were required for alternate payment terms. Regulations, §§ 538.525, 550.571, and 560.532.

OFAC is amending provisions relating to payment for and financing of sales of agricultural and medical items. The general licenses in §§ 538.525(a), 550.571(a), and 560.532(a) of the Regulations continue to prohibit financing of sales by entities of the Governments of Sudan, Libya or Iran. Sections 538.525(b), 550.571(b), and 560.532(b), which provide for the specific licensing of alternative financing terms, are amended to remove language prohibiting the issuance of specific licenses authorizing financing by entities of those governments.

Technical revisions are made to language on licensing requirements of other Federal agencies in §§ 538.523(b)(4), 538.524(b)(4), and 538.526(b)(3) of the SSR; 550.569(b)(4), 550.570(b)(4) and 550.572(b)(3) of the LSR; and 560.530(b)(4), 560.531(b)(4), and 560.533(b)(3) of the ITR. Approved eligible procurement bodies of the Governments of Libya and Iran are identified in new appendices to the LSR and ITR.

Sections 550.569(a) of the LSR and 560.530(a) of the ITR are revised to conform the language on executory contracts to that in § 538.523(a) of the SSR. Technical changes are made to §§ 560.532(c) and 560.533(c) of the ITR to clarify that the prohibition on debits and credits to Iranian accounts refers only to accounts of persons located in Iran or of the Government of Iran maintained on the books of a U.S. depository institution.

OFAC is making technical changes to the ITR unrelated to the August 1999 amendments. Section 560.210(c)(2), with respect to informational materials, is amended to remove a reference to royalties. Section 560.505(c) is amended to revise the reference from "H-1b (temporary worker)" to "H (temporary worker)."

Paperwork Reduction Act

As authorized in the APA, the Regulations are being issued without prior notice and public comment procedure. The collections of

information related to the Regulations are contained in 31 CFR part 501 (the "Reporting and Procedures Regulations"). Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information have been approved by the Office of Management and Budget ("OMB") under control number 1505-0164. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

Because the Regulations involve a foreign affairs function, Executive Order 12866 and the provisions of the APA requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601-612) does not apply.

List of Subjects

31 CFR Part 538

Administrative practice and procedure, Agricultural commodities, Banks, banking, Blocking of assets, Drugs, Exports, Foreign trade, Humanitarian aid, Imports, Medical devices, Penalties, Reporting and recordkeeping requirements, Specially designated nationals, Sudan, Terrorism, Transportation.

31 CFR Part 550

Administrative practice and procedure, Agricultural commodities, Banks, banking, Blocking of assets, Drugs, Exports, Foreign investment, Foreign trade, Government of Libya, Imports, Libya, Loans, Medical devices, Penalties, Reporting and recordkeeping requirements, Securities, Services, Specially designated nationals, Terrorism, Travel restrictions.

31 CFR Part 560

Administrative practice and procedure, Agricultural commodities, Banks, banking, Drugs, Exports, Foreign trade, Imports, Information, Investments, Iran, Loans, Medical devices, Penalties, Reporting and recordkeeping requirements, Services, Specially designated nationals, Terrorism, Transportation.

For the reasons set forth in the preamble, 31 CFR parts 538, 550 and 560 are amended as set forth below:

PART 538—SUDANESE SANCTIONS REGULATIONS

1. The authority citation for part 538 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; E.O. 13067, 62 FR 59989, 3 CFR, 1997 Comp., p. 230.

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

2. In § 538.523, revise the section heading and the first sentence of paragraph (b)(4) to read as follows:

§ 538.523 Commercial sales, exportation and reexportation of agricultural commodities and products, medicine, and medical equipment.

* * * * *

(b) * * *

(4) Make any performance involving the exportation or reexportation of any goods, technology or services (including technical data, software, or information) that are subject to license application requirements of another Federal agency contingent upon the prior authorization of that agency. * * *

* * * * *

3. In § 538.524, revise the section heading and the first sentence of paragraph (b)(4) to read as follows:

§ 538.524 Commercial sales, exportation and reexportation of bulk agricultural commodities.

* * * * *

(b) * * *

(4) Make any performance involving the exportation or reexportation of any goods, technology or services (including technical data, software, or information) that are subject to license application requirements of another Federal agency contingent upon the prior authorization of that agency. * * *

* * * * *

4. In § 538.525, revise the first sentence of paragraph (b) to read as follows:

§ 538.525 Payment for and financing of commercial sales of agricultural commodities and products, medicine, and medical equipment.

* * * * *

(b) *Specific licenses for alternate payment terms.* Specific licenses may be issued on a case-by-case basis for payment terms and trade financing not authorized by the general license in paragraph (a) of this section for sales pursuant to §§ 538.523 and 538.524.

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5. In § 538.526, revise the first sentence of paragraph (b)(3) to read as follows:

§ 538.526 Brokering sales of bulk agricultural commodities.

* * * * *

(b) * * *

(3) Make any performance involving the exportation or reexportation of any goods, technology or services (including technical data, software, or information) that are subject to license application requirements of another Federal agency contingent upon the prior authorization of that agency. * * *

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PART 550—LIBYAN SANCTIONS REGULATIONS

1. The authority citation for part 550 continues to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2332d; 22 U.S.C. 287c, 2349aa-8 and 2349aa-9; 31 U.S.C. 321(b); 49 U.S.C. 40106(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12543, 51 FR 875, 3 CFR, 1986 Comp., p. 181; E.O. 12544, 51 FR 1235, 3 CFR, 1986 Comp., p. 183; E.O. 12801, 57 FR 14319, 3 CFR, 1992 Comp., p. 294.

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

2. In § 550.569, revise the section heading, paragraph (a) introductory text, and the first sentence of paragraph (b)(4) to read as follows:

§ 550.569 Commercial sales, exportation and reexportation of agricultural commodities and products, medicine, and medical equipment.

(a) *General license for executory contracts.* Except as provided in paragraph (c) of this section, entry into executory contracts is authorized for the following transactions with individuals in Libya acting for their own account, nongovernmental entities in Libya or procurement bodies of the Government of Libya identified by the Office of Foreign Assets Control as not being affiliated with the coercive organs of the state, or with persons in third countries purchasing specifically for resale to any of the foregoing, provided that performance of the executory contracts (including any preparatory activities, payments or deposits related to such executory contracts) is contingent upon the prior authorization of the Office of Foreign Assets Control in or pursuant to this part:

* * * * *

(b) * * *

(4) Make any performance involving the exportation or reexportation of any goods, technology or services (including technical data, software, or information) that are subject to license application requirements of another Federal agency contingent upon the prior authorization of that agency. * * *

* * * * *

3. In § 550.570, revise the section heading and the first sentence of paragraph (b)(4) to read as follows:

§ 550.570 Commercial sales, exportation and reexportation of bulk agricultural commodities.

* * * * *

(b) * * *

(4) Make any performance involving the exportation or reexportation of any goods, technology or services (including technical data, software, or information) that are subject to license application requirements of another Federal agency contingent upon the prior authorization of that agency. * * *

* * * * *

4. In § 550.571, revise the first sentence of paragraph (b) to read as follows:

§ 550.571 Payment for and financing of commercial sales of agricultural commodities and products, medicine, and medical equipment.

* * * * *

(b) *Specific licenses for alternate payment terms.* Specific licenses may be issued on a case-by-case basis for payment terms and trade financing not authorized by the general license in paragraph (a) of this section for sales pursuant to §§ 550.569 and 550.570.

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5. In § 550.572, revise the first sentence of paragraph (b)(3) to read as follows:

§ 550.572 Brokering sales of bulk agricultural commodities.

* * * * *

(b) * * *

(3) Make any performance involving the exportation or reexportation of any goods, technology or services (including technical data, software, or information) that are subject to license application requirements of another Federal agency contingent upon the prior authorization of that agency. * * *

* * * * *

6. Appendix B is added to part 550 to read as follows:

Appendix B to Part 550—Eligible Procurement Bodies

This Appendix B sets forth eligible procurement bodies of the Government of Libya identified by the Office of Foreign Assets Control as not being affiliated with the coercive organs of the state. See § 550.570(e).

National Supply Corporation (a.k.a. National Supplies Corporation; a.k.a. NASCO)

PART 560—IRANIAN TRANSACTIONS REGULATIONS

1. The authority citation for part 560 continues to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2332d; 22 U.S.C. 2349aa-9; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12613, 52 FR 41940, 3 CFR, 1987 Comp., p. 256; E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 12959, 60 FR 24757, 3 CFR, 1995 Comp., p. 356; E.O. 13059, 62 FR 44531, 3 CFR, 1997 Comp., p. 217.

Subpart B—Prohibitions

2. In § 560.210, revise the last sentence of paragraph (c)(2) to read as follows:

§ 560.210 Exempt transactions.

* * * * *

(c) * * *

(2) * * * Transactions that are prohibited notwithstanding this section include, but are not limited to, payment of advances for information and informational materials not yet created and completed (with the exception of prepaid subscriptions for widely circulated magazines and other periodical publications), and provision of services to market, produce or co-produce, create or assist in the creation of information and informational materials.

* * * * *

Subpart E—Licenses, Authorizations and Statements of Licensing Policy

§ 560.505 [Amended]

3. In § 560.505, amend paragraph (c) by revising the phrase "H-1b (temporary worker)" to read "H (temporary worker)".

4. In § 560.530, revise the section heading, paragraph (a) introductory text, and the first sentence of paragraph (b)(4) to read as follows:

§ 560.530 Commercial sales, exportation and reexportation of agricultural commodities and products, medicine, and medical equipment.

(a) *General license for executory contracts.* Except as provided in paragraph (c) of this section, entry into executory contracts is authorized for the following transactions with individuals in Iran acting for their own account, nongovernmental entities in Iran or procurement bodies of the Government of Iran identified by the Office of Foreign Assets Control as not being affiliated with the coercive organs of the state, or with persons in third countries purchasing specifically for resale to any of the foregoing, provided that performance of the executory contracts

(including any preparatory activities, payments or deposits related to such executory contracts) is contingent upon the prior authorization of the Office of Foreign Assets Control in or pursuant to this part:

* * * * *

(b) * * *

(4) Make any performance involving the exportation or reexportation of any goods, technology or services (including technical data, software, or information) that are subject to license application requirements of another Federal agency contingent upon the prior authorization of that agency. * * *

* * * * *

5. In § 560.531, revise the section heading and the first sentence of paragraph (b)(4) to read as follows:

§ 560.531 Commercial sales, exportation and reexportation of certain bulk agricultural commodities.

* * * * *

(b) * * *

(4) Make any performance involving the exportation or reexportation of any goods, technology or services (including technical data, software, or information) that are subject to license application requirements of another Federal agency contingent upon the prior authorization of that agency. * * *

* * * * *

6. In § 560.532, revise the first sentence in paragraph (b) and paragraph (c) to read as follows:

§ 560.532 Payment for and financing of commercial sales of agricultural commodities and products, medicine, and medical equipment.

* * * * *

(b) *Specific licenses for alternate payment terms.* Specific licenses may be issued on a case-by-case basis for payment terms and trade financing not authorized by the general license in paragraph (a) of this section for sales pursuant to §§ 560.530 and 560.531.

* * *

(c) *No debits or credits to Iranian accounts on the books of U.S.*

depository institutions. Nothing in this section authorizes payment terms or trade financing involving a debit or credit to an account of a person located in Iran or of the Government of Iran maintained on the books of a U.S. depository institution.

* * * * *

7. In § 560.533, revise the first sentence of paragraph (b)(3) and paragraph (c) to read as follows:

§ 560.533 Brokering sales of bulk agricultural commodities.

* * * * *

(b) * * *

(3) Make any performance involving the exportation or reexportation of any goods, technology or services (including technical data, software, or information) that are subject to license application requirements of another Federal agency contingent upon the prior authorization of that agency. * * *

(c) *No debits or credits to Iranian accounts on the books of U.S. depository institutions.* Payment for any brokerage fee earned pursuant to this section may not involve a debit or credit to an account of a person located in Iran or of the Government of Iran maintained on the books of a U.S. depository institution.

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8. Appendix C is added to part 560 to read as follows:

Appendix C to Part 560—Eligible Procurement Bodies

This Appendix C sets forth eligible procurement bodies of the Government of Iran identified by the Office of Foreign Assets Control as not being affiliated with the coercive organs of the state. See § 560.531(e).

Government Trading Corporation (a.k.a. GTC).

State Livestock and Logistics Co. (a.k.a. State Livestock Affairs Logistics; a.k.a. SLAL).

Dated: October 27, 1999.

R. Richard Newcomb,

Director, Office of Foreign Assets Control.

Approved: October 27, 1999.

Elisabeth A. Bresee,

*Assistant Secretary (Enforcement),
Department of the Treasury.*

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 51

[FRL-6468-4]

Revisions to Emissions Budgets Set Forth in EPA's Finding of Significant Contribution and Rulemaking for Purposes of Reducing Regional Transport of Ozone for the States of Connecticut, Massachusetts and Rhode Island

AGENCY: Environmental Protection Agency (EPA).

ACTION: Withdrawal of direct final rule.

SUMMARY: Due to receipt of adverse comments, EPA is withdrawing a September 15, 1999 direct final rule (64 FR 49987) which would have revised the emissions budgets set forth in EPA's

finding of significant contribution for purposes of reducing regional transport of ozone. Having withdrawn the direct final rule, EPA will take action on a proposed rule to revise the emissions budgets set forth in EPA's finding of significant contribution for purposes of reducing regional transport of ozone also published on September 15, 1999 (64 FR 50036) after EPA has evaluated the comments received.

DATES: The direct final rule to revise the emissions budgets in EPA's finding of significant contribution, which was published on September 15, 1999 (64 FR 49987), is hereby withdrawn as of November 1, 1999.

ADDRESSES: Docket No. A-99-13 is available for public inspection and copying between 8:30 a.m. and 3:30 p.m., Monday through Friday, excluding holidays. The docket is located in the EPA's Air and Radiation Docket and Information Center, Waterside Mall, Room M-1500, 401 M Street, SW, Washington, DC 20460, or by calling (202)260-7548. A reasonable fee may be charged for copying docket materials.

FOR FURTHER INFORMATION CONTACT: Kathryn Petrillo, Acid Rain Division (6204J) U.S. Environmental Protection Agency, 401 M Street SW, Washington DC 20460, telephone number (202) 564-9093; e-mail: petrillo.kathryn@epa.gov.

SUPPLEMENTARY INFORMATION: On September 15, 1999, EPA published a direct final rule (64 FR 49987) and a parallel proposal (64 FR 50036) to revise the emissions budgets set forth in EPA's finding of significant contribution for purposes of reducing regional transport of ozone (63 FR 57356). These revisions would redistribute the total combined electricity generating unit portion of the state NO_x emissions budgets for Connecticut, Massachusetts, and Rhode Island in accordance with the Memorandum of Understanding signed by the three States and EPA in February 1999. The total combined electric generating unit budget for Connecticut, Massachusetts and Rhode Island would remain unchanged under the revisions. Additionally, the three States each agreed to retire 5% of the electric generating unit portion of their budgets for the benefit of the environment after the revisions are complete.

The EPA stated in the direct final rule that if adverse comments were received by October 5, 1999, EPA would publish a notice withdrawing the direct final rule before its effective date of November 1, 1999. The EPA received adverse comments on October 5, 1999 and is, therefore, withdrawing the direct final rule. The EPA will address these comments in a final rule addressing the

emissions budgets for Connecticut, Massachusetts, and Rhode Island at a later date.

Dated: October 29, 1999.

Robert Perciasepe,

Assistant Administrator for Air and Radiation.

[FR Doc. 99-28519 Filed 10-29-99; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 180

[OPP-300891A; FRL-6390-4]

RIN 2070-AB78

Propargite; Partial Stay of Order Revoking Certain Tolerances

AGENCY: Environmental Protection Agency (EPA).

ACTION: Partial stay of final rule.

SUMMARY: EPA is staying the revocation of tolerances for propargite on apples; and plums (fresh prunes) and is reinstating the tolerances for those commodities existing on October 18, 1999 until November 18, 1999. A final rule, subject to objections, revoking the tolerances for apples; and plums (fresh prunes) was published in the **Federal Register** on July 21, 1999 (64 FR 39068) (FRL-6089-7). EPA received an objection to the July 21, 1999 rule, which requested that the Agency modify the October 19, 1999 effective date for the final rule as it applied to the removal of the commodities apples; and plums (fresh prunes). EPA is staying the removal of the tolerances for apples, and plums (fresh prunes) effective from October 19, 1999 until November 18, 1999 in order to determine whether to grant the request for modification and if so, for what length of time. Revocations for the remaining tolerances in § 180.259 for apricots; beans, succulent; cranberries; figs; peaches; pears; and strawberries, subject to the July 21, 1999 rule remain effective October 19, 1999.

DATES: The reinstatement amendments are effective from October 19, 1999 until November 18, 1999.

FOR FURTHER INFORMATION CONTACT: For technical information contact: Joseph Nevola, Special Review Branch, (7508C), Special Review and Reregistration Division, Office of Pesticide Programs, U.S. Environmental Protection Agency, 401 M St., SW., Washington, DC 20460. Office location: Special Review Branch, CM#2, 6th floor, 1921 Jefferson Davis Hwy., Arlington, VA. Telephone: (703) 308-8037; e-mail: nevola.joseph@epa.gov.

SUPPLEMENTARY INFORMATION: