

Miami CTA/FIR boundary to the point of beginning.

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Issued in Washington, DC, on November 1, 1999.

Reginald C. Matthews,

Manager, Airspace and Rules Division.

[FR Doc. 99-29042 Filed 11-4-99; 8:45 am]

BILLING CODE 4910-13-U

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 73

[Airspace Docket No. 99-AEA-12]

RIN 2120-AA66

Change Name of Using Agency for Restricted Area R-5203; Oswego, NY

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action changes the name of the using agency for Restricted Area R-5203; Oswego, NY, from "Air National Guard, Northeast Air Defense Sector/DOS, Rome, NY," to "Air National Guard, 174th Fighter Wing, Hancock Field, NY." This change is required due to a realignment of responsibilities within the Air National Guard.

EFFECTIVE DATE: 0901 UTC, December 30, 1999.

FOR FURTHER INFORMATION CONTACT: Paul Gallant, Airspace and Rules Division, ATA-400, Office of Air Traffic Airspace Management, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone (202) 267-8783.

SUPPLEMENTARY INFORMATION:

Background

As a result of a realignment of responsibilities within the Air National Guard, the using agency for Restricted Area R-5203 is being changed from the Northeast Air Defense Sector, Rome, NY, to the 174th Fighter Wing, Hancock Field, NY. The Air National Guard requested this change to facilitate more efficient scheduling of the restricted area.

The Rule

This action amends 14 CFR part 73 by changing the using agency for Restricted Area R-5203, Oswego, NY, from "Air National Guard, Northeast Air Defense Sector/DOS, Rome, NY," to "Air National Guard, 174th Fighter Wing, Hancock Field, NY."

Since this administrative change will not alter the boundaries, altitudes, or

time of designation for R-5203 or the activities conducted therein; I find that notice and public procedure under 5 U.S.C. 553(b) are unnecessary.

Section 73.52 of part 73 was republished in FAA Order 7400.8G, dated September 1, 1999.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this regulation: (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Environmental Review

This action involves a minor administrative change to amend the name of the using agency of an existing restricted area. There are no changes to the dimensions of the restricted area, or to air traffic control procedures or routes as a result of this action. Therefore, this action is not subject to environmental assessments and procedures in accordance with FAA Order 1050.1D, "Policies and Procedures for Considering Environmental Impacts," and the National Environmental Policy Act of 1969.

List of Subjects in 14 CFR Part 73

Airspace, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 73, as follows:

PART 73—SPECIAL USE AIRSPACE

1. The authority citation for part 73 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389.

§ 73.52 [Amended]

2. § 73.52 is amended as follows:

* * * * *

R-5203 Oswego, NY [Amended]

By removing "Using agency. Air National Guard, Northeast Air Defense Sector/DOS, Rome, NY," and adding "Using agency. Air National Guard,

174th Fighter Wing, Hancock Field, NY."

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Issued in Washington, DC, on October 28, 1999.

Paul Gallant,

Acting Manager, Airspace and Rules Division.

[FR Doc. 99-29040 Filed 11-4-99; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF COMMERCE

Bureau of Export Administration

15 CFR Parts 738, 740, and 746

[Docket No. 990923261-9261-01]

RIN 0694-AB99

Exports to Kosovo

AGENCY: Bureau of Export Administration, Commerce.

ACTION: Final rule.

SUMMARY: The Bureau of Export Administration (BXA) is amending the Export Administration Regulations (EAR) to exempt the Serbian province of Kosovo ("Kosovo") from certain license requirements for exports and reexports to Serbia of items subject to the Export Administration Regulations (EAR).

EFFECTIVE DATE: This rule is effective November 5, 1999.

FOR FURTHER INFORMATION CONTACT: James A. Lewis, Director, Office of Strategic Trade and Foreign Policy Controls, Bureau of Export Administration, Telephone: (202) 482-4196.

SUPPLEMENTARY INFORMATION:

Background

In Resolution 1203 (adopted on October 24, 1998), the United Nations Security Council (UNSC) expressed alarm at what it described as the continuing grave humanitarian situation throughout Kosovo and the impending humanitarian catastrophe there. In response to the Serbian government's continued ethnic cleansing in its Kosovo province and its rejection of the proposed peace agreement accepted by the Kosovars, NATO (including the United States) took military action intended to halt the mass killing and dislocation of ethnic Albanians in Kosovo and to prevent a widening of the conflict.

In response to the situation in Kosovo, Executive Order 13121 of April 30, 1999, tightened existing U.S. economic sanctions against Serbia, including the province of Kosovo. On May 4, 1999, BXA published a rule amending the

EAR to require a license for exports and reexports of all items subject to the EAR to Serbia, including Kosovo (64 FR 24018). Executive Order 13121 delegated authority to administer the sanctions to the Department of the Treasury's Office of Foreign Assets Control (OFAC). By issuing General License 3 under the Kosovo Sanctions Regulations (31 CFR Part 586) on May 20, 1999, OFAC generally authorized certain transactions incident to exports licensed by BXA, thereby eliminating the need to seek separate authorization from two agencies for most export and reexport transactions.

In the wake of the cessation of hostilities and the withdrawal of Serbian troops from Kosovo, the United States Government is by this rule exempting Kosovo from the additional license requirements imposed on Serbia by the May 4, 1999, rule, thus returning Kosovo to the status it had prior to that date. General License No. 4, issued by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury on August 17, 1999, effects a complementary exemption of Kosovo from OFAC's "Federal Republic of Yugoslavia (Serbia and Montenegro) Kosovo Sanctions Regulations" (see 31 CFR part 586).

For purposes of the EAR, this rule eliminates the term "Federal Republic of Yugoslavia" and establishes Serbia, Kosovo, and Montenegro as distinct destinations under the EAR. This distinction does not address issues of sovereignty; it merely clarifies the applicability of export controls under the EAR to different destinations. Although comprehensive sanctions on Serbia (excluding Kosovo) remain in place, both Kosovo and Montenegro retain, for License Exception eligibility purposes, membership in "Country Group B" (see Supplement No. 1 to part 740) and "Computer Tier 3" (see § 740.7). Serbia, Kosovo, and Montenegro are now listed separately in the Commerce Country Chart (see Supplement No. 1 to part 738).

On July 14, 1998, BXA implemented an embargo on arms and arms-related items in the Export Administration Regulations (EAR) that applied to Serbia (including Kosovo) and Montenegro. The arms embargo continues in effect, and this rule leaves provisions regarding the arms embargo unaltered, except that "Federal Republic of Yugoslavia (Serbia and Montenegro)" is revised to read "Serbia, Kosovo, and Montenegro."

Although the Export Administration Act (EAA) expired on August 20, 1994, the President invoked the International

Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) and continued in effect the EAR, and to the extent permitted by law, the provisions of the EAA in Executive Order 12924 of August 19, 1994, as extended by the President's notices of August 15, 1995 (60 FR 42767), August 14, 1996 (61 FR 42527), August 13, 1997 (62 FR 43629), August 13, 1998 (63 FR 44121), and August 10, 1999 (64 FR 44101, August 13, 1999).

Rulemaking Requirements

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

2. This rule involves a collection 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 number 0694-0088, "Multi-Purpose Application," which carries a burden hour estimate of 40 minutes to prepare and submit electronically and 45 minutes to submit manually on form BXA-748P. Notwithstanding any other provision of law, no person is required to respond 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.

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

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

Therefore, this regulation is issued in final form. Although there is no formal comment period, public comments on this regulation are welcome on a continuing basis. Comments should be

submitted to Hillary Hess, Regulatory Policy Division, Bureau of Export Administration, Department of Commerce, P.O. Box 273, Washington, DC 20044.

List of Subjects

15 CFR Part 738

Administrative practice and procedure, Exports, Foreign trade.

15 CFR Part 740

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

15 CFR Part 746

Embargoes, Exports, Foreign trade, Reporting and recordkeeping requirements.

Accordingly, parts 738, 740, and 746 of the Export Administration Regulations (15 CFR parts 730-99) are amended as follows:

1. The authority citation for 15 CFR part 738 is revised 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; 30 U.S.C. 185(s), 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; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; and Notice of August 10, 1999, 64 FR 44101 (August 13, 1999).

2. The authority citation for 15 CFR part 740 is revised 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. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; and Notice of August 10, 1999, 64 FR 44101 (August 13, 1999).

3. The authority citation for part 746 is revised 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. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; and Notice of August 10, 1999, 64 FR 44101 (August 13, 1999).

PART 738—[AMENDED]

4. Supplement No. 1 to Part 738 is amended by removing "Serbia and Montenegro" and adding, in alphabetical order, "Kosovo," "Montenegro," and "Serbia," to read as follows:

Supplement No. 1 to Part 738—
COMMERCE COUNTRY CHART

* * * * *

COMMERCE COUNTRY CHART
[Reason for Control]

Countries	Chemical & Biological Weapons			Nuclear Non-proliferation		National Security		Mis-sile Tech	Regional Stability		Fire-arms Con-vention	Crime Control			Anti-Terrorism	
	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FS 1	CC 1	CC 2	CC 3	AT 1	AT 2
Kosovo (Serbian province of)	X	X		X		X	X	X	X	X		X		X		
Montenegro	X	X		X		X	X	X	X	X		X		X		
Serbia (not including Kosovo)	See part 746 of the EAR to determine whether a license is required in order to export or reexport to this destination.															

* * * * *

PART 740—[AMENDED]

5. Section 740.7 is amended by removing "Serbia & Montenegro" from paragraph (d)(1) and by adding, in alphabetical order, "Kosovo (Serbian province of)," "Montenegro," and "Serbia".

6. Supplement No. 1 to part 740 is amended by removing "Serbia & Montenegro" from the list of "Country Group B" countries and by adding, in alphabetical order, "Kosovo (Serbian province of)" and "Montenegro".

PART 746—[AMENDED]

7. Section 746.9 is revised to read as follows:

§ 746.9 Serbia, Kosovo, and Montenegro.

The Department of Commerce maintains a comprehensive embargo on exports and reexports to Serbia, excluding the Serbian province of Kosovo ("Kosovo"). For purposes of the EAR, Serbia (excluding Kosovo), Kosovo, and Montenegro are separate destinations under the EAR. Additionally, a United Nations mandated arms embargo applies to certain items destined to Serbia, Kosovo, and Montenegro.

(a) *Serbia.* (1) *License requirements.* You will need a license to export or reexport all items subject to the EAR to Serbia, except as specified in paragraph (a)(3) of this section. This requirement does not apply to Kosovo or Montenegro; controls set forth in other parts of the EAR (e.g., the Commerce Country Chart) remain in effect for items destined to Kosovo or Montenegro.

(2) *Licensing policy.* Applications for export or reexport of all items subject to the EAR to Serbia will be reviewed on a case-by-case basis, with a presumption of denial for any items other than humanitarian items. BXA will approve sales of agricultural commodities and products, medicine, and medical equipment for civilian end-use when appropriate safeguards can be

developed to prevent diversion to military, paramilitary or political use.

(3) *License Exceptions.* Items consigned to and for use by personnel and agencies of the U.S. Government under License Exception GOV (see § 740.11(b)(2) of the EAR) and individual gift parcels under License Exception GFT (see § 740.12(a) of the EAR) may be exported or reexported to Serbia, and temporary exports or reexports by the news media may be made to Serbia under License Exception TMP (see § 740.9(a)(2)(viii) of the EAR). No other License Exceptions are available for Serbia.

(b) *Serbia, Kosovo, and Montenegro.*

(1) *License requirements.* Under Executive Order 12918 of May 26, 1994 (59 FR 28205, 3 CFR, 1994 Comp., p. 899) (which authorizes the Secretary of State and the Secretary of Commerce, under section 5 of the United Nations Participation Act and other authorities available to the respective Secretaries, to take all actions necessary to implement any arms embargo mandated by resolution of the United Nations Security Council), and in conformity with United Nations Security Council (UNSC) Resolution 1160 of March 31, 1998, an embargo applies to the sale or supply to Serbia, Kosovo, or Montenegro of arms and related matériel of all types and regardless of origin, such as weapons and ammunition, military vehicles and equipment, and spare parts for such items. You will therefore need a license for the sale, supply or export to Serbia, Kosovo, or Montenegro from the United States of embargoed items, as listed in paragraphs (b)(1)(i) and (ii) of this section. You will also need a license for the sale, supply, export or reexport to Serbia, Kosovo, or Montenegro of such items by any United States person in any foreign country or other location. (Reexport controls imposed under this paragraph (b)(1) apply only to reexports by U.S. persons. Reexport controls on U.S.-origin items to Serbia, Kosovo, or Montenegro set forth in other parts of the EAR remain in effect.) You will also need a license

for the use of any U.S.-registered aircraft or vessel to supply or transport to Serbia, Kosovo, or Montenegro any such items. These requirements apply to embargoed items specified in paragraphs (b)(1)(i) and (b)(1)(ii) of this section, regardless of origin.

(i) *Crime Control and Detection Equipment* as identified on the CCL under CC Columns No. 1, 2 or 3 in the Country Chart column of the "License Requirements" section of the applicable ECCN.

(ii) Items described by ECCNs ending in "018"; and 0A982, 0A983, 0A984, 0A985, 0A986, 0A988, 0A989, 0B986, 0E984, 1A005, 1A984, 1C998, 2A993, 3A980, 3A981, 3D980, 3E980, 4A980, 4D980, 4E980, 5A980, 6A002, 6A003.b.3 and b.4, 6E001, 6E002, 9A980, and 9A991.a.

(2) *Date of embargo.* The licensing requirements in paragraph (b) of this section were effective on July 14, 1998.

(3) *License policy.* Applications for export or reexport of all items listed in paragraphs (b)(1)(i) and (ii) of this section are subject to a general policy of denial. Consistent with United Nations Security Council Resolution 1160, this embargo is effective notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any license or permit granted prior to July 14, 1998, except to the extent provided in regulations, orders, directives or licenses that may be issued in the future under Executive Order 12918 or under the EAR.

(c) *Related controls.* The Department of State, Office of Defense Trade Controls, maintains related controls on arms and military equipment under the International Traffic in Arms Regulations (22 CFR parts 120 through 130). You should also contact the Department of the Treasury's Office of Foreign Assets Control concerning any restrictions which might apply to U.S. persons involving financial transactions with Serbia, Kosovo, or Montenegro, including those transactions related to the export or reexport of services and non-U.S.-origin items.

Dated: October 28, 1999.

R. Roger Majak,

*Assistant Secretary for Export
Administration.*

[FR Doc. 99-28855 Filed 11-4-99; 8:45 am]

BILLING CODE 3510-DT-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 8840]

RIN 1545-AX61

Reopenings of Treasury Securities; Original Issue Discount

AGENCY: Internal Revenue Service (IRS),
Treasury.

ACTION: Temporary regulations.

SUMMARY: This document contains temporary regulations relating to the Federal income tax treatment of reopenings of Treasury securities. The temporary regulations change the definition of a qualified reopening. The text of the temporary regulations also serves as the text of the proposed regulations set forth in the notice of proposed rulemaking on this subject in the Proposed Rules section of this issue of the **Federal Register**. The regulations in this document provide needed guidance to holders of reopened Treasury securities.

DATES: The regulations are effective November 5, 1999.

FOR FURTHER INFORMATION CONTACT:
William E. Blanchard, (202) 622-3950
(not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

Sections 163(e) and 1271 through 1275 of the Internal Revenue Code (Code) provide rules for the Federal income tax treatment of interest and original issue discount (OID). On February 2, 1994, final regulations relating to these sections of the Code (TD 8517, 1994-1 C.B. 38) were published in the **Federal Register** (59 FR 4799). Section 1.1275-2(d)(2) of the regulations provides rules for the treatment of certain reopenings of Treasury securities.

On January 6, 1997, temporary regulations relating to the Federal income tax treatment of inflation-indexed debt instruments (TD 8709, 1997-1 C.B. 167) were published in the **Federal Register** (62 FR 615). Section 1.1275-7T(g) of those temporary regulations provided rules for the treatment of certain reopenings of

Treasury Inflation-Indexed Securities. On September 7, 1999, § 1.1275-7T was redesignated as § 1.1275-7 (TD 8838, 64 FR 48545).

Explanation of Provisions

The Secretary of the Treasury is authorized to issue Treasury securities, including Treasury Inflation-Indexed Securities, and to prescribe terms and conditions for their issuance and sale. The Treasury Department sells securities throughout the year.

In January 1992, the Treasury Department determined that it will be prepared to provide additional quantities of a security to the public when an acute, protracted shortage develops. These reopenings are necessary to preserve the integrity and efficient functioning of the market in Treasury securities. See Department of the Treasury, Securities and Exchange Commission, and Board of Governors of the Federal Reserve System, *Joint Report on the Government Securities Market* (January 1992).

In order to ensure that the original and additional Treasury securities are fungible, § 1.1275-2(d) provides that the additional Treasury securities issued in a reopening are part of the same issue as the original Treasury securities if (1) The additional Treasury securities have the same terms as the original Treasury securities, (2) The additional Treasury securities are issued not more than 12 months after the original Treasury securities were first issued to the public, and (3) The additional Treasury securities are issued in a reopening intended to alleviate an acute, protracted shortage of the original Treasury securities (a qualified reopening). As a result, any discount generated upon the issuance of the additional Treasury securities in the reopening is market discount rather than OID.

Under § 1.1275-7(g), a reopening of Treasury Inflation-Indexed Securities is a qualified reopening for purposes of § 1.1275-2(d) even though the reopening is not intended to alleviate an acute, protracted shortage of the original Treasury securities.

For debt management and liquidity concerns, the Treasury Department has decided that it needs the ability to reopen an issue of Treasury securities within one year. Therefore, the temporary regulations in this document (§ 1.1275-2T) revise the rules for when a reopening is a qualified reopening by eliminating the acute, protracted shortage requirement. As a result, the Treasury Department can reopen an issue of outstanding Treasury securities at any time within 12 months after the

issue date of the securities for any reason and the securities will be fungible for Federal income tax purposes.

The temporary regulations also revise the rules to determine the issue price and issue date of an issue of Treasury securities auctioned on or after November 2, 1998, to reflect changes in how Treasury securities are sold. On November 2, 1998, the Treasury Department switched from an average price auction to a single price auction for selling Treasury securities.

In response to comments, the IRS is proposing rules for reopenings of debt instruments other than Treasury securities. See the Proposed Rules section of this issue of the **Federal Register**.

Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations and, because the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Code, these temporary regulations will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

Drafting Information

The principal author of the regulations is William E. Blanchard, Office of Assistant Chief Counsel (Financial Institutions and Products). However, other personnel from the IRS and Treasury Department participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by adding a new entry in numerical order to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Section 1.1275-2T also issued under 26 U.S.C. 1275(d). * * *