

coverage of copyrights and other intellectual property rights related to computer software on the BE-22. Separately, a proposed rulemaking for the BE-93 survey will add language to include coverage of computer software royalties and license fees.

Reporting in the BE-22 annual survey is required from U.S. persons with sales to, or purchases from, unaffiliated foreign persons in excess of \$1,000,000 in any of the services covered during the reporting year. Those meeting this criterion must supply data on the amount of their total sales or total purchases of each type of service in which their transactions exceeded this threshold amount. Except for sales of merchanting services, the data are also disaggregated by country. U.S. persons with purchases or sales during the reporting year of \$1,000,000 or less in a given type of covered service are asked to provide, on a voluntary basis, estimates only of their total purchases or total sales, as appropriate, for the given type of service.

Executive Order 12612

These final rules do not contain policies with Federalism implications sufficient to warrant preparation of a Federalism assessment under E.O. 12612.

Executive Order 12866

These final rules have been determined to be not significant for purposes of E.O. 12866.

Paperwork Reduction Act

The collection of information required in these final rules has been approved by OMB (OMB No. 0608-0060) under the Paperwork Reduction Act. Notwithstanding any other provision of law, no person is required to respond to, nor shall a 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 displays a currently valid OMB Control Number; such a Control Number (0608-0060) has been displayed.

Public reporting burden for this collection of information estimated to vary from 4 to 500 hours, with an overall average burden of 11.5 hours. This includes time for reviewing the instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Comments regarding the burden estimate or any other aspect of this collection of information should be addressed to: Director, Bureau of Economic Analysis (BE-1), U.S.

Department of Commerce, Washington, DC 20230; and to the Office of Management and Budget, O.I.R.A., Paperwork Reduction Project 0608-0060, Washington, DC 20503.

Regulatory Flexibility Act

The Assistant General Counsel for Legislation and Regulation, Department of Commerce, has certified to the Chief Counsel for Advocacy, Small Business Administration, under the provisions of the Regulatory Flexibility Act (5 U.S.C. 605(b)), that these final rules will not have a significant economic impact on a substantial number of small entities. The exemption level for the survey excludes most small businesses from mandatory reporting. Reporting is required only if total sales or purchases transactions with unaffiliated foreign persons in a covered type of service exceed \$1,000,000 during the year. Of those smaller businesses that must report, most will tend to have specialized operations and activities and will likely report only one type of service; therefore, the burden on them should be small.

List of Subjects in 15 CFR Part 801

Economic statistics, Balance of payments, Foreign trade, Penalties, Reporting and recordkeeping requirements.

Dated: December 2, 1997.

J. Steven Landefeld,

Director, Bureau of Economic Analysis.

For the reasons set forth in the preamble, BEA amends 15 CFR part 801, as follows:

PART 801—SURVEY OF INTERNATIONAL TRADE IN SERVICES BETWEEN U.S. AND FOREIGN PERSONS

1. The authority citation for 15 CFR Part 801 continues to read as follows:

Authority: 5 U.S.C. 301, 15 U.S.C. 4908, 22 U.S.C. 3101-3108, and E.O. 11961 (3 CFR, 1977 Comp., p. 860 as amended by E.O. 12013 (3 CFR, 1977 Comp., p. 147), E.O. 12318 (3 CFR, 1981 Comp., p. 173), and E.O. 12518 (3 CFR, 1985 Comp., p. 348).

2. Section 801.9 is amended by revising paragraph (b)(6)(ii) to read as follows:

§ 801.9 Reports required.

* * * * *

(b) * * *

(6) * * *

(ii) Covered services. With the exceptions given in this paragraph, the services covered by this survey are the same as those covered by the BE-20, Benchmark Survey of Selected Services Transactions With Unaffiliated Foreign

Persons-1996, as listed in § 801.10(c) of this part. The exceptions are elimination of coverage of general use computer software royalties and license fees from computer and data processing services, and the elimination of coverage of four small types of services—agricultural services; management of health care facilities; mailing, reproduction, and commercial art; and temporary help supply services.

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[FR Doc. 97-34030 Filed 12-30-97; 8:45 am]

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DEPARTMENT OF THE TREASURY

Customs Service

19 CFR Part 54

[T.D. 98-4]

Technical Change Regarding Duty Free Entry of Metal Articles

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Final rule.

SUMMARY: This document amends the Customs Regulations, to conform with subheadings 9817.00.80 and 9817.00.90, Harmonized Tariff Schedule of the United States, relating to the duty free entry of metal articles imported to be used in remanufacture by melting or to be processed by shredding, shearing, compacting or similar processing which renders them fit only for the recovery of the metal content.

EFFECTIVE DATE: December 31, 1997.

FOR FURTHER INFORMATION CONTACT: Kathy Campanelli, National Commodity Specialist, Metals and Machinery Branch, (212) 466-5492.

SUPPLEMENTARY INFORMATION:

Background

As part of a continuing program to keep its regulations current, the Customs Service has determined that a change in § 54.5(a)(2), Customs Regulations (19 CFR 54.5(a)(2)), is necessary in order to bring the regulations into conformity with subheadings 9817.00.80 and 9817.00.90, Harmonized Tariff Schedule of the United States (HTSUS), relating to the duty free entry of metal articles imported to be used in remanufacture by melting or to be processed by shredding, shearing, compacting or similar processing which renders them fit only for the recovery of the metal content.

Discussion of Change

Heading 9817, HTSUS, provides for classes of articles entitled to duty free entry into the United States.

The classes of merchandise encompass unwrought metal including remelt scrap ingot (except copper, lead, zinc, and tungsten) in the form of pigs, ingots or billets (a) that are defective or damaged, or have been produced from melted down metal waste and scrap for convenience in handling and transportation without sweetening, alloying, fluxing or deliberate purifying, and (b) that cannot be commercially used without remanufacture; relaying or rerolling rails; and articles of metal (except articles of lead, of zinc or of tungsten, and not including metal-bearing materials provided for in section VI, chapter 26 or subheading 8548.10 and not including unwrought metal provided for in chapters 72–81) to be used in remanufacture by melting or to be processed by shredding, shearing, compacting or similar processing which renders them fit only for the recovery of the metal content.

Specifically, subheading 9817.00.80, provides for articles of copper and subheading 9817.00.90, provides for articles of any other metal fitting into one of the above referenced classes.

Part 54, Customs Regulations (19 CFR Part 54), provides procedures for the duty free entry of certain importations. Section 54.5, Customs Regulations (19 CFR 54.5) sets forth the scope of several exemptions from entitlement to duty free entry of metal articles classified in subheadings 9817.00.80 and 9817.00.90, HTSUS. The provision presently does not apply to:

1. Articles of lead, zinc, or tungsten;
2. Metal-bearing materials provided for in Chapter 26, HTSUS; or
3. Unwrought metal provided for in Section XV, HTSUS.

Inasmuch as subheadings 9817.00.80 and 9817.00.90, HTSUS, also exclude metal-bearing materials provided for in Section VI, HTSUS, as well as articles provided for in subheading 8548.10, HTSUS, § 54.5(a)(2), Customs Regulations, must be amended to include these exemptions. The amendment rectifies the omission of these exemptions.

Inapplicability of Public Notice and Comment and Delayed Effective Date Requirements, the Regulatory Flexibility Act, and Executive Order 12866

Inasmuch as this amendment merely conforms the Customs Regulations to existing law as noted above, pursuant to 5 U.S.C. 553(b)(B), notice and public

procedure thereon are unnecessary and pursuant to 5 U.S.C. 553(d)(3), a delayed effective date is not required. Since this document is not subject to the notice and public procedure requirements of 5 U.S.C. 553, it is not subject to the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). This amendment does not meet the criteria for a "significant regulatory action" as defined in E.O. 12866.

Drafting Information

The principal author of this document was Janet L. Johnson, Regulations Branch, Office of Regulations and Rulings, U.S. Customs Service. However, personnel from other offices participated in its development.

List of Subjects in 19 CFR Part 54

Customs duties and inspection, Metals, Reporting and recordkeeping requirements.

Amendment to the Regulations

Part 54, Customs Regulations (19 CFR Part 54), is amended as set forth below.

PART 54—CERTAIN IMPORTATIONS TEMPORARILY FREE OF DUTY

1. The general authority citation for part 54 is revised to read as follows:

Authority: 19 U.S.C. 66, 1202 (General Note 20, Section XV, Note 5, Harmonized Tariff Schedule of the United States), 1623, 1624.

2. Section 54.5 is amended by revising paragraph (a)(2) to read as follows:

§ 54.5 Scope of exemptions; nondeposit of estimated duty.

(a) * * *

(2) Metal-bearing materials provided for in section VI, Chapter 26 or subheading 8548.10, HTSUS; or
* * * * *

Douglas M. Browning,

Acting Commissioner of Customs.

Approved: December 5, 1997.

Dennis M. O'Connell,

Acting Deputy Assistant Secretary of the Treasury.

[FR Doc. 97–33855 Filed 12–30–97; 8:45 am]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 8749]

RIN 1545–AU34

Qualified Small Business Stock

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations relating to the 50-percent exclusion for gain from certain small business stock. The final regulations reflect changes to the law made by the Omnibus Budget Reconciliation Act of 1993 and provide guidance to the issuers and owners of the stock of certain small businesses.

DATES: This regulation is effective December 31, 1997. For dates of applicability of these regulations, see § 1.1202–2(e).

FOR FURTHER INFORMATION CONTACT: Catherine A. Prohowsky of the Office of the Assistant Chief Counsel (Income Tax and Accounting) at 202–622–4930 (not a toll-free call).

SUPPLEMENTARY INFORMATION:

Background

Section 1202 of the Internal Revenue Code allows a taxpayer (other than a corporation) to exclude 50 percent of certain gain from the sale or exchange of qualified small business stock held for more than 5 years. This document contains amendments to the Income Tax Regulations (26 CFR part 1) that provide guidance relating to the effect of redemptions on the availability of this exclusion.

On June 6, 1996, the **Federal Register** published a notice of proposed rulemaking (IA–26–94), 61 FR 28821, relating to the effect of certain redemptions on the 50-percent exclusion of gain from the sale or exchange of qualified small business stock under section 1202. The proposed regulations provide that these redemptions are disregarded in determining whether the anti-churning rules of section 1202(c) are violated.

Four comments responding to this notice were received. A public hearing was held on October 3, 1996. After consideration of the comments, the proposed regulations under section 1202 are adopted as modified by this Treasury decision.