

## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

### WTO Dispute Settlement Proceeding Regarding the Tax Treatment for Foreign Sales Corporations (Docket No. WTO/D-27)

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice; request for comments.

**SUMMARY:** Pursuant to section 127(b)(1) of the Uruguay Round Agreements Act (URAA) (19 U.S.C. 3537(b)(1)), the Office of the United States Trade Representative (USTR) is providing notice that a dispute settlement panel has been established under the Marrakesh Agreement Establishing the World Trade Organization (WTO) to examine the Foreign Sales Corporation (FSC) provisions of the U.S. Internal Revenue Code.

**DATES:** Although USTR will accept any comments received during the course of the dispute settlement proceedings, comments should be submitted on or before November 2, 1998, to be assured of timely consideration by USTR in preparing its first written submission to the panel.

**ADDRESSES:** Comments may be submitted to Sandy McKinzy, Litigation Assistant, Office of Monitoring and Enforcement, Room 501, Attn: FSC Dispute, Office of the U.S. Trade Representative, 600 17th Street, NW., Washington, DC 20508.

**FOR FURTHER INFORMATION CONTACT:** William D. Hunter, Office of the General Counsel (202) 395-3582.

**SUPPLEMENTARY INFORMATION:** By letter dated July 1, 1998, the European Communities requested the establishment of a panel to examine the FSC provisions (sections 921-927) of the U.S. Internal Revenue Code. On September 22, the WTO Dispute Settlement Body established a panel.

### Major Issues raised by the European Communities and Legal Basis of Complaint

In their request for the establishment of a panel, the European Communities allege that the FSC provisions are inconsistent with several provisions of the WTO agreements, including the following specific allegations:

—The exemptions from U.S. direct (income) taxes of a portion of FSC income related to exports and of dividends distributed to U.S. parent companies constitute prohibited export subsidies under Article 3.1(a) of the Agreement on Subsidies and Countervailing Measures (SCM Agreement);

—The requirement that the tax exemption under the FSC provisions is limited to receipts from the export of products having at least 50% U.S. origin by market value renders the FSC provisions a prohibited import substitution subsidy under Article 3.1(b) of the SCM Agreement;

—Because the United States allegedly has not taken the FSC provisions into account for the purpose of compliance with U.S. commitments under the Agreement on Agriculture, there is a violation of Articles 3 and 8 of that agreement read in conjunction with Articles 9(1)(d), 10(1) and 10(3) of that agreement.

### Public Comment: Requirements for Submissions

Those persons wishing to submit written comments should provide fifteen (15) typed copies (in English) to Sandy McKinzy, Litigation Assistant, Office of Monitoring and Enforcement, Room 501, Attn: FSC Dispute, Office of the U.S. Trade Representative, 600 17th Street, N.W., Washington, DC 20508.

If the submission contains business confidential information, fifteen copies of a confidential version must also be submitted. A justification as to why the information contained in the submission should be treated confidentially must be included in the submission. In addition, any submissions containing business confidential information must be clearly marked "Confidential" at the top and bottom of the cover page (or letter) and of each succeeding page of the submission. The version that does not contain confidential information should also be clearly marked, at the top and bottom of each page, "public version" or "non-confidential."

Pursuant to section 127(e) of the URAA (19 U.S.C. 3537(e)), USTR will maintain a file on this dispute settlement proceeding, accessible to the public, in the USTR Reading Room: Room 101, Office of the United States Trade Representative, 600 17th Street, NW., Washington, DC 20508. The public file will include the U.S. submissions to the panel in the proceeding; the submissions, or non-confidential summaries of submissions, to the panel received from other participants in the dispute, as well as the report of the dispute settlement panel and, if applicable, the report of the Appellate Body. The public file also will include written comments submitted in connection with this request, except for information granted "business confidential" status pursuant to 15 CFR 2003.6 An appointment to review the public file (Docket WTO/D-27 ("U.S.-

Tax Treatment for Foreign Sales Corporations") may be made by calling Brenda Webb, (202) 395-6186. The USTR Reading Room is open to the public from 9:30 a.m. to 12 noon and 1 p.m. to 4 p.m., Monday through Friday.

**Frederick L. Montgomery,**

*Chairman, Trade Police Staff Committee.*

[FR Doc. 98-26702 Filed 10-5-98; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

### Notice of Intent to Rule on Application 98-03-C-00-EUG To Impose and Use the Revenue From a Passenger Facility Charge (PFC) at Eugene Airport- Mahlon Sweet Field (EUG), Submitted by the City of Eugene, Eugene, OR

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of intent to rule on application.

**SUMMARY:** The FAA proposes to rule and invites public comment on the application to impose and use the PFC revenue at Eugene Airport-Mahlon Sweet Field (EUG) under the provisions of 49 U.S.C. 40117 and part 158 of the Federal Aviation Regulations (14 CFR part 158).

**DATES:** Comments must be received on or before November 5, 1998.

**ADDRESSES:** Comments on this application may be mailed or delivered in triplicate to the FAA at the following address: J. Wade Bryant, Manager; Seattle Airports District Office, SEA-ADO; Federal Aviation Administration; 1601 Lind Avenue SW, Suite 250; Renton, WA 98055-4056.

In addition, one copy of any comments submitted to the FAA must be mailed or delivered to Mike Boggs, Airport Manager, at the following address: City of Eugene, 28855 Lockheed Drive, Eugene, OR 97402.

Air Carriers and foreign air carriers may submit copies of written comments previously provided to Eugene Airport-Mahlon Sweet Field, under § 158.28 of part 158.

**FOR FURTHER INFORMATION CONTACT:** Ms. Mary Vargas, (425) 227-2660; Seattle Airports District Office, SEA-ADO; Federal Aviation Administration; 1601 Lind Avenue SW, Suite 250; Renton, WA 98055-4056. The application may be reviewed in person at this same location.

**SUPPLEMENTARY INFORMATION:** The FAA proposes to rule and invites public comment on the application 98-03-C-

00—EUG to impose and use PFC revenue at Eugene Airport-Mahlon Sweet Field, under the provisions of 49 U.S.C. 40117 and part 158 of the Federal Aviation Regulations (14 CFR part 158).

On September 29, 1998, the FAA determined that the application to impose and use the revenue from a PFC submitted by the City of Eugene, Eugene Airport-Mahlon Sweet Field, Eugene, Oregon, was substantially complete within the requirements of § 158.25 of part 158. The FAA will approve or disapprove the application, in whole or in part, no later than December 24, 1998.

The following is a brief overview of the application.

*Level of the proposed PFC:* \$3.00.

*Proposed charge effective date:* November 1, 1998.

*Proposed charge expiration date:* December 1, 1999.

*Total requested for use approval:* \$1,032,875.

*Brief description of proposed project:*

“A” Gate, North and South Canopies; “B” Gate Ramp Reconstruction; “B” Gates Covered Walkways; South General Aviation Ramp Reconstruction; Taxiway Alpha and Taxiway Alpha 8 Reconstruction; Taxiway Alpha 3 Rehabilitation; Taxiway Alpha 7 Reconstruction; Taxiway Alpha Rehabilitation; Taxiway Delta Rehabilitation; Water Loop Extension.

Class or classes of air carriers which the public agency has requested not be required to collect PFCs: Operations by air taxi/commercial operators utilizing aircraft having a maximum seating capacity of less than twenty passengers when enplaning revenue passengers in a limited, irregular/non-scheduled, or special service manner. Also exempted are operations by air taxi/commercial operators, without regard to seating capacity, for revenue passengers transported for student instruction, non-stop sightseeing flights that begin and end at Eugene Airport and are conducted within a 25 mile radius of the same airport, fire fighting charters, ferry or training flights, air ambulance/medivac flights, and aerial photograph or survey flights.

Any person may inspect the application in person at the FAA office listed above under **FOR FURTHER INFORMATION CONTACT** and at the FAA Regional Airports Office located at: Federal Aviation Administration, Northwest Mountain Region, Airports Division, ANM-600, 1601 Lind Avenue, SW., Suite 540, Renton, WA 98055-4056.

In addition, any person may, upon request, inspect the application, notice and other documents germane to the application in person at the Eugene Airport-Mahlon Sweet Field.

Issued in Renton, Washington on September 29, 1998.

**David A. Field,**

*Manager, Planning, Programming and Capacity Branch, Northwest Mountain Region.*

[FR Doc. 98-26794 Filed 10-5-98; 8:45 am]

BILLING CODE 4910-13-M

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### Notice of Intent to Rule on Application (98-03-U-00-SYR) to Use the Revenue From a Passenger Facility Charge (PFC) at Syracuse Hancock International Airport, Syracuse, New York

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of intent to rule on application.

**SUMMARY:** The FAA proposes to rule and invites public comment on the application to use the revenue from a PFC at Syracuse Hancock International Airport under the provisions of the Aviation Safety and Capacity Expansion Act of 1990 (Title IX of the Omnibus Budget Reconciliation Act of 1990) (Pub. L. 101-508) and part 158 of the Federal Aviation Regulations (14 CFR part 158).

**DATES:** Comments must be received on or before November 5, 1998.

**ADDRESSES:** Comments on this application may be mailed or delivered in triplicate to the FAA at the following address: Mr. Robert Levine, Project Manager, New York Airports District Office, 600 Old Country Road, Suite 446, Garden City, New York 11530.

In addition, one copy of any comments submitted to the FAA must be mailed or delivered to Mr. Charles R. Everett, Jr., Commissioner of Aviation of the City of Syracuse Department of Aviation at the following address: Syracuse Hancock International Airport, Syracuse, New York 13212.

Air carriers and foreign air carriers may submit copies of written comments previously provided to the City of Syracuse Department of Aviation under § 158.23 of part 158.

**FOR FURTHER INFORMATION CONTACT:** Robert Levine, Project Manager, 600 Old Country road, Suite 446, Garden City,

New York 11530, (516) 227-3807. The application may be reviewed in person at this same location.

**SUPPLEMENTARY INFORMATION:** The FAA proposes to rule and invites public comment on the application to use the revenue from a PFC at Syracuse Hancock International Airport under the provisions of the Aviation Safety and Capacity Expansion Act of 1990 (Title IX of the Omnibus Budget Reconciliation Act of 1990) (Pub. L. 101-508) and Part 158 of the Federal Aviation Regulations (14 CFR part 158).

On August 31, 1998, the FAA determined that the application to use the revenue from a PFC submitted by the City of Syracuse was substantially complete within the requirements of § 158.25 of part 158. The FAA will approve or disapprove the application, in whole or in part, no later than December 29, 1995.

The following is a brief overview of the application.

*Application number:* 98-03-U-00-SYR.

*Level of the proposed PFC:* \$3.00.

*Proposed charge effective date:* October 1, 1998.

*Proposed charge expiration date:* February 1, 2001.

*Total estimate PFC revenue:* \$3,322,500.

*Brief description of proposed projects:*

—Land Acquisition for Parallel Runway 10L/28R Class or classes of air carriers, which the public agency has requested not be required to collect PFCs: Air Taxi/Commercial Operators filing FAA Form 1800-31.

Any person may inspect the application in person at the FAA office listed above under **FOR FURTHER INFORMATION CONTACT** and at the FAA Regional Airports office located at: Fitzgerald Federal Building #111, John F. Kennedy International Airport, Jamaica, New York, 11430.

In addition, any person may, upon request, inspect the application, notice and other documents germane to the application in person at the City of Syracuse Department of Aviation.

Issued in Jamaica, New York on September 28, 1998.

**Thomas Felix,**

*Manager, Planning and Programming Branch, Airports Division, Eastern Region.*

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