between the United States of America and Spain, Paseo Gral. Martinez Campos, 24, 28080 Madrid, 34–91–308–2436, or via E-Mail at *postmaster@comision*.fulbright.es, or *postmaster@comision-fulbright.org.* The Commission maintains a web-site on this and other programs at *http://www.fulbright.es/welcome.html.*

SUPPLEMENTARY INFORMATION:

Authority

This program is established under the Agreement for Scientific and Technological Cooperation between the Government of the United States and the Government of Spain.

A solicitation for this program began September 1, and will continue until the closing date of December 1, 1998. The Department of State and the Foreign Ministry of Spain announce the second call for collaborative projects under the Agreement on Scientific and Technological Cooperation, which entered into force in 1996. The purpose of the Agreement is to encourage and support scientific and technological cooperation between the United States and Spain. Grants under this project call, that are approved by the Joint Commission on Scientific and Technological Cooperation will assist with the costs for international collaboration between research teams from science agencies and universities of the two countries. Basic research costs must be funded from other sources. Costs supported will normally not exceed $30,000 in the first year; a renewal may be requested under a later project call.

Basic Terms

The funds available to the Joint Commission as described in Article VII(2) of the Agreement, are being used as follows. Approximately twenty-five percent of the funds are being used in the first year of the program, or approximately $750,000 for thirty-six grants. In the second call for proposals, approximately 40% of the funds, or about $1,200,000 will be used for new proposals and for approved renewals. The remaining funds will be used in the third year.

Costs supported include travel, at government contract rates or tourist class; per diem lodging, meals and incidentals; international mail and messenger service; minimal amounts of equipment (normally no more than $2000 would be approved), and the like. Living costs will be supported up to a maximum of $175 per day, but teams are encouraged to find less expensive options for meals and lodging for stays of more than a few days, to maximize the funds available. Normally travel should be for a minimum of a week and a maximum of a month.

The call for proposals is open until December 1, 1998; grants will be decided in April 1999. There will normally be a maximum of twelve months for use of granted funds. A mid-term report after the first six months will be the basis of an application for a renewal if one is desired. Proposals will be subject to peer review in both countries. Proposals will be submitted as a single package in both English and Spanish; U.S. principal investigators should forward their portion of the document to their Spanish counterpart, to facilitate the submission of the package to the Program Secretariat in Madrid.

Collaborative proposals are expected to have secured funding for the basic research, and preferably be already established projects in at least one of the two countries.

Priorities

Emphasis will be given by the Joint Commission in the 1998 awards to the following fields:

1. Life Sciences
1.1 Infectious and degenerative diseases, including diseases of animals
1.2 Biotechnology of plants, plant health, and integrated pest management
1.3 Food biotechnology
1.4 Molecular design in the production of pharmaceuticals
2. Environment
2.1 Biodiversity
2.2 Natural reserves and protected ecosystems
2.3 Conservation of soils and forests and problems of desertification
2.4 Integrated water management; resources, use and reuse
2.5 Combating pollution and treatment of wastes
3. Information and Communication Technology
3.1 Electronic and microelectronic technology
3.2 Advanced communication technology: satellites, mobile units, Internet II
3.3 Informatics
4. Materials Sciences
4.1 Ceramics, metals, polymers, compounds and superconductors
4.2 Advanced production technology for new materials
5. Energy and High Energy Physics
5.1 Alternate energy: Solar and Wind
5.2 Clean technologies for fossil fuels and/or alternatives
5.3 Cooperative research with U.S. High Energy Physics Labs

Applicants will indicate on the cover sheet the number of the field under which the project falls. Projects submitted outside these categories should simply be designated as ''6. Other Fields.''

Research Teams

All scientists working in research agencies of the two governments, or in universities of the two countries, are eligible to apply. Each project should have a principal investigator on the U.S. side and on the Spanish side. These should be nationals or residents of the respective countries; teams may include citizens of other countries if this is justified in the research plan. U.S. researchers are reminded that Spain requires a visa for holders of official or diplomatic passports. Spanish researchers will not normally require a special visa.

Janet Mayland,

Deputy Director, Office of Science and Technology Cooperation, Bureau of Oceans and International Environmental and Scientific Affairs.

[FR Doc. 98–28291 Filed 10–21–98; 8:45 am]

BILLING CODE 4710–09–M

OFFICE OF UNITED STATES TRADE REPRESENTATIVE

[Docket No. 301–100a]

Implementation of WTO Recommendations Concerning the European Communities' Regime for the Importation, Sale and Distribution of Bananas

AGENCY: Office of the United States Trade Representative.

ACTION: Notice of proposed determination, request for comment.

SUMMARY: January 1, 1999 is the deadline for the European Communities' (EC) implementation of the recommendations of the World Trade Organization (WTO) Dispute Settlement Body (DSB) concerning the EC regime for the importation, sale, and distribution of bananas (banana regime). The United States Trade Representative (USTR) is seeking written comments on: (1) the measures that the EC has undertaken to apply as of January 1, 1999 to implement the WTO recommendations concerning the EC banana regime; and (2) the USTR's proposed affirmative determination under section 306(b) of the Trade Act of 1974, as amended, (Trade Act) (19 U.S.C. § 2416), that the measures fail to implement the WTO recommendations. The USTR must make the determination

under section 306(b) no later than January 31, 1999.

DATES: Written comments from interested persons are due on or before November 9, 1998.

ADDRESSES: 600 17th Street, NW, Washington, D.C. 20508.

FOR FURTHER INFORMATION CONTACT: Rachel Shub, Associate General Counsel (202) 395–7305; or Ralph Ives, Deputy Assistant U.S. Trade Representative, (202) 395–3320.

SUPPLEMENTARY INFORMATION: On September 27, 1995, the USTR initiated an investigation under section 302(b) of the Trade Act regarding the EC's regime for the importation, sale and distribution of bananas and requested public comment on the issues raised in the investigation and the determinations to be made under section 304 of the Trade Act. [60 FR 52026 of October 4, 1995]. This investigation specifically concerned EC Council Regulation No. 404/93 and related measures distorting international banana trade and discriminating against U.S. marketing companies importing bananas from Latin America, including a restrictive and discriminatory licensing scheme designed to transfer market share in the wholesale distribution sector from U.S. banana marketing firms of EC or African, Caribbean and Pacific (''ACP'') nationality.

As required under section 303 (a) of the Trade Act, the United States held consultations with the EC under the procedures of the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU). After holding a first set of consultations with the EC on October 26, 1995, the United States and the governments of Guatemala, Honduras and Mexico decided to delay the request for a dispute settlement panel until Ecuador, the world's largest banana exporter, had completed its accession and could join the dispute settlement proceeding. Pursuant to a new request filed jointly by the governments of Ecuador, Guatemala, Honduras, Mexico and the United States (''complaining parties''), a second set of WTO consultations with the EC was held on March 14, 1996. A dispute settlement panel was established on May 8, 1996.

The WTO panel is this case circulated its report on May 22, 1997. It included numerous findings that the EC banana regime is inconsistent with the EC's WTO obligations. The EC appealed all of the panel's adverse findings, and the complaining parties cross-appealed three. On September 9, 1997, the Appellate Body issued its report confirming all the major panel findings against the EC regime, and reversing the panel report on two issues that had been decided in the EC's favor (agreeing with the complaining parties).

The WTO reports include findings that the following EC measures violate the EC's obligations under various provisions of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and/or the General Agreement on Trade in Services (GATS): (1) the EC's discriminatory allocation of shares of its market to certain ACP countries and to certain countries signatory to the Banana Framework Agreement; (2) the EC's discriminatory rules for reallocating annual country shares in the event of a country's shortfall; (3) the EC's discriminatory distribution to EC and ACP banana distribution companies of ''Category B'' licenses to import bananas from non-EC, non-ACP countries (mainly Latin America); (4) the EC's requirements for obtaining licenses to import from Latin America, which impose burdens not imposed on imports from ACP countries; (5) the EC's distribution of licenses to ripeners in the EC, which discriminates against U.S. and Latin American firms in favor of EC firms; (6) the EC's discriminatory export certificate requirements; and (7) the EC's distribution of EC and ACP banana distribution companies of additional licenses, so-called ''hurricane licenses,'' to import from Latin America. (The complaining parties did not challenge the EC's preferential tariffs for ''traditional'' ACP bananas.)

The Appellate Body report includes the recommendation that the DSB request the EC to being its banana measures found in the Appellate Body report and in the panel report (as modified by the Appellate Body report) to be inconsistent with the GATT 1994 and the GATS into conformity with the EC's obligations under those agreements. On September 25, 1997, the DSB adopted the Appellate Body and panel reports (as modified by the Appellate Body report), including this recommendation.

At a meeting of the DSB on October 16, 1997, the EC stated that it would ''fully respect its international obligations with regard to this matter'' and would require a ''reasonable period of time to do.'' On December 17, 1997, at a WTO arbitration hearing requested by the complaining parties to determine the ''reasonable period of time'' pursuant to Article 21.3 of the DSU, the EC made it clear that the reasonable period of time it requested, i.e., until January 1, 1999, was for the purpose of implementing all the recommendations and rulings of the DSB adopted on September 25. On January 7, 1998, the WTO-appointed arbitrator circulated his determination that the period until January 1, 1999, would be the ''reasonable period of time'' for the EC to implement the DSB rulings and recommendations.

Based on the results of the WTO dispute settlement proceedings, the public comments received and appropriate consultations, the USTR on February 10, 1998 determined that certain acts, policies and practices of the EC violate, or otherwise deny benefits to which the United States is entitled under, GATT 1994 and the GATS. [63 FR 8248 of February 18, 1998]. The USTR further determined that the EC's undertaking to implement all of the rulings and recommendations of the WTO reports within the reasonable period of time established pursuant to Article 21.3 of the DSU constituted for the purposes of section 301(a)(2)(B)(i) the taking of satisfactory measures to grant the rights of the United States under the GATT 1994 and GATS. Therefore, pursuant to section 301(a)(2), the USTR terminated the investigation without taking action under section 301 of the Trade Act. The USTR stated in the termination notice that it would monitor the EC's implementation of the WTO recommendations under section 306 of the Trade Act and would take action under section 301(a) if the EC did not comply with its WTO obligations and commitments.

Section 306(a) of the Trade Act requires the USTR to monitor measures undertaken by a foreign government to provide a satisfactory resolution of a matter subject to dispute settlement proceedings to enforce the rights of the United States under a trade agreement. Section 306(b) requires the USTR to determine what further action it shall take under section 301(a) of the Trade Act if the USTR considers that a foreign country has failed to implement a recommendation made pursuant to dispute settlement proceedings under the WTO. The USTR shall make this determination no later than thirty days after the expiration of the reasonable period of time provided for such implementation under Article 21.3 of DSU. Section 305(a)(1) requires the USTR to implement such action by no later than 30 days after the date on which that determination is made.

Given that the reasonable period of time for the EC's implementation of the WTO recommendations concerning the EC banana regime expires on January 1, 1999, the USTR must make the determination required by section 306(b) no later than January 31, 1999, and, in the event of an affirmative determination, must implement further

action no later than 30 days thereafter. These time frames permit the USTR to seek recourse to the procedures for compensation and suspension of concessions provided in Article 22 of the DSU.

Monitoring EC Implementation

Following the termination of the investigation, USTR has monitored EC compliance under section 306 of the Trade Act. EC actions undertaken since January 1999, and in particular since June 26, 1998, indicate that EC compliance with its WTO obligations by January 1, 1999 is unlikely.

The EC Commission proposed amendments to its banana regime on January 14, 1998, which were then forwarded to the EC Council for its consideration. The United States and other complaining parties raised concerns about the consistency with the EC's WTO obligations of these proposals with EC Commission officials and before the DSB.

The USTR and U.S. Secretary of Agriculture subsequently asked their counterparts in the European member States to oppose the Commission proposal when it was presented to the European Agriculture Council. On June 26, 1998, however, the European Council of Agriculture Ministers agreed, with few modifications, on proposed amendments to the EC banana regime that had been approved by the European Commission on January 14, and the Agriculture Council also specified how the regulation's provisions on licensing were interpreted. The draft regulations were approved by the EC Council of Agriculture Ministers on July 20. The General Affairs Council formally approved the regulations on July 22. On July 28, 1998, amendments to Regulation 404 were published in the EC *Official Journal* (EC 1637/98; ''Regulation 1637'').

The EC Council regulation provides for the allocation of the EC market among exporting countries and for the distribution of licenses to import bananas as of January 1, 1999. A comparison of the various features of the current EC regime and the amended regime is set forth as Figure 1. On September 14, the complaining parties consulted with the advised the EC of their joint concerns about the inconsistency of the EC's adopted measures with WTO obligations. In summary, the following aspects of the adopted EC measures present particular problems:

Allocation of the EC market among supplying countries. The allocation in Regulation 1637 of the EC market among supplying countries discriminates against bananas from Latin American countries both in terms of quantities allocated and conditions of access. The quantities to be allocated bear no resemblance to the shares that would prevail in the absence of restrictions, as required by Article XIII of the GATT 1994, and unlike quantities for ACP bananas, permit no growth. Latin American banana supplying countries in which U.S. distribution companies are invested would continue to be treated less favorably than ACP banana exporting countries in that they would be required to compete with non-traditional ACP bananas for a small share of an already reduced share of the EC market. Meanwhile, traditional ACP bananas have their own quota, to which Latin American bananas do not have access. Like the current regime, the planned allocation will perpetuate the harmful effects on U.S. companies that distribute Latin American bananas in the EC of the current allocation, which has been found to violate Article XIII of the GATT 1994.

Distribution of Import Licenses. The new EC Council regulation requires the distribution of import licenses on the basis of the ''traditionals/newcomers'' method. On June 26, 1998, the EC Agriculture Council announced that this term was to be interpreted to mean that import licenses would be distributed to ''actual importers on the basis of the presentation of a utilized import license and/or, in particular in the case of new member States, equivalent proofs, where necessary,'' using ''the years 1994–96 as the initial reference period for determining operators' rights.'' The selection of a reference period during the time that a regime which is contrary to the WTO rules was in effect will perpetuate discrimination against U.S. and Latin American suppliers of wholesale trade services created by the current regime (which went into effect in 1993) that has been found to be in violation of GATS Article II and XVII.

Non-Traditional ACP Bananas. The new EC Council Regulation expands upon the tariff preferences provided to ''non-traditional'' ACP bananas; these provisions go beyond the tariff treatment considered by the WTO Appellate Body to fall within the EC's waiver for certain trade preferences required by the Lomé Convention.

Further information on the new EC banana regime is available in the USTR Reading Room in Docket WTO/DS–4.

Proposed Determination

The USTR proposes to determine, pursuant to section 306(b) of the Trade Act, that the measures the EC has undertaken to apply as of January 1, 1999 with respect to this banana regime fail to implement the WTO recommendations. Such a determination will require the USTR also to determine what further action to take under section 301(a) in the event that the EC has failed to implement the WTO recommendations by January 1, 1999. Permissible actions include: action to suspend, withdraw or prevent the application of benefits of trade agreement concessions to the EU; imposition of duties or other import restrictions on goods of the EU or fees or restrictions on services of the EU; and restriction or denial of service sector access authorizations with respect to services of the EU. The USTR intends to determine by December 15, 1998 what action to take.

Written Comments—Requirements for Submissions

Section 306(c) of the Trade Act provides that the USTR shall allow an opportunity for the presentation of views by interested parties prior to the issuance of a determination pursuant to section 306(b). Interested persons are invited to submit written comments on: (1) the measures that the EC has undertaken to apply as of January 1, 1999 to implement the WTO recommendations concerning the EC banana regime; and (2) the USTR's proposed affirmative determination under section 306(b) of the Trade Act that the measures fail to implement the WTO recommendations. Comments must be filed in accordance with the requirements set forth in 15 CFR § 2006.8(b) [55 FR 20,593] and must be filed on or before noon on Monday, November 9, 1998. Comments must be in English and provided in twenty copies to: Sybia Harrison, Staff Assistant to the Section 301 Committee, Room 416, Office of the U.S. Trade Representative, 600 17th Street NW., Washington, DC 20508.

Comments will be placed in a file (Docket 301–100a) open to public inspection pursuant to 15 CFR 2006.13, except confidential business information exempt from public inspection in accordance with 15 CFR 2006.15. Confidential business information submitted in accordance with 15 CFR 2006.15 must be clearly marked ''BUSINESS CONFIDENTIAL'' in a contrasting color ink at the top of each page on each of 20 copies, and must be accompanied by a nonconfidential summary of the confidential information. The nonconfidential summary shall be placed in the file that is open to public inspection. An appointment to review Docket No. 301–100a may be made by

calling Brenda Webb at (202) 395–6186. The USTR Reading Room is open to the public from 9:30 a.m. to 12 noon and 1:00 p.m. to 4:00 p.m., Monday through Friday, and is located in Room 101.

Joanna K. McIntosh,

Chairman, Section 301 Committee.

FIGURE 1.—EC BANANA REGIME: CURRENT V. EC COUNCIL APPROACH

Provision	Current regime	EC council approach
Latin American TRQ of 2.53 million tons.	75 ECU/ton tariff; access at zero tariff for ''non-traditional'' ACP bananas limited to 90,000 tons.	75 ECU/ton tariff; no limit on ACP access at zero tariff.
Latin American bananas entering over the TRQ.	765 ECU/ton tariff	765 ECU/ton tariff.
ACP traditional bananas' quota of 857,700 tons.	Zero tariff, with twelve country allocations	Same; zero tariff, with no allocations yet announce.
Tariff on ''non-traditional'' ACP bananas.	Zero tariff for 90,000 tons within Latin American TRQ.	Zero tariff for unlimited tons within Latin American TRQs' ''others'' category.
ACP over-quota tariff	665 ECU/ton	565 ECU/ton.
Latin American Import Licenses	About 50% to historical importers (Latin American and U.S.) and rest to EC/ACP companies (importers/ripeners).	License-users to receive same amounts as they used in 1994–96 under illegal system.
EC Producer Price Subsidy	622.5 ECU/ton	640.3 ECU/ton.
EC funds from tariff on Latin American bananas.	185 million ECU	185 million ECU.
Review date	2002	2005.

[FR Doc. 98–28271 Filed 10–21–98; 8:45 am]

BILLING CODE 3190–01–M

DEPARTMENT OF TRANSPORTATION

Office of The Secretary

Application of Legend Airlines, Inc. for Certificate Authority

AGENCY: Department of Transportation.

ACTION: Notice of order to show cause Order 98–10–15, Docket OST–98–3667.

SUMMARY: The Department of Transportation is directing all interested persons to show cause why it should not issue an order finding Legend Airlines, Inc., fit, willing, and able, and awarding it a certificate of public convenience and necessity to engage in interstate scheduled air transportation of persons, property and mail.

DATES: Persons wishing to file objections should do so no later than October 30, 1998.

ADDRESSES: Objections and answers to objections should be filed in Docket OST–98–3667 and addressed to the Department of Transportation Dockets (SVC–124.1, Room PL–401), U.S. Department of Transportation, 400 Seventh Street, SW., Washington, DC 20590, and should be served upon the parties listed in Attachment A to the order.

FOR FURTHER INFORMATION CONTACT: Ms. Delores King, Air Carrier Fitness Division (X–56, Room 6401), U.S. Department of Transportation, 400 Seventh Street, SW., Washington, DC 20590, (202) 366–2343.

Dated: October 16, 1998.

Charles A. Hunnicutt,

Assistant Secretary for Aviation and International Affairs.

[FR Doc. 98–28389 Filed 10–21–98; 8:45 am]

BILLING CODE 4910–62–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Advisory Circular; Manufacturing Process of Premium Quality Titanium Alloy Rotating Engine Components

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of issuance of Advisory Circular (AC).

SUMMARY: This notice announces the issuance of Advisory Circular (AC), No. 33.15–1, Manufacturing Process of Premium Quality Titanium Alloy Rotating Engine Components. This AC is provides guidance and information for compliance pertaining to the materials suitability and durability requirements, symbol § 33.15, as applicable to the manufacture of titanium alloy high energy rotating parts of aircraft engines. Like all AC material, this AC is not, in itself, mandatory and does not constitute a regulation. It is issued to provide an acceptable means, but not the only means, of compliance with symbol § 33.15. While these guidelines are not mandatory, they are derived from extensive Federal Aviation Administration (FAA) and industry experience in determining compliance with the pertinent regulations.

DATES: Advisory Circular No. 33.15–1, was issued by the New England Aircraft Certification Service, Engine and Propeller Directorate on September 22, 1998.

FOR FURTHER INFORMATION CONTACT: Tim Mouzakis, Engine and Propeller Standards Staff, ANE–110, 12 New England Executive Park, Burlington, MA, 01803, telephone (781) 238–7114, fax (781) 238–7199.

SUPPLEMENTARY INFORMATION:

Background

Advisory Circulars 21–1B, 21–6A, 21–9A, 21–27, and 21.303–1A, provide a means to obtain and maintain production approvals; however, these documents do not fully cover the manufacturing processes used in the manufacture of premium quality titanium alloy forged rotating components for type certificated turbine engines. This AC, therefore, provides supplemental guidance for the establishment of manufacturing processes, in-process material and component inspections, and finished component inspections, for manufacture of premium quality titanium alloy forged rotating components, such as disks, spacers, hubs, shafts, spools and impellers, but not blades.

Interested parties were given the opportunity to review and comment on the draft AC during the proposal and development phases. Notice was published in the **Federal Register** on July 17, 1997 (62 FR 38338), to announce the availability of, and comment to the draft AC.

This advisory circular, published under the authority granted to the