

modify controlled airspace extending upward from 700 feet above the surface of the earth to contain Instrument Flight Rules (IFR) operations in controlled airspace during portions of the terminal operation and while transiting between the enroute and terminal environments.

Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. No comments objecting to the proposals were received. Class E airspace designations for airspace areas extending upward from 700 feet or more above the surface of the earth are published in paragraph 6005 of FAA Order 7400.9J dated August 31, 2001, and effective September 16, 2001, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designations listed in this document will be published subsequently in the Order.

### The Rule

This amendment to 14 CFR part 71 modifies Class E airspace at Brainerd, MN, to accommodate aircraft executing instrument flight procedures into and out of Brainerd-Crow County Regional Airport. The area will be depicted on appropriate aeronautical charts.

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.

### List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

### Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

### PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES; AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 95665, 3 CFR, 1959–1963 Comp., p. 389.

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9J, Airspace Designations and Reporting Points, dated August 31, 2001, and effective September 16, 2001, is amended as follows:

\* \* \* \* \*

*Paragraph 6005 Class E airspace areas extending upward from 700 Feet or more above the surface of the earth.*

\* \* \* \* \*

#### AGL MN E5 Brainerd, MN [Revised]

Brainerd-Crow County Regional Airport, MN (Lat. 46°23'52"N., long. 94°08'14"W.)

That airspace extending upward from 700 feet above the surface within a 7.9-mile radius of the Brainerd-Crow County Regional Airport, Brainerd, MN.

\* \* \* \* \*

Issued in Des Plaines, Illinois, on March 15, 2002.

**Nancy B. Shelton,**

*Manager, Air Traffic Division, Great Lake Region.*

[FR Doc. 02–7855 Filed 4–1–02; 8:45 am]

**BILLING CODE 4910–13–M**

### DEPARTMENT OF THE TREASURY

#### Customs Service

#### 19 CFR Part 181

[T.D. 02–15]

RIN 1515–AD08

#### North American Free Trade Agreement

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

**ACTION:** Final rule.

**SUMMARY:** This document sets forth amendments to the Customs Regulations that implement the preferential tariff treatment and other Customs-related provisions of the North American Free Trade Agreement (NAFTA) entered into by the United States, Canada and Mexico. The amendments involve technical rectifications and other conforming changes to reflect amendments to the NAFTA uniform regulations agreed upon by the three NAFTA parties and to reflect changes to

the Harmonized Tariff Schedule of the United States.

**EFFECTIVE DATE:** These amendments are effective April 1, 2002.

**FOR FURTHER INFORMATION CONTACT:** John Valentine, International Agreements Staff, Office of Regulations and Rulings (202–927–2255).

#### SUPPLEMENTARY INFORMATION:

##### Background

On December 17, 1992, the United States, Canada and Mexico entered into an agreement, the North American Free Trade Agreement (NAFTA), which, among other things, provides for preferential duty treatment on goods of those three countries. For purposes of the administration of the NAFTA preferential duty provisions, the three countries agreed to the adoption of (1) verbatim NAFTA Rules of Origin Regulations and (2) additional uniform regulatory standards to be followed by each country in promulgating NAFTA implementing regulations under its national law.

The regulations implementing the NAFTA preferential duty and related provisions under United States law are set forth in part 181 of the Customs Regulations (19 CFR part 181) which incorporates, in the Appendix, the verbatim NAFTA Rules of Origin Regulations. When the final rule document setting forth those NAFTA implementing regulations was published in the **Federal Register** (at 60 FR 46334) on September 6, 1995, Customs also published in that same issue of the **Federal Register** (at 60 FR 46464), in a general notice, the text of a document entitled “Uniform Regulations for the Interpretation, Application, and Administration of Chapters Three (National Treatment and Market Access for Goods) and Five (Customs Procedures) of the North American Free Trade Agreement” that contained the additional uniform regulatory standards agreed to by the United States, Canada and Mexico. The principles contained in those additional uniform regulatory standards are reflected, as appropriate, in the part 181 regulatory provisions that precede the Appendix.

On December 12, 2001, the United States Trade Representative, the Canadian Minister of International Trade, and the Mexican Secretary of the Economy in an exchange of letters agreed, among other things, to make certain technical rectifications to the NAFTA uniform regulation provisions referred to above, subject to the completion of each Party’s domestic legal procedures. This rulemaking

effects these changes for the United States. The changes in question are described below.

#### *Change to the Uniform Regulatory Standards*

In the document setting forth the additional uniform regulatory standards agreed to by the United States, Canada and Mexico, in Section B—Administration and Enforcement, under the heading “Article VI: Origin Verifications,” a new paragraph 32 was added after paragraph 31 to read as follows:

32. Each Party shall, through its customs administration when conducting a verification of origin to which Generally Accepted Accounting Principles may be relevant, apply and accept the Generally Accepted Accounting Principles applicable in the territory of the Party in which the good is produced or in which the exporter is located, as the case may be.

This change was made in part because, as Article 506(8) of the NAFTA is currently worded, it would appear that a customs administration is conducting verification of the regional value content requirement in accordance with Generally Accepted Accounting Principles (GAAP) applicable in the territory of the exporting Party. In fact, as indicated in Article 413 of the NAFTA and throughout the NAFTA Rules of Origin Regulations, the use of GAAP relates to the manner in which costs are recorded and maintained, not the manner in which a verification of origin is conducted. This change was also made to reflect the fact that Article 413 of the NAFTA and the NAFTA regulations refer to the GAAP applicable in the territory of the Party in which the good is produced, the location where the books and records are maintained.

#### *Changes to the NAFTA Rules of Origin Regulations*

In the verbatim NAFTA Rules of Origin Regulations, a number of numerical tariff reference and wording changes were made to reflect heading and subheading changes that have been made to the international Harmonized Commodity Description and Coding System (Harmonized System) which formed the basis for the tariff references in the NAFTA verbatim texts. In addition, in those verbatim NAFTA Rules of Origin Regulations, a number of provisions were revised, and some new provisions were added, in order to clarify issues or address problems that came to the attention of the NAFTA signatories after the NAFTA went into effect. The following points are noted

regarding the latter substantive textual changes:

1. In the definitions in Part I, Section 2, a new paragraph (6)(f) was added to provide that total cost includes the impact of inflation as recorded on the books of the producer if recorded in accordance with GAAP. *Explanation:* Reexpression costs are costs typically recorded in the accounting records based on GAAP in countries with a history of high inflation. Reexpression costs associated with inflation, in accordance with procedures to be followed by the GAAP applicable in a territory, are recorded on the books of a producer. Basically, the inventories, machinery and equipment, cost of sales, depreciation expenses, and capital are reexpressed to adjust values and costs for increases or decreases due to inflation. The computations are based on indices established in the prior years and applied consistently throughout the future years. Because these costs are recorded on the books in accordance with GAAP and are not otherwise listed with those costs specifically excluded from the net cost calculation, they are included in the total cost. New paragraph (6)(f) was added to make this clear.

2. In the provisions regarding materials in Part IV, Section 7, subsection (16) was revised and new subsections (16.1) and (16.2) were added. *Explanation:* The revision of subsection (16) and the addition of new subsection (16.1) were intended to clarify two situations with respect to the use of an inventory management method for fungible materials and fungible goods. First, revised subsection (16) clarifies that, subject to subsection (16.1), a producer may use a single inventory management system for fungible materials that are maintained in two or more locations within the territories of the NAFTA parties and are withdrawn for use in the production of a good. Second, new subsection (16.1) makes it clear that, for a producer who withdraws both fungible materials and fungible goods from the same inventory, the producer must use the same inventory management method for that inventory, and the inventory management method must be one that is used for the fungible goods. New subsection (16.2) was added to establish the time at which a producer is determined to have made a choice with regard to an inventory management method for fungible materials or fungible commingled goods, in particular for purposes of applying the provisions of Sections 3 and 12 of Schedule X.

3. In the automotive parts averaging provisions in Part V, Section 12, paragraphs (a) and (b) of subsection (5) were revised. *Explanation:* As previously worded as a result of a textual change adopted by the NAFTA parties in 1995, the text of Section 12(5)(a) and (b) only referred to the *one/ three month periods that are evenly divisible into the remaining months of a parts producer's fiscal year*. However, the one or three month period chosen by a parts producer may also be based on a motor vehicle producer's fiscal year. The 1995 amendment to Section 12(5)(a) and (b) had the unintentional effect of limiting the one or three month averaging period that is otherwise allowed by Article 403(4) of the NAFTA. The new revision of Section 12(5)(a) and (b) serves to align the regulations on the NAFTA text by including a reference to the motor vehicle producer's fiscal year. The amendment ensures that Sections 12(7) through 12(9) will apply to every situation that could arise in the event a parts producer wants to change the averaging period for its goods, and it will provide for a reasonable transition period in the event that the initial averaging period is less than a fiscal year as a result of the change in an averaging period.

4. In Schedule VII, in the provisions regarding methods to reasonably allocate costs, a new Section 4.1 was added and Section 5 was revised. *Explanation:* For purposes of determining total cost, certain costs, such as costs for research and development and costs of obsolete materials, are expensed in one period but are also allocated, for internal management purposes only, to goods to be produced in a different period. New section 4.1 is intended to provide guidance on when the allocation of these costs is considered to be “reasonable” for purposes of Section 4 of Schedule VII. Specifically, new Section 4.1 states that the allocation of costs expensed during a previous period are reasonably allocated to goods of a current period if the allocation is based on a producer's accounting system that is maintained for its own internal management purposes. Therefore, if a producer does not have an accounting system to allocate, to current production, costs that are associated with goods produced in a prior period, then those costs are not reasonably allocated and may not be included in the total cost of the goods produced in the current period. New section 5 simply clarifies that any allocation method referred to in Section 3, 4, or 4.1

and used by a producer must be used throughout the producer's fiscal year.

5. In Schedule VII, in the provisions regarding costs not reasonably allocated, paragraph (b) of Section 6 was revised.

*Explanation:* In some circumstances, costs relating to the production of the good in the current period are recorded as part of the gain or loss relating to the disposition of a discontinued operation. In this cases, under the prior text of paragraph (b) of Section 6 of Schedule VII, these costs would not be reasonably allocated to the cost of the good. However, as part of amendments to the NAFTA Rules or Origin Regulations agreed to by the NAFTA parties in 1994, the definition of discontinued operations in Schedule VII was refined to link it to the definition as set out in each country's GAAP. Because both Canadian and American GAAP include, in the gain or loss, operating costs that are incurred between the time that there is a formal plan of disposal and the disposition date, the unintended effect of the prior paragraph (b) text after the 1994 changes was to exclude these current production costs from net costs (this problem does not arise under the Mexican GAAP). Therefore, it was necessary to amend paragraph (b) of Section 6 to clarify that "gains or losses related to the production of the good" are considered reasonably allocated for purposes of Schedule VII.

6. In Schedule X which concerns inventory management methods. Section 3 in the Part 1 provisions regarding fungible materials, and Section 12 in the Part II provisions regarding fungible goods, were revised. *Explanation:* It had been noted that, under certain circumstances during a verification, a producer may not actually "be determined to have made a choice" with regard to an inventory management method until after the close of the fiscal year in which the production took place. The revision of Sections 3 and 12 were intended to make it clear that, when a producer makes a choice with regard to an inventory management method for fungible materials or goods, the producer is required to use the selected method for the remainder of the fiscal year of production of the materials of goods undergoing this verification, rather than for the remainder of the fiscal year in which the producer is considered to have made the choice.

#### *Conforming Changes to Part 181 of the Customs Regulations*

In keeping with the regulatory obligations assumed by the United States under the NAFTA, the regulations in Part 181 of the Customs

Regulations must be amended to reflect the triaterally-agreed changes referred to above. Accordingly, the document makes the following changes to the part 181 texts:

1. In § 181.72, which sets forth provisions regarding the scope and method of origin verifications, paragraph (b), which refers to the use of Generally Accepted Accounting Principles, is revised in response to the inclusion of new paragraph 32 in the additional uniform regulatory standards document. Although the revised paragraph (b) text is worded somewhat differently to reflect its U.S. regulatory context, it reflects the substance of the triaterally-agreed text.

2. The Appendix to part 181 has been amended to reflect the agreed numerical and text changes to the verbatim NAFTA Rules of Origin regulations. As in the case of amended paragraph (b) of § 181.72, some slight changes have been made to the triaterally-agreed texts to reflect the U.S. regulatory context. Similarly, consistent with the general approach taken throughout the Appendix to part 181, the amended numerical tariff references reflect the subheadings as set forth in the Harmonized Tariff Schedule of the United States (HTSUS), in line with changes to the international Harmonized System and to reflect changes agreed for the triateral NAFTA texts.

In addition, one additional conforming change, has been included in the Appendix to part 181. This change involves replacing the reference to tariff items "2106.90.48 and 21006.90.52" "2106.90.16 and 2106.90.17" by a reference to tariff items within paragraph (c) of subsection (4) under section 5 of part II. This change is necessary to reflect the triateral NAFTA texts and the current numbering of the subheadings in the HTSUS.

#### **Inapplicability of Public Notice and Comment Procedures and Delayed Effective Date Requirements**

Pursuant to the provisions of 5 U.S.C. 553(a) public notice and comment procedures are inapplicable to these final regulations because they are within the foreign affairs function of the United States. In addition, for the above reason and because the Parties have agreed to promulgate these NAFTA implementing regulations changes no later than April 1, 2002, it is determined that good cause exists under the provisions of 5 U.S.C. 553(d)(3) for dispensing with a 30-day delayed effective date.

#### **Executive Order 12866**

Because this document involves a foreign affairs function of the United States and implements an international agreement, it is not subject to the provisions of E.O. 12866.

#### **Regulatory Flexibility Act**

Based on the supplementary information set forth above and because these regulations implement obligations of international agreements and statutory requirements relating to those agreements, pursuant to the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) it is certified that the regulations will not have a significant economic impact on a substantial number of small entities. Accordingly, the regulations are not subject to the regulatory analysis or other requirements of 5 U.S.C. 603 and 604.

#### **Drafting Information**

The principal author of this document was Francis W. Foote, 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 181**

Administrative practice and procedure, Canada, Customs duties and inspection, Exports, Imports, Mexico, Reporting and recordkeeping requirements, Trade agreements (North American Free-Trade Agreement).

#### **Amendments to the Regulations**

For the reasons set forth in the preamble, Part 181, Customs Regulations (19 CFR part 181), is amended as set forth below.

1. The authority citation for Part 181 is revised to read as follows:

**Authority** 19 U.S.C. 66, 1202 (General Note 23, Harmonized Tariff Schedule of the United States), 1624, 3314.

2. In § 181.72, paragraph (b) is revised to read as follows:

#### **§ 181.72 Verification scope and method.**

\* \* \* \* \*

(b) *Applicable accounting principles.* When conducting a verification of origin to which Generally Accepted Accounting Principles may be relevant, Customs will apply and accept the Generally Accepted Accounting Principles applicable in the country in which the good is produced or in which the exporter is located.

\* \* \* \* \*

3. In the Appendix to part 181:  
a. In Part I, Section 2, under the heading "Calculation Of Total Cost," subsection (6) is amended by removing the word "and" at the end of paragraph

(d), removing the period at the end of paragraph (e) and adding, in its place, a semicolon followed by the word “and”; and adding a new paragraph (f);

b. In Part II, Section 5, under the heading “Exceptions,” subsection (4) is amended:

(i) In paragraph (c), by removing the words “2009.30 that is used in the production of a good provided for in any of subheadings 2009.11 through 2009.30 and tariff items 2106.90.16 and 2106.90.17” and adding, in their place, the words “2009.39 that is used in the production of a good provided for in any of subheadings 2009.11 through 2009.39 and tariff items 2106.90.48 and 2106.90.52”;

(ii) In paragraph (d), by removing the reference “2101.10.21” and adding, in its place, the reference “2101.11.21”; and

(iii) By revising paragraph (i);

c. In Part III, Section 6, under the heading “Net Cost Method Required in Certain Circumstances,” subsection (6)(d)(iv) is revised;

d. In Part IV, Section 7, under the heading “Fungible Materials; Fungible Commingled Goods; Inventory Management Methods For Determining Whether Originating,” subsection (16) is revised and new subsections (16.1) and (16.2) are added;

e. In Part V, Section 12, under the heading “Periods For Averaging RVC For Automotive Parts,” subsection (5) is amended by revising paragraphs (a) and (b);

f. In Part VI, Section 16, under the heading “Exceptions For Certain Goods,” subsection (3) is amended by removing the words “8542.11 through 8542.80” and adding, in their place, the words “8542.10 through 8542.70”;

g. In Schedule IV:

(i) The listing “4010.10” is revised to read “4010.31 through 4010.34 and 4010.39.10 through 4010.39.20”;

(ii) The listing “8415.81 through 8415.83” is revised to read “8415.20”;

(iii) The listing “8519.91” is revised to read “8519.93”; and

(iv) The listing “8537.10.30” is revised to read “8537.10.60”;

h. In Schedule VII:

(i) Under the heading “Methods To Reasonably Allocate Costs,” a new Section 4.1 is added after Section 4, and Section 5 is revised; and

(ii) Under the heading “Costs Not Reasonably Allocated,” Section 6 is amended by revising paragraph (b); and

i. In Schedule X:

(i) In Part I, under the heading “General,” Section 3 is revised; and

(ii) In Part II, under the heading “General,” Section 12 is revised.

The additions and revisions read as follows:

#### APPENDIX TO PART 181—RULES OF ORIGIN REGULATIONS

\* \* \* \* \*

#### PART I

#### SECTION 2. DEFINITIONS AND INTERPRETATION

\* \* \* \* \*

#### Calculation of Total Cost

(6) \* \* \*

(f) total cost includes the impact of inflation as recorded on the books of the producer, if recorded in accordance with the Generally Accepted Accounting Principles of the producer's country.

\* \* \* \* \*

#### PART II

\* \* \* \* \*

#### SECTION 5. DE MINIMIS

\* \* \* \* \*

#### Exceptions

(4) \* \* \*

(i) a non-originating material that is used in the production of a good provided for in any of tariff item 7321.11.30 (gas stove or range), subheading 8415.10 through 8415.83, 8414.10 through 8418.21, 8418.29 through 8418.40, 8421.12, 8422.11, 8450.11 through 8450.20 and 8451.21 through 8451.29, and tariff items 8479.89.55 (trash compactors) and 8516.60.40 (electric stove or range);

\* \* \* \* \*

#### PART III

#### SECTION 6. REGIONAL VALUE CONTENT

\* \* \* \* \*

#### Net Cost Method Required in Certain Circumstances

(6) \* \* \*

(d) \* \* \*

(iv) a good provided for in subheading 8469.11;

\* \* \* \* \*

#### PART IV

#### SECTION 7. MATERIALS

Fungible Materials; Fungible Commingled Goods; Inventory Management Methods for Determining Whether Originating

(16) Subject to subsection (16.1), for purposes of determining whether a good is an originating good,

(a) where originating materials and non-originating materials that are fungible materials.

(i) are withdrawn from an inventory in one location and used in the production of the good, or

(ii) are withdrawn from inventories in more than one location in the territory of one or more of the NAFTA countries and used in the production of the good at the same production facility,

the determination of whether the materials are originating materials may be made on the basis of any of the applicable inventory management methods set out in Schedule X; and

(b) where originating goods and non-originating goods that are fungible goods are

physically combined or mixed in inventory and prior to exportation do not undergo production or any other operation in the territory of the NAFTA country in which they were physically combined or mixed in inventory, other than unloading, reloading or any other operation necessary to preserve the goods in good condition or to transport the goods for exportation to the territory of another NAFTA country, the determination of whether the good is an originating good may be made on the basis of any of the applicable inventory management methods set out in Schedule X.

(16.1) Where fungible materials referred to in subsection (16)(a) and fungible goods referred to in subsection (16)(b) are withdrawn from the same inventory, the inventory management method used for the materials must be the same as the inventory management method used for goods, and where the averaging method is used, the respective averaging periods for fungible materials and fungible goods are to be used.

(16.2) A choice of inventory management methods under subsection (16) shall be considered to have been made when the customs administration of the NAFTA country into which the good is imported is informed in writing of the choice during the course of a verification of the origin of the good.

\* \* \* \* \*

#### PART V

#### Automotive Goods

\* \* \* \* \*

#### SECTION 12. AUTOMOTIVE PARTS AVERAGING

\* \* \* \* \*

#### Periods for Averaging RVC for Automotive Parts

(5) \* \* \*

(a) with respect to goods referred to in subsection (4)(a), (b) or (d), or subsection 4(e) or (f) where the goods in that category are in a category referred to in subsection 4(a) or (b), any month, any consecutive three month period that is evenly divisible into the number of months of the producer's fiscal year, or of the fiscal year of the motor vehicle producer to whom those goods are sold, remaining at the beginning of that period, or the fiscal year of that motor vehicle producer to whom those goods are sold; and

(b) with respect to goods referred to in subsection (4)(c), or subsection (4)(e) or (f) where the goods in that category are in a category referred to in subsection (4)(c), any month, any consecutive three month period that is evenly divisible into the number of months of the producer's fiscal year, or of the fiscal year of the motor vehicle producer to whom those goods are sold, remaining at the beginning of that period, or the fiscal year of that producer or of that motor vehicle producer to whom those goods are sold.

\* \* \* \* \*

#### SCHEDULE VII

#### Reasonable Allocation of Costs

\* \* \* \* \*

#### Methods to Reasonably Allocate Costs

\* \* \* \* \*

## SECTION 4.1

Notwithstanding section 3 and 7, where a producer allocates, for an internal management purpose, costs to a good that is not produced in the period in which the costs are expensed on the books of the producer (such as costs with respect to research and development, and obsolete materials), those costs shall be considered reasonably allocated if

(a) for purposes of section 6(11), they are allocated to a good that is produced in the period in which the costs are expensed, and

(b) the good produced in that period is within a group or range of goods, including identical goods or similar goods, that is produced by the same industry or industry sector as the goods to which the costs are expensed.

## SECTION 5.

Any cost allocation method referred to in section 3, 4 or 4.1 that is used by a producer for the purposes of this appendix shall be used throughout the producer's fiscal year.

Costs Not Reasonably Allocated

## SECTION 6.

\* \* \* \* \*

(b) gains or losses resulting from the disposition of a discontinued operation, except gains or losses related to the production of the good;

\* \* \* \* \*

## SCHEDULE X

## Inventory Management Methods

## PART I

## Fungible Materials

\* \* \* \* \*

## General

\* \* \* \* \*

## SECTION 3.

A producer of a good, or a person from whom the producer acquired the fungible materials that are used in the production of the good, may choose only one of the inventory management methods referred to in section 2, and, if the averaging method is chosen, only one averaging period in each fiscal year of that producer or person for the materials inventory.

\* \* \* \* \*

## PART II

## Fungible Goods

\* \* \* \* \*

## General

\* \* \* \* \*

## SECTION 12.

A producer of a good, or a person from whom the producer acquired the fungible good, may choose only one of the inventory management methods referred to in section 11, including only one averaging period in the case of the average method, in each fiscal year of that exporter or person for each

finished goods inventory of the exporter or person.

\* \* \* \* \*

**Robert C. Bonner,**

*Commissioner of Customs.*

**Timothy E. Skud,**

*Deputy Assistant Secretary of the Treasury.*

[FR Doc. 02-8053 Filed 3-29-02; 2:08 pm]

**BILLING CODE 4820-02-M**

## DEPARTMENT OF TRANSPORTATION

## Coast Guard

## 33 CFR Part 165

[COTP Honolulu 02-002]

RIN 2115-AA97

**Security Zone; Chevron Conventional Buoy Mooring, Barbers Point Coast, Honolulu, HI**

**AGENCY:** Coast Guard, DOT.

**ACTION:** Temporary final rule.

**SUMMARY:** The Coast Guard is establishing a security zone in the waters adjacent to the Chevron Conventional Buoy Mooring (CBM) Barbers Point Coast, Honolulu, HI. This security zone is necessary to protect the CBM, and all involved personnel and vessels from acts of sabotage or other subversive acts, accidents, or other causes of a similar nature at the CBM off the Barbers Point Coast on the island of Oahu. Entry into this zone is prohibited unless authorized by the U.S. Coast Guard Captain of the Port Honolulu, HI. **EFFECTIVE DATES:** This rule is effective from 4 p.m. HST March 19, 2002, to 6 a.m. HST April 19, 2002.

**ADDRESSES:** Public comment and supporting material is available for inspection or copying at U.S. Coast Guard Marine Safety Office Honolulu, 433 Ala Moana Blvd, Honolulu, Hawaii 96813, between 7 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** LCDR M. A. Willis, U.S. Coast Guard Marine Safety Office Honolulu, Hawaii at (808) 522-8264.

**SUPPLEMENTARY INFORMATION:**

**Regulatory Information**

In order to protect the interests of national security, the Coast Guard is establishing a temporary security zone to provide for the safety and security of the public, maritime commerce in and facilities in the navigable waters of the United States. In accordance with 5 U.S.C. 553, a Notice of Proposed

Rulemaking (NPRM) was not published for this regulation and good cause exists for making it effective in less than 30 days after **Federal Register** publication. Publishing an NPRM and delaying this action's effective date would be contrary to the public interest since immediate action is needed to protect the Chevron Conventional Buoy Mooring (CBM) Barbers Point, Honolulu, HI, any vessel moored there, and all involved personnel. There is insufficient time to publish a proposed rule or to provide a delayed effective date for this rule. Under these circumstances, following normal rulemaking procedures would be impracticable.

**Background and Purpose**

The Coast Guard is establishing a security zone in the waters adjacent to the CBM Mooring Barbers Point Coast, Honolulu, HI. The security zone would extend out 1,000 yards in all directions from each vessel moored at the CBM in approximate position: 21°16.7' N, 158°04.2' W. This security zone extends from the surface of the water to the ocean floor. This security zone is necessary to protect the CBM, tank vessels, and all involved personnel from acts of sabotage or other subversive acts, accidents, or other causes of a similar nature during cargo operations at the CBM off the Barbers Point Coast on the island of Oahu. Representatives of the Captain of the Port Honolulu will enforce this security zone. The Captain of the Port may be assisted by other federal or state agencies. Periodically, the Coast Guard Captain of the Port will authorize general permission to enter into this security zone and will announce this by Broadcast Notice to Mariners.

**Regulatory Evaluation**

This temporary final rule is not a "significant regulatory action" under section 3(f) of Executive Order 12866, Regulatory Planning and Review, and does not require an assessment of potential costs and benefits under section 6(a)(3) of that order. The Office of Management and Budget has not reviewed it under that order. It is not "significant" under the regulatory policies and procedures of the Department of Transportation (DOT) (44 FR 11040, February 26, 1979). The U.S. Coast Guard expects the economic impact of this action to be so minimal that a full Regulatory Evaluation under paragraph 10(e) of the regulatory policies and procedures of DOT is unnecessary. This expectation is based on the short duration of the zone and the limited geographic area affected by it.