subject to the regulation. Section 305 of the Tariff Act of 1930, as amended (19 U.S.C. 1304), the statute requiring country of origin marking, also specifies various exceptions from marking. For example, section 304(a)(3)(D) provides for an exception from marking an imported article if the marking of its container will reasonably indicate the country of origin to the ultimate purchaser. It is well established that imported articles which are to be substantially transformed in the United States prior to retail sale are excepted from individual marking under this provision. In such circumstances, the United States manufacturer that substantially transforms the article is considered the ultimate purchaser and the marking of the container instead of the article itself is permitted pursuant to section 304(a)(3)(D).

The country of origin marking regulations, including the regulation on Native American-style jewelry, cannot override the statutory exceptions. Therefore, this regulation is subject to the statutory exceptions, including section 304(a)(3)(D). We are clarifying the final regulation on this point.

Miscellaneous Comments

Several commenters suggested that all genuine Native American jewelry be marked with its own certifying mark to assure its authenticity and that the industry adopt a public relations program encouraging consumers to look for this mark. Another commenter suggested that all American jewelry be marked "Made in USA". These comments go beyond both the scope of the notice and Customs authority. We note however that a certifying mark on both the traditional and more contemporary styles of Native American jewelry would provide an alternative means for the consumer to identify genuine Native American jewelry and would alleviate some of the concerns that have been expressed regarding our decision to limit the requirements of § 134.43(c) to "traditional" Native American-style jewelry.

Finally, several commenters suggested that there should be a way for an importer to determine in advance whether jewelry to be imported is considered Native American-style jewelry and subject to the special marking requirements. In accordance with the provisions of part 177, Customs Regulations (19 CFR part 177), an importer or other interested party may request a ruling from Customs on this question with respect to any prospective transaction.

For the foregoing reasons, the proposed changes are adopted as modified.

Executive Order 12291

This document does not meet the criteria for a "major rule" as specified in E.O. 12291. Accordingly, no regulatory impact analysis has been prepared.

Regulatory Flexibility Act

Pursuant to the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), it is certified that the regulation amendment will not have a significant economic impact on a substantial number of small entities. Accordingly, it is 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 James C. Hill, Regulations and Disclosure Law Branch, U.S. Customs Service. However, personnel from other offices participated in its development.

List of Subjects in 19 CFR Part 134

Customs duties and inspection, Labeling, and Packaging and containers.

Amendment to the Regulations

PART 134—COUNTRY OF ORIGIN MARKING

1. The authority citation for part 134 continues to read as follows:

Authority: 5 U.S.C. 301, 19 U.S.C. 66, 1202 (General Note 8 Harmonized Tariff Schedule of the United States), 1304, 1624.

2. Section 134.43 is amended by adding a new paragraph (c) to read as follows:

§ 134.43 Methods of marking specific articles.

* * * * *

(c) *Native American-style jewelry*—(1) *Definition.* For the purpose of this provision, Native American-style jewelry is jewelry which incorporates traditional Native American design motifs, materials and/or construction and therefore looks like, and could possibly be mistaken for, jewelry made by Native Americans.

(2) *Method of Marking.* Except as provided in 19 U.S.C. 1304(a)(3) and in paragraph (c)(3) of this section, Native American-style jewelry must be indelibly marked with the country of origin by cutting, die-sinking, engraving, stamping, or some other permanent method. The indelible marking must appear legibly on the clasp or in some other conspicuous location, or alternatively, on a metal or plastic tag indelibly marked with the country of origin and permanently attached to the article.

(3) *Exception.* If it is technically or commercially infeasible to mark in the manner specified in paragraph (c)(2) of this section, the article may be marked by means of a string tag or adhesive label securely affixed, or some other similar method.

Michael H. Lane,
Acting Commissioner of Customs.

Approved September 21, 1989.

Salvatore R. Martoche,
Assistant Secretary of the Treasury.

[FR Doc. 89-22809 Filed 9-26-89; 8:45 am]

BILLING CODE 4820-02-M

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Secretary

[Docket No. R-89-1456; FR-2646]

24 CFR Parts 50, 51, 200, 203, 220, 221, 222, 226, 234, 300, 390, 590, and 2700

Miscellaneous Nomenclature Changes to the Department's Regulations

AGENCY: Office of the Secretary, HUD.

ACTION: Final rule.

SUMMARY: This final rule makes nomenclature changes throughout Title 24 of the Code of Federal Regulations to reflect the new agency name for the "Department of Veterans Affairs" instead of the "Veterans' Administration" and the new title for the "Secretary of Veterans Affairs" instead of the "Administrator of Veterans' Affairs". These changes will conform HUD regulations to current terminology as required by recent legislation.

EFFECTIVE DATE: November 6, 1989.

FOR FURTHER INFORMATION CONTACT: David E. Pinsky, Assistant General Counsel, Home Mortgage Division, Department of Housing and Urban Development, Room 9258, 451 Seventh Street, SW., Washington, DC 20410, (202) 755-5303. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION: This final rule will make changes to HUD's regulations as required by section 10 of the Department of Veterans Affairs Act, Public Law 100-527 (October 25, 1988). The amendments changed references in the Act, and changed the agency name for the Veterans' Administration from the "Veterans' Administration" to the Department of Veterans Affairs". It also changed any reference to the Administrator of Veterans' Affairs from the "Administrator of Veterans' Affairs" to the "Secretary of Veterans Affairs".

Tables following the Preamble to this rule show in list format the nomenclature changes being made by this rule to the various sections to Title 24 of the Department's regulations.

The Department has determined that this document need not be published as a proposed rule, as generally required by the Administrative Procedure Act (APA), since this rulemaking merely conforms HUD regulations to reflect legislative changes in terminology. As a rule relating to agency practice, it is exempt from the proposed rulemaking requirements of the APA (see 5 U.S.C. 553(b)(A).

A Finding of No Significant Impact with respect to the environment required by the National Environmental Policy Act (42 U.S.C. 4321–4347) is unnecessary, since this nomenclature change is categorically excluded under HUD regulations at 24 CFR 50.20(k).

This rule was not listed in the Department's Semiannual Agenda of Regulations published on April 24, 1989 (54 FR 16708).

Accordingly, the Department hereby amends Title 24 of the Code of Federal Regulations as follows:

PARTS—50, 51, 200, 203, 220, 221, 222, 226, 234, 300, 390, 590, AND 2700—[AMENDED]

1. The authority citations for Parts 50, 51, 200, 203, 220, 221, 222, 226, 234, 300, 390, 590, and 2700 continue to read as follows:

Authority: Sec. 7(d), Department of Housing and Urban Development Act (42 U.S.C. 3535(d)).

2. In the list below, for each entry indicated in the left column, remove the references indicated in the middle column from wherever it appears in the section and add the reference indicated in the right column:

Section	Remove	Add
50.36	Veterans Administration	Department of Veterans Affairs.
51.102(e)	Veterans Administration	Department of Veterans Affairs.
200.163(b)(3)	Veterans Administration	Department of Veterans Affairs.
200.163(b)(5)(i)	Veterans Administration	Department of Veterans Affairs.
200.926(a)(2)(iii)	Veterans Administration	Department of Veterans Affairs.
203.12(f)	Veterans Administration	Department of Veterans Affairs.
203.18(b)(2)	Veterans Administration	Department of Veterans Affairs.
203.18(b)(3)	Veterans Administration	Department of Veterans Affairs.
203.18(b)(3)(i)(B)(2)	Veterans Administration	Department of Veterans Affairs.
220.30(b)(2)	Veterans Administration	Department of Veterans Affairs.
220.30(b)(3)	Veterans Administration	Department of Veterans Affairs.
220.30(b)(3)(i)(B)(2)	Veterans Administration	Department of Veterans Affairs.
226.5(b)(2)	Veterans Administration	Department of Veterans Affairs.
226.5(b)(3)	Veterans Administration	Department of Veterans Affairs.
226.5(b)(3)(i)(B)(2)	Veterans Administration	Department of Veterans Affairs.
234.26(h)	Veterans Administration	Department of Veterans Affairs.
300.3	Veterans Administration	Department of Veterans Affairs.
390.1	Veterans' Administration	Department of Veterans Affairs.
390.21(a)	Veterans' Administration	Department of Veterans Affairs.
590.5, in definition for "VA"	Veterans Administration	Department of Veterans Affairs.
2700.10(a)	Veterans Administration	Department of Veterans Affairs.

3. In the list below, for each entry indicated in the left column, remove the reference indicated in the middle column from wherever it appears in the section and add the reference indicated in the right column:

Section	Remove	Add
200.507(b)	Administrator of Veterans Affairs	Secretary of Veterans Affairs.
203.17(d)(2)	Administrator of Veterans Affairs	Secretary of Veterans Affairs.
203.18(a)(2)(ii)	Administrator of Veterans Affairs	Secretary of Veterans Affairs.
203.18(d)(2)(iii)	Administrator of Veterans Affairs	Secretary of Veterans Affairs.
221.20(a)(2)(ii)	Administrator of Veterans Affairs	Secretary of Veterans Affairs.
221.30(b)	Administrator of Veterans Affairs	Secretary of Veterans Affairs.
222.4(a)(2)	Administrator of Veterans Affairs	Secretary of Veterans Affairs.
226.5(a)(1)(ii)	Administrator of Veterans Affairs	Secretary of Veterans Affairs.
234.27(a)(2)(ii)	Administrator of Veterans Affairs	Secretary of Veterans Affairs.
590.5, in definition for "Federally owned property"	Administrator of Veterans Affairs	Secretary of Veterans Affairs.

Date: September 21, 1989.

Jack Kemp,

Secretary.

[FR Doc. 89–22852 Filed 9–26–89; 8:45 am]

BILLING CODE 4210-32-M

Office of the Assistant Secretary for Public and Indian Housing

24 CFR Parts 811, 883 and 941

[Docket No. N-89-1999; FR-2586]

Tax-Exempt Construction Financing for Turnkey Public Housing Development Projects

AGENCY: Office of Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Statement of HUD policy.

SUMMARY: HUD is giving notice that is policy concerning tax-exempt construction financing for development of turnkey public housing projects is being rescinded. The original intent of the policy was to take advantage of the relatively lower tax-exempt rates (as compared to extreme high private

market rates at that time) to reduce development costs of public housing projects. The Department has assessed the effectiveness of tax-exempt financing for the development of public housing projects and has determined that there is no basis to continue this method of financing.

EFFECTIVE DATE: November 27, 1989.

FOR FURTHER INFORMATION CONTACT: Raymond W. Hamilton, Director, Project Development Division, Office of Public Housing, Department of Housing and Urban Development, 451 7th Street, SW., Washington, DC 20410; (202) 426–0938 (This is not a toll free number).

SUPPLEMENTARY INFORMATION: On March 21, 1983 (48 FR 11775) and February 9, 1984 (49 FR 4940) HUD issued policy Notices authorizing tax-exempt construction financing for development of turnkey public housing projects. This policy was intended to take advantage of the relatively lower tax-exempt rates (as compared to extreme high private market rates at that time) to reduce development costs of public housing projects. After this policy had been in effect for 4 years, a survey was conducted to determine the extent to which this type of financing had been used and whether any savings had accrued to the Government. Six out of 10 Regional Offices responded that his method of financing had never been used. Three Regional Offices reported this method of financing was used for a total of 39 projects with an estimated savings of 3.5 million dollars to the Government. One Regional Office doubted that savings were actually realized due to difficulties that had been experienced in enforcing the adjustment provision for tax-exempt savings. Timely information was not submitted by State agencies and developers on the status of tax-exempt financing thereby preventing adjustment of the Contract of Sale price before completion.

Policy Statement

HUD has assessed the effectiveness of tax-exempt financing for the development of public housing projects and has determined that there is no basis to continue this method of financing. No substantial benefit accrues to the Government through the use of this mechanism, particularly given the decline in interest rates on private market financing in recent years. In addition, such financing, when provided by public housing agencies (PHAs) compromises the arms length relationship between the PHA and the developer which is the basic principle of the turnkey method. Therefore, effective 60 days after publication of this Notice, the provisions of the policy Notices published in the **Federal Register** on March 21, 1983 (48 FR 11775) and February 9, 1984 (49 FR 4940), authorizing PHAs to provide tax-exempt financing for turnkey developers constructing public housing projects will no longer be in effect.

While HUD has no authority to preclude State Housing Financing Agencies (SFHAs) or public bodies other than a PHA or an agency or instumentality from providing tax-exempt financing to a developer, it intends to modify the HUD Standard Form of Contract of Sale to require the disclosure of tax-exempt financing at any time before or after the execution of the Contract of Sale and require that savings from the lower interest rate be reflected in a reduced Contract of Sale price.

Applicability of this Policy:

The policy set out in this Notice is applicable to tax-exempt construction financing provided by a PHA, or an agency or instrumentality PHA for any turnkey project for which the executed Contract of Sale is approved by HUD after the effective date of this Notice.

Authority: Sec. 7(d), Department of HUD Act (42 U.S.C. 3535(d)).

Dated: September 12, 1989.

Thomas Sherman,

Acting General Deputy Assistant Secretary for Public and Indian Housing.

[FR Doc. 89-22611 Filed 9-26-89; 8:45 am]

BILLING CODE 4210-33-M

POSTAL RATE COMMISSION

39 CFR Part 3001

Domestic Mail Classification Schedule: Mail Classification Schedule, 1988, Second Class Eligibility

[Docket Nos. RM89-6 and MC88-2; Order No. 846]

September 21, 1989

AGENCY: Postal Rate Commission.

ACTION: Final rule.

SUMMARY: In accordance with the September 11, 1989, adoption of the Postal Rate Commission's recommended Docket No. MC88-2 decision upon reconsideration by the Governors of the Postal Service, the Commission is publishing the corresponding changes for the Domestic Mail Classification Schedule (DMCS). The DMCS is found as Appendix A to subpart C of the Commission's rules of practice and procedure (39 CFR 3001.61 through 3001.68). This change concerns the eligibility requirements for entry into second-class mail.

EFFECTIVE DATE: October 1, 1989.

ADDRESS: Correspondence should be sent to Charles L. Clapp, Secretary, Postal Rate Commission, 1333 H Street NW., Suite 300, Washington, DC 20268–0001 (telephone: 202/789–6840).

FOR FURTHER INFORMATION CONTACT: David F. Stover, General Counsel, Postal Rate Commission, 1333 H Street NW., Suite 300, Washington, DC 20268–0001 (telephone: 202/789–6820).

SUPPLEMENTARY INFORMATION: On June 17, 1988, the Postal Service filed a request with the Commission to amend the Domestic Mail Classification Schedule for the purpose of excluding from second class "Plus" issues (*i.e.* supplements to "parent" publications which have met the requirements for second class) published on the same day as the parent. Plus issues consist primarily of advertising and they are distributed without regard to whether the addressee has subscribed or requested the publication. In Docket No. C85-1, after providing an opportunity for all interested parties to present their views, the Commission decided that it was not appropriate to permit Plus issues entry into second class if they could not meet the eligibility requirements without reference to the parent publication.

The amendment to the DMCS in Docket No. C85-1 was written in terms of Plus issues which are published the same day as the parent publication, because that was the practice at the time. The Postal Service filed Docket No. MC88-2 to address the problem that some publishers had begun issuing their Plus editions on a day that the parent publication was not issued. The Commission invited interested persons to comment and participate in the proceeding. 53 FR 24388 (June 28, 1989).

Eleven parties particpated in this proceeding. Hearings were held and the parties were given the opportunity to participate. After the Postal Service resubmitted its request following the Commission's June 23, 1989, recommended decision, the Commission issued its recommended decision upon reconsideration on July 25, 1989. The Governors approved the recommended