bank or a foreign bank (as defined in 12 U.S.C. 3101(7)).

(b) *Public disclosure.* (1) Upon receipt of a written request from the public, a member bank shall make available the names of each of its executive officers and each of its principal shareholders to whom, or to whose related interests, the member bank had outstanding as of the end of the latest previous quarter of the year, an extension of credit that, when aggregated with all other outstanding extensions of credit at such time from the member bank to such person and to all related interests of such person, equaled or exceeded 5 percent of the member bank's capital and unimpaired surplus of $500,000, whichever amount is less. No disclosure under this paragraph is required if the aggregate amount of all extensions of credit outstanding at such time from the member bank to the executive officer or principal shareholder of the member bank and to all related interests of such a person does not exceed $25,000.

(2) A member bank is not required to disclose the specific amounts of individual extensions of credit.

(c) *Maintaining records.* Each member bank shall maintain records of all requests for the information described in paragraph (b) of this section and the disposition of such requests. These records may be disposed of after two years from the date of the request.

§ 215.12 Reporting requirement for credit secured by certain bank stock.

Each executive officer or director of a member bank the shares of which are not publicly traded shall report annually to the board of directors of the member bank the outstanding amount of any credit that was extended to the executive officer or director and that is secured by shares of the member bank.

§ 215.13 Civil penalties.

Any member bank, or any officer, director, employee, agent, or other person participating in the conduct of the affairs of the bank, that violates any provision of this part (other than § 215.11 of this part) is subject to civil penalties as specified in section 29 of the Federal Reserve Act (12 U.S.C. 504).

Subpart B—[Amended]

§ 215.21 [Amended]

3. Section 215.21 is amended by removing "1841(c)" where it appears in paragraph (a) and adding in its place "1971 and 1972" and by removing footnote 10 and redesignating footnotes 11 and 12 as footnotes 5 and 6.

§ 215.22 [Amended]

4. Section 215.22 is amended by removing "12 CFR 226.2(p)" where it appears in paragraph (c)(1)(ii) and adding in its place "12 CFR 226.2(a)(12)".

By order of the Board of Governors of the Federal Reserve System, February 15, 1994.

Dated: February 15, 1994.

William W. Wiles,

Secretary of the Board.

[FR Doc. 94-3860 Filed 2-18-94; 3:20 pm]

BILLING CODE 6210-01-P

RESOLUTION TRUST CORPORATION

12 CFR Part 1630

RIN 3205-AA21

Definition of Predominantly Minority Neighborhood

AGENCY: Resolution Trust Corporation.

ACTION: Interim rule; request for comments.

SUMMARY: The Resolution Trust Corporation (RTC) is hereby adopting an interim rule which defines "predominantly minority neighborhood" as used in section 21A(s) of the Federal Home Loan Bank Act (FHLBA) and section 21A(w)(17) of the FHLBA, as amended by the Resolution Trust Corporation Completion Act. Section 21A(w)(17) of the FHLBA requires, among other things, that in considering offers to acquire any insured depository institution, or any branch of an insured depository institution, located in a predominantly minority neighborhood (as defined in regulations prescribed under section 21A(s) of the FHLBA), the Corporation shall give preference to an offer from any minority individual, minority-owned business, or a minority depository institution, over any other offer that results in the same cost to the Corporation, as determined under section 13(c)(4) of the Federal Deposit Insurance Act. Section 21A(s) of the FHLBA permits the RTC to lease to a minority acquiror, on a rent-free basis, subject to certain conditions, any branch of a failed institution which is located in a "predominantly minority neighborhood." Section 21A(w)(17) of the FHLBA also generally provides that the RTC may provide to such minority individual, minority-owned business, or minority depository institution additional preferences in the form of capital assistance and performing assets. The interim rule generally defines "predominantly minority neighborhood" as any U.S. Postal Zip Code geographical area in which 50% or more of the persons residing therein are minorities based upon the most recent Census data, unless the RTC has determined, in its sole discretion, that other reasonably reliable, readily accessible data indicates different neighborhood boundaries. The RTC is also seeking comment on the interim rule.

This interim rule is effective on February 24, 1994.

DATES: Comments must be submitted on or before March 28, 1994.

ADDRESSES: Written comments regarding the interim rule should be addressed to John M. Buckley, Jr., Secretary, Resolution Trust Corporation, 801 17th Street, NW., Washington, DC 20434-0001. Comments may be hand delivered to room 321 on business days between the hours of 9 a.m. and 5 p.m. Comments may also be inspected in the Public Reading Room, 801 17th Street, NW., during the same business hours. Phone number: 202-416-6940; FAX number: 202-416-4753.

FOR FURTHER INFORMATION CONTACT: Robert C. Fick, Counsel, TRC Legal Division, (202) 736-3069; Gregory B. Smith, Senior Counsel, RTC Legal Division, (202) 736-3013; Mark G. Flanigan, Senior Attorney, RTC Legal Division, (202) 736-3085; Edward Thomas, Resolutions Analyst, (202) 416-7179; Sherry Chen, Field Resolutions Specialist, (202) 416-7209. These are not toll-free numbers.

SUPPLEMENTARY INFORMATION:

Background

In August 1989, Congress enacted section 501 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, (FIRREA), (codified as section 21A(b) of the FHLBA, 12 U.S.C. 1441a(b)), which established the Resolution Trust Corporation (RTC). Pursuant to FIRREA the RTC has the duty to manage and resolve failed depository institutions that come under its jurisdiction and to conduct the operations of the RTC in a manner which "maximizes the * * * return from the sale of institutions or assets," "makes efficient use of funds" and "minimizes * * * losses * * * in the resolution of [failed institutions]". Section 21A(b)(3) of the FHLBA, as added by section 501(a) of FIRREA. In addition, the RTC is required to resolve all failed institutions in the "least costly * * * of all possible methods" (collectively Cost Constraints). Section 13(c)(4)(A)(ii) of the Federal Deposit Insurance Act (FDIA), 12 U.S.C. 1823(c)(4)(A)(ii), as made applicable by section 21A(b)(4) of the FHLBA, 12

U.S.C. 1441a(b)(4). The RTC is committed, wherever practicable and whenever consistent with those statutory Cost Constraints, to preserving the ownership characteristics of historically minority-owned depository institutions, and to increasing the total number of minority-owned depository institutions. *See*, Strategic Plan for the Resolution Trust Corporation, 54 FR 46574, November 3, 1989.

Section 21A(s) of the FHLBA permits the RTC to make available to an acquiror which is either a minority depository institution or a women's depository institution, on a rent-free lease basis for not less than 5 years, any branch of a failed institution which is located in a "predominantly minority neighborhood."

Section 21A(w)(17) of the FHLBA, which was added by section 3(a) of the Resolution Trust Corporation Completion Act, Pub. L. 103–204 (the Act), provides that in considering offers to acquire any insured depository institution, or any branch thereof, located in a "predominantly minority neighborhood", (as defined in regulations prescribed under subsection (s)), the RTC shall give preference to an offer from a minority individual, minority-owned business, or a minority depository institution (Minority Acquiror), over any other offer that results in the same cost to the RTC as determined under section 13(c)(4)(A) of the FDIA.[1]

This interim rule defines "predominantly minority neighborhood" as used in sections 21A(s) and 21A(w)(17) of the FHLBA as a geographic area constituting a United States Postal Service 5-digit Zip Code (Zip Code) in which 50% or more of the persons residing therein are minorities, based upon the most recent census data, unless the RTC determines, in its sole discretion, that other reasonably reliable, readily accessible data indicates different neighborhood boundaries. The population data and the minority composition of these Zip Codes are determined using the most recent (currently 1990 data) Census of Population data (Census Data) collected and published by the U.S. Department of Commerce, Economics and Statistics Administration, Bureau of the Census (Census Bureau).

If the institution or a branch thereof is located in a Zip Code area for which no significant Census Data is available (e.g., a business district or office building) the Zip Code of a nearby geographic area served by the institution or branch, for which such Census Data is available, will be used as its Zip Code for purposes of this rule. If the RTC determines, in its sole discretion, based upon other reasonably reliable and readily accessible data, and subject to RTC's Cost Constraints, that a different delineation would more accurately reflect the area served by the financial institution or branch to be marketed, the RTC will use such delineation as the boundaries for the relevant neighborhood.

There is no legislative history which might provide clear guidance in developing a definition of "predominantly minority neighborhood." Consequently, except for the word "minority" which is statutorily defined, the definition of "predominantly minority neighborhood" was, therefore, developed based upon the common or ordinary meanings of the individual words comprising the phrase, the statutory context in which they have been used, and based upon readily available data.

One of the ordinary meanings of the word "predominant" is "the most common." WEBSTER'S II NEW RIVERSIDE UNIVERSITY DICTIONARY 927 (1988). Since in the context of this statutory framework a neighborhood can only be either a minority neighborhood or a non-minority neighborhood, the most common or prevalent of two categories means a majority or more than half. Moreover, consistent with the legislative purpose of preserving and promoting minority ownership and service, in the case of any exact 50% split between the two categories, minorities should be viewed as predominant. Therefore, if half or more of the residents of a neighborhood are minorities, that neighborhood is predominantly minority.

The word "minority" is defined by statute to have the meaning given such term in section 1204(c)(3) of FIRREA. Sections 21A(s) & 21A(w)(17) of the FHLBA. Section 1204(c)(3) of FIRREA defines "minority" to mean "any Black American, Native American, Hispanic American, or Asian American." This interim rule provides a definition of the word "minority" which incorporates the statutory definition but permits the use of equivalent classifications used by the Census Bureau in collecting the Census Data. Among other categories, the Census Bureau collects and publishes population Census Data by State, County, County subdivision, Place, Zip Code (available on CD-rom or tape) Census Tract or block numbering area, Block group, and Block. Each census of the U.S. population provides data on the minority composition of those areas in a manner which corresponds with the statutory definition of "minority" in FIRREA. The population classifications utilized in the Census Data for the 1990 census are: Hispanic origin and the following racial categories: White; Black; American Indian, Eskimo, or Aleut; Asian or Pacific Islander; and Other Race. Bureau of the Census, Economics and Statistics Administration, U.S. Department of Commerce, 1990 CENSUS OF POPULATION, GENERAL POPULATION CHARACTERISTICS (1992). Since Census Data is readily available, its use to determine the minority composition of a particular geographic area is not only reasonable and efficient, but also consistent with the RTC's statutory Cost Constraints.

The ordinary dictionary meaning of the word "neighborhood" is a district or area with distinctive characteristics. WEBSTER'S II NEW RIVERSIDE UNIVERSITY DICTIONARY 789 (1988). Neighborhoods vary in size and can be contained within each other. Since the only reasonably reliable population data which is readily available on a nationwide basis is Census Data, it is both reasonable and cost-efficient to define "neighborhood" in terms of the geographic areas utilized by the Census Bureau. Census Data, including minority composition, is available for specific geographic areas, including among others, State, County, County subdivision, Place, Zip Code, Census Tract, Block and Block group. Census Tracts and Zip Codes appear to be the only such categories which might approximate the size and characteristics of a "neighborhood" served by an "institution, or any branch" thereof.[2]

[1] This Act also provides, in connection with such an acquisition, the following additional preferences: (i) the Minority Acquiror shall be eligible for minority interim capital assistance under section 21A(u)(1) of the FHLBA, provided that such assistance is consistent with section 13(c)(4)(A) of the FDIA; (ii) the RTC may provide to the Minority Acquiror performing assets under the RTC's control, in addition to those of the depository institution or branch to be acquired, in an amount not greater than the amount of the net liabilities carried on the books of the depository institution or branch and acquired by the Minority Acquiror; and (iii) such disposition of the performing assets of the failed depository institution or branch to the Minority Acquiror shall have a first priority over a disposition by the RTC of such assets for any other purpose.

[2] The RTC has found no indication that an extensive, customized survey and analysis of the demographics and other characteristics of the geographic area surrounding each branch of a failed institution would yield results significantly different from those obtained by using Census Data and Zip Codes or Census Tracts. In addition, reliable population data for individually determined areas is not readily available on a consistent nationwide basis. The nature of the RTC's statutory Cost Constraints in marketing and

Continued

The United States Postal Service has subdivided the United States and its territories into discrete geographic areas for purposes of the distribution of mail, and has designated each such area with a 5-digit numeric Zip Code. See, U.S. Postal Service, 1993 NATIONAL FIVE-DIGIT ZIP CODE & POST OFFICE DIRECTORY. The individual areas defined by the Zip Codes generally correspond to a district or area with distinctive characteristics. The Zip Code itself is one distinctive characteristic that ties the area and its residents together. Moreover, most Zip Code areas are further distinguished by the presence of a postal facility designed to service those neighborhoods. Accordingly, Zip Codes constitute an existing, comprehensive system for describing areas that generally approximate neighborhoods.

Individual Census Tracts and Census Blocks, by their nature, do not appear to be reasonable alternatives to Zip Codes to utilize on a general basis. According to the Census Bureau, Census Blocks are small areas bounded on all sides by visible features such as streets, roads, streams, and railroad tracks, and by invisible boundaries such as city, town, township, and county limits, property lines, and short, imaginary extensions of streets and roads. Bureau of the Census, Economics and Statistics Administration, U.S. Department of Commerce, 1990 CENSUS OF HOUSING, GENERAL HOUSING CHARACTERISTICS (1992). Individual Census Blocks because of their size appear to be inappropriate for determining the boundaries of a neighborhood served by a financial institution, or a branch thereof on a general basis. Census Tracts,[3] although larger than Census Blocks, are small, relatively permanent statistical subdivisions of a country which usually have between 2,500 and 8,000 persons, and when first delineated, are designed to be homogeneous with respect to population characteristics, economic status, and living conditions. Bureau of the Census, Economics and Statistics Administration, U.S. Department of Commerce, 1990 CENSUS OF HOUSING, GENERAL HOUSING CHARACTERISTICS (1992).

Individual Census Tracts or Census Blocks are generally impractical for use in defining the boundaries of a neighborhood served by a financial institution, or a branch thereof, on a generally uniform basis and are inconsistent with the spirit of the legislation. However, use of Census Tracts or Census Blocks on an individual or aggregate basis may be appropriate on an exception basis. The Act is intended to enhance opportunities for Minorities to acquire institutions and branches which primarily "serve" Minority residents. 139 Cong. Rec. H10899–900 (daily ed. November 22, 1993) (statement of Rep. Mfume). The people served by a depository institution or branch may be located over a relatively large geographic area, generally transcending Census Block boundaries and, most likely, Census Tract boundaries as well. Census Tracts and Census Blocks tend to be small areas, focused only on residences and are generally not focused on all residential neighborhoods served by a local financial institution, or a branch office thereof.

The Zip Codes (and the boundaries thereof) of offices of a failed institution tend to be larger areas and are readily ascertainable both by RTC personnel and by potential bidders. Such is not the case for Census Tracts. The addresses of each of the offices of a failed institution already contain the Zip Code, and the boundaries of each Zip Code area are available at the local Post Office.

Notwithstanding the obvious advantages of a definition based on fixed methodology, circumstances may arise where that approach fails to accurately reflect the reality of the relevant neighborhood. For example, if an institution or branch is physically located within Zip Code 00001, near the boundary with Zip Code 00002, a mechanical application of the Zip Code approach would indicate that the branch serves customers in the neighborhood defined by Zip Code 00001. Or for example, a rigid application of the Zip Code approach to the individual offices of an institution might preclude the designation of the whole institution as being located in a predominantly minority neighborhood, although other rational bases might exist for a determination that the institution as a whole is located in a predominantly minority neighborhood. Therefore, rather than rigidly applying the Zip Code approach, if the RTC determines, in its sole discretion and subject to its Cost Constraints, that other reasonably reliable information and data, that is readily accessible to it, indicates different boundaries which more accurately reflect the relevant neighborhood, the RTC may define the relevant neighborhood in terms of those different boundaries.

Conclusion

The RTC's definition of "predominantly minority neighborhood" is based on readily available, established and accepted information: Zip Codes and Census Data. A "predominantly minority neighborhood" can, therefore, be identified using existing, objective standards: (1) A Zip Code to define the geographic area which generally constitutes the neighborhood and (2) Census Data to determine the minority composition of that neighborhood. In the event that the RTC, in its sole discretion, determines that other reasonably reliable information and data, that is readily accessible to it, indicates more accurate boundaries for such neighborhood, the RTC will define such neighborhood using those more accurate boundaries. The proposed definition permits the RTC to quickly identify "predominantly minority neighborhoods" without delaying the resolution of an institution consistent with the RTC's statutory Cost Constraints. The methodology adopted by this interim rule constitutes a reasonable basis upon which to define "predominantly minority neighborhood" consistent with the purposes of sections 21A(s) and (w)(17) of the FHLBA and consistent with the RTC's duties in resolving failed institutions.

Administrative Procedure Act

The RTC is adopting this rule as an interim rule. It will be effective immediately upon publication in the **Federal Register** without the usual notice and comment period or delayed effective date as provided for in the Administrative Procedure Act, 5 U.S.C. 553. These requirements may be waived for "good cause." The definition provided by the interim rule implements the Act. Promulgation of the rule on an expedited basis is necessary to permit the immediate implementation of the new statute in order to avoid the additional losses that would otherwise be incurred due to the delay in the resolution of failed institutions pending the usual delayed effective date. Thus, the RTC finds that the benefits to the public in adopting

selling a failed depository institution dictates that the identification of "predominantly minority neighborhoods" be accomplished with relative speed and minimal expense. The failed institutions the RTC resolves suffer significant operating losses on a daily basis. An increase in those operating losses due to a delay in the resolution of the institution caused by the implementation of a definition of "predominately minority neighborhood" which is difficult and time consuming to utilize is clearly inconsistent with the RTC's statutory duties.

[3] Starting with the 1990 Census those areas which are not covered by Census Tracts have been subdivided into "Block Numbering Areas" (BNA's). These BNA's are essentially the equivalent of Census Tracts, except that they have been delineated by a State agency instead of a local committee.

the interim rule outweigh any possible harm resulting from not seeking comment on the proposed rule in advance of its effective date. The RTC actively solicits comment on this interim rule and will consider those comments in the adoption of the rule as final.

Initial Regulatory Flexibility Analysis

As required by the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, the following initial regulatory flexibility analysis is provided:

1. Reasons, objectives, and legal bases underlying the interim rule. These elements have been discussed above in the Supplementary Information section.
2. Small entities to which the rule would apply. This rule applies equally to acquiring institutions of all sizes inasmuch as the RTC has been given no discretion in this matter by Congress.
3. Impact of the interim rule on small businesses. There is no burden imposed on small businesses by this rule which merely defines, pursuant to Congressional direction, a term utilized in the statute.
4. Overlapping or conflicting federal rules. There are no known federal rules that overlap, duplicate, or conflict with the interim rule.
5. Alternatives to the interim rule. The RTC has not identified alternatives that would be less burdensome to small businesses and yet effectively accomplish the objectives of the rule because there is no burden imposed on small business.

Request for Public Comment

The RTC is issuing this interim rule in response to statutory direction to define "predominantly minority neighborhood." The RTC is, however, hereby requesting comment during a 30-day comment period on all aspects of the interim rule.

List of Subjects in 12 CFR Part 1630

Savings associations.

For the reasons set out in the preamble, the RTC hereby adds part 1630 to title 12, chapter XVI of the Code of Federal Regulations, to read as follows:

PART 1630—DEFINITION OF PREDOMINANTLY MINORITY NEIGHBORHOOD

Authority: 12 U.S.C. 1441a(b)(11), (s) and (w)(17).

§ 1630.1 Purpose and scope.

The provisions of this part define "predominantly minority neighborhood" for the marketing, sale and resolution of depository institutions, and branches thereof, by the Resolution Trust Corporation (RTC) under the rent-free lease provisions of section 21A(s) of the Federal Home Loan Bank Act (FHLBA) and the minority preference provisions of section 21A(w)(17) of the FHLBA.

§ 1630.2 Definitions.

(a) *Branch* means a domestic branch as defined in section 3(o) of the Federal Deposit Insurance Act, as amended, 12 U.S.C. 1813(o).

(b) *Census Bureau* means the U.S. Department of Commerce, Economics and Statistics Administration, Bureau of the Census.

(c) *Census Data* means the population data, including without limitation the composition by Race and Hispanic origin of each U.S. Postal Service Zip Code area, provided by the Census Bureau for the most recent Census of Population.

(d) *Minority* means, any Black American, Native American, Hispanic American, or Asian American, as specified in section 1204(c)(3) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 as utilized in sections 21A(s) and (w)(17) of the Federal Home Loan Bank Act (12 U.S.C. 1441a) or such other equivalent classifications, as determined by the Resolution Trust Corporation, including, without limitation, those used by the Census Bureau for the most recent Census Data.

(e) *Race* means a racial classification used by the Census Bureau pursuant to the guidelines in Federal Statistical Directive No. 15 issued by the Office of Management and Budget, which provides standards on ethnic and racial categories for statistical reporting to be used by all Federal agencies. The OMB directive is available from Office of Administration, EOP Publications, 725 17th Street, NW., room 2200, New EOB, Washington, DC 20503.

(f) *RTC* means the Resolution Trust Corporation, in its corporate, conservatorship or receivership capacities, as applicable.

(g) *U.S. Postal Service Zip Code* means a five-digit numeric code that identifies a specific geographic area within the United States and its territories which is used by the U.S. Postal Service for the distribution of mail.

§ 1630.3 Predominantly minority neighborhood.

The phrase "predominantly minority neighborhood" as used in sections 21A(s), (w)(17) of the Federal Home Loan Bank Act, means an area delineated by the geographical boundaries of a U.S. Postal Service Zip Code, in which, according to the most recent Census Data, 50% or more of the residential population is Minority; unless a different geographic area has been determined by the RTC, in its sole discretion, based on readily accessible and reasonably reliable information and data, to more accurately represent an area having distinctive or shared characteristics, that is served by the institution, or Branch thereof, being marketed by the RTC, in which 50% or more of the population is Minority.

By order of the Chief Executive Officer.

Dated at Washington, DC, this 18th day of February 1994.

Resolution Trust Corporation.

John M. Buckley, Jr.,

Secretary.

[FR Doc. 94–4184 Filed 2–22–94; 11:32 am]

BILLING CODE 6714–01–M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 92–CE–59–AD; Amendment 39–8837; AD 94–04–17]

Airworthiness Directives: Twin Commander Aircraft Corporation 500, 520, 560, 680, 681, 685, 690, 695, and 720 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD) that applies to Twin Commander Aircraft Corporation (Twin Commander) 500, 520, 560, 680, 681, 685, 690, 695, and 720 series airplanes. This action requires inspecting the flap system for cables with broken wires or pulleys with worn cable clips, replacing any damaged parts, and replacing the master pulley and cable with new parts of improved design. Reports of cable fatigue, particularly the master pulley cable, on several of the affected airplanes prompted this action. The actions specified by this AD are intended to prevent flap system failure caused by cable fatigue, which could result in loss of control of the airplane.

DATES: Effective April 15, 1994. The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of April 15, 1994.

ADDRESSES: Service information that applies to this AD may be obtained from the Twin Commander Aircraft Corporation, 19003 59th Drive, NE., Arlington, Washington 98223. This information may also be examined at the Federal Aviation Administration (FAA), Central Region, Office of the Assistant Chief Counsel, room 1558, 601 E. 12th Street, Kansas City, Missouri 64106; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Mr. Mike Pasion, Aerospace Engineer, FAA, Northwest Mountain Region, 1601 Lind Avenue SW., Renton, Washington 98055–4056; telephone (206) 227–2594; facsimile (206) 227–1181.

SUPPLEMENTARY INFORMATION: A proposal to amend part 39 of the Federal Aviation Regulations to include an AD that would apply to certain Twin Commander 500, 520, 560, 680, 681, 685, 690, 695, and 720 series airplanes was published in the **Federal Register** on July 19, 1993 (58 FR 38540). The action proposed to require inspecting the flap system for cables with broken wires and pulleys with worn clips, replacing any damaged parts, and replacing the master pulley with a new part of improved design. The proposed actions would be accomplished in accordance with Twin Commander Service Bulletin No. 210, dated February 1, 1991.

Interested persons have been afforded an opportunity to participate in the making of this amendment. Due consideration has been given to the two comments received.

One commenter, the Twin Commander Aircraft Corporation, supports the proposed rule, and recommends wording the proposed AD to more closely coincide with Service Bulletin 210, dated February 1, 1991. The FAA concurs and has reworded the proposal accordingly. This change does not add any additional burden upon U.S. owners/operators of the affected airplanes than was originally proposed.

The other commenter states that a parts availability problem may occur if owners/operators of the affected airplanes find as many damaged pulleys in the cable system as this owner/operator did on a Model 690B airplane. This commenter feels that there is not sufficient parts inventory to coincide with the 50-hour time-in-service (TIS) compliance time, and recommends changing the compliance time to 12 months. The FAA does not concur. Twin Commander has assured the FAA that there will be adequate parts available for all required repairs. In addition, if a temporary delay in parts availability should occur, then an owner/operator could request an extension of the compliance time through instructions specified in paragraph (d) of the proposed AD. The proposed AD is unchanged as a result of this comment.

After careful review of all available information, the FAA has determined that air safety and the public interest require the adoption of the rule as proposed except for the wording changes referenced above and minor editorial corrections. The FAA has determined that these minor changes and corrections will not change the meaning of the AD nor add any additional burden upon the public than was already proposed.

The FAA estimates that 1,860 airplanes in the U.S. registry will be affected by this AD, that it will take approximately 25 workhours per airplane to accomplish the required action, and that the average labor rate is approximately $55 an hour. Parts cost approximately $600 per airplane. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be $3,673,500. This figure is based upon the assumption that none of the affected airplane operators have accomplished the required actions.

The regulations adopted herein will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12612, it is determined that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

For the reasons discussed above, I certify that this action (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) will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. A copy of the final evaluation prepared for this action is contained in the Rules Docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption ADDRESSES.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends 14 CFR part 39 of the Federal Aviation Regulations as follows:

PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. App. 1354(a), 1421 and 1423; 49 U.S.C. 106(g); and 14 CFR 11.89.

§ 39.13 [Amended]

2. Section 39.13 is amended by adding the following new AD to read as follows:

94–04–17 Twin Commander Aircraft Corporation: Amendment 39–8837; Docket No. 92–CE–59–AD.

Applicability: Models 500, 500A, 500B, 500S, 500U, 520, 560, 560A, 560E, 560F, 680, 680E, 680F, 680FL, 680FL(P), 680FP, 680T, 680V, 680W, 681, 685, 690, 690A, 690B, 690C, 690D, 695, 695A, 695B, and 720 airplanes (all serial numbers), certificated in any category.

Compliance: Required within the next 50 hours time-in-service after the effective date of this AD, unless already accomplished.

To prevent flap system failure caused by cable fatigue, which could result in loss of control of the airplane, accomplish the following:

(a) Accomplish the following inspections and parts replacements (where applicable) of the flap system in accordance with the Accomplishment Instructions section of Twin Commander Service Bulletin (SB) No. 210, dated February 1, 1991.

(1) Rub each flap system cable over its length using a soft cotton cloth. Where the cotton snags, visually inspect the cable for broken wires. Prior to further flight, replace any cable having a broken wire.

(2) Inspect the slave pulley groove width. If the groove is too narrow as specified in Part I, paragraph C, of the Accomplishment Instructions section of Twin Commander SB No. 210, prior to further flight, replace the slave pulley and slave pulley cable.

(3) Visually inspect the flap system for pulleys with worn cable clips or rubbing against the upper or lower support brackets. Prior to further flight, replace any damaged pulleys, brackets, or clips.

(b) Replace the master pulley and the master pulley cable with new parts of improved design in accordance with the Accomplishment Instructions section of Twin Commander SB No. 210, dated February 1, 1991. The applicable master pulley and master cable pulley part numbers are referenced in Table I of Twin Commander SB No. 210.

(c) Special flight permits may be issued in accordance with 14 CFR 21.197 and 21.199 to operate the airplane to a location where the requirements of this AD can be accomplished.

(d) An alternative method of compliance or adjustment of the compliance time that provides an equivalent level of safety may be approved by the Manager, Seattle Aircraft Certification Office (ACO), FAA, Northwest Mountain Region, 1601 Lind Avenue SW., Renton, Washington 98055-4056. The request shall be forwarded through an appropriate FAA Maintenance Inspector, who may add comments and then send it to the Manager, Seattle ACO, FAA, Northwest Mountain Region.

Note: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Seattle ACO, FAA, Northwest Mountain Region.

(e) The inspection and replacement required by this AD shall be done in accordance with Twin Commander Service Bulletin No. 210, dated February 1, 1991. This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from the Twin Commander Aircraft Corporation, 19003 59th Drive, NE., Arlington, Washington 98223. Copies may be inspected at the FAA, Central Region, Office of the Assistant Chief Counsel, room 1558, 601 E. 12th Street, Kansas City, Missouri, or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

(f) This amendment (39-8837) becomes effective on April 15, 1994.

Issued in Kansas City, Missouri, on February 15, 1994.

Barry D. Clements,

Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 94-4127 Filed 2-23-94; 8:45 am]

BILLING CODE 4910-13-U

DEPARTMENT OF COMMERCE

International Trade Administration

DEPARTMENT OF THE INTERIOR

Office of Territorial and International Affairs

15 CFR Part 303

[Docket No. 931090-4048]

RIN 0625-AA06

Limit on Duty-Free Insular Watches in Calendar Year 1994

AGENCIES: Import Administration, International Trade Administration, Department of Commerce; Office of Territorial and International Affairs, Department of the Interior.

ACTION: Final rule.

SUMMARY: This action amends 15 CFR Part 303, which governs duty-exemption allocations and duty-refund entitlements for watch producers in the United States' insular possessions (the Virgin Islands, Guam and American Samoa) and the Northern Mariana Islands. The amendments establish the total quantity and territorial shares of duty-exemption for 1994 and adjust the wages considered creditable towards the production incentive certificate (PIC).

EFFECTIVE DATE: February 24, 1994.

FOR FURTHER INFORMATION CONTACT: Faye Robinson, (202) 482-1660.

SUPPLEMENTARY INFORMATION: The insular possessions' watch industry provision in Section 110 of Public Law 97-446 (96 Stat. 2331) (1983) (19 U.S.C. 1202, note) requires the Secretary of Commerce and the Secretary of the Interior, acting jointly, to establish a limit on the quantity of watches and watch movements which may be entered free of duty during each calendar year. The law also requires the Secretaries to establish the shares of this limited quantity which may be entered from the Virgin Islands, Guam, American Samoa and the Northern Mariana Islands. Regulations on the establishment of these quantities and shares are contained in §§ 303.3 and 303.4 of title 15, Code of Federal Regulations (15 CFR 303.3 and 303.4). Section 303.6(h) gives the Secretaries authority to make the changes in § 303.14.

The rule also modifies § 303.14(a)(1)(i) by increasing the dollar amount of wages per person that the Departments can consider in calculating the producers' allocations and PICs. The limit is raised to $35,000 in order to help attract and retain the managerial talent necessary to operate efficient watch assembly plants.

We publish these revisions in proposed form on December 14, 1993 (58 FR 65294) and invited comments. We received no comments.

The Departments establish for calendar year 1994 a total quantity and respective territorial shares as shown in the following table:

Virgin Islands	3,600,000
Guam	500,000
American Samoa	500,000
Northern Mariana Islands	500,000
Total	5,100,000

Under the Administrative Procedure Act, 5 U.S.C. 553(d)(1), the effective date of this rule need not be delayed for 30 days because their rule relieves a restriction. The restriction is relieved by raising the amount of wages per person that the Departments can consider in calculating the producers' allocations and PICs.

This rule was not subject to review by the Office of Management and Budget under Executive Order 12866.

This final rule does not contain policies with Federalism implications sufficient to warrant preparation of a Federalism assessment under Executive Order 12612.

Regulatory Flexibility Act

In accordance with the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, the General Counsel of the Department of Commerce has certified that this action will not have a significant economic impact on a substantial number of small entities. Fewer than ten entities are directly affected by this action. The commercial benefits of the program governed by these regulations, for entities both directly and indirectly affected, are less than $10 million per year.

Paperwork Reduction Act

This rulemaking involves information collection activities subject to the Paperwork Reduction Act of 1980, 44 U.S.C. 3501 *et seq.*, which are currently approved by the Office of Management and Budget under control numbers 0625-0040 and 0625-0134. The amendments will not increase the information burden on the public.

List of Subjects in 15 CFR Part 303

Administrative practice and procedure, American Samoa, Customs duties and inspection, Guam, Imports, Marketing quotas, Northern Mariana Islands, Reporting and recordkeeping requirements, Virgin Islands, Watches and jewelry.

For reasons set forth above, we are amending part 303 as follows:

PART 303—[AMENDED]

1. The authority citation for part 303 continues to read as follows:

Authority: Public Law 97-446, 96 Stat. 2331 (19 U.S.C. 1202, note); Public Law 94-241, 90 Stat. 263 (48 U.S.C. 1681, note).

§ 303.14 [Amended]

2. Section 303.14(a)(1)(i) is amended by removing "$32,000" and adding "$35,000" in its place.

3. Section 303.14(d)(1) is amended by removing "Guam," before American Samoa.

4. Section 303.14(d)(2) is amended by adding "and Guam" after Virgin Islands and removing "share" and adding "shares" in its place.

5. Section 303.14(e) is amended by removing "4,080,000" and adding "3,600,000" in its place.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

Leslie M. Turner,

Assistant Secretary for Territorial and International Affairs.

[FR Doc. 94-4198 Filed 2-23-94; 8:45 am]

BILLING CODE 3510-DS-M and 4310-93-M

Bureau of Export Administration

15 CFR Parts 770, 772, 773, 776, and 799

[Docket No. 931245-3345]

Computers: General License Eligibility; Supercomputer Definition

AGENCY: Bureau of Export Administration, Commerce.

ACTION: Final rule.

SUMMARY: The Bureau of Export Administration (BXA) is amending the Export Administration Regulations (EAR) to revise the definition of "supercomputers". This final rule increases the "supercomputer" threshold level from a CTP (composite theoretical performance) equal to or exceeding 195 Mtops (million theoretical operations per second) to a CTP equal to or exceeding 1,500 Mtops.

This rule also increases the General License GFW eligibility level for digital computers controlled by ECCN 4A03A to a CTP of 500 Mtops or less for eligible countries listed in the Nuclear Nonproliferation Special Country List (i.e., Supplement No. 4) and 1,000 Mtops or less for other eligible countries. To conform with recent COCOM changes to the International Industrial List (IL), this rule makes General License G-DEST available for exports of "digital" computers with a "CTP" not exceeding 260 Mtops, except to Country Groups S and Z, Iran, Syria, and South African military and police entities. The Department of the Treasury's Office of Foreign Assets Control maintains an embargo on other destinations, such as Iraq and the Federal Republic of Yugoslavia (Serbia and Montenegro).

In addition, this rule raises the level at which nuclear nonproliferation controls apply to digital computers controlled by ECCNs 4A01A, 4A02A, and 4A03A. Nuclear nonproliferation controls now apply to computers with a CTP exceeding 500 Mtops for countries listed in Supplement No. 4.

This rule makes more computers eligible for export under the special license procedures because the eligibility levels for certain countries are tied to either the supercomputer threshold level or the nuclear nonproliferation control level for computers, both of which are increased by this rule.

Finally, this rule revises the Technical Note in the Commerce Control List that provides instructions on calculating "CTP".

EFFECTIVE DATE: February 24, 1994.

FOR FURTHER INFORMATION CONTACT: For technical information on computers contact Joseph Young, Information Sytems Technology Center, Office of Technology and Policy Analysis, Telephone: (202) 482-0706.

For information on licensing policies and procedures applicable to supercomputers, contact Gene Peterson-Beard, Office of Technology and Policy Analysis, Telephone: (202) 482-4220.

SUPPLEMENTARY INFORMATION:

Background

This interim rule revises the definition of a supercomputer, expands the General License GFW eligibility level for digital computers controlled by ECCN 4A03A, raises the levels at which nuclear nonproliferation controls apply to computers controlled by ECCNs 4A01A, 4A02A, and 4A03A, and makes more computers eligible for export under the special license procedures.

In international negotiations with our partner in the supercomputer regime, we have reached agreement on a new supercomputer threshold level. Accordingly, this rule revises the definition of "supercomputer" in § 770.2 and § 776.11(a) to increase the supercomputer threshold level from a CTP (composite theoretical performance) equal to or exceeding 195 Mtops (million theoretical operations per second) to a CTP equal to or exceeding 1,500 Mtops. The United States continues to seek an agreement that would increase the supercomputer threshold level to 2,000 Mtops. Following the completion of negotiations with our supercomputer partner, the Bureau of Export Administration (BXA) intends to publish a rule that will revise the supercomputer safeguards that apply to certain countries.

This rule also increases the General License GFW eligibility level for digital computers controlled by ECCN 4A03A from a CTP less than 195 Mtops to a CTP of 500 Mtops or less for eligible countries listed in Supplement No. 4 to part 778 and a CTP of 1,000 Mtops or less for other eligible countries. Subject to the restrictions in § 771.2(c), items eligible for General License GFW may be exported to most destinations in Country Groups T and V. General License GFW is not available for exports to Iran, Syria, the People's Republic of China, or the South African military or police and a validated license continues to be required for exports of all computers controlled by ECCN 4A03A to these destinations.

To conform with recent COCOM changes to the International Industrial List (IL), this rule amends the Validated License Required paragraph in ECCN 4A03A to indicate that General License G-DEST is available for exports of "digital" computers with a "CTP" not exceeding 260 Mtops, except to Country Groups S and Z, Iran, Syria, and South African military and police entities.

National security-based validated license requirements continue to apply to: (1) Exports of "digital computers" with a CTP exceeding 260 Mtops to controlled destinations and to all other destinations not eligible for General License GFW and (2) exports to GFW-eligible destinations of "digital computers" that exceed the GFW eligibility levels (i.e., 500 Mtops or less for eligible Supplement No. 4 countries and 1,000 Mtops or less for other eligible countries).

Foreign policy-based validated license requirements remain in effect for exports of computers controlled by ECCNs 4A03A and 4A94F (i.e., computers with a CTP of 6 Mtops or greater) to Iran or Syria and for exports of all computers to Country Groups S and Z, and South African military and police entities. Exporters should also be aware that the Department of the Treasury's Office of Foreign Assets Control maintains an embargo on other destinations, such as Iraq and the Federal Republic of Yugoslavia (Serbia and Montenegro).

This rule also amends ECCNs 4A01A, 4A02A, and 4A03A to increase the level at which nuclear nonproliferation controls apply to computers. Nuclear nonproliferation controls now apply only for exports of computers with a CTP exceeding 500 Mtops to countries listed in Supplement No. 4 to part 778. Previously, nuclear nonproliferation controls applied to computers with a CTP of 195 Mtops or above for countries listed in Supplement No. 4 to part 778.

This rule makes more computers eligible for export under the special license procedures. Destinations that are not subject to nuclear nonproliferation controls, and not eligible to receive supercomputers under the special license procedures, are eligible to receive computers below the new supercomputer threshold level, i.e., 1,500 Mtops. Countries for which exports of computers with a CTP above 500 Mtops are subject to nuclear nonproliferation controls are now eligible to receive computers with a CTP of 500 Mtops or less.

Section 772.1 is amended by adding a new paragraph (h) to inform exporters that validated license conditions are terminated when items are decontrolled. Exporters who have received validated licenses containing restrictive conditions for items that are now eligible for shipment under a general license (e.g., General Licenses GFW, GCT, or G-DEST) may use the appropriate general license to export such items, subject only to the specific conditions that apply to the use of these general licenses. Exporters should be aware, however, of the general prohibitions in § 771.2(c) concerning the use of general licenses and of the validated license requirements that apply to certain nuclear, missile technology, or chemical-biological weapons activities described in § 778.3, § 778.7, § 778.8, and § 778.9.

Finally, this rule revises the Technical Note under the heading "Information on How to Calculate Composite Theoretical Performance (CTP)" at the end of Category 4 in the Commerce Control List (CCL). The changes in this Technical Note may affect the control status of certain computers (e.g., eligibility for export under General License G-DEST, GFW, or GCT), as well as whether or not a computer is treated as a supercomputer.

Saving Clause

Shipments of items removed from general license authorizations as a result of this regulatory action that were on dock for loading, on lighter, laden aboard an exporting carrier, or en route aboard carrier to a port of export pursuant to actual orders for export before March 10, 1994 may be exported under the previous general license provisions up to and including March 24, 1994. Any such items not actually exported before midnight March 24, 1994, require a validated export license in accordance with this regulation.

Rulemaking Requirements

1. This rule was reviewed by the Office of Management and Budget under Executive Order 12866.

2. This rule involves collections of information subject to the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*). These collections have been approved by the Office of Management and Budget under control numbers 0694–0005, 0694–0010, 0694–0013, 0694–0015, and 0694–0073.

3. This rule does not contain policies with Federalism implications sufficient to warrant preparation of a Federalism assessment under Executive Order 12612.

4. Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule by section 553 of the Administrative Procedure Act (5 U.S.C. 553) or by any other law, under section 3(a) of the Regulatory Flexibility Act (5 U.S.C. 603(a) and 604(a)) no initial or final Regulatory Flexibility Analysis has to be or will be prepared.

5. The provisions of the Administrative Procedure Act, 5 U.S.C. 553, requiring notice of proposed rulemaking, the opportunity for public participation, and a delay in the effective date, are inapplicable because this regulation involves a military or foreign affairs function of the United States. Further, no other law requires that a notice of proposed rulemaking and an opportunity for public comment be given for this rule.

Therefore, this regulation is issued in final form. Although there is no formal comment period, public comments on this regulation are welcome on a continuing basis. Comments should be submitted to Willard Fisher, Office of Technology and Policy Analysis, Bureau of Export Administration, Department of Commerce, P.O. Box 273, Washington, DC 20044.

List of Subjects

15 CFR Part 770

Administrative practice and procedure.

15 CFR Parts 772, 773, 776, and 799

Exports, Reporting and recordkeeping requirements.

Accordingly, parts 770, 772, 773, 776, and 799 of the Export Administration Regulations (15 CFR parts 730–799) are amended as follows:

1. The authority citation for 15 CFR parts 770, 772, and 799 is revised to read as follows:

Authority: Pub. L. 90–351, 82 Stat. 197 (18 U.S.C. 2510 *et seq.*), as amended; sec. 101, Pub. L. 93–153, 87 Stat. 576 (30 U.S.C. 185), as amended; sec. 103, Pub. L. 94–163, 89 Stat. 877 (42 U.S.C. 6212), as amended; secs. 201 and 201(11)(e), Pub. L. 94–258, 90 Stat. 309 (10 U.S.C. 7420 and 7430(e)), as amended; Pub. L. 95–223, 91 Stat. 1626 (50 U.S.C. 1701 *et seq.*); Pub. L. 95–242, 92 Stat. 120 (22 U.S.C. 3201 *et seq.* and 42 U.S.C. 2139a); sec. 208, Pub. L. 95–372, 92 Stat. 668 (43 U.S.C. 1354); Pub. L. 96–72, 93 Stat. 503 (50 U.S.C. App. 2401 *et seq.*), as amended (extended by Pub. L. 103–10, 107 Stat. 40); sec. 125, Pub. L. 99–64, 99 Stat. 156 (46 U.S.C. 466c); E.O. 11912 of April 13, 1976 (41 FR 15825, April 15, 1976); E.O. 12002 of July 7, 1977 (42 FR 35623, July 7, 1977), as amended; E.O. 12058 of May 11, 1978 (43 FR 20947, May 16, 1978; E.O. 12214 of May 2, 1980 (45 FR 29783, May 6, 1980); E.O. 12735 of November 16, 1990 (55 FR 48587, November 20, 1990), as continued by Notice of November 12, 1993 (58 FR 60361, November 15, 1993); E.O. 12867 of September 30, 1993 (58 FR 51747, October 4, 1993); and E.O. 12868 of September 30, 1993 (58 FR 51749, October 4, 1993).

2. The authority citation for 15 CFR part 773 is revised to read as follows:

Authority: Pub. L. 90–351, 82 Stat. 197 (18 U.S.C. 2510 *et seq.*), as amended; Pub. L. 95–223, 91 Stat. 1626 (50 U.S.C. 1701 *et seq.*); Pub. L. 95–242, 92 Stat. 120 (22 U.S.C. 3201 *et seq.* and 42 U.S.C. 2139a); Pub. L. 96–72, 93 Stat. 503 (50 U.S.C. App. 2401 *et seq.*), as amended (extended by Pub. L. 103–10, 107 Stat. 40); E.O. 12002 of July 7, 1977 (42 FR 35623, July 7, 1977), as amended; E.O. 12058 of May 11, 1978 (43 FR 20947, May 16, 1978; E.O. 12214 of May 2, 1980 (45 FR 29783, May 6, 1980); E.O. 12735 of November 16, 1990 (55 FR 48587, November 20, 1990), as continued by Notice of November 12, 1993 (58 FR 60361, November 15, 1993); E.O. 12867 of September 30, 1993 (58 FR 51747, October 4, 1993); and E.O. 12868 of September 30, 1993 (58 FR 51749, October 4, 1993).

3. The authority citation for 15 CFR part 776 is revised to read as follows:

Authority: Pub. L. 90–351, 82 Stat. 197 (18 U.S.C. 2510 *et seq.*), as amended; Pub. L. 95–223, 91 Stat. 1626 (50 U.S.C. 1701 *et seq.*); Pub. L. 95–242, 92 Stat. 120 (22 U.S.C. 3201 *et seq.* and 42 U.S.C. 2139a); Pub. L. 96–72, 93 Stat. 503 (50 U.S.C. App. 2401 *et seq.*), as amended (extended by Pub. L. 103–10, 107 Stat. 40); sec. 125, Pub. L. 99–64, 99 Stat. 156 (46 U.S.C. 466c); E.O. 12002 of July 7, 1977 (42 FR 35623, July 7, 1977), as amended; E.O. 12058 of May 11, 1978 (43 FR 20947, May 16, 1978; E.O. 12214 of May 2, 1980 (45 FR 29783, May 6, 1980); E.O. 12735 of November 16, 1990 (55 FR 48587, November 20, 1990), as continued by Notice of November 12, 1993 (58 FR 60361, November 15, 1993); E.O. 12867 of September 30, 1993 (58 FR 51747, October 4, 1993); and E.O. 12868 of September 30, 1993 (58 FR 51749, October 4, 1993).

PART 770—[AMENDED]

4. Section 770.2 is amended by revising the definition of "supercomputers" to read as follows:

§ 770.2 Definitions of terms.

* * * * *

Supercomputer. A "supercomputer" is any computer with a Composite Theoretical Performance (CTP) equal to or exceeding 1,500 Mtops (million theoretical operations per second). For calculation of CTP, see the Technical Note that follows the Advisory Notes for Category 4 in the Commerce Control List

(Supplement No. 1 to § 799.1 of this subchapter).

* * * * *

PART 772—[AMENDED]

5. Section 772.1 is amended by adding a new paragraph (h) to read as follows:

§ 772.1 General provisions.

* * * * *

(h) *Terminating validated license conditions.* Exporters who have shipped under validated licenses containing conditions that would not apply to an export under a general license, and foreign consignees who have agreed to such conditions, are no longer bound by the conditions when the licensed items become eligible for shipment under a general license (e.g., GFW, GCT, G–DEST). Items that were exported under such licenses remain subject to the conditions of permissive reexports and any applicable general licenses on which they are based, as well as the general prohibitions in § 771.2(c) of this subchapter on the use of general licenses. Termination of validated license conditions does not relieve persons of responsibility for any violations that may have occurred before availability of a general license.

PART 773—[AMENDED]

Supplement No. 1 to Part 773 [Amended]

6. Supplement No. 1 to part 773 is amended by revising in paragraph (l)(1) the phrase "of less than 195 MTOPS" to read "that does not exceed 500 MTOPS".

PART 776—[AMENDED]

7. Section 776.11(a) is revised to read as follows:

§ 776.11 Supercomputers.

* * * * *

(a) *Definition of "supercomputer".* A supercomputer is any computer with a Composite Theoretical Performance (CTP) equal to or exceeding 1,500 MTOPS (million theoretical operations per second). For calculation of the CTP, see the Technical Note that follows the Advisory Notes for Category 4 in the Commerce Control List (Supplement No. 1 to § 799.1 of this subchapter).

* * * * *

PART 799—[AMENDED]

Supplement No. 1 to § 799.1 [Amended]

8. In Supplement No. 1 to Section 799.1 (the Commerce Control List), Category 4 (Computers), ECCN 4A01A is amended by revising the Requirements section to read as follows:

4A01A Electronic computers and related equipment, as follows, and "assemblies" and specially designed components therefor.

Requirements

Validated License Required: QSTVWYZ
Units: Computers and peripherals in number; parts and accessories in § value
Reason for Control: NS, MT, NP, FP (see Notes)
GLV: $5,000 for 4A01.a only; $0 for 4A01.b
GCT: Yes, except MT (see Notes) and except supercomputers as defined in § 776.11(a) (no supercomputer restriction for Japan)
GFW: No

Notes: 1. MT controls apply to 4A01.a.

2. NP controls apply to computers with a CTP exceeding 500 Mtops to countries listed in Supplement No. 4 to part 778 of this subchapter.

3. FP controls apply to all destinations, except Japan, for supercomputers (see § 776.11 of this subchapter).

* * * * *

Supplement No. 1 to § 799.1 [Amended]

9. In Supplement No. 1 to Section 799.1 (the Commerce Control List), Category 4 (Computers), ECCN 4A02A is amended by revising the Requirements section to read as follows:

4A02A "Hybrid computers", as follows, and "assemblies" and specially designed components therefor.

Requirements

Validated License Required: QSTVWYZ
Unit: Computers and peripherals in number; parts and accessories in $ value
Reason for Control: NS, MT, NP, FP (see Notes)
GLV: $5,000
GCT: Yes, except MT (see Notes) and except supercomputers as defined in § 776.11(a) (no supercomputer restriction for Japan)
GFW: No

Notes: 1. MT controls apply to hybrid computers combined with specially designed "software", for modeling, simulation, or design integration of complete rocket systems and unmanned air vehicle systems described in § 787.7 of this subchapter.

2. NP controls apply to computers with a CTP exceeding 500 Mtops to countries listed in Supplement No. 4 to part 778 of this subchapter.

3. FP controls apply to all destinations, except Japan, for supercomputers (see § 776.11 of this subchapter).

* * * * *

Supplement No. 1 § 799.1 [Amended]

10. In Supplement No. 1 to Section 799.1 (the Commerce Control List), Category 4 (Computers), ECCN 4A03A is amended by revising the Requirements section to read as follows:

4A03A "Digital computers", "assemblies", and related equipment therefor, as described in this entry, and specially designed components therefor.

Requirements

Validated License Required: QSTVWYZ (The "CTP" level in 4A03.c notwithstanding, General License G–DEST is available for exports of "digital" computers with a "CTP" not exceeding 260 Mtops, except to Country Groups S and Z, Iran, Syria, and South African military and police entities.)
Unit: Computers and peripherals in number; parts and accessories in $ value
Reason for Control: NS, MT, NP, FP (see Notes)
GLV: $5,000
GCT: Yes, except MT and FP, and except supercomputers as defined in § 776.11(a) (no supercomputer restriction for Japan); see Notes
GFW: Yes, except MT and FP (see Notes), for the following items:

a. Equipment described in Advisory Note 4; and

b. Computers with a CTP not exceeding 1,000 Mtops (500 Mtops for eligible countries listed in Supp. 4 to part 778 of this subchapter) and specially designed components therefor, exported separately or as part of a system, and related equipment therefor when exported with these computers as part of a system.

N.B. 1: General License GFW is not available for the export of commodities that the exporter knows will be used to:

a. Enhance the performance capability (i.e., CTP) of a computer to the "supercomputer" level; or

b. Enhance the performance capability of a "supercomputer" (see § 776.11 for definition of "supercomputer").

N.B. 2: To determine whether General License GFW may be used to export related equipment controlled under another entry in the CCL, consult the GFW paragraph under the Requirements heading of the appropriate entry.

Notes: 1. MT controls apply to digital computers used as ancillary equipment for test facilities and equipment that are controlled by 9B05 or 9B06.

2. NP controls apply to computers with a CTP exceeding 500 Mtops to countries listed in Supplement No. 4 to part 778 of this subchapter.

3. FP controls apply to computers for computerized fingerprint equipment to all destinations except Australia, Japan, New Zealand and members of NATO.

4. FP controls apply to all destinations, except Japan, for supercomputers (see § 776.11 of this subchapter).

5. FP controls apply to Iran and Syria for computers controlled by 4A03A or 4A94F (i.e., computers with a CTP of 6 Mtops or greater). See § 785.4(d)(1) of this subchapter.

* * * * *

11. In Category 4 (Computers), following Advisory Note 7, the Technical Note under the heading "Information on How to Calculate Composite Theoretical Performance (CTP)" is revised to read as follows:

Information on How to Calculate "Composite Theoretical Performance" ("CTP"):

Technical Note: "Composite theoretical performance" (CTP).

Abbreviations used in this Technical Note

CE "computing element" (typically an arithmetic logical unit)
FP floating point
XP fixed point
t execution time
XOR exclusive OR
CPU central processing unit
TP theoretical performance (of a single CE)
CTP "composite theoretical performance" (multiple CEs)
R effective calculating rate
WL word length
L word length
* multiply

Execution time 't' is expressed in microseconds, TP and "CTP" are expressed in Mtops (millions of theoretical operations per second) and WL is expressed in bits.

Outline of "CTP" Calculation Method

"CTP" is a measure of computational performance given in millions of theoretical operations per second (Mtops). In calculating the "Composite Theoretical Performance" ("CTP") of an aggregation of "Computing Elements" ("CEs"), the following three steps are required:

1. Calculate the effective calculating rate (R) for each "computing element" ("CE");

2. Apply the word length adjustment (L) to the effective calculating rate (R), resulting in a Theoretical Performance (TP) for each "computing element" ("CE");

3. If there is more than one "computing element" ("CE"), combine the Theoretical Performances (TPs), resulting in a "Composite Theoretical Performance" ("CTP") for the aggregation.

Details for these steps are given in the following section.

Note 1: For aggregations of multiple "computing elements" ("CEs") that have both shared and unshared memory subsystems, the calculation of "CTP" is completed hierarchically, in two steps: first, aggregate the groups of "computing elements" ("CEs") sharing memory; second calculate the "CTP" of the groups using the calculation method for multiple "computing elements" ("CEs") not sharing memory.

Note 2: "Computing elements" ("CEs") that are limited to input/output and peripheral functions (e.g., disk drive, communication and video display controllers) are not aggregated into the "CTP" calculation.

The following table shows the method of calculating the Effective Calculating Rate (R) for each "Computing Element" ("CE"):

Step 1: The effective calculating rate R.

For computing elements (CEs) Implementing: Note: Every "CE" must be evaluated independently	Effective calculating rate, R
XP only (R_{xp})	$1 \div 3 * (t_{xp\ add})$. If no add is implemented use: $1 \div (t_{xp\ mult})$. If neither add nor multiply is implemented use the fastest available arithmetic operation as follows: $1 \div 3 * (t_{xp})$. See Notes X and Y.
FP only (R_{fp})	Max $1 \div t_{fp\ add}$, $1 \div t_{fp\ mult}$. See Notes X and Y.
Both FP and XP (R)	Calculate both R_{xp}, R_{fp}.
For simple logic processors not implementing any of the specified arithmetic operations.	$1 \div 3 * t_{log}$. Where t_{log} is the execute time of the XOR, or for logic hardware not implementing the XOR, the fastest simple logic operation. See Notes X and Z.
For special logic processors not using any of the specified arithmetic or logic operations.	$R = R^{\prime} * WL/64$. Where R is the number of results per second, WL is the number of *bits* upon which the logic operation occurs, and 64 is a factor to normalize to a 64 bit operation.

Note W: For a pipelined "CE" capable of executing up to one arithmetic or logic operation every clock cycle after the pipeline is full, a pipelined rate can be established. The effective calculating rate (R) for such a "CE" is the faster of the pipelined rate or non-pipelined execution rate.

Note X: For a "CE" that performs multiple operations of a specific type in a single cycle (e.g., two additions per cycle or two identical logic operations per cycle), the execution time t is given by:

$$t = \frac{\text{cycle time}}{\text{the number of identical arithmetic operations per machine cycle.}}$$

"Computing elements" ("CEs") that perform different types of arithmetic or logic operations in a single machine cycle are to be treated as multiple separate "computing elements" ("CEs") performing simultaneously (e.g., a "CE" performing an addition and a multiplication in one cycle is to be treated as two "CEs", the first performing an addition in one cycle and the second performing a multiplication in one cycle).

If a single "computing element" ("CE") has both scalar function and vector function, use the shorter execution time value.

Note Y: For the "CE" that does not implement FP add or FP multiply, but that performs FP divide:

$$R_{fp} = \frac{1}{t_{fp\ divide}};$$

If the "CE" implements FP reciprocal, but not FP add, FP multiply or FP divide, then:

$$R_{fp} = \frac{1}{t_{fp\ reciprocal}}.$$

If none of the specified instructions is implemented, the effective floating point (FP) rate is 0.

Note Z: In simple logic operations, a single instruction performs a single logic manipulation of no more than two operands of given lengths.

In complex logic operations, a single instruction performs multiple logic manipulations to produce one or more results from two or more operands.

Rates should be calculated for all supported operand lengths considering both pipelined operations (if supported), and non-pipelined operations, using the fastest executing instruction for each operand length based on:

1. Pipelined or register-to-register operations. Exclude extraordinarily short execution times generated for operations on a predetermined operand or operands (for example, multiplication by 0 or 1). If no register-to-register operations are implemented, continue with (2).

2. The faster of register-to-memory or memory-to-register operations; if these also do not exist, then continue with (3).

3. Memory-to-memory.

In each case above, use the shortest execution time certified by the manufacturer.

Step 2: *TP for each supported operand length WL:* Adjust the effective rate R (or R') by the word length adjustment L as follows:

TP=R * L, where L=(1/3+WL/96).

Note: The word length WL used in these calculations is the operand length in bits. (If an operation uses operands of different lengths, select the largest word length.)

The combination of a mantissa ALU and an exponent ALU of a floating point processor or unit is considered to be one "computing element" ("CE") with a Word Length (WL) equal to the number of bits in the data representation (typically 32 or 64) for purposes of the "Composite Theoretical Performance" ("CTP") calculation.

This adjustment is not applied to specialized logic processors that do not use XOR instructions. In this case TP=R.

Select the maximum resulting value of TP for:

Each XP-only "CE" (R_{xp});
Each FP-only "CE" (R_{fp});
Each combined FP and XP "CE" (R);
Each simple logic processor not implementing any of the specified arithmetic operations; *and*
Each special logic processor not using any of the specified arithmetic or logic operations.

Step 3: *"CTP" for aggregations of "CEs", including CPUs:*

For a CPU with a single "CE", "CTP"=TP (for CEs performing both fixed and floating point operations, TP=max (TP_{fp}, TP_{xp})).

"CTP" for aggregations of multiple "CEs" operating simultaneously is calculated as follows:

Note 1: For aggregrations that do not allow all of the "CEs" to run simultaneously, the possible combination of "CEs" that provides the largest "CTP" should be used. The TP of each contributing "CE" is to be calculated at its maximum value theoretically possible before the "CTP" of the combination is derived.

N.B.: To determine the possible combinations of simultaneously operating "CEs", generate an instruction sequence that initiates operations in multiple "CEs", beginning with the slowest "CE" (the one needing the largest number of cycles to complete its operation) and ending with the fastest "CE". At each cycle of the sequence, the combination of "CEs" that are in operation during that cycle is a possible combination.

The instruction sequence must take into account all hardware and/or architectural constraints on overlapping operations.

Note 2: A single integrated circuit chip or board assembly may contain multiple "CEs".

Note 3: Simultaneous operations are assumed to exist when the computer manufacturer claims concurrent, parallel or simultaneous operation or execution in a manual or brochure for the computer.

Note 4: "CTP" values are not to be aggregated for "CE"-combinations (inter)connected by "Local Area Networks", Wide Area Networks, I/O shared connections/devices, I/O controllers and any communication interconnection implemented by software.

Note 5: "CTP" values must be aggregated for multiple "CEs" specially designed to enhance performance by aggregation, operating simultaneously and sharing memory-, or multiple memory/"CE"-combinations operating simultaneously utilizing specially designed hardware.

This aggregation does not apply to "assemblies" controlled by 4A03.d.

"CTP"=TP_1+C_2*TP_2+. . .+C_n*TP_n, where the TPs are ordered by value, with TP_1 being the highest, TP_2 being the second highest, * * * and TP_n being the lowest. C_i is a coefficient determined by the strength of the interconnection between "CEs", as follows:

For multiple "CEs" operating simultaneously and sharing memory:

$$C_2 = C_3 = C_4 = \cdots = C_n = 0.75.$$

Note 1: When the "CTP" calculated by the above method does not exceed 194 Mtops, the following formula may be used to calculate C_i:

$$C_i = \frac{0.75}{m^{0.5}(i = 2, \cdots n)}$$

Where m equals the number of "CEs" or groups of "CEs" sharing access.

Provided:

1. The TP_i of each "CE" or group of "CEs" does not exceed 30 Mtops;

2. The "CEs" or groups of "CEs" share access to main memory (excluding cache memory) over a single channel; and

3. Only one "CE" or group of "CEs" can have use of the channel at any given time.

N.B.: This does not apply to items controlled under Category 3.

Note 2: "CEs" share memory if they access a common segment of solid state memory. This memory may include cache memory, main memory, or other internal memory. Peripheral memory devices such as disk drives, tape drives, or RAM disks are not included.

For multiple "CEs" or groups of "CEs" not sharing memory, interconnected by one or more data channels:

C_i=0.75 * k_i (i=2, . . . , 32) (see *NOTE* on k_i factor)
=0.60 * k_i (i=33, . . . , 64)
=0.45 * k_i (i=65, . . . , 256)
=0.30 * k_i (i > 256)

The value of C_i is based on the number of "CEs", not the number of nodes.

where:

k_i=min (S_i/K_r, 1), and
K_r=normalizing factor of 20 MByte/s.
S_i=sum of the maximum data rates (in units of MByte/s) for all data channels connected to the i^{th} "CE" or group of "CEs" sharing memory.

When calculating a C_i for a group of "CEs", the number of the first "CE" in a group determines the proper limit for C_i. For example, in an aggregation of groups consisting of 3 "CEs" each, the 22nd group will contain "CE"$_{64}$, "CE"$_{65}$, and "CE"$_{66}$. The proper limit for C_i for this group is 0.60.

Aggregation (of "CEs" or groups of "CEs") should be from the fastest-to-slowest; i.e.:

$TP_1 \geq TP_2 \geq TP_n$, and
in the case of TP_i=TP_{i+1}, from the largest to smallest; i.e.:
$C_i \geq C_{i+1}$

Note: The k_i factor is not to be applied to "CEs" to 2 to 12 if the TP_i of the "CE" or group of "CEs" is more than 50 Mtops; i.e., C_i for "CEs" 2 to 12 is 0.75.

Dated: February 18, 1994.

Sue E. Eckert,

Assistant Secretary for Export Administration.

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DEPARTMENT OF THE TREASURY

Customs Service

19 CFR Parts 10, 12, 24, 123, 134, 162, 174, 177, 178, 181 and 191

[T.D. 94–1]

RIN 1515–AB33

North American Free Trade Agreement; Corrections

AGENCY: Customs Service, Department of the Treasury.

ACTION: Interim regulations; corrections.

SUMMARY: This document makes corrections to the document published in the Federal Register which set forth interim amendments to the Customs Regulations to implement the preferential tariff treatment and other Customs-related provisions of the North American Free Trade Agreement and the North American Free Trade Agreement Implementation Act.

EFFECTIVE DATE: These corrections are effective January 1, 1994.

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