

submitted in response to this rule must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 96-ACE-15." The postcard will be date stamped and returned to the commenter.

Agency Findings

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.

The FAA has determined that this regulation is noncontroversial and unlikely to result in adverse or negative comments. For the reasons discussed in the preamble, I certify that this regulation (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under Department of Transportation (DOT) Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) if promulgated, 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.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

Accordingly, the Federal Aviation Administration amends Part 71 of the Federal Aviation Regulations (14 CFR Part 71) as follows:

PART 71—AMENDED

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

Authority: 49 U.S.C. 106(g); 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389; 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of Federal Aviation Administration Order 7400.9D, Airspace Designations and Reporting Points, dated September 4, 1996, and effective September 16, 1996, is amended as follows:

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

* * * * *

ACE NE E5 Lee's Summit, MO. [Revised]

Lee's Summit Municipal Airport, MO.
(Lat. 38°57'35.1" N., long. 94°22'17.7" W.)

That airspace extending upward from 700 feet above the surface within a 6.5-mile radius of Lee's Summit Municipal Airport.

* * * * *

Issued in Kansas City, MO, on October 11, 1996.

Donovan D. Schardt,
Acting Manager, Air Traffic Division, Central Region.

[FR Doc. 96-27878 Filed 10-29-96; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

15 CFR Part 303

DEPARTMENT OF THE INTERIOR

Office of Insular Affairs

[Docket No. 960508126-6126-01]

RIN 0625-AA46

Changes in Procedures for the Insular Possessions Watch Program

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

ACTION: Final rule.

SUMMARY: This action amends the ITA regulations, which govern 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 modify procedures for completion and use of the "Permit to Enter Watches and Watch Movements into the Customs Territory of the United States" (Form ITA-340); make the technical changes required by the passage of the Uruguay Round Agreements Act in 1994; eliminate the mid-year report (Form ITA-321P); change the percentage creditable towards the duty-refund of wages for non-91/5 watch and watch movement repairs and raise one of the percentages in the formula for calculating the duty-refund; revise the total quantity and respective territorial shares of insular watches and watch movements which would be allowed to enter the United States free of duty; remove from the percentage of non-91/5 wages creditable toward the duty-refund reference to watches and watch movements which are ineligible for duty-free treatment due

only to value-limit reasons; raise the maximum value of components for watches; and make other changes necessary to consolidate and simplify the regulations.

EFFECTIVE DATE: October 30, 1996.

FOR FURTHER INFORMATION CONTACT: Faye Robinson, (202) 482-3526.

SUPPLEMENTARY INFORMATION: We published regulatory revisions in proposed form on July 22, 1996 (61 FR 37845) and invited comments. We received no comments.

Sec. 110 of Pub. L. No. 97-446 (96 Stat. 2331) (1983) as amended by Sec. 602 of Pub. L. No. 103-465 (108 Stat. 4991) (1994) additional U.S. Note 5 to chapter 91 of the HTS authorizes duty-exemption allocations and duty-refund entitlements for insular watch program producers. The following changes amend 15 CFR Part 303 of the regulations.

The procedures for completion and use of the "Permit to Enter Watches and Watch Movements into the Customs Territory of the United States" (Form ITA-340) are amended by revising Sec. 303.2(b)(3) and Sec. 303.7(b). The changes will reduce the paperwork associated with the permit, eliminate the need for Customs to mail a copy of the permit to the Department of Commerce for all Customs entries made electronically through the automated broker interface and allow required permit information to pass between the territorial government office and watch producers via facsimile, thereby eliminating the burden of travel to and from the territorial offices. Further details of the changes were set forth in our July 22, 1996 proposal (61 FR 37845).

Sec. 602 of Public L. 103-465 enacted on December 8, 1994 amended Pub. L. 97-446.

Authority: Sec. 303.1(a), Sec 303.2(a)(1) and Sec. 303.12(c)(2) are amended to reflect the new authority for the duty-refund entitlements for the insular watch program.

The mid-year report (Form ITA-321P) is eliminated by removing Sec. 303.2(b)(4) (Form ITA-321P) and Sec. 303.11 (mid-year reporting requirement). We also amended Sec. 303.6(f) to clarify the procedures for requesting annual supplemental allocations and relinquishing units. A major purpose of the mid-year report was to establish whether companies required more duty-exemption allocation or wished to relinquish duty-exemption that had been allocated. These purposes can be satisfied less formally and without paperwork.

We increased the percentage of wages for the repair of non-91/5 watches and

watch movements creditable towards the duty-refund to a maximum of fifty percent of the firm's total creditable wages by amending Sec. 303.2(a)(13) and Sec. 303.14(c)(3). The increase permits producers to further diversify their operations.

Sec. 303.2(a)(13) is amended by removing eligibility towards the duty-refund for the assembly of non-91/5 watches and watch movements (ineligible only due to value-limit reasons). No duty-refunds have ever been issued on the basis of wages paid for the production of watches and watch movements because they exceeded regulatory value limits. Accordingly, we are eliminating this unused provision.

The Departments establish for calendar year 1997 a total quantity of 4,600,000 units in the following territorial shares:

Virgin Islands—3,100,000

Guam—500,000

American Samoa—500,000

Northern Mariana Islands—500,000

Sec. 303.14(b)(3) is amended by raising the maximum value of components for duty-free treatment of watches from \$175 to \$200. This change will relax the limitation on the value of imported components that may be used in the assembly of duty-free insular watches. The new value levels will contribute to offsetting the effects of the declining dollar and allow the producers wider options in the kinds of watches they assemble.

Sec. 303.14(c)(1)(iv) sets the incremental percentage for calculating that part of the duty-refund for producers who have shipped between 600,000 and 750,000 units free of duty into the United States. The value of the duty-refund is based on the producer's average creditable wages per unit shipped free of duty into the United States multiplied by a factor of 90% for the first 300,000 units and declining percentages in additional increments to a maximum of 750,000 units. The amendment raises the 65% increment to 75% and makes each declining percentage a 5% reduction. This change will add a further incentive for producers to increase shipments and possibly raise territorial employment.

The following amendments simplify and consolidate the regulations and eliminate redundancy:

- Remove the concluding text of Sec. 303.6(f), which required the publication of notices in the Federal Register to invite new entrants, and amend Sec. 303.8(c)(2), which also related to new entrant invitations (the regulations contain a standing invitation to new entrants in Sec. 303.14);

- Eliminate Sec. 303.10 (Limitations, requirements, restriction and prohibitions) and consolidate non-duplicative language in Sec. 303.14(b);

- Eliminate Sec. 303.11;
- Amend Sec. 303.12(b)(3) by changing registered mail to registered, certified or express carrier mail;

- Amend Sec. 303.12(c)(1) by changing the reference from Sec. 303.2(b)(6) to Sec. 303.2(b)(5), due to other changes affecting the numbering of provisions;

- Amend Sec. 303.14(b) by removing references to Sec. 303.10 and incorporating the non-duplicative language of Sec. 303.10 into Sec. 303.14(b); and

- Amend Sec. 303.14(c)(2) by replacing a reference to Sec. 303.10(c)(2) with the correct reference (Sec. 303.5(c)) and by removing Sec. 303.14(c)(3) as redundant.

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 this rule relieves restrictions. The restrictions are relieved by raising the value-limit on watches which are allowed into the United States free of duty and raising an incremental percentage on which the duty-refund is calculated. The rule also relieves the burdensome travel time involved in obtaining the permit, reduces the paperwork involved with the permit and eliminates the burden of the mid-year report.

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 Assistant General Counsel for Legislation and Regulation has certified to the Chief Counsel, Small Business Administration, that the rule will not have a significant economic impact on a substantial number of small entities. This is because the purpose and effect of the rulemaking is primarily to consolidate and simplify the regulations, make technical changes and reduce paperwork.

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 reduce the information burden on the public.

Notwithstanding any other provision of the law, no person is required to

respond to, nor shall any person be subject to a penalty for failure to comply with a collection of information unless it displays a currently valid OMB Control Number.

It has been determined that the final rulemaking is not significant for purposes of Executive Order 12866.

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 15 CFR Part 303 as follows:

PART 303—[AMENDED]

1. The authority citation for 15 CFR Part 303 is revised to read as follows:

Authority: Pub. L. 94-241, 90 Stat. 263 (48 U.S.C. 1681, note); Pub. L. 97-446, 96 Stat. 2331 (19 U.S.C. 1202, note); Pub. L. 103-465, 108 Stat. 4991.

§ 303.1 [Amended]

2. Section 303.1(a) is amended by removing the period at the end of the first sentence and adding “, and amended by Pub. L. 103-465, enacted 8 December 1994.”.

§ 303.2 [Amended]

3. Section 303.2(a)(1) is amended by removing the period at the end of the sentence and adding “, as amended by Pub. L. 103-465, enacted on December 8, 1994, 108 Stat. 4991.”.

4. In § 303.2, paragraphs (a)(13) and (b)(3) are revised to read as follows:

§ 303.2 Definitions and forms.

(a) * * *

(13) Creditable wages means all wages—up to the amount per person shown in § 303.14(a)(1)(i)—paid to permanent residents of the territories employed in a firm's 91/5 watch and watch movement assembly operations, plus any wages paid for the repair of non-91/5 watches up to an amount equal to 50 percent of the firm's total creditable wages. Excluded, however, are wages paid for special services rendered to the firm by accountants, lawyers, or other professional personnel and for the repair of non-91/5 watches and movements to the extent that such wages exceed the foregoing ratio. Wages paid to persons engaged in both creditable and non-creditable assembly and repair activities may be credited proportionately provided the firm maintains production and payroll

records adequate for the Departments' verification of the creditable portion.

* * * * *

(b) * * *

(3) *ITA-340 "Permit to Enter Watches and Watch Movements into the Customs Territory of the United States."* This form may be obtained, by producers holding a valid license, from the territorial government or may be produced by the licensee in an approved computerized format or any other medium or format approved by the Departments of Commerce and the Interior. The completed form authorizes duty-free entry of a specified amount of watches or watch movements at a specified U.S. Customs port.

* * * * *

5. In § 303.2, paragraph (b)(4) is removed and paragraphs (b)(5) and (b)(6) are redesignated as paragraphs (b)(4) and (b)(5).

§ 303.6 [Amended]

6. Section 303.6(f) introductory text is amended at the beginning of the second sentence by removing "The" and adding "At the request of a producer, the"; and in the middle of the fourth sentence by removing "invited" and adding "considered".

7. In § 303.6, the concluding text of paragraph (f) is removed.

§ 303.7 [Amended]

8. Section 303.7 is amended by revising paragraph (b) to read as follows:

§ 303.7 Issuance of licenses and shipment permits.

* * * * *

(b) *Shipment Permit Requirements (ITA-340)*. (1) Producers may obtain shipment permits from the territorial government officials designated by the Governor. Permits may also be produced in any computerized or other format or medium approved by the Departments. The permit is for use against a producer's valid duty-exemption license and a permit must be completed for every duty-free shipment.

(2) Each permit must specify the license and permit number, the number of watches and watch movements included in the shipment, the unused balance remaining on the producer's license, pertinent shipping information and must have the certification statement signed by an official of the licensee's company. A copy of the completed permit must be sent electronically or taken to the designated territorial government officials, no later than the day of shipment, for confirmation that the producer's duty-exemption license has not been

exceeded and that the permit is properly completed.

(3) The permit (form ITA-340) shall be filed with Customs along with the other required entry documents to receive duty-free treatment unless the importer or its representative clears the documentation through Customs' automated broker interface. Entries made electronically do not require the submission of a permit to Customs, but the shipment data must be maintained as part of a producer's recordkeeping responsibilities for the period prescribed by Customs' recordkeeping regulations. U.S. Customs Service Import Specialists may request the documentation they deem appropriate to substantiate claims for duty-free treatment, allowing a reasonable amount of time for the importer to produce the permit.

§ 303.8 [Amended]

9. In § 303.8, paragraph (c)(2) is revised to read as follows:

§ 303.8 Maintenance of duty-exemption entitlements.

* * * * *

(c) * * *

(2) Reallocate the allocation or part thereof to a new entrant applicant; or

* * * * *

§ 303.10 [Removed and Reserved]

10. Section 303.10 is removed and reserved.

§ 303.11 [Removed and Reserved]

11. Section 303.11 is removed and reserved.

§ 303.12 [Amended]

12. Section 303.12(b)(3) introductory text is amended by adding, after the word "registered", the words ", certified or express carrier mail".

13. Section 303.12(c)(1) is amended by removing from the first sentence "§ 303.2(b)(6)" and adding in its place "§ 303.2(b)(5)".

14. Section 303.12(c)(2) is amended at the end of the first sentence by removing the period and adding ", as amended by Public Law 103-465."

§ 303.14 [Amended]

15. In § 303.14, the heading of paragraph (b) and paragraph (b)(1) and (b)(3) are revised and paragraph (b)(4) is added to read as follows:

§ 303.14 Allocation factors and miscellaneous provisions.

* * * * *

(b) *Minimum assembly requirements and prohibition of preferential supply relationship*. (1) No insular watch movement or watch may be entered free

of duty into the customs territory of the United States unless the producer used 30 or more discrete parts and components to assemble a mechanical watch movement and 33 or more discrete parts and components to assemble a mechanical watch.

* * * * *

(3) Watch movements and watches assembled from components with a value of more than \$35 for watch movements and \$200 for watches shall not be eligible for duty-exemption upon entry into the U.S. Customs territory. Value means the value of the merchandise plus all charges and costs incurred up to the last point of shipment (i.e., prior to entry of the parts and components into the territory).

(4) No producer shall accept from any watch parts and components supplier advantages and preferences which might result in a more favorable competitive position for itself vis-a-vis other territorial producers relying on the same supplier. Disputes under this paragraph may be resolved under the appeals procedures contained in § 303.13(b).

* * * * *

16. Section 303.14(c)(1)(iv) is amended by removing "65%" and adding "75%".

17. Section 303.14(c)(2) is amended by removing "§ 303.10(c)(2)" and adding in its place "§ 303.5(c)".

18. Section 303.14(c)(3) is removed.

19. Section 303.14(e) is amended by removing "3,600,000" and adding in its place "3,100,000".

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration, International Trade Administration, Department of Commerce.

Allen Stayman,

Director, Office of Insular Affairs, Department of the Interior.

[FR Doc. 96-27862 Filed 10-29-96; 8:45 am]

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DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 250

RIN 1010-AC07

Allow Lessees More Flexibility in Keeping Leases in Force Beyond Their Primary Term

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Final rule.

SUMMARY: This final rule amends regulations that specify how Outer