

DEPARTMENT OF STATE**[Public Notice 4768]****Bureau of Political-Military Affairs;
Rescission of Statutory Debarment
and Reinstatement of Eligibility To
Apply for Export/Retransfer
Authorizations Pursuant to Section
38(g)(4) of the Arms Export Control
Act; Armaments Corporation of South
Africa Ltd. (Arm Scor) and the Denel
Group (Pty) Ltd. (Denel)****AGENCY:** Department of State.**ACTION:** Notice.

SUMMARY: Notice is hereby given that the Department of State has fully rescinded the statutory debarment against the Armaments Corporation of South Africa Ltd. (Arm Scor) and the Denel Group (Pty) Ltd. (Denel) and its divisions; and any divisions, subsidiaries, associated companies, affiliated persons, and successor entities pursuant to section 38(g)(4) of the Arms Export Control Act (AECA) (22 U.S.C. 2778) and § 127.11 of the International Traffic in Arms Regulations (ITAR) (22 CFR parts 120–130).

EFFECTIVE DATE: July 14, 2004.**FOR FURTHER INFORMATION CONTACT:**

Robert W. Maggi, Managing Director, Directorate of Defense Trade Controls, Bureau of Political-Military Affairs, Department of State (202) 663–2700.

SUPPLEMENTARY INFORMATION: Section 38(g)(4) of the AECA and § 127.7 of the ITAR prohibit the issuance of export licenses or other approvals to a person, or any party to the export, who has been convicted of violating certain U.S. criminal statutes enumerated at section 38(g)(1)(A) of the AECA and § 120.27 of the ITAR. The term “person” means a natural person as well as a corporation, business association, partnership, society, trust, or any other entity, organization, or group, including governmental entities. The term “party to the export” means the president, the chief executive officer, and any other senior officers of the license applicant; and any consignee or end-user of any item to be exported.

Effective June 8, 1994, the Department of State implemented a policy of denial pursuant to sections 38 and 42 of the AECA and §§ 126.7(a)(1) and (a)(2) of the ITAR for Arm Scor, Denel and its divisions (including Kentron (Pty) Ltd.), and any divisions, subsidiaries, associated companies, affiliated persons, and successor entities based upon an indictment returned in the U.S. District Court for the Eastern District of Pennsylvania charging Arm Scor and Kentron with violating and conspiring

to violate the AECA (see 59 FR 33811, June 30, 1994).

Subsequently, after the companies accepted plea agreements in connection with the criminal charges, the Department of State imposed statutory debarment against Arm Scor and Denel and its divisions effective February 27, 1997 (see 62 FR 13932, March 24, 1997).

A **Federal Register** notice was published on March 4, 1998 (63 FR 10671), that rescinded the policy of denial and temporarily suspended the statutory debarment against Arm Scor and Denel in accordance with section 38(g)(4) of the AECA. The temporary suspension of the statutory debarment was consistent with the Agreement Between the Government of the United States of America and the Government of the Republic of South Africa Concerning Cooperation on Defense Trade Controls (the Agreement). The Agreement provided that the companies would establish internal compliance programs and further required that the companies would make available an amount of money equivalent to suspended civil fines to the South African Government to support the effective implementation of its national export control regime.

Section 38(g)(4) of the AECA permits rescission of debarment after consultation with the Secretary of the Treasury and after a thorough review of the circumstances surrounding the conviction and a finding that appropriate steps have been taken to mitigate any law enforcement concerns. After thoroughly reviewing the steps Arm Scor and Denel have taken with respect to the establishment of internal compliance programs and supporting the effective implementation of a national export regime, the Department of State has determined that Arm Scor and Denel have taken the appropriate initiatives to address the causes of the violations and to mitigate any law enforcement concerns.

Therefore, in accordance with section 38(g)(4) of the AECA and section 127 of the ITAR, effective July 14, 2004, the debarment against Arm Scor and Denel is fully rescinded. The effect of this notice is that Arm Scor, Denel and its divisions, and any divisions, subsidiaries, associated companies, affiliated persons, and successor entities may participate, without prejudice, in the export or transfer of defense articles, related technical data, and defense services subject to section 38 of the AECA and the ITAR.

Dated: July 14, 2004.

Lincoln P. Bloomfield, Jr.,

Assistant Secretary, Bureau of Political-Military Affairs, Department of State.

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**OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE****Andean Trade Preference Act (ATPA),
as Amended: Notice Regarding the
2003 Annual Review****AGENCY:** Office of the United States Trade Representative.**ACTION:** Notice.

SUMMARY: The Office of the United States Trade Representative (USTR) received petitions in September 2003 to review certain practices in certain beneficiary developing countries to determine whether such countries are in compliance with the ATPA eligibility criteria. This notice specifies the results of the preliminary review of those petitions.

FOR FURTHER INFORMATION CONTACT:

Bennett M. Harman, Deputy Assistant U.S. Trade Representative for Latin America, at (202) 395–9446.

SUPPLEMENTARY INFORMATION: The ATPA (19 U.S.C. 3201 *et seq.*), as renewed and amended by the Andean Trade Promotion and Drug Eradication Act of 2002 (ATPDEA) in the Trade Act of 2002 (Pub. L. 107–210), provides trade benefits for eligible Andean countries. Pursuant to section 3103(d) of the ATPDEA, USTR promulgated regulations (15 CFR part 2016) (68 FR 43922) regarding the review of eligibility of countries for the benefits of the ATPA, as amended.

In a **Federal Register** notice dated August 14, 2003, USTR initiated the 2003 ATPA Annual Review and announced a deadline of September 15, 2003 for the filing of petitions (68 FR 48657). Several of these petitions requested the review of certain practices in certain beneficiary developing countries regarding compliance with the eligibility criteria set forth in sections 203(c) and (d) and section 204(b)(6)(B) of the ATPA, as amended (19 U.S.C. 3203 (c) and (d); 19 U.S.C. 3203(b)(6)(B)).

In a **Federal Register** notice dated November 13, 2003, USTR published a list of the responsive petitions filed pursuant to the announcement of the annual review. The Trade Policy Staff Committee (TPSC) has conducted a preliminary review of these petitions. 15 CFR 2016.2(b) provides for