

Administration Order 7400.9M, dated August 30, 2004, and effective September 16, 2004, is amended as follows:

\* \* \* \* \*

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

\* \* \* \* \*

#### ACE MO E5 Macon, MO

Macon-Fower Memorial Airport, MO  
(Lat. 39°43'43" N., long. 92°27'52" W)

That airspace extending upward from 700 feet above the surface within a 6.5-mile radius of Macon-Fower Memorial Airport.

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Issued in Kansas City, MO, on February 24, 2005.

**Anthony D. Roetzel,**

*Acting Area Director, Western Flight Services Operations.*

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## DEPARTMENT OF COMMERCE

### Bureau of Industry and Security

#### 15 CFR Part 700

[Docket Number: 041026293-5031-02]

RIN 0694-AD35

#### Defense Priorities and Allocations System (DPAS): Electronic Transmission of Reasons for Rejecting Rated Orders

**AGENCY:** Bureau of Industry and Security (BIS), Commerce.

**ACTION:** Final rule.

**SUMMARY:** This rule revises the Defense Priorities and Allocations System to allow a person rejecting a rated order to give his or her reasons for the rejection through electronic means rather than requiring a person to submit the rationale in writing.

**DATES:** This rule is effective April 6, 2005.

**FOR FURTHER INFORMATION CONTACT:** Mr. Eddy Aparicio, Office of Strategic Industries and Economic Security, Room 3876, 14th Street and Constitution Avenue, NW., Washington, DC 20230, telephone; (202) 482-8234, or e-mail; [eparici@bis.doc.gov](mailto:eparici@bis.doc.gov).

**SUPPLEMENTARY INFORMATION:** Under Title I of the Defense Production Act of 1950, as amended, (50 U.S.C. App. 2061 *et seq.*), the President is authorized to require preferential acceptance and performance of contracts or orders supporting certain approved national

defense and energy programs, and to allocate materials, services, and facilities in such a manner as to promote these approved programs. Additional priorities authority is found in section 18 of the Selective Service Act of 1948 (50 U.S.C. App. 468), 10 U.S.C. 2538, and 50 U.S.C. 82. DPAS authority has also been extended to support emergency preparedness activities under Title VI of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (45 U.S.C. 5915 *et seq.*).

Originally published in 1984, the DPAS regulations were revised on June 11, 1998 (63 FR 31918), to update, streamline, and clarify a number of provisions. The purpose of the DPAS is to assure the timely availability of industrial resources to meet current national defense and emergency preparedness program requirements, including critical infrastructure protection and restoration, as well as provide an operating system to support rapid industrial response in a national emergency. In pursuit of the DPAS mission, the Department of Commerce endeavors to minimize disruptions to the normal commercial activities of industry.

An integral component of DPAS is a system of "rated orders." Prior to the effective date of this rule, recipients of rated orders who rejected such orders were required to furnish the reasons for rejection in writing and not electronically. This rule provides that such reasons may be furnished either in writing or electronically.

BIS published a notice of proposed rulemaking in the **Federal Register** on November 22, 2004 (69 FR 67872) that proposed to make electronic furnishing of the reasons for rejection permissible. BIS received one comment on the proposed rule, which favored the proposal. Therefore BIS is publishing the final rule exactly as stated in the proposed rule. Under this final rule a person will be able to transmit his or her rationale for rejection either electronically or in writing. This amendment to the DPAS regulations should allow this information to be transmitted more quickly.

#### Rulemaking Requirements

1. *Executive Order 12866:* This rule has been determined to be not significant under EO 12866.

2. *Executive Order 13132:* This rule does not contain policies with federalism implications as this term is defined in EO 13132.

3. *Paperwork Reduction Act:* This rule contains collection of information requirements subject to the Paperwork

Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (PRA).

Notwithstanding any other provision of 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, subject to the requirements of the PRA unless that collection of information displays a currently valid Office of Management and Budget (OMB) control number. These collections have been approved by the OMB under control number 0694-0092, "Procedures for Acceptance or Rejection of a Rated Order," which carries a burden hour estimate of 1 to 15 minutes per response. This rule results in an overall reduction of approximately five minutes for the one percent of respondents who reject rated orders they receive.

4. *Regulatory Flexibility Act:* Chief Counsel for Regulation of the Department of Commerce has certified to the Counsel for Advocacy of the Small Business Administration that this rule would not have a significant economic impact on a substantial number of small entities (*i.e.*, companies or other organizations involved in production for the U.S. defense industrial base). The factual basis for this determination was published with the proposal rule and is not repeated here. No comments were received regarding the economic impact of this rule. As a result, no final regulatory flexibility analysis was prepared.

#### List of Subjects in 15 CFR Part 700

Administrative practice and procedure, Business and industry, Government contracts, National defense, Reporting and recordkeeping requirements, Strategic and critical materials.

■ Accordingly, the DPAS regulations (15 CFR part 700) are amended as follows:

#### PART 700—[AMENDED]

■ 1. The authority citation for part 700 is revised to read as follows:

**Authority:** Titles I and VII of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061, *et seq.*), Title VI of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5195 *et seq.*), Executive Order 12919, 59 FR 29525, 3 CFR, 1994 Comp. 901, and Executive Order 13286, 68 FR 10619, 3 CFR, 2003 Comp. 166; section 18 of the Selective Service Act of 1948 (50 U.S.C. App. 468), 10 U.S.C. 2538, 50 U.S.C. 82, and Executive Order 12742, 56 FR 1079, 3 CFR, 1991 Comp. 309; and Executive Order 12656, 53 FR 226, 3 CFR, 1988 Comp. 585.

■ 2. In § 700.13, revise paragraph (d)(1) to read as follows:

**§ 700.13 Acceptance and rejection of rated orders.**

\* \* \* \* \*

(d) *Customer notification requirements.* (1) A person must accept or reject a rated order and transmit the acceptance or rejection in writing (hard copy), or in electronic format, within fifteen (15) working days after receipt of a DO rated order and within ten (10) working days after receipt of a DX rated order. If the order is rejected, the person must also provide the reasons for the rejection, pursuant to paragraphs (b) and (c) of this section, in writing (hard copy) or electronic format.

\* \* \* \* \*

Dated: March 1, 2005.

**Matthew S. Borman,***Deputy Assistant Secretary for Export Administration.*

[FR Doc. 05-4326 Filed 3-4-05; 8:45 am]

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**DEPARTMENT OF COMMERCE****Bureau of Industry and Security****15 CFR Part 744**

[Docket No. 041222360-4360-01]

RIN 0694-AD24

**Licensing Policy for Entities Sanctioned Under Specified Statutes; License Requirement for Certain Sanctioned Entities; and Imposition of License Requirement for Tula Instrument Design Bureau**

**AGENCY:** Bureau of Industry and Security, Commerce.

**ACTION:** Interim final rule with request for comments.

**SUMMARY:** This rule states BIS's licensing policy regarding transactions involving entities sanctioned by the State Department under three specified statutes, imposes a new license requirement for certain entities sanctioned by the State Department, and identifies one specific entity subject to this new license requirement, Tula Instrument Design Bureau of Russia.

**DATES:** This rule is effective March 7, 2005. Comments must be received by May 6, 2005.

**ADDRESSES:** Comments may be submitted by e-mail to [rp2@bis.doc.gov](mailto:rp2@bis.doc.gov), by fax at (202) 482-3355, or on paper to Regulatory Policy Division, Office of Exporter Services, Bureau of Industry and Security, Room H2705, U.S. Department of Commerce, 14th Street and Pennsylvania Avenue, NW., Washington, DC 20230. Refer to

Regulatory Identification Number (RIN) 0694-AD24 in all comments. Comments on the information collection should also be sent to David Rostker, Office of Management and Budget Desk Officer, by e-mail at [david\\_rostker@omb.eop.gov](mailto:david_rostker@omb.eop.gov), or by fax to (202) 395-7285. Refer to Regulatory Identification Number (RIN) 0694-AD24 in all comments.

**FOR FURTHER INFORMATION CONTACT:** William Arvin, Regulatory Policy Division, Office of Exporter Services at [warvin@bis.doc.gov](mailto:warvin@bis.doc.gov) or (202) 482-2440.

**SUPPLEMENTARY INFORMATION:** Several statutes authorize or require the United States Government to impose export sanctions on entities if such entities have engaged in activities that contribute to the proliferation of weapons of mass destruction or are otherwise contrary to the foreign policy interests of the United States. This rule sets forth BIS's licensing policy for entities subject to sanctions imposed by the State Department under the Iran-Iraq Arms Nonproliferation Act of 1992 (Pub. L. 102-484), the Iran Nonproliferation Act of 2000 (Pub. L. 107-178) and section 11B(b)(1) of the Export Administration Act of 1979 (also known as the Missile Technology Control Act of 1990). This rule also imposes a new license requirement for certain entities sanctioned by the State Department, and identifies one specific entity, Tula Instrument Design Bureau of Russia, subject to this new license requirement.

**Licensing Policy for Transactions Involving Sanctioned Entities**

This rule amends the Export Administration Regulations (EAR) by adding new § 744.19 to set forth explicitly BIS's licensing policy regarding entities sanctioned by the State Department under the authority of three statutes. Specifically, new § 744.19 provides that BIS's policy is to deny any export or reexport license application if the applicant, other party authorized to receive the license, purchaser, intermediate consignee, ultimate consignee, or end-user is subject to: (1) A sanction issued pursuant to the Iran-Iraq Arms Nonproliferation Act of 1992 (Pub. L. 102-484) that prohibits the issuance of any license for any export by or to the sanctioned person or, (2) a sanction issued pursuant to the Iran Nonproliferation Act of 2000 (Pub. L. 107-178) that prohibits the granting of a license for the transfer to foreign persons of items, the export of which is controlled under the Export Administration Regulations, or (3) a sanction issued pursuant to section

11B(b)(1)(B)(ii) of the Export Administration Act of 1979, as amended (also known as the Missile Technology Control Act of 1990), that prohibits the issuance of new licenses for exports to the sanctioned entity of items controlled pursuant to the Export Administration Act of 1979. In addition, § 744.19 sets forth BIS's policy to deny any export or reexport application for items listed on the Commerce Control List with missile technology (MT) listed as a reason for control if any entity subject to a sanction issued pursuant to section 11B(b)(1)(B)(i) of the Export Administration Act of 1979, as amended, is a party to the transaction. Section 11B(b)(1)(B)(i) prohibits the issuance of new individual licenses for exports to the sanctioned entity of MTCR annex equipment or technology controlled pursuant to the Export Administration Act of 1979.

The State Department publishes notices of the imposition of sanctions under these three statutes in the **Federal Register**. Because they do not involve the imposition of any new license requirements, the sanctions do not require amendment of the EAR and, prior to publication of this rule, were not incorporated into or otherwise referenced in the EAR. The sanctions imposed under the three statutes, however, prescribe the licensing policy that BIS must apply to applications that involve the transfer of certain items to, and in the case of the Iran-Iraq Arms Nonproliferation Act of 1992 by, the sanctioned entity. New § 744.19 provides a reference to these sanctions in the EAR and also sets forth BIS's policy that a license application is subject to a general policy of denial if a sanctioned entity is listed as any party to the transaction, including the purchaser or intermediate consignee, on the license application.

**New License Requirement**

This rule adds new § 744.20 to the EAR to provide that BIS may impose, as new foreign policy controls, license requirements on exports and reexports of items subject to the EAR to entities sanctioned by the State Department. Such license requirements are in addition to those imposed by other provisions of the EAR. Decisions to impose such license requirements will be made on a case-by-case basis. In determining whether to impose license requirements pursuant to § 744.20, BIS will consider the nature of the action that led to the State Department sanction and whether, because of that action, such sanctioned parties would not be reliable parties to export or reexport transactions subject to the EAR.