

ACTION: Policy statement.

SUMMARY: The Office of Foreign Assets Control of the U.S. Department of the Treasury is issuing this notice to clarify its policy with respect to the process for issuing one-year licenses to export agricultural commodities, medicine, and medical devices to Sudan and Iran pursuant to section 906 of the Trade Sanctions Reform and Export Enhancement Act of 2000, Title IX of Public Law 106–387 (October 28, 2000).

FOR FURTHER INFORMATION CONTACT: Assistant Director for Compliance Outreach & Implementation, tel.: 202/622–2490, Assistant Director for Licensing, tel.: 202/622–2480, Assistant Director for Policy, tel.: 202/622–4855, or Chief Counsel, tel.: 202/622–2410, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220.

Clarification of Policy With Respect to the Process for Issuing One-Year Licenses To Export Agricultural Commodities, Medicine, and Medical Devices to Sudan and Iran

The Trade Sanctions Reform and Export Enhancement Act of 2000, Title IX of Public Law 106–387 (October 28, 2000), as amended (“TSRA”), provides that, with certain exceptions, the President may not impose a unilateral agricultural sanction or unilateral medical sanction against a foreign country or foreign entity unless, at least 60 days before imposing such a sanction, the President submits a report describing the proposed sanction and the reasons for it and Congress enacts a joint resolution approving the report. Section 906 of TSRA, however, requires that the export of agricultural commodities, medicine, and medical devices to Cuba, or to the government of a country that has been determined by the Secretary of State to have repeatedly provided support for acts of international terrorism, or to any entity in such country, shall only be made pursuant to one-year licenses issued by the United States Government. Section 906 also requires that procedures shall be in place to deny licenses for exports to any entity within such country that promotes international terrorism.

Effective July 26, 2001, the Office of Foreign Assets Control (“OFAC”) promulgated amendments to the Sudanese Sanctions Regulations, 31 CFR part 538 (the “SSR”), and the Iranian Transactions Regulations, 31 CFR part 560 (the “ITR”), to implement section 906 of TSRA. See 66 FR 36683 (July 12, 2001) (the “rule”). The preamble to the rule described an expedited process for the issuance of the

one-year license required by section 906 for all exports and reexports of agricultural commodities, medicine, and medical devices to Sudan or Iran. The expedited process included, when appropriate, referral of the one-year license request to other government agencies for guidance in evaluating the request. If no government agency raised an objection to or concern with the application within nine business days from the date of any such referral, OFAC would issue the one-year license, provided that the request otherwise met the requirements set forth in the rule. Conversely, if any government agency raised an objection to the request within nine business days from the date of referral, OFAC would deny the license request. Finally, if any government agency raised a concern short of an objection with the request within nine business days from the date of referral, OFAC would delay its response to the license request for no more than thirty additional days to allow for further review of the request.

OFAC instituted this expedited licensing process described in the preamble following the rule’s publication in July 2001. However, the terrorist attacks of September 11, 2001, magnified concerns about international terrorism and proliferation of weapons of mass destruction. These concerns prompted greater scrutiny on the part of OFAC and other agencies of the U.S. Government of those entities within state sponsors of terrorism to whom agricultural commodities, medicine, and medical devices were being exported. Moreover, the volume of license requests has increased substantially since the inception of the TSRA program, and applications are now much more complicated than earlier ones, often involving dozens and sometimes hundreds of products and parties to the transaction. All of these factors have contributed to longer OFAC and interagency reviews of the applications, and thus longer processing times for the applications, than suggested in the preamble to the rule. This review is often further complicated by the fact that these license requests are evaluated both in terms of whether the foreign entities involved in the transaction “promote international terrorism,” as required by section 906 of TSRA, and in terms of whether the products at issue implicate independent export control regimes involving chemical or biological weapons or weapons of mass destruction, as provided in section 904(2)(C) of TSRA. Scrutiny of license applications on the latter ground often results in requests

for additional information by the reviewing agencies, which neither the applicant nor OFAC can anticipate, further delaying the review process.

Accordingly, today OFAC is issuing this notice to clarify its policy with respect to the licensing process for TSRA exports. OFAC will continue to conduct a review of all applications for one-year licenses consistent with the requirements of section 906 of TSRA, which may include a referral to other government agencies for guidance, and will respond to such applications upon completion of the review. Please be aware that OFAC’s processing of one-year license requests may take longer than the time periods suggested at the inception of the TSRA program. OFAC will continue to respond to such applications in as timely a manner as is possible under the circumstances of each individual license application, consistent with OFAC’s obligations under TSRA, the ITR, and the SSR.

Dated: February 9, 2007.

Adam J. Szubin,

Director, Office of Foreign Assets Control.

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 117

[CGD01–07–027]

Drawbridge Operation Regulations; Raritan River, Arthur Kill, and Their Tributaries, NJ

AGENCY: Coast Guard, DHS.

ACTION: Notice of temporary deviation from regulations; request for comments.

SUMMARY: The Commander, First Coast Guard District, has issued a temporary deviation from the regulation governing the operation of the AK Railroad Bridge across Arthur Kill at mile 11.6, between Staten Island, New York and Elizabeth, New Jersey. This temporary deviation requires the AK Railroad Bridge to remain in the open position at all times, except that the draw would close for the passage of trains for two daily one-hour closure periods on a fixed schedule with a one hour adjustment whenever high water occurs during or up to one hour after the applicable closure period. In addition, a number of unscheduled requests for one hour closure periods may be granted by the Coast Guard within one to three hours of receipt of the request. The purpose of this

deviation is to test a temporary change to the drawbridge operation schedule to help determine the most equitable and safe solution to facilitate the present and anticipated needs of navigation and rail traffic.

DATES: This deviation is effective from April 9, 2007 through October 5, 2007. Comments must be received by June 23, 2007.

ADDRESSES: You may mail comments and related material to Commander (dpb), First Coast Guard District Bridge Branch, One South Street, Battery Park Building, New York, New York, 10004, or deliver them to the same address between 7 a.m. and 3 p.m., Monday through Friday, except, Federal holidays. The telephone number is (212) 668-7165. The First Coast Guard District, Bridge Branch, maintains the public docket for this deviation. Comments and material received from the public, as well as documents indicated in this notice as being available in the docket, will become part of this docket and will be available for inspection or copying at the First Coast Guard District, Bridge Branch, 7 a.m. to 3 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Mr. Joe Arca, Project Officer, First Coast Guard District, Bridge Branch, at (212) 668-7165.

SUPPLEMENTARY INFORMATION:

Request for comments

We encourage you to participate in evaluating this test schedule by submitting comments and related material. If you do so, please include your name and address, identify the docket number for this deviation (CGD01-07-027), indicate the specific section of this document to which each comment applies, and give the reason for each comment. Please submit all comments and related material in an unbound format, no larger than 8 1/2 by 11 inches, suitable for copying. If you would like to know they reached us, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period. Comments must be received by June 23, 2007, prior to the end of the deviation period so that adjustments to the tested operating schedule may be made, if necessary.

Background and Purpose

The AK Railroad Bridge has a vertical clearance of 31 feet at mean high water and 35 feet at mean low water in the closed position. The existing operating regulation, listed at 33 CFR 117.747, requires that all bridges across the

Raritan River, Arthur Kill, and their tributaries, shall open on signal; except that, from 7:30 a.m. to 10 a.m. and 5 p.m. to 7:30 p.m., the draws may be opened for the passage of vessels for periods no longer than 10 minutes or remain closed for the passage of land traffic for no longer than 10 minutes. The above regulation is no longer applicable or necessary as it pertains to the AK Railroad Bridge because the AK Railroad Bridge has been maintained in the open position for the past 20 years due to the cessation of all railroad train traffic over the bridge.

The owner of the bridge, New York City Economic Development Corporation (NYCEDC), began a bridge rehabilitation program approximately 10 years ago, as part of the region's Full Freight Access Initiative.

Part of the Full Freight Initiative was to once again move freight trains across the bridge to and from the Staten Island Landfill facility and the New York Container Terminal (formerly the Howland Hook Terminal). The New York Container Terminal has already been revitalized and is preparing to receive railroad freight traffic once again.

Recently, the AK Railroad Bridge rehabilitation project was completed in anticipation of renewed rail operations requiring the passage of train traffic across the bridge.

The existing vessel traffic transiting Arthur Kill is comprised of deep draft oceangoing tank vessels, tug assisted barge traffic, other commercial vessels of various sizes, as well as a variety of recreational craft.

The deep draft oceangoing vessel transits are tide dependent in that their ability to maneuver safely requires such vessels to do so primarily on or near slack high tide, unlike barge and tug traffic, which may transit at various stages of the tide.

The bridge owner, NYCEDC, requested that the Coast Guard promulgate bridge operation regulations commensurate with the needs of freight rail operations. The resumption of rail traffic across the AK Railroad Bridge would require the bridge be closed to navigation for short periods several times a day.

The purpose of this temporary deviation is to help determine a bridge operating schedule that will accommodate both Conrail's proposed train schedule as well as future rail operations, while continuing to provide for the present and anticipated needs of navigation.

This deviation will test an alternate drawbridge operation schedule designed to help facilitate the safe coordination of

vessel and rail traffic. A variety of factors, such as daily tide variations, the present and anticipated needs of navigation, and train scheduling, will be considered during this temporary test deviation.

After numerous meetings and consultations with rail and marine transportation interests, the Coast Guard has concluded that the most equitable and safe solution to facilitate the presently known and anticipated marine and railroad traffic scheduling needs is to test a fixed daily drawbridge operation schedule making allowances for high water periods which are critical to large vessel transits. In addition, due to the variability of some freight rail movements, accommodation of unscheduled bridge closure requests will be tested.

In anticipation of additional railroad operations, the Coast Guard will continue to evaluate the bridge operating schedule in future rulemakings, as necessary.

The schedule considered in this notice would provide two daily one-hour bridge closure periods on a fixed schedule with a one hour adjustment during certain high tides (as predicted at the Battery, New York). Also, unscheduled bridge closure requests may be granted by the Coast Guard within one to three hours of receipt of the request.

Being able to predict bridge closure periods each day, in advance, would enable both rail and marine interests to schedule accordingly, obviating the need to adjust to different bridge closure times daily. The ability to obtain unscheduled bridge closures will offer some flexibility in rail operations.

This temporary deviation requires the AK Railroad Bridge to remain in the open position at all times except when it is allowed to remain closed for the passage of rail traffic for two one-hour periods at 10 a.m. and 4 p.m., daily, except when high tide occurs during or within one hour after the scheduled closed period. When high tide occurs during the bridge closure period the bridge closure will commence one hour later, at 11 a.m.; when high tide occurs within one hour after the scheduled closure period the bridge closure will commence one hour earlier, at 9 a.m. A schedule of bridge closure periods will be posted on the U.S. Coast Guard's Homeport Web site and published in the Local Notice to Mariners. In addition to the scheduled closure periods, up to two, unscheduled one hour bridge closure periods per day (maximum of twelve per week), may be requested of and may be approved by the Coast Guard within one to three hours of the

request. The bridge will remain open for a minimum of two hours between bridge closures for the passage of marine traffic. In the event of bridge operational failure, the bridge owner or operator shall notify the Coast Guard Captain of the Port, New York immediately and shall ensure that a repair crew is on scene at the bridge no later than 45 minutes after the bridge fails, and remains until the bridge has been restored to normal operations or raised and locked in the fully open position.

This deviation from the operating regulations is authorized under 33 CFR 117.35.

Dated: March 12, 2007.

Gary Kassof,

Bridge Program Manager, First Coast Guard District.

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DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 4

RIN 2900-AM60

Schedule for Rating Disabilities; Appendices A, B, and C

AGENCY: Department of Veterans Affairs.

ACTION: Final rule.

SUMMARY: The Department of Veterans Affairs (VA) is revising its Schedule for Rating Disabilities, Appendices A, B, and C to include all current diagnostic codes. Appendix A is also amended to include all the diagnostic code historical information since the last review.

DATES: *Effective Date:* This amendment is effective April 19, 2007.

FOR FURTHER INFORMATION CONTACT:

Trude Steele, Regulations Staff (211D), Compensation and Pension Service, Veterans Benefits Administration, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420, (202) 273-7210.

SUPPLEMENTARY INFORMATION: The Schedule for Rating Disabilities, 38 CFR Part 4, Appendices A, B, and C have not been updated since July 1, 1988. These Appendices are tools for users of the Schedule for Rating Disabilities. The Appendices reflect changes to the diagnostic criteria in the Schedule for Rating Disabilities.

We have amended the Appendices to add changes to the Schedule for Rating Disabilities since the Appendices were last updated. Additionally, we removed language in Appendix A that showed

when a diagnostic code was updated to correct spelling, revise text, or other additional changes, which had no impact on the disability code. Those changes were incorporated within the text when amended. All diagnostic codes in Appendix A will now be categorized by when they were added, removed, whether the criterion was amended, and whether the disability evaluation was amended. We will continue to include the date for historical purposes. We revised Appendices B and C to provide the current diagnostic codes and disability terminology. We will continue to update the Appendices as the Schedule for Rating Disabilities is revised.

Administrative Procedures Act

This final rule merely replaces inaccurate examples and does not alter the content of the regulations.

Accordingly, there is a basis for dispensing with prior notice and comment and the delayed effective date provisions of 5 U.S.C. 553.

Paperwork Reduction Act

This document contains no provisions constituting a collection of information under the Paperwork Reduction Act (44 U.S.C. 3501-3521).

Regulatory Flexibility Act

The Secretary hereby certifies that this final rule will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601-612. This final rule would not affect any small entities. Only VA beneficiaries could be directly affected. Therefore, pursuant to 5 U.S.C. 605(b), this final rule is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

Executive Order 12866

Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity). The Executive Order classifies a "significant regulatory action," requiring review by the Office of Management and Budget (OMB) unless OMB waives such review, as any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition,

jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order.

The economic, interagency, budgetary, legal, and policy implications of this final rule have been examined and it has been determined not to be a significant regulatory action under Executive Order 12866.

Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any year. This final rule would have no such effect on State, local, and tribal governments, or on the private sector.

Catalog of Federal Domestic Assistance Numbers and Titles

The Catalog of Federal Domestic Assistance program numbers and titles for this final are 64.104, Pension for Non-Service-Connected Disability for Veterans and 64.109, Veterans Compensation for Service-Connected Disability.

List of Subjects in 38 CFR Part 4

Disability benefits, Pensions, Veterans.

Approved: March 2, 2007

Gordon H. Mansfield,

Deputy Secretary of Veterans Affairs.

■ For the reasons set out in the preamble, 38 CFR part 4 is amended as set forth below:

PART 4—SCHEDULE FOR RATING DISABILITIES

■ 1. The authority citation for part 4 continues to read as follows:

Authority: 38 U.S.C. 1155, unless otherwise noted.

■ 2. Appendix A to Part 4 is revised to read as follows: