

rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in subtitle VII, part A, subpart III, section 44701, "General requirements." Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

We have determined that this AD will not have federalism implications under Executive Order 13132. This AD will not have a substantial direct effect 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.

For the reasons discussed above, I certify that this AD:

- (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.

We prepared a regulatory evaluation of the estimated costs to comply with this AD and placed it in the AD docket. See the **ADDRESSES** section for a location to examine the regulatory evaluation.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

Adoption of the Amendment

■ Accordingly, under the authority delegated to me by the Administrator, the FAA amends 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

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

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The Federal Aviation Administration (FAA) amends § 39.13

by adding the following new airworthiness directive (AD):

2005-23-07 Boeing: Amendment 39-14365. Docket No. FAA-2005-21975; Directorate Identifier 2005-NM-122-AD.

Effective Date

(a) This AD becomes effective December 13, 2005.

Affected ADs

(b) None.

Applicability

(c) This AD applies to all Boeing Model 727, 727C, 727-100, 727-100C, 727-200, and 727-200F series airplanes; certificated in any category.

Unsafe Condition

(d) This AD results from fuel system reviews conducted by the manufacturer. We are issuing this AD to prohibit the resetting of a tripped circuit breaker for a fuel pump, which could allow an electrical fault to override the protective features of the circuit breaker, and could result in sparks inside the fuel tank, ignition of fuel vapors, and consequent fire or explosion.

Compliance

(e) You are responsible for having the actions required by this AD performed within the compliance times specified, unless the actions have already been done.

Revise the Airplane Flight Manual (AFM)

(f) Within 30 days after the effective date of this AD, revise the Limitations section of the Boeing 727 AFM to include the following statement. This may be done by inserting a copy of this AD into the AFM.

"Do not reset a tripped fuel pump circuit breaker."

Note 1: When a statement identical to that in paragraph (f) of this AD has been included in the general revisions of the AFM, the general revisions may be inserted into the AFM, and the copy of this AD may be removed from the AFM.

Alternative Methods of Compliance (AMOCs)

(g)(1) The Manager, Seattle Aircraft Certification Office, FAA, has the authority to approve AMOCs for this AD, if requested in accordance with the procedures found in 14 CFR 39.19.

(2) Before using any AMOC approved in accordance with 14 CFR 39.19 on any airplane to which the AMOC applies, notify the appropriate principal inspector in the FAA Flight Standards Certificate Holding District Office.

Material Incorporated by Reference

(h) None.

Issued in Renton, Washington, on October 26, 2005.

Kalene C. Yanamura,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 05-22214 Filed 11-7-05; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

DEPARTMENT OF THE INTERIOR

Office of Insular Affairs

15 CFR Part 303

[Docket No. 050613157-5219-02]

RIN 0625-AA68

Changes in the Insular Possessions Watch, Watch Movement and Jewelry Programs

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

ACTION: Final rule.

SUMMARY: The Departments of Commerce and the Interior (the Departments) amend their regulations governing watch duty-exemption allocations and the watch and jewelry duty-refund benefits for producers in the United States insular possessions (the U.S. Virgin Islands, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands). The rule amends the regulations by making technical changes required by passage of the Miscellaneous Trade and Technical Corrections Act of 2004; extending the duty refund benefits to include the value of usual and customary health insurance, life insurance and pension benefits; raising the ceiling on the amount of jewelry that qualifies for the duty refund benefit; allowing new insular jewelry producers to assemble jewelry and have such jewelry treated as an article of the insular possessions for up to 18 months after the jewelry company commences assembly operations; allowing duty refund certificate holders to secure a duty refund on any articles that are imported into the customs territory of the United States by the certificate holder duty paid; providing a more comprehensive definition of "unit;" adjusting the amount of watch repairs that are eligible for the duty refund; providing compensation to insular watch producers if tariffs on watches and watch movements are reduced; and clarifying which wages are eligible for purposes of determining the duty refund and identifying which records are needed for the audit.

DATES: This rule is effective December 8, 2005.

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

SUPPLEMENTARY INFORMATION: The Departments of Commerce and the Interior (the Departments) issue this rule to amend their regulations governing watch duty-exemption allocations and the watch and jewelry duty-refund benefits for producers in the United States insular possessions (the U.S. Virgin Islands, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands). The background information and purpose of this rule is found in the preamble to the proposed rule (70 FR 38828, July 6, 2005) and is not repeated here.

Amendments

Section 1562 of Public Law 108-429 (2004) amends Public Law 97-446, Public Law 103-465 and Public Law 106-36. The rule makes the necessary technical changes to reflect the new authority for the insular watch and jewelry programs. Changes are made to Authority, 15 CFR Sections 303.1(a), 303.2(a)(1), 303.12 (c)(2), 303.15(a), and 303.16(a)(1).

Pursuant to Public Law 108-429, the definition of "creditable wages" is changed by amending 15 CFR 303.2(a)(13) and 15 CFR 303.16(a)(9) to include the value of usual and customary health insurance, life insurance and pension benefits. The rule also changes the definition of creditable wages to include the difference between the duty rates for watches and watch movements that were in effect on January 1, 2001 and any new lower duty rates that takes place in the future. This provision in Public Law 108-429 is only applicable if there were duty reductions on watches and watch movements. We further reapportion the percentage of watch and watch movement repair wages that are creditable towards the duty-refund. The rule raises the percentage of repairs that are eligible for benefits in response to a request we received which pointed out that repair work is very labor intensive and more time consuming than regular watch assembly.

In an effort to further clarify which wages are eligible for the duty refund, we added a new Section 303.2(a)(14); redesignated the current Sections 303.2(a)(14) through (a)(16) as Sections 303.2(a)(15) through (a)(17), respectively; added a new Section 303.16(a)(10); and redesignated current Sections 303.16(a)(10) and 303.16(a)(11) as Sections 303.16(a)(11) and § 303.16(a)(12), respectively, to further clarify which wages are not creditable. We also, as requested by a producer,

clarified the term "year" in current Sections 303.2(a)(16) and 303.16(a)(11) to clear up any possible confusion.

We also amended §§ 303.2(b)(4), 303.2(b)(5), 303.12(c)(1), 303.16(b)(2), 303.16(b)(3), and 303.19(c)(1). Pursuant to Public Law 108-429, we are changing the regulations to allow the refund of duties on any articles that are imported into the customs territory of the United States duty paid by the certificate holder unless the articles contain a material to which column 2 rates of duty apply.

Further, the rule amends Sections 303.20(b)(ii),(b)(iii) and (b)(iv) by raising the ceiling on the number of duty-free units of jewelry entering the United States each year that qualify for duty refund benefits under the program. Pursuant to Public Law 108-429, the rule changes the maximum number of units a year to qualify for the duty refund benefit from 750,000 units to 10,000,000 units as long as the limit on available program funds is not exceeded and all the units are entered free of duty in accordance with the regulations.

Another change, pursuant to Public Law 108-429, amends Section 303.20(a)(2) to allow new program jewelry producers up to an 18 month exemption from meeting the substantial transformation requirements and the other provisions normally required for duty-free entry into the United States. Starting on the day the new producer commences jewelry manufacturing or jewelry assembly, the jewelry producer has up to 18 months for any article of jewelry provided for in heading 7113, HTSUS, that is assembled in an insular possession, to be treated as a product of the insular possession.

The rule also amends Section 303.16(a)(7) by expanding the definition of a "unit" of jewelry so that the term unit more accurately represents the way some heading 7113, HTSUS, jewelry is sold in the industry.

The rule further amends Sections 303.5(b)(5) and 303.17(b)(4) to clarify that all records pertaining to shipment documents and proof of residency, as required, must be maintained and made available for the verification of data. The provision also adds new Sections 303.5(b)(8) and 303.17(b)(9) which require the collection and maintenance of information pertaining to health insurance, life insurance and pension benefits for each employee in order that the benefit information can be verified and the duty refunds, based on the verified data, be issued in accordance with Public Law 108-429. Further, in accordance with Public Law 108-429, the rule adds a new Section 303.5(b)(9) in the event that the HTSUS tariffs on

watches and watch movements are reduced.

ITA received two comments in response to the proposed rule and request for comments. Both commenters supported all the provisions that were proposed and as a result we are adopting the proposed regulations in this final rule.

Administrative Law Requirements

Regulatory Flexibility Act. In accordance with the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, the Chief Counsel for Regulation at the Department of Commerce has certified to the Chief Counsel for Advocacy, Small Business Administration, that this rule would not have a significant economic impact on a substantial number of small entities. The factual basis for this certification was published in the proposed rule and is not repeated here. No comments were received regarding the economic impact of this rule on small entities. As a result, a final regulatory flexibility analysis is not required and has not been prepared.

Paperwork Reduction Act. This rulemaking contains revised collection of information requirements that have been approved by the Office of Management and Budget (OMB) under control number 0625-0040. Send comments regarding the burden estimate or any other aspect of the collection of information to U.S. Department of Commerce, ITA Information Officer, Washington, DC 20230 and the Office of Information and Regulations Officer, Office of Management and Budget, Washington, DC 20503 (Attn: OMB Desk Officer), or e-mail David_Rostker@omb.eop.gov.

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 the collection of information unless it displays a currently valid OMB Control Number.

E.O. 12866. It has been determined that this 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 record keeping requirements, Virgin Islands, Watches and jewelry.

■ For reasons set forth above, the Departments amend 15 CFR part 303 as follows:

PART 303—WATCHES, WATCH MOVEMENTS AND JEWELRY PROGRAMS

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

Authority: Pub. L. 97-446, 96 Stat. 2331 (19 U.S.C. 1202, note); Pub. L. 103-465, 108 Stat. 4991; Pub. L. 94-241, 90 Stat. 263 (48 U.S.C. 1681, note); Pub. L. 106-36, 113 Stat. 167; Pub. L. 108-429, 118 Stat. 2582.

§ 303.1 [Amended]

■ 2. The first sentence of § 303.1(a) is amended by removing “and amended by Public Law 103-465, enacted 8 December 1994.” and adding “amended by Public Law 103-465, enacted 8 December 1994 and amended by Public Law 108-429 enacted 3 December 2004.” in its place.

■ 3. Section 303.2 is amended as follows:

■ A. Section 303.2(a)(1) is amended by removing “.” at the end of the sentence and adding “, Public Law 108-429, enacted on 3 December 2004, 118 Stat. 2582.” in its place.

■ B. Section 303.2(a)(13) is revised as set forth below.

■ C. In Section 303.2, paragraphs (a)(14) through (a)(16) are redesignated as paragraphs (a)(15) through (a)(17), and a new paragraph (a)(14) is added as set forth below.

■ D. Newly designated paragraph (a)(17) is amended by removing “(i.e., be physically present for at least 183 days per year)” and adding “(i.e., be physically present for at least 183 days within a continuous 365 day period)” in its place.

■ E. The heading and the first sentences of paragraph (b)(4) are revised as set forth below.

■ F. Paragraph (b)(5) heading is revised as set forth below.

§ 303.2 Definitions and forms.

(a) * * *

(13) Creditable wages, creditable fringe benefits and creditable duty differentials eligible for the duty refund benefit include, but are not limited to, the following:

(i) Wages up to an amount equal to 65 percent of the contribution and benefit base for Social Security, as defined in the Social Security Act for the year in which wages were earned, paid to permanent residents of the insular possessions employed in a firm's 91/5 watch and watch movement program.

(A) Wages paid for the repair of watches up to an amount equal to 85 percent of the firm's total creditable wages.

(B) Wages paid to watch and watch movement assembly workers involved

in the complete assembly of watches and watch movements which have entered the United States duty-free and have complied with the laws and regulations governing the program.

(C) Wages paid to watch and watch movement assembly workers involved in the complete assembly of watches, excluding the movement, only in situations where the desired movement can not be purchased unassembled and the producer has documentation establishing this.

(D) Wages paid to those persons engaged in the day-to-day assembly operations on the premises of the company office, wages paid to administrative employees working on the premises of the company office, wages paid to security employees and wages paid to servicing and maintenance employees if these services are integral to the assembly and manufacturing operations and the employees are working on the premises of the company office.

(E) Wages paid to persons engaged in both creditable and non-creditable assembly and repair operations may be credited proportionally provided the firm maintains production, shipping and payroll records adequate for the Departments' verification of the creditable portion.

(F) Wages paid to new permanent residents who have met the requirements of permanent residency in accordance with the Departments' regulations, along with meeting all other creditable wage requirements of the regulations, which must be documented and verified to the satisfaction of the Secretaries.

(ii) The combined creditable amount of individual health and life insurance per year, for each full-time permanent resident employee who works on the premises of the company office and whose wages qualify as creditable, may not exceed 100 percent of the “weighted average” yearly federal employee health insurance, which is calculated from the individual health plans weighted by the number of individual contracts in each plan. The yearly amount is calculated by the Office of Personnel Management and includes the “weighted average” of all individual health insurance costs for federal employees throughout the United States. The maximum life insurance allowed within this combined amount is \$50,000 for each employee.

(A) The combined creditable amount of family health and life insurance per year, for each full-time permanent resident employee who works on the premises of the company office and whose wages qualify as creditable, may not exceed 120 percent of the “weighted

average” yearly federal employee health insurance, which is calculated from the family health plans weighted by the number of family contracts in each plan. The yearly amount is calculated by the Office of Personnel Management and includes the “weighted average” of all family health insurance costs for federal employees throughout the United States. The maximum life insurance allowed within this combined amount is \$50,000 for each employee.

(B) The creditable pension benefit, for each full-time permanent resident employee who works on the premises of the company office and whose wages qualify as creditable, is up to 3 percent of the employee's wages unless the employee's wages exceed the maximum annual creditable wage allowed under the program (see paragraph (a)(13)(i) of this section). An employee earning more than the maximum creditable wage allowed under the program will be eligible for only 3 percent of the maximum creditable wage.

(iii) If tariffs on watches and watch movements are reduced, then companies would be required to provide the annual aggregate data by individual HTSUS watch tariff numbers for the following components contained therein: the quantity and value of watch cases, the quantity of movements, the quantity and value of each type of strap, bracelet or band, and the quantity and value of batteries shipped free of duty into the United States. If discrete watch movements are shipped free of duty into the United States, then the annual aggregate quantity by individual HTSUS movement tariff numbers would also be required along with the value of each battery if it is contained within. These data would be used to calculate the annual duty rate before each HTSUS tariff reduction, and the annual duty rate after the HTSUS tariff reduction. The amount of the difference would be creditable toward the duty refund. The tariff information would only be collected and used in the calculation of the annual duty-refund certificate and would not be used in the calculation of the mid-year duty-refund.

(14) Non-creditable wages and non-creditable fringe benefits. Wages ineligible for the duty refund benefit wages include, but are not limited to, the following:

(i) Wages over 65 percent of the contribution and benefit base for Social Security, as defined in the Social Security Act for the year in which wages were earned, paid to permanent residents of the territories employed in a firm's 91/5 watch and watch movement program.

(A) Wages paid for the repair of watches in an amount over 85 percent of the firm's total creditable wages.

(B) Wages paid for the assembly of watches and watch movements which are shipped outside the customs territory of the United States; wages paid for the assembly of watches and watch movements that do not meet the regulatory assembly requirements; or wages paid for the assembly of watches or watch movements that contain HTSUS column 2 components.

(C) Wages paid for the complete assembly of watches, excluding the movement, when the desired movement can be purchased unassembled, if the producer does not have adequate documentation, demonstrating to the satisfaction of the Secretaries, that the movement could not be purchased unassembled whether or not it is entering the United States.

(D) Wages paid to persons not engaged in the day-to-day assembly operations on the premises of the company office; wages paid to any outside consultants; wages paid to outside the office personnel, including but not limited to, lawyers, gardeners, construction workers, and accountants; wages paid to employees not working on the premises of the company office; and wages paid to employees who do not qualify as permanent residents in accordance with the Departments' regulations.

(E) Wages paid to persons engaged in both creditable and non-creditable assembly and repair operations if the producer does not maintain production, shipping and payroll records adequate for the Departments' verification of the creditable portion.

(ii) Any costs, for the year in which the wages were paid, of the combined creditable amount of individual health and life insurance for employees over 100 percent of the "weighted average" yearly individual health insurance costs for all federal employees. The cost of any life insurance over the \$50,000 limit for each employee.

(A) Any costs, for the year in which the wages were paid, of the combined creditable amount of family health and life insurance for employees over 120 percent of the "weighted average" yearly family health insurance costs for all federal employee. The cost of any life insurance over the \$50,000 limit for each employee.

(B) The cost of any pension benefit per employee over 3 percent of the employee's creditable wages unless the employee's wages exceed the maximum annual creditable annual maximum creditable wage allowed under the program (see paragraph (a)(13)(i) of this

section). Employees earning over the maximum creditable wage allowed under the program would have a creditable annual pension benefit of up to 3 percent of the maximum creditable wage and wages over 3 percent of the maximum creditable wage would not be creditable.

* * * * *

(b) * * *

(4) ITA-360P "Certificate of Entitlement to Secure the Refund of Duties on Articles that Entered the Customs Territory of The United State Duty Paid." This document authorizes an insular watch producer to request the refund of duties on imports of articles that entered the customs territory of the United States duty paid, up to the specified value of the certificate. * * *

(5) ITA-361P "Request for Refund of Duties on Articles that Entered the Customs Territory of the United States Duty Paid." * * *

* * * * *

■ 4. Section 303.5(b)(5) is revised to read as set forth below and paragraph(b)(8) and (b)(9) are added to read as set forth below.

§ 303.5 Application for annual allocation of duty-exemptions.

* * * * *

(b) * * *

(5) Customs, bank, payroll, production records, and all shipping records including the importer of record number and proof of residency, as requested;

* * * * *

(8) All records pertaining to health insurance, life insurance and pension benefits for each employee; and

(9) If HTSUS tariffs on watches and watch movements are reduced, records of the annual aggregate data by individual HTSUS watch tariff numbers for the following components contained therein would be required: the quantity and value of watch cases; the quantity of movements; the quantity and value of each type of strap, bracelet or band; and the quantity and value of batteries shipped free of duty into the United States. In addition, if applicable, records of the annual aggregate quantity of discrete watch movements shipped free of duty into the United States by HTSUS tariff number.

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■ 5. Section 303.12(c)(1) and (c)(2) are revised to read as follows:

§ 303.12 Issuance and use of production incentive certificates.

* * * * *

(c) The use and transfer of certificate of entitlements. (1) Insular producers

issued a certificate may request a refund by executing Form ITA-361P (see § 303.2(b)(5) and the instructions on the form). After authentication by the Department of Commerce, Form ITA-361P may be used to obtain duty refunds on articles that entered the customs territory of the United States duty paid except for any article containing a material which is the product of a country to which column 2 rates of duty apply. Articles for which duty refunds are claimed must have entered the customs territory of the United States during the two-year period prior to the issue date of the certificate or during the one-year period the certificate remains valid. Copies of the appropriate Customs entries must be provided with the refund request in order to establish a basis for issuing the claimed amounts. Certification regarding drawback claims and liquidated refunds relating to the presented entries is required from the claimant on the form.

(2) Regulations issued by the Bureau of Customs and Border Protection, U.S. Department of Homeland Security, govern the refund of duties under Public Law 97-446, as amended by Public Law 103-465 and Public Law 108-429. If the Departments receive information from the Bureau of Customs and Border Protection that a producer has made unauthorized use of any official form, they shall cancel the affected certificate.

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§ 303.15 [Amended]

■ 6. Section 303.15(a) is amended by removing "." at the end of the sentence and adding ", and Public Law 108-429, enacted on 3 December 2004." in its place.

■ 7. Section 303.16 is amended as follows:

■ A. Paragraph (a)(1) is amended by removing "." at the end of the last sentence and adding ", and Public Law 108-429, enacted on 3 December 2004." in its place.

■ B. Paragraph (a)(7) is revised to read as set forth below.

■ C. Paragraph (a)(9) is revised to read as set forth below.

■ D. Paragraphs (a)(10) and (a)(11) are redesignated as paragraphs (a)(11) and (12) and a new paragraph (a)(10) is added as set forth below.

■ E. Newly designated paragraph (a)(12) is amended by removing "(i.e., be physically present for at least 183 days per year)" and adding "(i.e., be physically present for at least 183 days within a continuous 365 day period year)" in its place.

■ F. Paragraph (b)(2) is revised to read as set forth below.

■ G. The heading of paragraph (b)(3) is revised to read as set forth below.

§ 303.16 Definitions and forms.

(a) * * *

(7) Unit of Jewelry means a single article (e.g., ring, bracelet, necklace), pair (e.g, cufflinks), gram for links which are sold in grams and stocked in grams, and other subassemblies and components in the customary unit of measure they are stocked and sold within the industry.

* * * * *

(9) Creditable wages and creditable fringe benefits eligible for the duty refund benefit include, but are not limited to, the following:

(i) Wages up to an amount equal to 65 percent of the contribution and benefit base for Social Security, as defined in the Social Security Act for the year in which wages were earned, paid to permanent residents of the insular possessions employed in a firm's manufacture of HTSUS heading 7113 articles of jewelry which are a product of the insular possessions and have met the Bureau of Customs and Border Protection's criteria for duty-free entry into the United States, plus any wages paid for the repair of non-insular HTSUS heading 7113 jewelry up to an amount equal to 50 percent of the firm's total creditable wages.

(A) Wages paid to persons engaged in the day-to-day assembly operations at the company office, wages paid to administrative employees working on the premises of the company office, wages paid to security operations employees and wages paid to servicing and maintenance employees if these services are integral to the assembly and manufacturing operations and the employees are working on the premises of the company office.

(B) Wages paid to permanent residents who are employees of a new company involved in the jewelry assembly and jewelry manufacturing of HTSUS heading 7113 jewelry for up to 18 months after such jewelry company commences jewelry manufacturing or jewelry assembly operations in the insular possessions.

(C) Wages paid when a maximum of two producers work on a single piece of HTSUS heading 7113 jewelry which entered the United States free of duty under the program. Wages paid by the two producers will be credited proportionally provided both producers demonstrate to the satisfaction of the Secretaries that they worked on the same piece of jewelry, the jewelry received duty-free treatment into the customs territory of the United States, and the producers maintained

production and payroll records sufficient for the Departments' verification of the creditable wage portion (see § 303.17(b)).

(D) Wages paid to persons engaged in both creditable and non-creditable assembly and repair operations may be credited proportionally provided the firm maintains production, shipping and payroll records adequate for the Departments' verification of the creditable portion.

(E) Wages paid to new permanent residents who have met the requirements of permanent residency in accordance with the Departments' regulations along with meeting all other creditable wage requirements of the regulations, which must be documented and verified to the satisfaction of the Secretaries.

(ii) The combined creditable amount of individual health and life insurance per year, for each full-time permanent resident employee who works on the premises of the company office and whose wages qualify as creditable, may not exceed 100 percent of the "weighted average" yearly federal employee health insurance, which is calculated from the individual health plans weighted by the number of individual contracts in each plan. The yearly amount is calculated by the Office of Personnel Management and includes the "weighted average" of all individual health insurance costs for federal employees throughout the United States. The maximum life insurance allowed within this combined amount is \$50,000 for each employee.

(A) The combined creditable amount of family health and life insurance per year, for each full-time permanent resident employee who works on the premises of the company office and whose wages qualify as creditable, may not exceed 120 percent of the "weighted average" yearly federal employee health insurance, which is calculated from the family health plans weighted by the number of family contracts in each plan. The yearly amount is calculated by the Office of Personnel Management and includes the "weighted average" of all family health insurance costs for federal employees throughout the United States. The maximum life insurance allowed within this combined amount is \$50,000 dollars for each employee.

(B) The creditable pension benefit, for each full-time permanent resident employee who works on the premises of the company office and whose wages qualify as creditable, is up to 3 percent of the employee's wages unless the employee's wages exceed the maximum annual creditable wage allowed under the program (see paragraph (a)(9)(i) of this section). An employee earning more

than the maximum creditable wage allowed under the program will be eligible for only 3 percent of the maximum creditable wage.

(10) Non-creditable wages and non-creditable fringe benefits. Wages ineligible for the duty refund benefit include, but are not limited to, the following:

(i) Wages over 65 percent of the contribution and benefit base for Social Security, as defined in the Social Security Act for the year in which wages were earned, paid to permanent residents of the territories employed in a firm's 91/5 heading 7113, HTSUS, jewelry program.

(A) Wages paid for the repair of jewelry in an amount over 50 percent of the firm's total creditable wages.

(B) Wages paid to employees who are involved in assembling HTSUS heading 7113 jewelry beyond 18 months after such jewelry company commences jewelry manufacturing or jewelry assembly operations in the insular possessions if the jewelry does not meet the Bureau of Customs and Border Protection's substantial transformation requirements and other criteria for duty-free entry into the United States.

(C) Wages paid for the assembly and manufacturing of jewelry which is shipped to places outside the customs territory of the United States; wages paid for the assembly and manufacturing of jewelry that does not meet the regulatory assembly requirements; or wages paid for the assembly and manufacture of jewelry that contain HTSUS column 2 components.

(D) Wages paid to those persons not engaged in the day-to-day assembly operations on the premises of the company office, wages paid to any outside consultants, wages paid to outside the office personnel, including but not limited to, lawyers, gardeners, construction workers and accountants; wages paid to employees not working on the premises of the company office and wages paid to employees who do not qualify as permanent residents in accordance with the Departments' regulations.

(E) Wages paid to persons engaged in both creditable and non-creditable assembly and repair operations if the producer does not maintain production, shipping and payroll records adequate for the Departments' verification of the creditable portion.

(ii) Any costs, for the year in which the wages were paid, of the combined creditable amount of individual health and life insurance for employees over 100 percent of the "weighted average" yearly individual health insurance costs

for all federal employees. The cost of any life insurance over the \$50,000 limit for each employee.

(A) Any costs, for the year in which the wages were paid, of the combined creditable amount of family health and life insurance for employees over 120 percent of the "weighted average" yearly family health insurance costs for all federal employee. The cost of any life insurance over the \$50,000 limit for each employee.

(B) The cost of any pension benefit per employee over 3 percent of the employee's creditable wages unless the employee's wages exceed the maximum annual creditable annual maximum creditable wage allowed under the program (see paragraph (a)(9)(i) of this section). Employees earning over the maximum creditable wage allowed under the program would have a creditable annual pension benefit of up to 3 percent of the maximum creditable wage and wages over 3 percent of the maximum creditable wage would not be creditable.

* * * * *

(b) * * *

(2) ITA-360P "Certificate of Entitlement to Secure the Refund of Duties on Articles that Entered the Customs Territory of The United State Duty Paid." This document authorizes an insular jewelry producer to request the refund of duties on imports of articles that entered the customs territory of the United States duty paid, with certain exceptions, up to the specified value of the certificate. Certificates may be used to obtain duty refunds only when presented with a properly executed Form ITA-361P.

(3) ITA-361P "Request for Refund of Duties on Articles that Entered the Customs Territory of the United States Duty Paid." * * *

* * * * *

■ 8. Section 303.17 is amended by revising paragraph (b)(6); by redesignating paragraphs (b)(7) and (b)(8) as paragraphs (b)(8) and (b)(9); and by adding a new paragraph (b)(7) to read as follows:

§ 303.17 Annual jewelry application.

* * * * *

(b) * * *

(6) Customs, bank, payroll, production records, and all shipping records including the importer of record number and proof of residency, as requested;

(7) All records pertaining to health insurance, life insurance and pension benefits for each employee;

* * * * *

■ 9. Section 303.19(c)(1) is revised to read as follows:

§ 303.19 Issuance and use of production incentive certificates.

* * * * *

(C) The use and transfer of certificate entitlements. (1) Insular producers issued a certificate may request a refund by executing Form ITA-361P (see § 303.16(b)(3)) and the instruction on the form). After authentication by the Department of Commerce, Form ITA-361P may be used to obtain duty refunds on article that entered the customs territory of the United States duty paid. Duties on an article which is the product of a country with respect to column 2 rates of duty apply may not be refunded Articles for which duty refunds are claimed must have entered the customs territory of the United States during the two-year period prior to the issue date of the certificate or during the one-year period the certificate remains valid. Copies of the appropriate Customs entries must be provided with the refund request in order to establish a basis for issuing the claimed amounts. Certification regarding drawback claims and liquidated refunds relating to the presented entries is required from the claimant on the form.

* * * * *

■ 10. In § 303.20:

■ A. Paragraph (a)(2) is revised;

■ B. Paragraph (b)(1)(ii) is amended by removing "450,000" and adding "3,533,334" in its place;

■ C. Paragraph (b)(1)(iii) is amended by removing "600,000" and adding "6,766,667" in its place; and

■ D. Paragraph 303.20(b)(1)(iv) is amended by removing "750,000" and adding "10,000,000" in its place.

§ 303.20 Duty refund.

* * * * *

(a) * * *

(2) Eighteen month exemption. Any article of jewelry provided for in HTSUS heading 7113, assembled in the insular possessions by a new entrant jewelry manufacturer shall be treated as a product of the insular possessions if such article is entered into the customs territory of the United States no later than 18 months after such producer commences jewelry manufacturing or

jewelry assembly operations in the insular possessions.

* * * * *

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration, Department of Commerce.

Nikolao I. Pula,

Director for Insular Affairs, Department of the Interior.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Chapter I

[Docket No. 2005N-0419]

Change of Name; Technical Amendment

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule; technical amendment.

SUMMARY: The Food and Drug Administration (FDA) is amending its regulations to reflect a change in the name for AOAC INTERNATIONAL. This action is editorial in nature and is intended to improve the accuracy of the agency's regulations.

DATES: This rule is effective November 8, 2005.

FOR FURTHER INFORMATION CONTACT: Joyce Strong, Office of Policy and Planning (HF-27), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301-827-7010.

SUPPLEMENTARY INFORMATION: This document amends FDA's regulations to reflect the name change of AOAC INTERNATIONAL by removing the outdated name wherever it appears and by adding the new name in its place in 21 CFR parts 2, 10, 101, 102, 106, 114, 130, 131, 133, 135, 136, 137, 139, 145, 146, 150, 155, 156, 160, 161, 163, 164, 166, 168, 169, 172, 173, 176, 177, 178, 184, 189, 211, 226, 520, and 573.

Publication of this document constitutes final action on these changes under the Administrative Procedure Act (5 U.S.C. 553). Notice and public procedure are unnecessary because FDA is merely correcting nonsubstantive errors.

■ Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs, 21 CFR chapter I is amended as follows: