

due. At this point, it is too late to withhold payment on the existing grant. Consistent with §§ 1260.122(h) and 1260.162(a), NASA may suspend or terminate advance payments from recipients that fail to comply with reporting requirements.

(e) To remedy failure to furnish timely reports, special condition at § 1260.56, Withholding, should be used when awarding a new grant or modifying an existing grant with non-responsive organizations. Special condition at § 1260.56 allows NASA to suspend or terminate advance payments under an institution's letter of credit pending receipt of the satisfactorily completed reports required in § 1260.75.

(f) The NASA Financial Management Office, notifying the Grant Officer, shall take action to either suspend or terminate a recipient's advance payments when—

(1) A recipient organization is unwilling or unable to establish a financial management system that meets the requirements of advance payments as evidenced by an audit report or failure to comply with the NASA requirements;

(2) A recipient organization is unwilling or unable to report, on an accurate and timely basis, cash disbursements or cash balances as required by NASA. Advance payments shall be temporarily suspended when two (2) successive quarterly reports are late or when two (2) reports are late in a fiscal year; or

(3) A recipient organization has demonstrated an unwillingness or inability to establish procedures that will minimize time elapsing between drawdowns and related disbursements.

(g) In addition to the situations delineated in paragraph (f) of this section, the NASA Grant Officer may direct the NASA Financial Management Office to either suspend or terminate a recipient's advance payments under circumstances where a recipient has otherwise failed to comply with the project objectives, the terms and conditions of the award, or NASA reporting requirements.

(h) The Financial Management Office (for the cases set forth in paragraph (f) of this section) or the Grant Officer (for all other cases) may resume advance payments and may release any previously withheld amounts when the recipient has taken corrective action that makes suspension or withholding no longer necessary. To release for payment amounts they have previously withheld, grant officers shall send a memorandum to the Financial Management Office. The Financial Management Office shall likewise

coordinate any release of withheld payments with the grant officer.

■ 6. Section 1260.152 is amended by revising paragraph (b) and adding paragraph (c) to read as follows:

**§ 1260.152 Financial reporting.**

\* \* \* \* \*

(b) Recipients are required to submit the report electronically to the Department of Health and Human Services' Payment Management System (DHHS/PMS) within 15 working days following the end of each Federal fiscal quarter. Reports are required for each quarter whether or not advances have been made during that quarter.

(c) Additionally, recipients shall submit a final SF 272 in paper form to the NASA Financial Management Office, and shall furnish a copy of the final SF 272 to the appropriate grant officer.

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BILLING CODE 7510-01-P

**DEPARTMENT OF COMMERCE**

**Bureau of Industry and Security**

**15 CFR Parts 732, 740, 744, 750, 752, 754, 758, 770, and 772**

[Docket No. 030728186-3186-01]

RIN 0694-AC81

**Export Clearance—Conformance of Export Administration Regulations With Foreign Trade Statistics Regulations**

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

**ACTION:** Final rule.

**SUMMARY:** This rule amends the Export Administration Regulations (EAR) to add references to the Automated Export System (AES) and to conform the EAR to certain provisions of the Foreign Trade Statistics Regulations (FTSR) including provisions related to AES promulgated on July 17, 2003. It also conforms some terminology in part 758 to that found elsewhere in the EAR and updates references to another government agency to reflect a name change.

**DATES:** This rule is effective September 22, 2003.

**FOR FURTHER INFORMATION CONTACT:** For information on the relationship of this rule to the export of crude oil or unprocessed Western Red Cedar (15 CFR part 754), contact Eugene Lewis, Acting Director, Deemed Exports and Short Supply Division,

*elewis@bis.doc.gov* or (202) 482-6109. For other information concerning this rule, contact Thomas W. Andrukonis, Director, Office of Enforcement Analysis, *tandruko@bis.doc.gov* or (202) 482-4255.

**SUPPLEMENTARY INFORMATION:**

**Background**

The Foreign Trade Statistics Regulations (FTSR) (15 CFR part 30) require submission to the government of certain information regarding exports either through a Shipper's Export Declaration (SED) or the Automated Export System (AES). On July 17, 2003 (68 FR 42534), the Census Bureau amended these regulations to require, *inter alia*, filing via AES rather than an SED for all exports of items listed on the Commerce Control List when a filing under the FTSR is required. The EAR (15 CFR Subchapter C) also provide rules that complement the FTSR for transactions that are subject to the EAR. This rule amends the EAR by revising two sections in part 758 to conform more closely to the Foreign Trade Statistics Regulations (FTSR) and by revising one such to conform to terminology used elsewhere in the EAR. This rule also amends parts 732, 740, 744, 752, 754, 758, 770, and 772 to add references to AES in places where references to SEDs appear. These amendments are needed because, without them, the EAR would appear to require that an SED be filed even when the FTSR requires that the filing take place via AES. Additionally, in parts 740 and 744 this rule replaces statements that an SED must be filed with the carrier with statements that the SED or AES must be filed in accordance with the requirements of the FTSR. This rule replaces the phrase "U.S. Customs Service" with "Bureau of Customs and Border Protection" and, in one instance, with "Bureau of Customs and Border Protection or Bureau of Immigration and Customs Enforcement" to reflect the names of the agencies that currently perform the functions formerly performed by the U.S. Customs Service. The specific changes made by this rule are described below.

This rule amends section 732.5 and paragraph 740.1(d) by adding references to AES to their headings. This rule amends paragraph 732.3(n)(1) to add a reference to AES immediately following the reference to SEDs and to replace the phrase "U.S. Customs Service" with "Bureau of Customs and Border Protection."

This rule amends paragraph 740.1(d) to remove a reference to paragraph 758.2 because paragraph 758.1 describes the requirements of AES. This rule amends

footnote number 1 to paragraph 740.13(d)(1) to add a reference to AES immediately following the reference to SEDs. Paragraphs 740.15(c)(1)(iv), 740.15(c)(2)(iv), 744.7(b)(1)(iv), and 744.7(b)(2)(iv) are amended to add references to AES immediately following the references to the SED and to amend the statement that the SED must be filed with the carrier to a statement that the SED or AES must be filed in accordance with the FTSR. Paragraph 740.13(d)(1) deals with certain "mass market" software that is eligible for License Exception TSU. Paragraph 740.15(c) is a provision of License Exception AVS dealing with shipments to U.S. or Canadian vessels, planes, and airline installations or agents. Paragraph 744.7(b) provides an exception for U.S. and Canadian carriers to restrictions on certain exports to and for the use of certain foreign vessels or aircraft.

This rule amends paragraphs 750.7(b), 752.7(b) and 752.15(a) to add references to AES in places where references to SEDs appear. Additionally, paragraph 752.15(a) is amended to state that SEDs or AES records must be submitted in accordance with the requirements of the FTSR as well as section 758.1 of the EAR (previously this paragraph did not mention the FTSR) and to eliminate references to the now non-existent Bureau of Census Monthly Reporting System.

This rule amends paragraphs 754.2(h)(2), 754.2(i)(3), 754.2(j)(2), 754.4(d)(3)(ii), and 754.4(c)(4) to add references to AES to the previously existing references to SEDs and amends paragraph 754.2(j)(2) to correct the mailing address listed therein. Section 754.2 deals with exports of crude oil. Paragraphs (h)(2) and (i)(3) provide language that must be on the SED or AES record when certain license exceptions are used. Paragraph (j)(2) provides that the exporter must submit a copy of the SED or AES record directly to BIS. This requirement is in addition to the requirements of the FTSR. Section 754.4 deals with exports of unprocessed Western Red Cedar. Paragraph (c)(4) describes language that must be on the SED or AES record when license exception WRC is used. Paragraph (d)(3)(i) requires exporters to retain a copy of the SED or AES record.

This rule amends paragraph 758.1(b)(2) to require an SED or AES submission for exports requiring a license under the EAR, not just those authorized by such a license. This change conforms the EAR requirement to that of the FTSR found at 15 CFR 30.55(h)(2)(ii). This rule also makes conforming changes to paragraphs

758.1(b)(1) and (b)(3). This rule amends paragraph 758.1(e) to add the parenthetical "U.S. principal party in interest" immediately following the word "exporter." This change clarifies the latter term and conforms the EAR to the FTSR (15 CFR 30.4).

This rule amends the introductory paragraph to section 758.2 to remove all references to AES "Option 3"; to replace the word "four" with the word "three" and the word "three" with the word "two" when referring to filing options because the Census July 17, 2003 rule removed Option 3, leaving a total of three options, numbered 1, 2, and 4, two of which are electronic. This rule also amends some citations to the FTSR as needed to reflect changes made by the Census July 17, 2003 rule and replaces the phrase "U.S. Customs Service" with "Bureau of Customs and Border Protection."

This rule amends the fourth sentence of paragraph 758.2(a) to make clear that the agency 30 day time limit for reviewing Option 4 Letters of Intent runs from the date of referral of the Letter of Intent to the agency by the Census Bureau and that any agency objections must be received by the Census Bureau within the 30 days or the agency will be deemed not to object. These changes conform EAR paragraph 758.2(a) to the corresponding requirements of the FTSR (15 CFR 30.62(b)(1)).

This rule amends paragraph 758.2(c)(3) to replace the listing of the countries that have been designated as terrorist supporting by the Secretary of State with the phrase "Country Group E:1." This change conforms this paragraph with the usage elsewhere in the EAR.

This rule amends paragraphs 758.7(b)(1)(i), 758.7(b)(6), section 758.9, paragraphs 770.2(e)(2)(ii), 770.2(f), and section 772.1 (definition of NLR) to add references to AES wherever references to SED appear. This rule also amends section 758.9 to replace the phrase "U.S. Customs Service" with "Bureau of Customs and Border Protection or Bureau of Immigration and Customs Enforcement". Paragraphs 758.7(b)(1)(i) and (b)(6) deal with authority to inspect items about to be exported and with detention and seizure of shipments, respectively. Section 758.9 makes clear that part 758 of the EAR does not relieve anyone from compliance with other laws. Paragraphs 770.2(e)(ii) and 770.2(f) address documentation requirements when shipping numerical control systems and parts, accessories; and equipment exported as scrap, respectively. Section 772.1 contains

definitions of terms found elsewhere in the EAR.

Although the Export Administration Act expired on August 20, 2001, Executive Order 13222 of August 17, 2001 (3 CFR 2001 Comp., p. 783 (2002)), as extended by the Notice of August 7, 2003 (68 FR 47833, August 11, 2003), continues the Regulations in effect under the International Emergency Economic Powers Act.

#### Rulemaking Requirements

1. This final rule has been determined to be not significant for purposes of E.O. 12866.

2. Notwithstanding any other provision of law, no person is required to respond to, nor shall a person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act (PRA), unless that collection of information displays a current, valid OMB control number. In accordance with the PRA, 44 U.S.C. Chapter 35, OMB approved on April 26, 2002, with control number 0607-0512, the collection of all information associated with the AES and SED. The Census Bureau has estimated that each electronic SED will take approximately 3 minutes to complete and that each paper SED will take approximately 11 minutes to complete. This rule does not change the number of transactions for which such filing is necessary nor does it change the amount of information that will have to be filed for any transaction. This rule also involves a collection of information by BIS that bears OMB control number 0694-0027. The burden hour estimated associated with the collection that this rule involves (submitting a copy of the Shipper's Export Declaration or Automated Export System record to BIS when exporting certain crude oil), is nine annual burden hours. BIS believes that this rule will not change the number of burden hours.

3. This rule does not contain policies with Federalism implications as this term is defined in Executive Order 13132.

4. We find good cause to waive the provisions of the Administrative Procedure Act requiring prior notice and the opportunity for public comment (5 USC 553(b)(B)) because they are unnecessary as the changes made by this rule simply make certain provisions of the Export Administration Regulations conform to other rules that have been lawfully promulgated. No other law requires that a notice of final rulemaking and an opportunity for public comment be given for this rule. Because a notice of final rulemaking and an opportunity for public comment are

not required to be given for this rule under the Administrative Procedure Act or by any other law, the analytical requirements of the Regulatory Flexibility Act (5 USC 601 *et seq.*) are not applicable.

**List of Subjects**

15 CFR Parts 732, 740, 750, 752, and 758

Administrative practice and procedure, Exports, Foreign trade, Reporting and recordkeeping requirements.

15 CFR Part 744

Exports, Foreign trade, Reporting and Recordkeeping requirements.

15 CFR Part 754

Exports, Foreign trade, Forests and forest products, Petroleum, Reporting and recordkeeping requirements.

15 CFR Parts 770 and 772

Exports, foreign trade.

■ Accordingly, parts 732, 740, 744, 750, 752, 754, 758, 770, and 772 of the Export Administration Regulations (15 CFR parts 730–799) are amended as follows:

**PART 732—[AMENDED]**

■ 1. The authority citation for part 732 is revised to read as follows:

**Authority:** 50 USC app. 2401 *et seq.*; 50 USC 1701 *et seq.*; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2003, 66 FR 47833, August 11, 2003.

■ 2. Section 732.3 is amended by revising the second sentence of paragraph (n)(1) to read as follows:

**§ 732.3 Steps regarding the ten general prohibitions.**

\* \* \* \* \*

(n) \* \* \*

(1) \* \* \* You should skip the Steps in § 732.4 of this part regarding License Exceptions and proceed directly to the Steps in § 732.5 of this part regarding recordkeeping, clearing the Bureau of Customs and Border Protection with the appropriate Shipper's Export Declaration or Automated Export System record, and using the required Destination Control Statement.

\* \* \* \* \*

■ 3. Section 732.5 is amended by revising the heading to read as follows:

**§ 732.5 Steps regarding Shipper's Export Declaration or Automated Export System record, Destination Control Statements, and recordkeeping.**

\* \* \* \* \*

**PART 740—[AMENDED]**

■ 4. The authority citation for part 740 is revised to read as follows:

**Authority:** 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; Sec. 901–911, Pub. L. 106–387; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2003, 66 FR 47833, August 11, 2003.

■ 5. Section 740.1 is amended by revising the heading and the third sentence of paragraph (d) to read as follows:

**§ 740.1 Introduction.**

\* \* \* \* \*

(d) *Shippers Export Declaration or Automated Export System Record.*

\* \* \* See § 758.1 of the EAR for Shipper's Export Declaration or Automated Export System (AES) requirements.

\* \* \* \* \*

■ 6. Section 740.13 is amended by revising footnote number one to paragraph (d)(1) to read as follows:

**§ 740.13 Technology and software—unrestricted (TSU).**

\* \* \* \* \*

(d) \* \* \*

<sup>1</sup> "Mass market" software may fall under the classification of "general use" software for export clearance purposes. Exporters should consult the Census Bureau FTSR for possible SED or AES requirements.

■ 7. Section 740.15 is amended by revising paragraphs (c)(1)(iv) and (c)(2)(iv) to read as follows:

**§ 740.15 Aircraft and vessels (AVS).**

\* \* \* \* \*

(c) \* \* \*

(1) \* \* \*

(iv) Shipped as cargo for which a Shipper's Export Declaration (SED) or Automated Export System (AES) record is filed in accordance with the requirements of the Foreign Trade Statistics Regulations (15 CFR part 30), except that an SED or AES record is not required when any of the commodities, other than fuel, is exported by U.S. airlines to their own aircraft abroad for their own use.

(2) \* \* \*

(iv) Shipped as cargo for which a Shipper's Export Declaration (SED) or Automated Export System (AES) record is filed in accordance with the requirements of the Foreign Trade Statistics Regulations (15 CFR part 30), except that an SED or AES record is not required when any of these commodities is exported by U.S. airlines to their own installations and agents

abroad for use in their aircraft operations.

\* \* \* \* \*

**PART 744—[AMENDED]**

■ 8. The authority citation for part 744 is revised to read as follows:

**Authority:** 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 3201 *et seq.*; 42 U.S.C. 2139a; Sec. 901–911, Pub. L. 106–387; Sec. 221, Pub. L. 107–56; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 12947, 60 FR 5079, 3 CFR, 1995 Comp., p. 356; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13099, 63 FR 45167, 3 CFR, 1998 Comp., p. 208; E.O. 13222, 66 FR 44025, 3 CFR 2001 Comp., p. 783; E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; Notice of November 9, 2001, 66 FR 56965, 3 CFR, 2001 Comp., p. 917; Notice of August 7, 2003, 66 FR 47833, August 11, 2003.

■ 9. Section 744.7 is amended by revising paragraphs (b)(1)(iv) and (b)(2)(iv) to read as follows:

**§ 744.7 Restrictions on certain exports to and for the use of certain foreign vessels or aircraft.**

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

(iv) Shipped as cargo for which a Shipper's Export Declaration (SED) or Automated Export System (AES) record is filed in accordance with the requirements of the Foreign Trade Statistics Regulations (15 CFR part 30), except that an SED or AES record is not required when any of the commodities, other than fuel, is exported by U.S. airlines to their own aircraft abroad for their own use.

(2) \* \* \*

(iv) Shipped as cargo for which a Shipper's Export Declaration (SED) or Automated Export System (AES) record is filed in accordance with the requirements of the Foreign Trade Statistics Regulations (15 CFR part 30), except that an SED or AES record is not required when any of these commodities is exported by U.S. airlines to their own installations and agents abroad for use in their aircraft operations.

\* \* \* \* \*

**PART 750—[AMENDED]**

■ 10. The authority citation for part 750 is revised to read as follows:

**Authority:** 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2003, 66 FR 47833, August 11, 2003.

■ 11. Section 750.7 is amended by revising the fourth sentence of paragraph (b) to read as follows:

**§ 750.7 Issuance of licenses.**

\* \* \* \* \*

(b) \* \* \* Exporters must use the complete license number when preparing a Shipper's Export Declaration (SED) or Automated Export System (AES) record and any other export control documents, and in communicating with the Department of Commerce concerning the license.

\* \* \* \* \*

**PART 752—[AMENDED]**

■ 12. The authority citation for part 752 is revised to read as follows:

**Authority:** 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 13020, 61 FR 54079, 3 CFR, 1996 Comp. p. 219; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2003, 66 FR 47833, August 11, 2003.

■ 13. Section 752.7 is amended by revising the first sentence of paragraph (b)(1) to read as follows:

**§ 752.7 Direct shipment to customers.**

\* \* \* \* \*

(b) \* \* \*

(1) *Exports by an SCL holder.* The SCL holder may make a direct shipment by entering on the Shipper's Export Declaration or Automated Export System record the name and address of the customer as ultimate consignee and adding the notation "by order of (name and address of consignee requesting the direct shipment)."

\* \* \* \* \*

■ 14. Section 752.15 is amended by revising paragraph (a) to read as follows:

**§ 752.15 Export clearance.**

(a) *Shipper's Export Declaration (SED) or Automated Export System (AES) record.* The SED or AES record covering an export made under an SCL must be prepared in accordance with requirements of the Foreign Trade Statistics Regulations (15 CFR part 30) and § 758.1 of the EAR.

(1) *Item descriptions.* Item descriptions on the SED or AES record must indicate specifically the ECCN and item description conforming to the applicable CCL description and incorporating any additional information where required by Schedule B (e.g., type, size, name of specific item, etc.).

(2) *Value of shipments.* There is no value limitation on shipments under the SCL; however, you must indicate the value of each shipment on the respective SED or AES record.

(3) *SCL number.* The SED or AES record must include the SCL number followed by a blank space, and then the consignee number identifying the SCL's approved consignee to whom the shipment is authorized.

\* \* \* \* \*

**PART 754—[AMENDED]**

■ 15. The authority citation for part 754 is revised to read as follows:

**Authority:** 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 10 U.S.C. 7420; 10 U.S.C. 7430(e); 30 U.S.C. 185(s), 185(u); 42 U.S.C. 6212; 43 U.S.C. 1354; 46 U.S.C. app. 466c; E.O. 11912, 41 FR 15825, 3 CFR, 1976 Comp., p. 114; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2003, 66 FR 47833, August 11, 2003.

■ 16. Section 754.2 is amended by revising paragraphs (h)(2), (i)(3), and (j)(2) to read as follows:

**§ 754.2 Crude oil.**

\* \* \* \* \*

(h) \* \* \*

(2) A person exporting crude oil pursuant to this License Exception must enter on any required Shipper's Export Declaration (SED) or Automated Export System (AES) record the letter code "SS-SPR" or the equivalent code as set forth in Appendix C to 15 CFR part 30.

(i) \* \* \*

(3) A person exporting crude oil pursuant to this License Exception must enter on any required Shipper's Export Declaration (SED) or Automated Export System (AES) record the letter code "SS-SAMPLE" or the equivalent code as set forth in Appendix C to 15 CFR part 30.

(j) \* \* \*

(2) *Shipper's Export Declaration or Automated Export System.* In addition to the requirements of paragraph (j)(1) of this section, for each export under License Exceptions TAPS, the exporter must file with BIS a Shipper's Export Declaration (SED) or Automated Export System (AES) record covering the export not later than 21 days after the export has occurred. The SED or AES record shall be sent to the following address: Director, Deemed Exports and Short Supply Division, Office of Strategic Trade and Foreign Policy Controls, Bureau of Industry and Security, PO Box 273, U.S. Department of Commerce, Washington, DC 20044.

\* \* \* \* \*

■ 17. Section 754.4 is amended by revising paragraphs (c)(4) and (d)(3)(ii) to read as follows:

**§ 754.4 Unprocessed western red cedar.**

\* \* \* \* \*

(c) \* \* \*

(4) A person exporting any item pursuant to this License Exception must enter on any required Shipper's Export Declaration (SED) or Automated Export System (AES) record the letter code "SS-WRC".

(d) \* \* \*

(3) \* \* \*

(ii) A copy of the Shipper's Export Declaration of Automated Export System record.

\* \* \* \* \*

**PART 758—[AMENDED]**

■ 18. The authority citation for part 758 is revised to read as follows:

**Authority:** 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2003, 66 FR 47833, August 11, 2003.

■ 19. Section 758.1 is amended by revising paragraphs (b)(1), (2), and (3) and the third sentence of paragraph (e) to read as follows:

**§ 758.1 The Shipper's Export Declaration (SED) or Automated Export System (AES) record.**

\* \* \* \* \*

(b) \* \* \*

(1) For all exports of items subject to the EAR that are destined to Cuba, Iran, Iraq, Libya, North Korea, Sudan, or Syria, regardless of value (*see* 15 CFR 30.55);

(2) For all exports subject to the EAR that require a license regardless of value, or destination;

(3) For all exports of commodities and mass market software subject to the EAR when the value of the commodities or mass market software classified under a single Schedule B Number (or Harmonized Tariff Schedule number) is over \$2,500, except as exempted by the Foreign Trade Statistics Regulations (FTSR) in 15 CFR part 30 and referenced in paragraph (c) of this section; or

\* \* \* \* \*

(e) *Signing the Shipper's Export Declaration or transmitting data via AES.*

\* \* \* The person who signs the SED or transmits data via AES, whether exporter (U.S. principal party in interest) or agent, is responsible for the truth, accuracy, and completeness of the SED or AES record, except insofar as that person can demonstrate that he or she reasonably relied on information furnished by others.

\* \* \* \* \*

■ 20. Section 758.2 is amended by revising the introductory paragraph, the fourth sentence of paragraph (a) and paragraph (c)(3) to read as follows:

**§ 758.2 Automated Export System (AES).**

The Census Bureau's Foreign Trade Statistics Regulations (FTSR) (15 CFR Part 30) contain provisions for filing Shipper's Export Declarations (SEDs) electronically using the Automated Export System (AES). In order to use AES, you must apply directly to the Census Bureau for certification and approval through a Letter of Intent (see 15 CFR 30.60(b) and Appendix A to part 30 of the FTSR). Three AES filing options are available for transmitting shipper's export data. Option 1 is the standard paper filing of the SED, while the other two options are electronic. Option 2 requires the electronic filing of all information required for export prior to export (15 CFR 30.61(a) and 30.63); Option 4 is available only for approved filers (approval by Census Bureau, Bureau of Customs and Border Protection, BIS and other agencies) and requires no information to be transmitted prior to export, with complete information transmitted within 10 working days of exportation (15 CFR 30.61(b) and 30.62).

**(a) Census' Option 4 Application Process.**

\* \* \* If the Census Bureau receives neither notification of denial, nor a request for an extension from the agency within 30 days of the date of referral of the letter of intent to the agency, the applicant is deemed to be approved by that agency. \* \* \*

\* \* \* \* \*

(c) BIS Option 4 evaluation criteria.

\* \* \* \* \*

(3) Exports are destined to a country in Country Group E:1 (Supplement No.1 to part 740 of the EAR).

\* \* \* \* \*

■ 21. Section 758.7 is amended by revising the first sentence of paragraph (b)(1)(i) and the third sentence of paragraph (b)(6) to read as follows:

**§ 758.7 Authority of the Office of Export Enforcement, the Bureau of Industry and Security, Customs Offices and postmasters in clearing shipments.**

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

(i) *Purpose of inspection.* All items declared for export are subject to inspection for the purpose of verifying the items specified in the SED or AES record, or if there is no SED or AES record, the bill of lading or other loading document covering the items about to be exported, and the value and quantity thereof, and to assure observance of the other provisions of the Export Administration Regulations.

\* \* \* \* \*

(6) \* \* \* In addition to the authority of Customs officers to seize and detain

items, both Customs officials and officials to the Office of Export Enforcement are authorized to detain any shipment held for review of the SED or AES record, or if there is no SED or AES record, the bill of lading or other loading document covering the items about to be exported, or for physical inspection of the items, whenever such action is deemed to be necessary to assure compliance with the EAR.

\* \* \* \* \*

■ 22. Section 758.9 is revised to read as follows:

**§ 758.9 Other applicable laws and regulations.**

The provisions of this part 758 apply only to exports regulated by BIS. Nothing contained in this part 758 shall relieve any person from complying with any other law of the United States or rules and regulations issued thereunder, including those governing SEDs, AES records, and manifests, or any applicable rules and regulations of the Bureau of Customs and Border Protection or Bureau of Immigration and Customs Enforcement.

**PART 770—[AMENDED]**

■ 23. The authority citation for part 770 is revised to read as follows:

**Authority:** 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2003, 66 FR 47833, August 11, 2003.

■ 24. Section 770.2 is amended by revising the first sentences in paragraphs (e)(2)(ii) and (f) to read as follows:

**§ 770.2 Item interpretations.**

\* \* \* \* \*

(e) \* \* \*

(2) \* \* \*

(ii) When preparing the Shipper's Export Declaration (SED) or Automated Export System (AES) record, a system being shipped complete (*i.e.*, machine and control unit), should be reported under the Schedule B number for each machine. \* \* \*

(f) *Interpretation 6: Parts, accessories, and equipment exported as scrap.* Parts, accessories, or equipment that are being shipped as scrap should be described on the SED or AES record in sufficient detail to be identified under the proper ECCN. \* \* \*

\* \* \* \* \*

**PART 772—[AMENDED]**

■ 25. The authority citation for part 772 is revised to read as follows:

**Authority:** 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2003, 66 FR 47833, August 11, 2003.

■ 26. Section 772.1 is amended by revising the definition of NLR to read as follows:

**§ 772.1 Definitions of terms as used in the Export Administration Regulations (EAR).**

\* \* \* \* \*

NLR. NLR ("no license required") is a symbol entered on the Shipper's Export Declaration or an Automated Export System record certifying that no license is required.

\* \* \* \* \*

Dated: August 15, 2003.

**Matthew S. Borman,**

*Acting Assistant Secretary for Export Administration.*

[FR Doc. 03-21471 Filed 8-20-03; 8:45 am]

BILLING CODE 3510-33-P

**DEPARTMENT OF DEFENSE**

**48 CFR Part 217**

[DFARS Case 2002-D041]

**Defense Federal Acquisition Regulation Supplement; Multiyear Contracting Authority Revisions**

**AGENCY:** Department of Defense (DoD).

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

**SUMMARY:** DoD has issued an interim rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement Section 820 of the National Defense Authorization Act for Fiscal Year 2003. Section 820 restricts the use of multiyear contracts for supplies to only those for complete and usable end items, and restricts the use of advance procurement to only those long-lead items necessary in order to meet a planned delivery schedule for complete major end items.

**DATES:** Effective date: August 21, 2003.

*Comment date:* Comments on the interim rule should be submitted to the address shown below on or before October 20, 2003, to be considered in the formation of the final rule.

**ADDRESSES:** Respondents may submit comments directly on the World Wide Web at <http://emissary.acq.osd.mil/dar/dfars.nsf/pubcomm>. As an alternative, respondents may e-mail comments to: [dfars@osd.mil](mailto:dfars@osd.mil). Please cite DFARS Case 2002-D041 in the subject line of e-mailed comments.

Respondents that cannot submit comments using either of the above methods may submit comments to: Defense Acquisition Regulations