

replace the actuator as specified in paragraph (b) of this AD at intervals not to exceed 6,500 hours TIS;

(ii) If both nut tube assemblies, P/N AA56142, were not replaced with new assemblies during overhaul, reinspect as specified in paragraph (a) of this AD at intervals not to exceed 250 hours TIS, and replace the actuator as specified in paragraph (b) of this AD at intervals not to exceed 5,000 hours TIS.

(3) Replace the pitch trim actuator with a new part of improved design, P/N 27-19008-01 or 27-19008-02, in accordance with the instructions in the applicable maintenance manual.

(i) This replacement eliminates the repetitive inspection requirement of this AD.

(ii) This replacement may be accomplished at any time to eliminate the inspection requirement of this AD.

(c) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

(d) An alternative method of compliance or adjustment of the initial or repetitive compliance times that provides an equivalent level of safety may be approved by the Manager, Airplane Certification Office (ACO), FAA, 2601 Meacham Boulevard, Fort Worth, Texas 76193-0150. The request shall be forwarded through an appropriate FAA Maintenance Inspector, who may add comments and then send it to the Manager, Fort Worth ACO.

Note 4: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Fort Worth ACO.

(e) The inspections and modification required by this AD shall be done in accordance with Fairchild Aircraft SA226 Series Service Letter 226-SL-005, and Fairchild Aircraft SA227 Series Service Letter 227-SL-011, both Issued: April 8, 1993, Revised: March 2, 1995, as applicable. This incorporation by reference is approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from Field Support Engineering, Fairchild Aircraft, P.O. Box 790490, San Antonio, Texas 78279-0490. Copies may be inspected at the FAA, Central Region, Office of the Assistant Chief Counsel, Room 1558, 601 E. 12th Street, Kansas City, Missouri, or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

(f) This amendment (39-9180) becomes effective on April 17, 1995.

Issued in Kansas City, Missouri, on March 17, 1995.

Dwight A. Young,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 95-7113 Filed 3-24-95; 8:45 am]

BILLING CODE 4910-13-U

14 CFR Part 71

[Airspace Docket No. 94-AGL-23]

Establishment of Class D Airspace; Akron-Canton, OH

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule; correction.

SUMMARY: This action corrects an error in the airspace designation of the Akron-Canton, OH Class D airspace area legal description published in a final rule on February 23, 1995, (60 FR 10014) establishing Class D airspace for Akron-Canton Regional Airport, Akron, OH.

EFFECTIVE DATE: 0901 UTC, May 25, 1995.

FOR FURTHER INFORMATION CONTACT:

Nancy Cibic, Air Traffic Division, System Management Branch, AGL-530, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018, telephone (708) 294-7573.

SUPPLEMENTARY INFORMATION:

History

Federal Register Document 95-4439, published on February 23, 1995 (60 FR 10014), established Class D airspace for Akron-Canton Regional Airport, Akron, Ohio. The Class D surface and radius area indicated in the legal description were published incorrectly. This action corrects those errors.

Correction to Final Rule

Accordingly, pursuant to the authority delegated to me, the airspace designation for Akron, Ohio, Class D airspace, as published in the **Federal Register** on February 23, 1995, (60 FR 10014), (Federal Register Document 95-4439, page 10014, column 2), is corrected in the final rule to the incorporation by reference 14 CFR 71.1 as follows:

§ 71.1 [Corrected]

Paragraph 5000 General

* * * * *

AGL OH D Akron-Canton, OH [Corrected]
(Lat. 40°54'59"N., long. 81°26'32"W.)

That airspace extending upward from the surface to and including 5,200 feet MSL within a 5-mile radius of the Akron-Canton Regional Airport, OH. This Class D airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be published in the Airport Facility Directory.

* * * * *

Issued in Des Plaines, Illinois on March 16, 1995.

Roger Wall,

Manager, Air Traffic Division.

[FR Doc. 95-7498 Filed 3-24-95; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF COMMERCE

Bureau of Export Administration

15 CFR Part 777

[Docket No. 930653-4299]

RIN 0694-AA70

Exports of Certain California Crude Oil

AGENCY: Bureau of Export Administration, Commerce.

ACTION: Final rule.

SUMMARY: The Bureau of Export Administration (BXA) is amending the short supply provisions of the Export Administration Regulations (EAR) by revising the restrictions on exports of crude oil produced in the lower 48 states to allow exports, under individual validated licenses, of up to 25,000 barrels per day (MB/D) of California heavy crude oil having a gravity of 20.0 degrees API or lower.

This final rule revises the licensing requirements and procedures that apply to exports of California heavy crude oil by removing a number of significant restrictions, e.g., the prohibition against transporting crude oil by pipeline over rights-of-way granted pursuant to the Mineral Leasing Act of 1920 and the requirement that any export of crude oil must be offset by importing an equal or greater volume of crude oil of equal or higher quality.

In order to minimize procedural delays in licensing exports of California heavy crude oil, BXA's Office of Chemical and Biological Controls and Treaty Compliance (CBTC) will issue licenses on a first-come, first-served, basis. Based on comments received on the March 24, 1994, proposed rule, this rule allows CBTC to issue licenses contingent upon the exporter submitting, prior to any export under a license, documentation showing that the exporter has title to the oil (or a contract to purchase the oil) and a contract to export the oil. This change in documentation requirements should provide exporters with greater flexibility in completing small cargo transactions on the spot market. Such transactions are likely to account for the bulk of California heavy crude oil exports.

EFFECTIVE DATE: March 27, 1995.

FOR FURTHER INFORMATION CONTACT: Bernard Kritzer, Office of Chemical and Biological Controls and Treaty Compliance (CBTC), Bureau of Export Administration, Telephone: (202) 482-0894.

SUPPLEMENTARY INFORMATION:

Background

Section 777.6(d)(1) of the Export Administration Regulations (EAR) restricts exports of crude petroleum, including reconstituted crude petroleum, tar sands, and crude shale oil. This rule amends § 777.6(d)(1) to permit exports of certain California crude oil pursuant to a Presidential memorandum of October 22, 1992,¹ in which the President determined that exports of California heavy crude oil having a gravity of 20.0 degrees API or lower were in the national interest. Prior to authorizing the export of this California crude oil, the President made certain findings and determinations under the following statutes:

(1) Section 103 of the Energy Policy and Conservation Act (42 U.S.C. 6212(b));

(2) Section 28(u) of the Mineral Leasing Act, as amended by the Trans-Alaska Pipeline Authorization Act of 1973 (30 U.S.C. 185(u)); and

(3) The provisions of the Export Administration Act of 1979 (EAA), as amended, to the extent permitted with law, continued in effect after its August 20, 1994, expiration through the President's invocation of the International Emergency Economic Powers Act in Executive Order 12924 of August 19, 1994.

The President made findings that exports of California heavy crude oil having a gravity of 20.0 degrees API or lower:

(1) Are in accordance with the provisions of the Export Administration Act of 1979, as amended;

(2) Are consistent with the purpose of the Energy Policy and Conservation Act; and

(3) Will not diminish the total quality or quantity of petroleum available to the United States.

Based on the above findings, the President authorized the Secretary of Commerce to modify the existing restrictions on the export of crude oil produced in the lower 48 states to allow initially the export of an average quantity of 25 MB/D of California heavy crude oil having a gravity of 20.0 degrees API or lower.

The President also directed the Secretary of Energy, in consultation with the Secretaries of Commerce, the Interior, Transportation, and other interested agencies, to conduct periodic reviews of such exports in light of then-existing market circumstances. In addition, the President authorized the Secretary of Energy to recommend to the Secretary of Commerce, based on the results of these periodic reviews, what, if any, adjustments should be made in the quantity of California heavy crude oil that may be authorized for export (*i.e.*, adjustments to the currently authorized level of 25 MB/D).

Publication of Proposed Rule (March 24, 1994)

In response to the President's decision, the Department published a proposed rule and request for public comments in the **Federal Register** on March 24, 1994 (59 FR 13900). The proposed rule would have allowed the CBTC to authorize exports of up to 25 MB/D of California heavy crude oil having a gravity of 20.0 degrees API or lower. The March 24 rule proposed that CBTC would grant export licenses on a first-come, first-served, basis with the quantity authorized on any one license not to exceed 25 percent (2.28 million barrels) of the annual authorized volume (*i.e.*, 9.125 million barrels). The proposed rule would have allowed CBTC to approve only one application per month from each company and its affiliates, as long as applications from non-affiliated companies were still pending. In addition, the validity period for licenses would have been 90 days; and CBTC would have returned to the available authorized export quota any volumes that had been licensed but not exported during the 90-day validity period, except that no unshipped volumes would have been carried over more than 30 days into a new calendar year. Any unlicensed portion of the quota would have been carried forward by CBTC from month to month, except that no volumes would have been carried forward more than 30 days into a new calendar year. The proposed rule would have allowed exporters a 10-percent tolerance on the unshipped balance based on the number of barrels authorized on the license, as well as a 25-percent tolerance on the total dollar value of the license.

Applicants would have been subject to a number of documentation requirements under the proposed rule: (1) Documentation showing that the applicant has or will acquire title to the quantity of barrels stated in the application; (2) a contract to export the quantity of barrels stated in the

application; (3) documentation showing that the crude oil has a gravity of 20.0 degrees API or lower and was produced within the state of California; and (4) an affidavit that the crude oil was not produced or derived from a U.S. Naval Petroleum Reserve and was not produced from the submerged lands of the U.S. Outer Continental Shelf.

Finally, the proposed rule solicited public comments on three possible license allocation schemes: (1) The first-come, first-served licensing scheme described in the proposed rule; (2) a prorationing scheme similar to the one used for exports of Alaskan North Slope crude oil to Canada; and (3) a licensing scheme employing pre-qualification with export nominations.

Public Comments on the Proposed Rule

The Bureau of Export Administration (BXA) received seven comments on the March 24, 1994, proposed rule. One commenter opposed allowing exports of up to 25 MB/D of California heavy crude oil, asserting that this change would provide little or no economic benefits for California crude oil producers and would likely result in price increases in the domestic fuel market. Two commenters had no objections to allowing the export of an average of 25 MB/D of California heavy crude oil, but urged the Department not to increase this level without a formal public rulemaking.

One commenter felt that the 25 MB/D average was quite small relative to the potential marketable oil and suggested that state and local governmental entities should be exempted from this limit. This commenter expressed no preference concerning the method by which licenses would be allocated and noted that the rule probably would not have a significant impact on inland producers because many of them lacked access to heated oil pipelines to transport crude oil to export terminals.

Two commenters urged BXA to drop the proposed requirement that applicants provide documentation showing the existence of a contract to export California heavy crude oil, because this requirement would make it difficult for companies to complete small cargo transactions on the spot market. One alternative that was suggested would permit applicants to submit one application per quarter, for cargoes not exceeding 500,000 barrels, to be supported by nonbinding letters of intent, instead of a signed contract.

Several alternative licensing regimes were suggested. One commenter suggested two alternative regimes. Under the first alternative, applicants would be allowed to identify potential

¹ The President's memorandum of October 22, 1992, was published in the **Federal Register** Vol. 57, No. 226, November 23, 1992, p. 54895.

supply sources and end-users, subject to approval by BXA, and would then be allowed to make shipments involving these approved parties, providing proof of compliance and performance to BXA after each shipment. The second alternative would involve the issuance of two types of licenses: (1) short-term (30- to 90-day) licenses not exceeding 500,000 barrels, with unused portions returned to the available quota, and (2) longer term (6- to 12-month) licenses of 1 to 2 million barrels, with up to half the amount returned to the available quota if no shipment is made within 3 months. This commenter also urged that applicants be allowed to apply for licenses several months in advance of the effective date. Finally, the commenter suggested that licensees who fail to make any shipments under their licenses be given a lower priority when filing applications for subsequent licenses.

Another commenter suggested an alternative licensing regime that would involve a prorationing mechanism with a validity period of not less than 1 year and a minimum quantity of 500,000 barrels. This commenter also favored eliminating the one application per month limitation and removing the 25 MB/D cap on exports.

Finally, one commenter urged the Commerce Department to work toward eliminating export restrictions on California heavy crude oil produced from the submerged lands of the U.S. Outer Continental Shelf and, as part of this action, increase the proposed gravity limit from 20 degrees API to 22 degrees API.

Changes Made by This Final Rule

The Department reviewed the public comments on the March 24, 1994, proposed rule and decided to retain, for the most part, the licensing regime contained in that rule (*i.e.*, first-come, first served). However, the Department recognizes that a number of concerns were raised in the public comments on the proposed rule and, where practical, has made changes in this final rule to address these concerns.

This final rule makes certain significant changes in the documentation requirements for license applications to export California heavy crude oil. These changes are based on the Department's review of the public comments on the proposed rule, its consultations with industry representatives familiar with the California heavy crude oil export market, and its review of certain in-house data on actual shipments of California heavy crude oil under validated export licenses. The

documentation requirements in the proposed rule specified that each application must be accompanied by: (1) a contract or bill of sale, showing title to the crude oil, and (2) a contract to export the crude oil. Several commenters felt that this requirement would make it difficult for companies to complete small cargo transactions on the spot market, noting that the timeframe for completing small cargo transactions can be very short and that a limited window of opportunity could be missed if proof of a contract had to be obtained before an export license could be issued. These commenters also noted that the negative effects of the prior proof of contract requirement could be quite significant because the bulk of California heavy crude oil exports are spot market transactions.

Because of the unique characteristics of the California heavy crude oil export market (most sales consist of small spot market transactions), the Department decided to modify the proof of contract requirement. This final rule requires that each application be accompanied by documentary evidence of an order as described in § 772.6(a)(2), such as a letter of intent. Although this final rule does not require proof of a contract at the time an application is submitted, all licenses to export California heavy crude oil will be subject to the condition that the licensee submit to the CBTC, prior to any export under the license, documentation proving that the licensee has: (1) title to the quantity of barrels stated in the application and (2) a contract to export the quantity stated on the application. This change will provide applicants with greater flexibility to engage in spot market transactions. Applicants will be able to obtain export licenses more quickly, since they will not have to wait until they have a firm contract to submit their applications. They also will have additional time in which to obtain proof of a contract, since they are only required to submit such proof to CBTC at some point prior to the time of export.

To encourage applicants to apply for a validated license only when they have a real opportunity to make an export sale, this final rule requires CBTC to consider the following factors when determining what action should be taken on individual applications:

- (1) The number of validated licenses to export California heavy crude oil that have been issued to the applicant or its affiliates during the current calendar year;
- (2) The number of applications pending in CBTC that have been submitted by applicants who have not been issued validated licenses to export

California heavy crude oil during the current calendar year; and,

(3) The percentage of California heavy crude oil authorized under export licenses previously issued to the applicant that has actually been exported by the applicant.

Another significant change in documentation requirements involves the affidavit requirement contained in § 777.6(d)(1)(xii) of the proposed rule. This requirement has been replaced in the final rule by a certification requirement, *i.e.*, the applicant is required to certify that: (1) the commodity has a gravity of 20.0 degrees API or lower; (2) the commodity is produced in the state of California; (3) the commodity is *not* produced or derived from a U.S. Naval Petroleum Reserve; and (4) the commodity is *not* produced from the submerged lands of the U.S. Outer Continental Shelf.

The Department decided to retain the first-come, first-served, mechanism that was proposed in the March 24, 1994, rule because it provides a greater degree of flexibility and administrative simplicity than the prorationing and pre-qualification licensing alternatives that also were described in the proposed rule. Under the first-come, first-served licensing regime adopted in this final rule, CBTC will accept only one application per month from each company and its affiliates (regardless of whether or not applications from non-affiliated companies are pending) for a total quantity not to exceed 25 percent (2.28 million barrels) of the annual (9.125 million barrels) authorized volume of California heavy crude oil. CBTC will issue licenses in the order in which it receives applications, with all licenses having the same validity period, *i.e.*, 90 calendar days. The Department considered establishing a longer validity period, but felt that the 90-day term provided the best compromise between the needs of spot market applicants and applicants anticipating larger volume transactions covering a longer term. Since licensees are permitted to wait until immediately prior to making shipments under their licenses before providing CBTC with documentation showing proof of title and a contract to export, the Department felt that the 90-day license term was necessary to ensure that no applicant would tie up large volumes of California heavy crude oil for a significant period of time (*e.g.*, for six months to a year), without having received a firm contract offer, thereby denying commercial opportunities to other applicants.

This final rule also implements the provisions of the proposed rule concerning: (1) volumes that have not

been licensed for export and (2) licensed volumes that have not been exported prior to the expiration date of the license. CBTC will carry forward any portion of the 25,000 barrel per day quota that has not been licensed and will return to the available authorized quota any portion that has been licensed, but not shipped, within the 90-day validity period of the license, except that these volumes will not be carried over more than 30 days into a new calendar year. This approach will ensure that the total volume available for export in any one year does not significantly exceed the annual (9.125 million barrels) authorized volume of California heavy crude oil. If market conditions dictate that an adjustment should be made in the annual authorized volume, the Secretary of Energy is authorized to recommend that the Secretary of Commerce make the necessary adjustment.

Consistent with the March 24, 1994, proposed rule, this final rule allows licensees to combine authorized quantities into one or more shipments, provided that the validity period of none of the affected licenses has expired. In addition, this rule retains the shipping tolerances set forth in the proposed rule, *i.e.*, a 10-percent tolerance on the unshipped balance (based on the number of barrels authorized on the license) and a 25-percent tolerance on the total dollar value of the license. This final rule also prohibits licensees from transferring their licenses to other parties without prior written authorization from CBTC, in accordance with § 772.13.

The Department considered the effect on the environment of exports of California heavy crude oil in its 1989 "Report to Congress on U.S. Crude Oil Exports" which recommended the liberalization of export restrictions resulting in the 1992 Presidential determination. The Department also conducted an assessment in connection with the approval of an export license application during 1991. In both cases, the Department determined that the export of California heavy crude would not have a significant impact on the environment.

The Department completed an assessment of the environmental effects of the export of California crude oil in connection with the present rulemaking. The assessment confirmed the previous findings that the export would not have a significant impact on the environment. On October 12, 1994, the National Oceanic and Atmospheric Administration (NOAA) approved the assessment, including the conclusion that exports of California heavy crude

oil will not have a significant impact on the human environment in accordance with the Council on Environmental Quality's regulations implementing the National Environmental Protection Act. The environmental assessment is available for public inspection in Room H-4513.

Rulemaking Requirements

1. This rule was determined to be significant for the purposes of Executive Order 12866.

2. This rule contains a collection of information subject to the requirements of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*). The public reporting burden for this collection of information is estimated to average 12 hours per response, including the time required for reviewing instructions, searching and maintaining the necessary data, and completing and reviewing the collection of information. Send comments regarding this burden to: Bernard Kritzer, Manager, Short Supply Program, Office of Chemical and Biological Controls and Treaty Compliance, Room 2096, U.S. Department of Commerce, 14th Street and Pennsylvania Avenue, N.W., Washington, DC 20230; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503 (ATTN: Paperwork Reduction Project—0694-0027).

3. This rule does not contain policies with Federalism implications sufficient to warrant preparation of a Federalism assessment under Executive Order 12612.

4. A notice of proposed rulemaking and an opportunity for public comment were not required for this rulemaking by section 13(a) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. 2401-2420 (1991, Supp. 1993), and Pub. L. No. 103-277, July 5, 1994). Although the Export Administration Act expired on August 20, 1994, the President invoked the International Emergency Economic Powers Act and determined that, to the extent permitted by law, the provisions of the Export Administration Act shall be carried out under Executive Order 12924 of August 19, 1994, so as to continue in full force and effect and amend, as necessary, the export control system heretofore maintained by the Export Administration Regulations and Act. As such, under section 3(a) of the Regulatory Flexibility Act (5 U.S.C. 603(a) and 604(a)) no initial or final Regulatory Flexibility Analysis has been or will be prepared.

List of Subjects in 15 CFR Part 777

Administrative practice and procedure, Exports, Forest and forest products, Petroleum, Reporting and recordkeeping requirements.

Accordingly, Part 777 of the Export Administration Regulations (15 CFR Parts 730-799) is amended as follows:

1. The authority citation for 15 CFR Part 777 continues to read as follows:

Authority: Pub. 90-351, 82 Stat. 197 (18 U.S.C. 2510 *et seq.*), as amended; sec. 101, Pub. L. 93-153, 87 Stat. 576 (30 U.S.C. 185), as amended; sec. 103, Pub. L. 94-163, 89 Stat. 877 (42 U.S.C. 6212), as amended; secs. 201 and 201(11)(e), Pub. L. 94-258, 90 Stat. 309 (10 U.S.C. 7420 and 7430(e)), as amended; Pub. L. 95-223, 91 Stat. 1626 (50 U.S.C. 1701 *et seq.*); Pub. L. 95-242, 92 Stat. 120 (22 U.S.C. 3201 *et seq.* and 42 U.S.C. 2139a); sec. 208, Pub. L. 95-372, 92 Stat. 668 (43 U.S.C. 1354); Pub. L. 96-72, 93 Stat. 503 (50 U.S.C. App. 2401 *et seq.*), as amended; E.O. 11912 of April 13, 1976 (41 FR 15825, April 15, 1976); E.O. 12002 of July 7, 1977 (42 FR 35623, July 7, 1977), as amended; E.O. 12058 of May 11, 1978 (43 FR 20947, May 16, 1978); E.O. 12214 of May 2, 1980 (45 FR 29783, May 6, 1980); E.O. 12730 of September 30, 1990 (55 FR 40373, October 2, 1990), as continued by Notice of September 25, 1992 (57 FR 44649, September 28, 1992); E.O. 12735 of November 16, 1990 (55 FR 48587, November 20, 1990), as continued by Notice of November 12, 1993 (58 FR 60361, November 15, 1993), and E.O. 12924 of August 19, 1994 (59 FR 43437, August 23, 1994).

PART 777—[AMENDED]

2. Section 777.6 is amended by adding a new paragraph (d)(1)(xii) and a new paragraph (k) to read as follows:

§ 777.6 Petroleum and petroleum products.

* * * * *

(d) * * *

(1) * * *

(xii) *Exports of certain California crude oil.* California heavy crude oil may be exported under the following conditions:

(A) The applicant certifies that:

(1) The commodity has a gravity of 20.0 degrees API or lower;

(2) The commodity is produced in the state of California, including its submerged state lands;

(3) The commodity is *not* produced or derived from a U.S. Naval Petroleum Reserve;

(4) The commodity is *not* produced from the submerged lands of the U.S. Outer Continental Shelf;

(B) All aspects of the transaction comply with the provisions of paragraph (k) of this section.

* * * * *

(k) *Exports of certain California crude oil pursuant to § 777.6(d)(1)(xii).* The

export of California heavy crude oil having a gravity of 20.0 degrees API or lower, at an average volume not to exceed 25 MB/D, will be authorized as follows.

(1) Applicants must submit their applications on Form BXA-622P to the following address: Office of Exporter Services, ATTN: Short Supply Program—Petroleum, Bureau of Export Administration, U.S. Department of Commerce, P.O. Box 273, Washington, DC 20044.

(2) The quantity stated on each application must be the total number of barrels proposed to be exported under the license—not a per-day rate. This quantity must not exceed 25 percent of the annual authorized export quota. Potential applicants may inquire of BXA as to the amount of the annual authorized export quota available.

(3) Each application shall be accompanied by a certification by the applicant that the California heavy crude oil:

(i) Has a gravity of 20.0 degrees API or lower;

(ii) Was produced within the state of California, including its submerged state lands;

(iii) Was *not* produced or derived from a U.S. Naval Petroleum Reserve; *and*

(iv) Was *not* produced from submerged lands of the U.S. Outer Continental Shelf.

(4) Each license application must be based on an order, as defined by § 772.6(a) of this subchapter and must be accompanied by documentary evidence of an order as described in § 772.6(a)(2), e.g., a letter of intent.

(5) The Office of Chemical and Biological Controls and Treaty Compliance (CBTC) will adhere to the following procedures for licensing exports of California heavy crude oil:

(i) CBTC will issue individual validated licenses for approved applications in the order in which the applications are received (date-time stamped upon receipt by CBTC), with the total quantity authorized for any one license not to exceed 25 percent of the annual authorized volume of California heavy crude oil.

(ii) CBTC will approve only one application per month for each company and its affiliates.

(iii) CBTC will consider the following factors (among others) when determining what action should be taken on individual license applications:

(A) The number of validated licenses to export California heavy crude oil that have been issued to the applicant or its

affiliates during the then-current calendar year;

(B) The number of applications pending in CBTC that have been submitted by applicants who have not previously been issued validated licenses under this section to export California heavy crude oil during the then-current calendar year; and,

(C) The percentage of the total amount of California heavy crude oil authorized under other export licenses previously issued to the applicant pursuant to this section that has actually been exported by the applicant.

(iv) CBTC will approve applications contingent upon the licensee providing documentation meeting the requirements of both paragraphs (k)(5)(iv) (A) and (B) of this section prior to any export under the license:

(A) Documentation showing that the applicant has or will acquire title to the quantity of barrels stated in the application. Such documentation shall be either:

(1) An accepted contract or bill of sale for the quantity of barrels stated in the application; *or*

(2) A contract to purchase the quantity of barrels stated in the application, which may be contingent upon issuance of an export license to the applicant.

(B) Documentation showing that the applicant has a contract to export the quantity of barrels stated in the application. The contract which may be contingent upon issuance of the export license to the applicant.

(v) CBTC will carry forward any portion of the 25 MB/D quota that has not been licensed, *except that* no unallocated portions will be carried forward more than 90 days into a new calendar year. Applications to export against any carry forward must be filed with CBTC by January 15 of the carry-forward year.

(vi) CBTC will return to the available authorized export quota any portion of the 25 MB/D per day quota that has been licensed, but not shipped, during the 90-day validity period of the license.

(vii) CBTC will *not* carry over to the next calendar year pending applications from the previous year.

(6) License holders:

(i) Have 90 calendar days from the date the license was issued to export the quantity of California heavy crude oil authorized on the license. Within 30 days of any export under the license, the exporter must provide CBTC with a certified statement confirming the date and quantity of California heavy crude oil exported.

(ii) Must submit to CBTC, prior to any export under the license, the

documentation required by paragraph (k)(5)(iv) of this section.

(iii) May combine authorized quantities into one or more shipments, *provided that* the validity period of none of the affected licenses has expired.

(iv) Are prohibited from transferring the license to another party without prior written authorization from CBTC in accordance with § 772.13 of this subchapter.

(7) CBTC will allow, pursuant to § 786.7(c) of this subchapter, a 10-percent tolerance on the unshipped balance based upon the volume of barrels it has authorized. CBTC will allow a 25-percent shipping tolerance on the total dollar value of the license.

Dated: March 22, 1995.

Sue E. Eckert,

Assistant Secretary for Export Administration.

[FR Doc. 95-7525 Filed 3-24-95; 8:45 am]

BILLING CODE 3510-DT-P

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 200

[Release No. 34-35483A]

Organization and Program Management; Correction

AGENCY: Securities and Exchange Commission.

ACTION: Correction to final rule.

SUMMARY: This document contains a correction to the final rule which was published on Monday, March 20, 1995 (60 FR 14622). The rule updated the Commission's rules on organization and program management.

EFFECTIVE DATE: March 27, 1995.

FOR FURTHER INFORMATION CONTACT: David M. Goldenberg, Office of Regulatory Policy, Division of Investment Management, (202) 942-4525.

SUPPLEMENTARY INFORMATION:

Background

The Commission has undertaken a comprehensive review of the rules governing its organization and program management. The final rule that is the subject of this correction results from that review.

Need for Correction

As published, the final rule describes in the section entitled "Supplementary Information" certain amendments that, while approved by the Commission,