

to Corp A programmers regarding program specifications. Corp H agrees to pay Corp A a fixed monthly sum during development of the program. If Corp H is dissatisfied with the development of the program it may cancel the contract at the end of any month. In the event of termination, Corp A will retain all payments, while any procedures, techniques or copyrightable interests will be the property of Corp H. All of the payments are labelled royalties. There is no provision in the agreement for any continuing relationship between Corp A and Corp H, such as the furnishing of updates of the program, after completion of the modification work.

(ii) *Analysis.* Taking into account all of the facts and circumstances, Corp A is treated as providing services to Corp H. Under paragraph (d) of this section, Corp A is treated as providing services to Corp H because Corp H bears all of the risks of loss associated with the development of modified Program X and is the owner of all copyright rights in modified Program X. Under paragraph (g)(1) of this section, the fact that the agreement is labelled a license is not controlling (nor is the fact that Corp A receives a sum labelled a royalty).

Example 16. (i) *Facts.* Corp A, a U.S. corporation, and Corp I, a Country Z corporation, agree that a development engineer employed by Corp A will travel to Country Z to provide know-how relating to certain techniques which are not generally known to computer programmers which will enable Corp I to more efficiently create computer programs. These techniques represent the product of experience gained by Corp A from working on many computer programming projects. Such information is not capable of being copyrighted, but it is subject to trade secret protection.

(ii) *Analysis.* This transaction contains the elements of know-how specified in paragraph (e) of this section. Therefore, this transaction will be classified as the provision of know-how.

(i) *Effective date.* This section applies to transactions occurring on or after the date that is sixty days after the date final regulations are published in the Federal Register.

Margaret Milner Richardson,

Commissioner of Internal Revenue.

[FR Doc. 96-29055 Filed 11-7-96; 3:11 pm]

BILLING CODE 4830-01-U

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 69

[AD-FRL-5645-2]

Proposed Conditional Special Exemption From Requirements of the Clean Air Act for the Territory of American Samoa, the Commonwealth of the Northern Mariana Islands, and the Territory of Guam

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: On September 13, 1995 (60 FR 47515), EPA proposed to grant the Territory of American Samoa (American Samoa) and the Commonwealth of the Northern Mariana Islands (CNMI) a conditional exemption from title V requirements and to grant the Territory of Guam (Guam) an extension of time in which to adopt a title V permit program. EPA proposed these conditional exemptions and this extension under the authority of section 325 of the Clean Air Act. EPA received comments during the public comment period requesting that EPA grant a permanent exemption to Guam. EPA also received a letter on December 18, 1995 from the Administrator of the Guam Environmental Protection Agency stating that Guam would develop an alternate local permitting program in exchange for a permanent exemption. In response to these comments and this commitment, EPA is proposing to conditionally exempt Guam, as well as American Samoa and CNMI, from title V of the Clean Air Act.

In a separate part of this Federal Register, EPA is promulgating this action as a direct final rule without a prior proposal because the public comments received to date support granting a permanent exemption. A detailed rationale and conditions for this approval are set forth in the direct final rule. If no adverse comments are received in response to this proposed rule, the direct final rule will take effect on January 13, 1997. If adverse comments are received during the comment period, EPA will publish timely notice in the Federal Register withdrawing the direct final rule for Guam, American Samoa and CNMI, and all public comments will be addressed in a subsequent final rule based on this proposal. The EPA will not institute an additional comment period on this action and any parties interested in commenting should do so at this time.

DATES: Comments on this proposed rule must be received in writing by December 13, 1996.

ADDRESSES: Written comments on this action should be addressed to: Norm Lovelace, Chief, Office of Pacific Islands and Native American Programs, US EPA-Region IX, 75 Hawthorne Street, San Francisco, California 94105. Supporting information used to develop the proposed conditional exemptions, including copies of the petitions, all comments received, and the response to comments document, are available for inspection during normal business hours at this location.

FOR FURTHER INFORMATION CONTACT: Norm Lovelace (telephone 415/744-1599, fax 415/744-1604), Chief, Office of Pacific Islands and Native American Programs or Sara Bartholomew (telephone 415/744-1250, fax 415/744-1076), Operating Permits Section, Air and Toxics Division, at the address above.

SUPPLEMENTARY INFORMATION: For additional information, please see the direct final rulemaking located in a separate part of this Federal Register.

Authority: 42 U.S.C. 7401-7671q.

List of Subjects in 40 CFR Part 69

Environmental protection, Administrative practice and procedure, Air pollution control, Hazardous air pollutants, Intergovernmental relations, Nitrogen oxides, Operating permits, Reporting and recordkeeping requirements, Sulfur dioxide, Volatile organic compounds.

Dated: October 28, 1996.

Carol M. Browner,

Administrator.

[FR Doc. 96-28431 Filed 11-12-96; 8:45 am]

BILLING CODE 6560-50-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

42 CFR Part 121

Organ Procurement and Transportation Network; Organ Allocation Policies

AGENCY: Health Resources and Services Administration, DHHS.

ACTION: Request for additional public comment on proposed rule; notice of public hearings.

SUMMARY: This document announces that the Secretary of Health and Human Services is formally inviting additional