

(S2QC).

Section S2Q.20 *The Office of Telephone Services—(Functions):*

Amend to read as follows:

- A. The Associate Commissioner, Office of Telephone Services (S2Q).
- B. The Deputy Associate Commissioner, Office of Telephone Services (S2Q).
- C. The Immediate Office of the Associate Commissioner for Telephone Services (S2Q).

Delete in its entirety:

- D. The Service Team (S2QA).

Establish:

- D. The Teleservice Planning and Operations Procedures Center (S2QC).

1. Plans, designs, implements and evaluates studies of initiatives related to the effective management, operation and future direction of telephone services provided to the public by the national 800 number and FOs.

2. Provides leadership on SSA telephone service planning initiatives for the Office of Operations.

3. Researches and evaluates the application of innovative concepts and new technologies for SSA's public telephone service.

4. Designs, implements and maintains management information systems for SSA telephone service delivery. Analyzes data, evaluates trends and long-range needs and prepares executive-level reports.

5. Evaluates and plans for implementation of legislative issues that impact SSA's telephone service. Works with other SSA components, other Federal agencies and vendors to ensure quality public telephone services.

6. Plans, develops, implements and evaluates systematic measurement processes to assess the operational effectiveness and efficiency of SSA public telephone service operations.

7. Develops and maintains procedural guides, operational instructions and training materials for TSC and FO employees providing public telephone service.

8. Develops and evaluates plans for the effective utilization of TSC and FO resources and equipment relating to delivery of telephone services to the public.

9. Develops and evaluates operational telephone service quality review policies. Evaluates telephone service delivery training needs to ensure quality public service is provided.

Dated: February 4, 1998.

**Paul D. Barnes,**

*Deputy Commissioner for Human Resources.*

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**DEPARTMENT OF STATE**

[Public Notice 2752]

**Office of Defense Trade Controls; Reinstatement of Eligibility To Apply for Export/Retransfer Authorizations Pursuant to Section 38(g)(4) of the Arms Export Control Act**

AGENCY: Department of State.

ACTION: Notice.

**SUMMARY:** Notice is hereby given that the Department of State has rescinded its policy of denial and suspended its statutory debarment against the Armaments Corporation of South Africa, Ltd. (Armcor); the Denel Group (Pty) Ltd. (Denel) and its divisions; and any divisions, subsidiaries, associated companies, affiliated persons, and successor entities pursuant to Section 38(g)(4) of the Arms Export Control Act (AECA) (22 U.S.C. 2778) and § 127.11(b) of the International Traffic in Arms Regulations (ITAR) (22 CFR Parts 120-130).

**EFFECTIVE DATE:** February 27, 1998.

**FOR FURTHER INFORMATION CONTACT:** Philip S. Rhoads, Chief, Compliance and Enforcement Branch, Office of Defense Trade Controls, Department of State (703-875-6644).

**SUPPLEMENTARY INFORMATION:** Section 38(g)(4) of the AECA and Section 127.7 of the ITAR prohibit the issuance of export licenses or other approvals to a person, or any party to the export, who has been convicted of violating certain U.S. criminal statutes enumerated at Section 38(g)(1)(A) of the AECA and Section 120.27 of the ITAR. The term "person" means a natural person as well as a corporation, business association, partnership, society, trust, or any other entity, organization, or group, including governmental entities. The term "party to the export" means the president, the chief executive officer, and any other senior officers of the license applicant; and any consignee or end-user of any item to be exported.

Effective June 8, 1994, the Department of State implemented a policy of denial pursuant to Sections 38 and 42 of the AECA and Sections 126.7(a)(1) and (a)(2) of the ITAR for Armcor, Denel and its divisions (including Kentron (Pty) Ltd.), and any divisions, subsidiaries, associated companies,

affiliated persons, and successor entities in response to an indictment returned in the U.S. District Court for the Eastern District of Pennsylvania charging Armcor and Kentron with violating and conspiring to violate the AECA (see 59 FR 33811, June 30, 1994).

Denel was not named in the indictment. Denel came into being when the South African Government restructured Armcor to separate the acquisition function from the manufacturing function. Armcor was assigned responsibility for procurement and acquisition, while Denel was assigned responsibility for production and manufacturing. Denel was therefore included in the Agreement Between the Government of the United States and the Government of the Republic of South Africa Concerning Cooperation on Defense Trade Controls. The company Kentron (Pty) Ltd., which had a separate legal status as a subsidiary of Armcor at the time of the indictment, has since become a division of Denel.

Subsequently, after the companies accepted plea agreements in connection with the criminal charges, the Department of State imposed statutory debarment against Armcor and Denel and its divisions effective February 27, 1997 (see 62 FR 13932, March 24, 1997). Section 38(g)(4) of the AECA permits reinstatement of eligibility to apply for export/retransfer authorizations on a case-by-case basis after consultation with the Secretary of the Treasury and after a thorough review of the circumstances surrounding the conviction or ineligibility to export and a finding that appropriate steps have been taken to mitigate any law enforcement concerns.

In accordance with these authorities, effective February 27, 1998, the policy of denial for all export license applications and other requests for approval involving Armcor and Denel and its divisions (including Kentron (Pty) Ltd.) has been rescinded and debarment has been suspended. The effect of this notice is that Armcor, Denel and its divisions, and any divisions, subsidiaries, associated companies, affiliated persons, and successor entities may participate in the export or transfer of defense articles, related technical data, and defense services subject to Section 38 of the AECA and the ITAR.

Dated: February 27, 1998.

**William J. Lowell,**

*Director, Office of Defense Trade Controls, Bureau of Political-Military Affairs, U.S. Department of State.*

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