

accomplishment of the actions specified in the service bulletin described previously.

Cost Impact

The FAA estimates that 9 airplanes of U.S. registry would be affected by this proposed AD, that it would take approximately 5 work hours per airplane to accomplish the proposed replacement, and that the average labor rate is \$60 per work hour. Required parts would be provided free of charge by the manufacturer. Based on these figures, the cost impact of the proposed AD on U.S. operators is estimated to be \$2,700, or \$300 per airplane.

The cost impact figure discussed above is based on assumptions that no operator has yet accomplished any of the proposed requirements of this AD action, and that no operator would accomplish those actions in the future if this AD were not adopted.

Regulatory Impact

The regulations proposed herein would 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. Therefore, it is determined that this proposal would not have federalism implications under Executive Order 13132.

For the reasons discussed above, I certify that this proposed regulation (1) Is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) if promulgated, 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. A copy of the draft regulatory evaluation prepared for this action is contained in the Rules Docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption **ADDRESSES**.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend part 39 of the Federal Aviation Regulations (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. Section 39.13 is amended by adding the following new airworthiness directive:

Dornier Luftfahrt GMBH: Docket 2000-NM-07-AD.

Applicability: Model 328-300 series airplanes, serial numbers 3108 through 3144 inclusive; certificated in any category.

Note 1: This AD applies to each airplane identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (b) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required as indicated, unless accomplished previously.

To prevent cracking of the hydraulic lines, which could result in loss of hydraulic pressure for certain braking systems on the airplane, accomplish the following:

Replacement

(a) Within 30 days after the effective date of this AD, replace the hydraulic line tube assemblies with new, improved tube assemblies and flexible hose assemblies; in accordance with Dornier Alert Service Bulletin ASB-328J-32-003 (including Annex 1), dated December 17, 1999.

Alternative Methods of Compliance

(b) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, International Branch, ANM-116, FAA, Transport Airplane Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, International Branch, ANM-116.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the International Branch, ANM-116.

Special Flight Permits

(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.

Note 3: The subject of this AD is addressed in German airworthiness directive 2000-050, dated February 24, 2000.

Issued in Renton, Washington, on June 8, 2000.

Donald L. Riggan,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 00-15191 Filed 6-14-00; 8:45 am]

BILLING CODE 4910-13-U

DEPARTMENT OF THE TREASURY

Customs Service

19 CFR Parts 4 and 113

RIN 1515-AC58

Deferral of Duty on Large Yachts Imported for Sale

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document proposes to amend the Customs Regulations to set forth procedures for the deferral of entry filing and duty collection on certain yachts imported for sale at boat shows in the United States. The proposed regulatory amendments reflect a change in the law effected by section 2406 of the Miscellaneous Trade and Technical Corrections Act of 1999.

DATES: Comments must be received on or before August 14, 2000.

ADDRESSES: Written comments may be addressed to, and inspected at, the Regulations Branch, U.S. Customs Service, 1300 Pennsylvania Avenue, NW., 3rd Floor, Washington, DC 20229.

FOR FURTHER INFORMATION CONTACT:

Legal matters: Larry L. Burton, Office of Regulations and Rulings (202-927-1287).

Operational matters: Robert Watt, Office of Field Operations (202-927-3654).

SUPPLEMENTARY INFORMATION:

Background

Section 2406(a) of the Miscellaneous Trade and Technical Corrections Act of 1999 (the Act, Public Law 106-36, 113 Stat. 127) amended the Tariff Act of 1930 by the addition of a new section 484b (19 U.S.C. 1484b). Section 484b provides that an otherwise dutiable "large yacht" (defined in the section as "a vessel that exceeds 79 feet in length, is used primarily for recreation or pleasure, and has been previously sold by a manufacturer or dealer to a retail consumer") may be imported without the payment of duty if the yacht is

imported with the intention to offer for sale at a boat show in the United States. The statute provides generally for the deferral of payment of duty until the yacht is sold but specifies that the duty-deferral period may not exceed 6 months.

In order to qualify for deferral of duty payment at the time of importation of a large yacht, the statute provides that the importer of record must: (1) certify to Customs that the yacht is imported pursuant to section 484b for sale at a boat show in the United States; and (2) post a bond, having a duration of 6 months after the date of importation, in an amount equal to twice the amount of duty on the yacht that would otherwise be imposed under subheading 8903.91.00 or 8903.92.00 of the Harmonized Tariff Schedule of the United States (HTSUS). The statute further provides that if the yacht is sold within the 6-month period after importation, or if the yacht is neither sold nor exported within the 6-month period after importation, entry must be completed and duty must be deposited with Customs (with the duty calculated at the applicable HTSUS rate based on the value of the yacht at the time of importation) and the required bond will be returned to the importer. The statute further provides that no extensions of the 6-month bond period will be allowed, that any large yacht exported in compliance with the 6-month bond period may not be reentered for purposes of sale at a boat show in the United States (in order to receive duty-deferral benefits) for a period of 3 months after that exportation, and that the Secretary of the Treasury is authorized to make rules and regulations as may be necessary to carry out the provisions of the statute. Finally, under section 2406(b) of the Act, the amendment made by section 2406(a) of the Act applies with respect to any large yacht imported into the United States after July 10, 1999.

In order to reflect the terms of new section 484b, Customs proposes in this document to amend the Customs Regulations by the addition of a new § 4.94a (19 CFR 4.94a). In addition, Customs proposes to amend part 113 of the Customs Regulations (19 CFR part 113), which sets forth provisions regarding Customs bonds, by the addition of a new § 113.75 and a new appendix provision setting forth the text of the bond required to be posted by the importer of record under new section 484b.

In light of the above statutory amendment and its effective date, and pending adoption of appropriate amendments to the Customs

Regulations, Customs formulated and implemented interim nonregulatory procedures for processing the arrival of qualifying yachts under the statutory provision in order to ensure that the public receives the benefits under the statute as intended by Congress. Those interim procedures, which included special bond requirements, will cease to apply upon the effective date of final action on the regulatory proposals set forth in this document.

Comments

Before adopting this proposal as a final rule, consideration will be given to any written comments timely submitted to Customs, including comments on the clarity of this proposed rule and how it may be made easier to understand. Comments submitted will be available for public inspection in accordance with the Freedom of Information Act (5 U.S.C. 552), § 1.4, Treasury Department Regulations (31 CFR 1.4), and § 103.11(b), Customs Regulations (19 CFR 103.11(b)), on regular business days between the hours of 9 a.m. and 4:30 p.m. at the Regulations Branch, Office of Regulations and Rulings, U.S. Customs Service, 1300 Pennsylvania Avenue, NW., 3rd Floor, Washington, DC.

Regulatory Flexibility Act and Executive Order 12866

Pursuant to the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), it is certified that the proposed amendments, if adopted, will not have a significant economic impact on a substantial number of small entities. The proposed amendments directly reflect a statutory provision that accords procedural and financial benefits to members of the general public who import large yachts for purposes of sale. Accordingly, the proposed amendments are not subject to the regulatory analysis or other requirements of 5 U.S.C. 603 and 604. Furthermore, this document does not meet the criteria for a "significant regulatory action" as specified in Executive Order 12866.

Paperwork Reduction Act

The collection of information contained in this notice of proposed rulemaking has been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

The collection of information in this document is in § 4.94a. This information

is required and will be used to effect the deferral of duty collection on certain pleasure vessels, in order to ensure enforcement of the Customs and related laws and the protection of the revenue. The likely respondents are owners of large pleasure vessels.

Estimated annual reporting and/or recordkeeping burden: 28 hours.

Estimated average annual burden per respondent/recordkeeper: 1 hour.

Estimated number of respondents and/or recordkeepers: 28.

Estimated annual frequency of responses: 1.

Comments on the collection of information should be sent to the Office of Management and Budget, Attention: Desk Officer of the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503. A copy should also be sent to the Regulations Branch, Office of Regulations and Rulings, U.S. Customs Service, 1300 Pennsylvania Avenue, NW., 3rd Floor, Washington, DC 20229. Comments should be submitted within the time frame that comments are due regarding the substance of the proposal.

Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of the information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or startup costs and costs of operations, maintenance, and purchase of services to provide information.

List of Subjects

19 CFR Part 4

Customs duties and inspection, Entry, Imports, Reporting and recordkeeping requirements, Vessels, Yachts.

19 CFR Part 113

Bonds, Customs duties and inspection, Imports, Reporting and recordkeeping requirements, Surety bonds, Vessels.

Proposed Amendments to the Regulations

For the reasons stated above, it is proposed to amend parts 4 and 113, Customs Regulations (19 CFR parts 4 and 113), as set forth below.

PART 4—VESSELS IN FOREIGN AND DOMESTIC TRADES

1. The general authority citation for part 4 continues to read, and a specific authority citation for § 4.94a is added to read, as follows:

Authority: 5 U.S.C. 301; 19 U.S.C. 66, 1431, 1433, 1434, 1624; 46 U.S.C. App. 3, 91.

* * * * *

Section 4.94a also issued under 19 U.S.C. 1484b;

* * * * *

2. A new § 4.94a is added to read as follows:

§ 4.94a Large yachts imported for sale.

(a) *General.* An otherwise dutiable vessel used primarily for recreation or pleasure and exceeding 79 feet in length that has been previously sold by a manufacturer or dealer to a retail consumer and that is imported with the intention to offer for sale at a boat show in the United States may qualify at the time of importation for a deferral of entry completion and deposit of duty. The following requirements and conditions will apply in connection with a deferral of entry completion and duty deposit under this section:

(1) The importer of record must certify to Customs in writing that the vessel is being imported pursuant to 19 U.S.C. 1484b for sale at a boat show in the United States;

(2) The certification referred to in paragraph (a)(1) of this section must be accompanied by the posting of a single entry bond containing the terms and conditions set forth in appendix C of part 113 of this chapter. The bond will have a duration of 6 months after the date of importation of the vessel, and no extensions of the bond period will be allowed;

(3) The filing of the certification and the posting of the bond in accordance with this section will constitute a release of the merchandise by Customs;

(4) All subsequent transactions with Customs involving the vessel in question, including any transaction referred to in paragraphs (b) through (d) of this section, must be carried out in the same port of entry in which the certification was filed and the bond was posted under this section; and

(5) The vessel in question will not be eligible for issuance of a cruising license under § 4.94.

(b) *Exportation within 6-month period.* If a vessel for which entry completion and duty payment are deferred under paragraph (a) of this section is not sold but is exported within the 6-month bond period specified in paragraph (a)(2) of this section, the importer of record must

inform Customs in writing of that fact within 30 calendar days after the date of exportation. The bond posted with Customs will be returned to the importer of record and no entry completion and duty payment will be required. The exported vessel will be precluded from reentry under the terms of paragraph (a) of this section for a period of 3 months after the date of exportation.

(c) *Sale within 6-month period.* If a vessel for which entry completion and duty payment are deferred under paragraph (a) of this section is sold within the 6-month bond period specified in paragraph (a)(2) of this section, the importer of record within 15 calendar days after the sale must complete the entry by filing an Entry Summary (Customs Form 7501) and must deposit the appropriate duty (calculated at the applicable rates provided for under subheading 8903.91.00 or 8903.92.00 of the Harmonized Tariff Schedule of the United States and based upon the value of the vessel at the time of importation). Upon entry completion and deposit of duty under this paragraph, the bond posted with Customs will be returned to the importer of record.

(d) *Expiration of bond period.* If the 6-month bond period specified in paragraph (a)(2) of this section expires without either sale or exportation of a vessel for which entry completion and duty payment are deferred under paragraph (a) of this section, the importer of record within 15 calendar days after expiration of that 6-month period must complete the entry by filing an Entry Summary (Customs Form 7501) and must deposit the appropriate duty (calculated at the applicable rates provided for under subheading 8903.91.00 or 8903.92.00 of the Harmonized Tariff Schedule of the United States and based upon the value of the vessel at the time of importation). Upon entry completion and deposit of duty under this paragraph, the bond posted with Customs will be returned to the importer of record, and a new bond on Customs Form 301, containing the bond conditions set forth in § 113.62 of this chapter, may be required by the appropriate port director.

PART 113—CUSTOMS BONDS

1. The general authority citation for part 113 continues to read, and a specific authority citation for § 113.75 and appendix C is added to read, as follows:

Authority: 19 U.S.C. 66, 1623, 1624.

* * * * *

Section 113.75 and Appendix C also issued under 19 U.S.C. 1484b.

2. Part 113 is amended by adding a new § 113.75 to read as follows:

§ 113.75 Bond conditions for deferral of duty on large yachts imported for sale at United States boat shows.

A bond for the deferral of entry completion and duty deposit pursuant to 19 U.S.C. 1484b for a dutiable large yacht imported for sale at a United States boat show must conform to the terms of appendix C to this part. The bond must be filed in accordance with the provisions set forth in § 4.94a of this chapter.

3. Part 113 is amended by adding at the end a new appendix C to read as follows:

Appendix C to Part 113—Bond for Deferral of Duty on Large Yachts Imported for Sale at United States Boat Shows

Bond for Deferral of Duty on Large Yachts Imported for Sale at United States Boat Shows

_____, as principal, and _____, as surety, are held and firmly bound to the UNITED STATES OF AMERICA in the sum of _____ dollars (\$ _____), for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these conditions.

Pursuant to the provisions of 19 U.S.C. 1484b, the principal has imported at the port of _____ a dutiable large yacht (exceeding 79 feet in length, used primarily for recreation or pleasure, and previously sold by a manufacturer or dealer to a consumer) identified as _____ for sale at a boat show in the United States with deferral of entry completion and duty deposit and has executed this obligation as a condition precedent to that deferral.

If the principal fails to comply with any condition of this obligation, which includes compliance with any requirement or condition set forth in 19 U.S.C. 1484b or 19 CFR 4.94a, the principal and surety jointly and severally agree to pay to Customs an amount of liquidated damages equal to twice the amount of duty on the large yacht that would otherwise be imposed under subheading 8903.91.00 or 8903.92.00 of the Harmonized Tariff Schedule of the United States. For purposes of this paragraph, the term "duty" includes any duties, taxes, fees and charges imposed by law.

The principal will exonerate and hold harmless the United States and its officers from or on account of any risk, loss, or expense of any kind or description connected with or arising from the failure to store and deliver the large yacht as required, as well as from any loss or damage resulting from fraud or negligence on the part of any officer, agent, or other person employed by the principal.

WITNESS our hands and seals this ____ day of _____ (month), _____ (Year).

(Name) (Address)
_____[SEAL]
(Principal)

(Name) (Address)
_____[SEAL]
(Surety)

Certificate as to Corporate Principal

I, _____, certify that I am the
* _____ of the corporation named
as principal in the attached bond; that
_____, who signed the bond on
behalf of the principal, was then
_____ of that corporation; that I
know his signature, and his signature to the
bond is genuine; and that the bond was duly
signed, sealed, and attested for and in behalf
of the corporation by authority to its
governing body.

[CORPORATE SEAL]

(To be used when no power of attorney has
been filed with the port director of
customs.)

*May be executed by the secretary, assistant
secretary, or other officer of the
corporation.

Approved: April 14, 2000.

Raymond W. Kelly,
Commissioner of Customs.

John P. Simpson,
Deputy Assistant Secretary of the Treasury.

[FR Doc. 00-15202 Filed 6-14-00; 8:45 am]

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DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 206

RIN 1010-AC72

Amendments to Gas Valuation Regulations for Indian Leases

AGENCY: Minerals Management Service,
Interior.

ACTION: Proposed rule.

SUMMARY: The Minerals Management Service (MMS) is proposing to remove the special timing requirements for adjustments and audits of royalties on gas produced from Indian leases in Montana and North Dakota. These timing requirements may force tribal and MMS auditors to expend additional time and money or postpone ongoing audits to meet the restricted time periods. Removing these timing restrictions should increase royalties collected for Indian leases in these States.

DATES: Comments regarding this proposed rulemaking must be received on or before July 17, 2000.

ADDRESSES: If you wish to comment, you may submit your comments by any one of several methods. You may mail comments to David S. Guzy, Chief, Rules and Publications Staff, Minerals Management Service, Royalty Management Program, P.O. Box 25165, MS 3021, Denver, CO 80225-0165. Courier or overnight delivery address is Building 85, Room A-613, Denver Federal Center, Denver, CO 80225. You may also comment via the Internet to RMP.comments@mms.gov. Please submit Internet comments as an ASCII file avoiding the use of special characters and any form of encryption. Please also include "Attn: RIN 1010-AC72" and your name and return address in your Internet message. If you do not receive a confirmation from the system that we have received your Internet message, contact David S. Guzy directly at (303) 231-3432.

FOR FURTHER INFORMATION CONTACT: David S. Guzy, Chief, Rules and Publications Staff, telephone (303) 231-3432, FAX (303) 231-3385, e-Mail David.Guzy@mms.gov.

SUPPLEMENTARY INFORMATION: The principal author of this proposed rulemaking is Mr. Richard Adamski, Royalty Valuation Division, Royalty Management Program (RMP), MMS.

I. General

On August 10, 1999, MMS published a final rule titled "Amendments to Gas Valuation Regulations for Indian Leases," (64 FR 43506) with an effective date of January 1, 2000. These regulations apply to all gas production from Indian (tribal or allotted) oil and gas leases (except leases on the Osage Indian Reservation). The new regulations resulted from a negotiated rulemaking among Indian tribes and allottees, the oil and gas industry, and MMS.

MMS's stated purposes for those amendments to the valuation of gas production were:

(1) To ensure that Indian mineral lessors receive the maximum revenues from mineral resources on their land consistent with the Secretary of the Interior's (Secretary) trust responsibility and lease terms; and

(2) To improve the regulatory framework so that information is available which would permit lessees to comply with the regulatory requirements at the time that royalties are due.

Among the newly adopted regulations was a provision at 30 CFR 206.174(1) requiring that for Indian leases in Montana and North Dakota, lessees must make adjustments to reported

royalty values sooner, and MMS must complete its audits sooner, than either has done historically. This provision does not apply to Indian leases in other States.

Under § 2096.174(1), the timing of adjustments and audits depends on whether allowances are arm's-length or non-arm's-length. If the lessee's royalty value has arm's-length transportation or processing allowances, or no allowances, then: (1) The lessee must make all adjustments to value within 13 months of the production month; and (2) MMS must conclude any audit and order any adjustments to royalty value within 12 months after the lessee's adjustment reporting date. If the lessee's royalty value has non-arm's-length transportation or processing allowances, then: (1) the lessee must make all adjustments to value within 9 months of the date the lessee submits the actual cost allowance report to MMS; and (2) MMS must conclude any audit and order any adjustments to royalty value within 12 months after the lessee's adjustment reporting date.

The final rule limited the adjustment and audit period to Indian leases in Montana and North Dakota because, unlike most other producing regions, there are no acceptable published indexes applicable to that area (64 FR 43510). In areas where this occurs, valuation must be based on other criteria which are most difficult to determine than index prices. Industry was concerned that if audits were not to occur until several years after the production month, any underpayments would include substantial late payment charges. The purpose of § 206.174(1) was to accelerate the audit schedule to provide more valuation certainty for both the lessee and the Indian lessor at an earlier date.

Representatives of Montana and North Dakota tribal and allotted lessors strongly oppose these time limits. They believe that the 1-year audit period is unreasonable and may compromise MMS's efforts to maximize revenues for gas produced from Indian leases consistent with its trust responsibility and lease terms. MMS shares the concern that in areas that do not have published indexes, auditors must be afforded adequate time to take the necessary steps to do quality audits. This may be difficult to accomplish under time limits that are absolute.

MMS and tribal auditors also must retain the discretion to allocate audit resources to obtain the best data when that data becomes available. Indian representatives from Montana and North Dakota believe that time restrictions will force the tribes (especially those tribes