

In addition, applications for economic injury loans from small businesses located in Blue Earth, Hubbard, Lake of the Woods, Roseau and Watonwan Counties in the State of Minnesota may be filed until the specified date at the previously designated location. Any counties contiguous to the above named primary counties and not listed here have been previously declared.

All other information remains the same, i.e., the deadline for filing applications for physical damage is July 15, 2001 and for economic injury the deadline is February 15, 2002.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: June 11, 2001.

**James E. Rivera,**

*Acting Associate Administrator for Disaster Assistance.*

[FR Doc. 01-15120 Filed 6-14-01; 8:45 am]

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**SMALL BUSINESS ADMINISTRATION**

**[Declaration of Disaster #3347]**

**State of Texas**

As a result of the President's major disaster declaration on June 9, 2001, I find that the following Counties in the State of Texas constitute a disaster area due to damages caused by Tropical Storm Allison occurring on June 5, 2001 and continuing: Anderson, Angelina, Brazoria, Cherokee, Chambers, Fort Bend, Galveston, Hardin, Harris, Houston, Jasper, Jefferson, Leon, Liberty, Madison, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Smith, Trinity, Tyler, and Walker Counties. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on August 8, 2001, and for loans for economic injury until the close of business on March 8, 2002 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 3 Office, 4400 Amon Carter Blvd., Suite 102, Fort Worth, TX 76155.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the above location: Austin, Brazos, Freestone, Henderson, Limestone, Gregg, Grimes, Matagorda, Navarro, Panola, Robertson, Rusk, Upshur, Van Zandt, Waller, Wharton and Wood Counties in Texas; Beauregard, Calcasieu, Cameron, DeSoto, Sabine and Vernon Parishes in Louisiana.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with credit available elsewhere .....	6.625
Homeowners without credit available elsewhere .....	3.312
Businesses with credit available elsewhere .....	8.000
Businesses and non-profit organizations without credit available elsewhere .....	4.000
Others (including non-profit organizations) with credit available elsewhere .....	7.125
For Economic Injury:	
Businesses and small agricultural cooperatives without credit available elsewhere .....	4.000

The number assigned to this disaster for physical damage is 334708. For economic injury the numbers assigned are 9L8600 for Texas and 9L8700 for Louisiana.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: June 11, 2001.

**James E. Rivera,**

*Acting Associate Administrator for Disaster Assistance.*

[FR Doc. 01-15121 Filed 6-14-01; 8:45 am]

**BILLING CODE 8025-01-P**

**SMALL BUSINESS ADMINISTRATION**

**[Declaration of Disaster #3339; Amendment #2]**

**State of Wisconsin**

In accordance with a notice received from the Federal Emergency Management Agency, dated June 8, 2001, the above-numbered Declaration is hereby amended to include Bayfield County as a disaster area caused by flooding occurring between April 10, 2001 and continuing through May 29, 2001.

In addition, applications for economic injury loans from small businesses located in Ashland County in the State of Wisconsin may be filed until the specified date at the previously designated location. Any counties contiguous to the above named primary counties and not listed here have been previously declared.

All other information remains the same, i.e., the deadline for filing applications for physical damage is July 10, 2001 and for economic injury the deadline is February 11, 2002.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008.)

Dated: June 11, 2001.

**James E. Rivera,**

*Acting Associate Administrator for Disaster Assistance.*

[FR Doc. 01-15119 Filed 6-14-01; 8:45 am]

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**SOCIAL SECURITY ADMINISTRATION**

**Privacy Act of 1974; as Amended; New System of Records and New Routine Use Disclosures**

**AGENCY:** Social Security Administration (SSA).

**ACTION:** New system of records and proposed routine uses.

**SUMMARY:** In accordance with the Privacy Act (5 U.S.C. 552a(e)(4) and (e)(11)), we are issuing public notice of our intent to establish a new system of records, the Ticket-to-Work Program Manager (PM) Management Information System and routine uses applicable to this system.

The proposed new system of records will maintain information collected for use in connection with provisions of section 1148 of the Social Security Act (42 U.S.C. 1320(b)(19)) which provides for the establishment of a Ticket-to-Work and Self-Sufficiency Program (Ticket Program). The information housed in the system will be used for management information purposes. We invite public comment on these proposals.

**DATES:** We filed a report of the proposed new system of records and routine uses with the Chairman of the Senate Governmental Affairs Committee, the Chairman of the House Reform and Oversight Committee, and the Acting Director, Office of Information and Regulatory Affairs, Office of Management and Budget (OMB) on June 12, 2001. We also requested OMB to waive the 40-day advance notice requirements for the system. If OMB does not grant the waiver we will not implement the proposal before August 6, 2001.

**ADDRESSES:** Interested individuals may comment on this publication by writing to the SSA Privacy Officer, Social Security Administration, 3-A-6 Operations Building, 6401 Security Boulevard, Baltimore, Maryland 21235-6401. All comments received will be available for public inspection at the above address.

**FOR FURTHER INFORMATION CONTACT:** Ms. Pamela McLaughlin, Social Insurance Specialist, Social Security Administration, Room 3-C-2 Operations Building, 6401 Security

Boulevard, Baltimore, Maryland 21235-6401, telephone (410) 965-3677.

**SUPPLEMENTARY INFORMATION:**

**I. Background and Purpose of the Proposed New System of Records, the Ticket-to-Work Program Manager (PM) Management Information System, 60-0300**

*A. General Background*

On December 17, 1999, the President signed into law the Ticket-to-Work and Work Incentives Improvement Act of 1999, Public Law 106-170. Section 101(a) of this law amended title XI of the Social Security Act (the Act) by adding section 1148, which provides for the establishment of the Ticket Program. The Ticket Program permits eligible title II and title XVI Social Security beneficiaries with disabilities to receive a Ticket they can use in obtaining rehabilitation and vocational services, thereby allowing more beneficiaries with disabilities the opportunity to participate in the workforce and lessen their dependence on public benefits.

The Social Security Administration has contracted with a vendor, MAXIMUS Inc., to perform the Program Manager (PM) duties of the Ticket Program.

*B. Collection and Maintenance of Data for the Proposed New System of Records, the Ticket-to-Work Program Manager (PM) Management Information System*

The PM must collect and maintain relevant information about eligible title II and title XVI Social Security beneficiaries with disabilities participating in the program that will be used for management information and evaluation purposes. This information will be housed in a database entitled, the Ticket-to-Work Program Manager (PM) Management Information System, 60-0300 and will maintain information collected and stored in the system of records entitled, the Ticket-to-Work and Self-Sufficiency Program Payment Database. Additional information collected will include pertinent information concerning the beneficiary's relationship with an EN and status of ticket utilization, e.g., the date the Ticket was mailed, the date the beneficiary assigned the Ticket to an EN, the name and identifying information of the EN and the date of the agreement between the beneficiary and EN, Individual Work Plans (IWP) data, Ticket in/out of use status, earnings data reported by the EN, and suspension of benefits.

Additional information will be added to the system of records for each

beneficiary as contact is made between them and the PM. This data will include records of telephone and mail requests for information.

**II. Proposed Routine Use Disclosures of Data Maintained in the Proposed New System of Records, the Ticket-to-Work Program Manager (PM) Management Information System**

*A. Proposed Routine Use Disclosures*

We are proposing to establish routine uses of information that will be maintained in the proposed new system as discussed below.

1. To the Office of the President for the Purpose of Responding to an Individual Pursuant to an Inquiry Received From That Individual or From a Third Party on His or Her Behalf.

We will disclose information under this routine use only in situations in which an individual may contact the Office of the President, seeking that office's assistance in a SSA matter on his or her behalf. Information would be disclosed when the Office of the President makes an inquiry and presents evidence that the office is acting on behalf of the individual whose record is requested.

2. To a Congressional Office in Response to an Inquiry From That Office Made at the Request of the Subject of a Record

We will disclose information under this routine use only in situations in which an individual may ask his or her congressional representative to intercede in an SSA matter on his or her behalf. Information would be disclosed when the congressional representative makes an inquiry and presents evidence that he or she is acting on behalf of the individual whose record is requested.

3. To Student Volunteers and Other Workers, Who Technically Do Not Have the Status of Federal Employees, When They are Performing Work for SSA as Authorized by Law, and They Need Access to Personally Identifiable Information in SSA Records in Order To Perform Their Assigned Agency Functions

Under certain Federal statutes, SSA is authorized to use the services of volunteers and participants in certain educational, training, employment and community service programs. Examples of such statutes and programs are: 5 U.S.C. 3111 regarding student volunteers; and 42 U.S.C. 2753 regarding the College Work Study Program. We contemplate disclosing information under this routine use only when SSA uses the services of these

individuals and they need access to information in this system to perform their assigned duties.

4. Disclosure to Contractors and Other Federal Agencies, as Necessary, for the Purpose of Assisting SSA in the Efficient Administration of its Programs Relating to This System of Records

We will disclose information under this routine use only in situations in which SSA may enter into a contractual agreement or similar agreement with third parties such as Employment Networks. Employment Networks will be directly contacting eligible individuals for the purpose of informing those individuals about the availability of the Ticket-to-Work Program services to assist in accomplishing an Agency function relating to this system of records.

5. Non-tax Return Information Which Is Not Restricted From Disclosure by Federal Law May Be Disclosed to the General Services Administration (GSA) and the National Archives and Records Administration (NARA) Under 44 U.S.C. § 2904 and § 2906, as Amended by NARA Act of 1984, for the Use of Those Agencies in Conducting Records Management Studies

The Administrator of GSA and the Archiver of NARA are charged by 44 U.S.C., Section 2904 and promulgating standards, procedures and guidelines regarding records management and conducting records management studies. Section 2906 of that law, also amended by the NARA Act of 1984, provides that GSA and NARA are to have access to federal agencies' records and that agencies are to cooperate with GSA and NARA. In carrying out these responsibilities, it may be necessary for GSA and NARA to have access to this proposed system of records. In such instances, the routine use will facilitate disclosure.

6. To the Department of Justice (DOJ), a Court, or Other Tribunal, or Other Party Before Such Tribunal, When

(a) SSA, or any component thereof; or  
(b) Any SSA employee in his/her official capacity; or

(c) Any SSA employee in his/her individual capacity where DOJ (or SSA where it is authorized to do so) has agreed to represent the employee; or

(d) The United States or any agency thereof where SSA determines that the litigation is likely to affect the operations of SSA or any of its components is a party to litigation or has an interest in such litigation, and SSA determines that the use of such records by DOJ, a court, or other

tribunal is relevant and necessary to the litigation, provided, however, that in each case, SSA determines that such disclosure is compatible with the purpose for which the records were collected.

Wage and other information which are subject to the disclosure provisions of the IRC (26 U.S.C. 6103) will not be disclosed under this routine use unless disclosure is expressly permitted by the IRC.

We will disclose information under this routine use only as necessary to enable DOJ, a court, or other tribunal, to effectively defend SSA, its components or employees in litigation involving the proposed system of records.

#### 7. Information May Be Disclosed to State or Employment Networks Having an Approved Business Arrangement With SSA To Perform Vocational Rehabilitation Services for SSA Disability Beneficiaries and Recipients

This proposed routine use would permit disclosure of information from the proposed system for the purpose of assisting beneficiaries/recipients to participate in vocational rehabilitation.

#### B. Compatibility of Proposed Routine Uses

The Privacy Act (5 U.S.C. 552a(b)(3)) and our disclosure regulations (20 CFR 401) permit us to disclose information under a published routine use for a purpose which is compatible with the purpose for which we collected the information. Section 401.150(c) of the regulations permits us to disclose information under a routine use where necessary to carry out SSA programs. Section 401.120 of the regulations provides that we will disclose information when a law specifically requires the disclosure. The proposed routine uses numbered 1-7 above will ensure efficient administration of the Ticket-to-Work Program; the disclosures that would be made under routine use number 5 are required by Federal law. Thus, all of the routine uses are appropriate and meet the relevant statutory and regulatory criteria.

#### III. Records Storage Medium and Safeguards for the Proposed New System, the Ticket-to-Work Program Manager (PM) Management Information System

We will maintain information about the Ticket Program in the proposed new system of records in electronic form, computer data systems, and paper form. Only authorized SSA personnel and contractor personnel who have a need for the information in the performance of their official duties will be permitted

access to the information. Security measures include the use of access codes to enter the computer systems that will maintain the data, and storage of the computerized records in secured areas that are accessible only to employees who require the information in performing their official duties. Any manually maintained records will be kept in locked cabinets or in otherwise secure areas. Also, all entrances and exits to contractor Ticket-to-Work project site buildings are controlled by card entry (proximity) systems and receptionists.

Contractor personnel having access to data in the proposed new system of records along with contractor personnel involved in the evaluation of the Ticket Program will be required to adhere to SSA rules concerning safeguards, access and use of the data. Specifically, the PM will maintain the data in their data center, access to which is restricted to those with electronic proximity cards. Access to the data files is further restricted by use of a three-tiered password which allows access (1) to the system; (2) to the specific application; and (3) to the specific portion where the Ticket-to-Work Program Manager (PM) Management Information System is stored. Further, the data will be stored on a secure server separate from other health benefit information the PM maintains.

SSA and PM personnel having access to the data on this system will be informed of the criminal penalties of the Privacy Act for unauthorized access to or disclosure of information maintained in this system. See 5 U.S.C. 552a(i)(1).

#### IV. Effect of the Proposed New System of Records, the Ticket-to-Work Program Manager (PM) Management Information System

The proposed new system of records will maintain only that information that is relevant to the administration and evaluation of the Ticket Program which is designed to assist disabled Social Security beneficiaries to successfully return to work. The Ticket Program will address the barriers that Social Security beneficiaries with disabilities currently encounter in returning to work by:

- Expanding the availability of health care services and coverage;
- Eliminating certain work disincentives;
- Providing for enhanced benefits planning and assistance from other public and private sources; and
- Creating the Ticket-to-Work and Self-Sufficiency Program.

Therefore, we do not anticipate that the proposed new system of records will

have an unwarranted adverse effect on the rights of individuals.

Dated: June 12, 2001.

**Larry G. Massanari,**  
*Acting Commissioner of Social Security.*

#### 60-0300

##### SYSTEM NAME:

Ticket-to-Work Program Manager (PM) Management Information System.

##### SYSTEM CLASSIFICATION:

None.

##### SYSTEM LOCATION:

Applications Development, 1149 Sunset Hills Road, Reston, Virginia 20190-5207

##### CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All title II and title XVI Social Security beneficiaries with disabilities who are eligible to receive or have received a Ticket, who are receiving services from Employment Networks (ENs), who have been placed on inactive status, or who have had their Tickets terminated.

Categories of records in the system:

The information maintained will consist of the title II or title XVI beneficiary's name, Social Security number (SSN), date of birth, telephone number (if any), addresses (foreign or domestic), sex, association with a representative payee or legal guardian, as well as the individual's disability type and the period of eligibility to a disability benefit.

Also, information pertinent to the beneficiary's relationship with an EN and status of ticket utilization will be maintained, e.g., the date the Ticket was mailed, the date the beneficiary assigned the Ticket to an EN, the name and identifying information of the EN and the date of the agreement between the beneficiary and EN, Individual Work Plan (IWP) data, Ticket in/out of use status, employment earnings data reported by the EN or by the beneficiary, (the EN will obtain this information from the beneficiary), verified earnings data (earnings data received by SSA from IRS is excluded under the Internal Revenue Code), data on any dispute between the beneficiary and any entity serving under the Ticket-to-Work Program, work review data or timely progress data, and any data relative to suspension of benefits (this information will be received from SSA).

Additional information will be added to the system of records for each beneficiary as contact is made between him/her and the PM. This data will include records of telephone and mail requests for information.

**AUTHORITY FOR MAINTENANCE OF THE SYSTEM:**

Section 1148 of the Social Security Act (42 U.S.C. 1320(b)(19)).

**PURPOSE(S):**

Information in this system of records will be used for management information purposes associated with implementing, administering and evaluating the Ticket Program. The PM will use this information to fulfill their duties in assisting SSA in administering the Ticket program. Information in this system will also be used to produce, with the PM's assistance, management information data, program evaluation data, and reports providing such information as:

- Number and classification of beneficiaries being served by ENs.
- Number and classification of beneficiaries with increased work activity.
- Classifications of ENs providing service.
- Status changes relating to the use of the ticket.

**ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES.**

Disclosures may be made for routine uses as indicated below. However, disclosure of any information constituting "returns or return information" within the scope of the Internal Revenue Code (IRC) (26 U.S.C. 6103) will not be disclosed unless disclosure is authorized by that statute.

1. To the Office of the President for the purpose of responding to an individual pursuant to an inquiry received from that individual or from a third party on his or her behalf.
2. To a congressional office in response to an inquiry from that office made at the request of the subject of a record.
3. To student volunteers and other workers, who technically do not have the status of Federal employees, when they are performing work for SSA as authorized by law, and they need access to personally identifiable information in SSA records in order to perform their assigned Agency functions.
4. Disclosure to contractors and other Federal agencies, as necessary, for the purpose of assisting SSA in the efficient administration of its programs relating to this system of records.
5. Non-tax return information which is not restricted from disclosure by federal law may be disclosed to the General Services Administration (GSA) and the National Archives and Records Management (NARA) under 44 U.S.C. 2904 and 2906, as amended by NARA Act of 1984, for the use of those

agencies in conducting records management studies.

6. To the Department of Justice (DOJ), a court, or other tribunal, or other party before such tribunal, when:

- (a) SSA, or any component thereof; or
- (b) Any SSA employee in his/her official capacity; or
- (c) Any SSA employee in his/her individual capacity where DOJ (or SSA where it is authorized to do so) has agreed to represent the employee; or
- (d) The United States or any agency thereof where SSA determines that the litigation is likely to affect the operations of SSA or any of its components is party to litigation or has an interest in such litigation, and SSA determines that the use of such records by DOJ, a court, or other tribunal is relevant and necessary to the litigation, provided, however, that in each case, SSA determines that such disclosure is compatible with the purpose for which the records were collected.

Wage and other information which are subject to the disclosure provisions of the IRC (26 U.S.C. 6103) will not be disclosed under this routine use unless disclosure is expressly permitted by the IRC.

7. Information may be disclosed to State or Employment Networks having an approved business arrangement with SSA to perform vocational rehabilitation services for SSA disability beneficiaries and recipients.

**POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM.****STORAGE:**

Data are stored in electronic form, computer data systems and paper form.

**RETRIEVABILITY:**

Records in this system are retrieved by name and SSN of the beneficiary.

**SAFEGUARDS:**

Only authorized SSA personnel and contractor personnel who have a need for the information in their performance of their official duties will be permitted access to the information in this system of records.

Security measures include the use of access codes to enter the computer systems and storage of the computerized records in secured areas that are accessible only to employees who require the information in performing their official duties. Any manually maintained records will be kept in locked cabinets or in otherwise secure areas. Also, all entrances and exits to the contractor Ticket-to-Work Project Site buildings are controlled by card entry (proximity) systems and

receptionists. Contractor personnel having access to data in the system of records and contractor personnel involved in the evaluation of the Ticket Program will be required to adhere to SSA rules concerning safeguards, access and use of the data. SSA and PM personnel having access to the data on this system will be informed of the criminal penalties of the Privacy Act for unauthorized access to or disclosure of information maintained in this system. See 5 U.S.C. 552a(i)(1). Further, this data will be stored on a secure server separate from other health benefit information the PM contractor maintains.

**RETENTION AND DISPOSAL:**

Payment and management information maintained in this system are retained 10 years or until it is determined that they are no longer needed. Means of disposal is appropriate to storage medium (e.g., deletion of individual records from the electronic sites when appropriate or shredding of paper records that are produced from the system).

**SYSTEM MANAGER(S) AND ADDRESS:**

Associate Commissioner, Office of Disability and Income Security Programs, Office of Employment Support Programs, 6401 Security Boulevard, Baltimore, Maryland 21235

**NOTIFICATION PROCEDURE:**

An individual can determine if this system contains a record about him/her by writing to the systems manager(s) at the above address and providing his/her name, SSN or other information that may be in the system of records that will identify him/her. An individual requesting notification of records in person should provide the same information, as well as provide an identity document, preferably with a photograph, such as a driver's license or some other means of identification, such as a voter registration card, credit card, etc. If an individual does not have any identification documents sufficient to establish his/her identity, the individual must certify in writing that he/she is the person claimed to be and that he/she understands that the knowing and willful request for, or acquisition of, a record pertaining to another individual under false pretenses is a criminal offense.

If notification is requested by telephone, an individual must verify his/her identity by providing identifying information that parallels the record to which notification is being requested. If it is determined that the identifying information provided by telephone is

insufficient, the individual will be required to submit a request in writing or in person. If an individual is requesting information by telephone on behalf of another individual, the subject individual must be connected with SSA and the requesting individual in the same phone call. SSA will establish the subject individual's identity (his/her name, SSN, address, date of birth and place of birth along with one other piece of information such as mother's maiden name) and ask for his/her consent in providing information to the requesting individual.

If a request for notification is submitted by mail, an individual must include a notarized statement to SSA to verify his/her identity or must certify in the request that he/she is the person claimed to be and that he/she understands that the knowing and willful request for, or acquisition of, a record pertaining to another individual under false pretenses is a criminal offense. These procedures are in accordance with SSA Regulations (20 CFR 401.40).

#### RECORD ACCESS PROCEDURE:

Same as notification procedure. Requesters also should reasonably specify the record contents they are seeking. These procedures are in accordance with SSA Regulations (20 CFR 401.50).

#### CONTESTING RECORD PROCEDURE:

Same as notification procedure. Requesters should also reasonably identify the record, specify the information they are contesting, and state the corrective action sought and the reasons for the correction with supporting justification showing how the record is untimely, incomplete, inaccurate, or irrelevant. These procedures are in accordance with SSA Regulations (20 CFR 401.65).

#### RECORD SOURCE CATEGORIES:

Data contained in the *Ticket-to-Work Program Manager (PM) Management Information System* are obtained from the *Ticket-to-Work and Self-Sufficiency Program Payment Database, 60-0295*, from ENs and Social Security beneficiaries with disabilities. Records from this system are also derived from the *Supplemental Security Income Record and Special Veterans Benefits, 60-0103*, *Master Beneficiary Record, 60-0090*, *the Disability Determination Service Processing File, 60-0044* and the *Completed Determination Record—Continuing Disability Determinations, 60-0050*.

#### SYSTEMS EXEMPT FROM CERTAIN PROVISIONS OF THE PRIVACY ACT:

None.

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#### OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

#### United States-Israel Free Trade Area Implementation Act; Designation of Qualifying Industrial Zones

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice.

**SUMMARY:** Under the United States-Israel Free Trade Area Implementation Act (IFTA Act), products of qualifying industrial zones encompassing portions of Israel and Jordan or Israel and Egypt are eligible to receive duty-free treatment. Effective upon publication of this notice, the United States Trade Representative, pursuant to authority delegated by the President, is designating Zarqa Industrial Zone as a qualifying industrial zone (QIZ) under the IFTA Act and expanding the already-designated QIZ area of the Ad-Dulayl Industrial Park.

**FOR FURTHER INFORMATION CONTACT:** Edmund Saums, Director for Middle East Affairs, (202) 395-4987, Office of the United States Trade Representative, 600 17th Street, NW., Washington, DC 20508.

**SUPPLEMENTARY INFORMATION:** Pursuant to authority granted under section 9 of the United States-Israel Free Trade Area Implementation Act of 1985 (IFTA Act), as amended (19 U.S.C. 2112 note), Presidential Proclamation 6955 of November 13, 1996 (61 FR 58761) proclaimed certain tariff treatment for goods of the West Bank, the Gaza Strip, and Qualifying Industrial Zones. In particular, the Presidential Proclamation modified general notes 3 and 8 of the Harmonized Tariff Schedule of the United States: (a) To provide duty-free treatment to qualifying articles that are the product of the West Bank, the Gaza Strip or a qualifying industrial zone and are entered in accordance with the provisions of section 9 of the IFTA Act; (b) to provide that articles of Israel may be treated as though they were articles directly shipped from Israel for the purposes of the United States-Israel Free Trade Area Agreement ("the Agreement") even if shipped to the United States from the West Bank, the Gaza Strip, or a qualifying industrial zone, if the articles otherwise meet the requirements of the Agreement; and (c)

to provide that the cost or value of materials produced in the West Bank, the Gaza Strip, or a qualifying industrial zone may be included in the cost or value of materials produced in Israel under section 1(c)(i) of Annex 3 of the Agreement and that the direct costs of processing operations performed in the West Bank, the Gaza Strip, or a qualifying industrial zone may be included in the direct costs of processing operations performed in Israel under section 1(c)(ii) of Annex 3 of the Agreement.

Section 9(e) of the IFTA Act defines a "qualifying industrial zone" as an area that "(1) encompasses portions of the territory of Israel and Jordan or Israel and Egypt; (2) has been designated by local authorities as an enclave where merchandise may enter without payment of duty or excise taxes; and (3) has been specified by the President as a qualifying industrial zone." Presidential Proclamation 6955 delegated to the United States Trade Representative the authority to designate qualifying industrial zones.

The United States Trade Representative has previously designated qualifying industrial zones under Section 9 of the IFTA Act on March 13, 1998 (63 FR 12572), March 19, 1999 (64 FR 13623), October 15, 1999 (64 FR 56015), October 24, 2000 (65 FR 64472), and December 12, 2000 (65 FR 77688).

The Government of Israel and the Government of the Hashemite Kingdom of Jordan agreed in a protocol dated March 1, 2001 to the designation of Hillwood-Hashemite University LLC, registered under the name of Global Investments in Industrial Zones & Technology Parks Company ("Zarqa Industrial Zone"), as a qualifying industrial zone. The Government of Israel and the Government of the Hashemite Kingdom of Jordan also agreed in a protocol dated March 1, 2001 to the expansion of the already-designated QIZ area of the Ad-Dulayl Industrial Park. The Government of Israel and the Government of Jordan further agreed that merchandise may enter, without payment of duty or excise taxes, areas under their respective customs control in association with the Zarqa Industrial Zone and Ad-Dulayl Industrial Park qualifying industrial zones. Accordingly, the Zarqa Industrial Zone and Ad-Dulayl Industrial Park meet the criteria under paragraphs 9(e)(1) and (2) of the IFTA Act.

Therefore, pursuant to the authority delegated to me by Presidential Proclamation 6955, I hereby designate the Zarqa Industrial Zone and the expanded Ad-Dulayl Industrial Park, as