

1,393) of meat processing establishments³ would be considered small entities under the criteria set by the Small Business Administration. However, these entities should be little affected by this rulemaking because of the negligible effect on imports.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action would not have a significant economic impact on a substantial number of small entities.

Executive Order 12988

This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule: (1) Preempts all State and local laws and regulations that are inconsistent with this rule; (2) has no retroactive effect; and (3) does not require administrative proceedings before parties may file suit in court challenging this rule.

Paperwork Reduction Act

This final rule contains no information collection or recordkeeping requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

List of Subjects in 9 CFR Part 94

Animal diseases, Imports, Livestock, Meat and meat products, Milk, Poultry and poultry products, Reporting and recordkeeping requirements.

Accordingly, we are amending 9 CFR part 94 as follows:

PART 94—RINDERPEST, FOOT-AND-MOUTH DISEASE, FOWL PEST (FOWL PLAGUE), EXOTIC NEWCASTLE DISEASE, AFRICAN SWINE FEVER, HOG CHOLERA, AND BOVINE SPONGIFORM ENCEPHALOPATHY: PROHIBITED AND RESTRICTED IMPORTATIONS

1. The authority citation for part 94 continues to read as follows:

Authority: 7 U.S.C. 450, 7711, 7712, 7713, 7714, 7751, and 7754; 19 U.S.C. 1306; 21 U.S.C. 111, 114a, 134a, 134b, 134c, 134f, 136, and 136a; 31 U.S.C. 9701; 42 U.S.C. 4331 and 4332; 7 CFR 2.22, 2.80, and 371.4.

§ 94.1 [Amended]

2. In § 94.1, paragraph (a)(2) is amended by adding, in alphabetical order, the words “The Netherlands,” and “Northern Ireland,”.

§ 94.11 [Amended]

3. In § 94.11, paragraph (a) is amended by adding, in alphabetical

order, the words “The Netherlands,” and “Northern Ireland,”.

Done in Washington, DC, this 2nd day of January 2002.

W. Ron DeHaven,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 02-454 Filed 1-8-02; 8:45 am]

BILLING CODE 3410-34-U

DEPARTMENT OF STATE

22 CFR Part 126

[Public Notice 3864]

Amendment to the List of Proscribed Destinations

AGENCY: Department of State.

ACTION: Final rule.

SUMMARY: This rule amends the International Traffic in Arms Regulations (ITAR) by removing Tajikistan and the Federal Republic of Yugoslavia (Serbia and Montenegro) from the list of proscribed destinations and makes additional clarifications to the ITAR.

EFFECTIVE DATE: January 9, 2002.

FOR FURTHER INFORMATION CONTACT: Mary Sweeney, Office of Defense Trade Controls, Bureau of Political-Military Affairs, Department of State (202) 663-2700.

SUPPLEMENTARY INFORMATION: Tajikistan was added to the list of proscribed destinations at section 126.1(a) of the ITAR in the **Federal Register** publication of July 22, 1993 (58 FR 39312). The Department of State is amending the ITAR to reflect that it is no longer the policy of the United States to deny licenses, other approvals, exports and imports of defense articles and defense services, destined for or originating in Tajikistan. This action is being taken in the interests of foreign policy and national security pursuant to section 38 of the Arms Export Control Act. Requests for licenses or other approvals for Tajikistan involving items covered by the U.S. Munitions List (22 CFR part 121) will be reviewed on a case-by-case basis.

Licenses and other approvals for Yugoslavia were suspended by the **Federal Register** notice of July 19, 1991 (58 FR 33322) and a denial policy was instituted for any new license applications and other requests for approval. The Federal Republic of Yugoslavia (Serbia and Montenegro) was added to the list of proscribed destinations at section 126.1 of the ITAR in the **Federal Register** publication of July 12, 1996 (61 FR 36625). The United

Nations Security Council instituted a comprehensive arms embargo on the Federal Republic of Yugoslavia on March 31, 1998 pursuant to U.N. Security Council Resolution No. 1160. The U.N. Security Council terminated that embargo in Resolution No. 1367 (September 10, 2001).

The Department of State is amending the ITAR to reflect that it is no longer the policy of the United States to deny licenses, other approvals, exports and imports of defense articles and defense services, destined for or originating in the Federal Republic of Yugoslavia (Serbia and Montenegro). This action is being taken in the interests of foreign policy and national security pursuant to section 38 of the Arms Export Control Act. Requests for licenses or other approvals for the Federal Republic of Yugoslavia involving items covered by the U.S. Munitions List (22 CFR part 121) will be reviewed on a case-by-case basis.

The Department of State is also taking this opportunity to clarify two outdated references contained in section 126.1(a) of the ITAR. “Zaire” is currently listed as a proscribed country and is amended to “the Democratic Republic of the Congo (formerly Zaire).” Also, the Department is deleting the last sentence of 126.1(a) which refers to a license exemption that was formerly contained in section 123.27. That exemption was removed from 123.27 effective July 1, 2000, and the last sentence of 126.1(a) should have been deleted at that time.

This amendment involves a foreign affairs function of the United States and, therefore, is not subject to the procedures required by 5 U.S.C. 553 and 554. It is exempt from review under Executive Order 12866 but has been reviewed internally by the Department to ensure consistency with the purposes thereof. This rule does not require analysis under the Regulatory Flexibility Act or the Unfunded Mandates Reform Act. It has been found not to be a major rule within the meaning of the Small Business Regulatory Enforcement Act of 1966. It will not have substantial direct effects on the States, the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with section 6 of Executive Order 13132, it is determined that this rule does not have sufficient federalism implications to warrant application of Executive Order Nos. 12372 and 13123. However, interested parties are invited to submit written comments to the Department of State, Office of Defense Trade Controls, ATTN: Regulatory

³ 1997 Economic Census, Department of Commerce, Bureau of the Census.

Change, removal of Tajikistan, 2401 E. Street, NW., 13th Floor, H1304, 2401 E Street, NW., Washington, DC 20037. Such persons must be so registered with the Department's Office of Defense Trade Controls (DTC) pursuant to the registration requirements of section 38 of the Arms Export Control Act.

List of Subjects in 22 CFR Part 126

Arms and munitions, Exports.

Accordingly, for the reasons set forth above, Title 22, Chapter I, Subchapter M, Part 126, is being amended as follows:

PART 126—GENERAL POLICIES AND PROVISIONS

1. The authority citation for Part 126 reads as follows:

Authority: Secs. 2, 38, 40, 42, and 71, Pub. L. 90-629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2780, 2791, and 2797); 22 U.S.C. 2778; E.O. 11958, 42 FR 4311; 3 CFR, 1977 Comp., p. 79; 22 U.S.C. 2658; 22 U.S.C. 287c; E.O. 12918, 59 FR 28205, 3 CFR, 1994 Comp., p. 899.

2. Section 126.1(a) is revised to read as follows:

§ 126.1 Prohibited exports and sales to certain countries.

(a) *General.* It is the policy of the United States to deny licenses, other approvals, exports and imports of defense articles and defense services, destined for or originating in certain countries. This policy applies to Afghanistan, Armenia, Azerbaijan, Belarus, Cuba, Iran, Iraq, Libya, North Korea, Syria, and Vietnam. This policy also applies to countries with respect to which the United States maintains an arms embargo (e.g. Burma, China, Haiti, Liberia, Rwanda, Somalia, Sudan and Democratic Republic of the Congo (formerly Zaire)) or whenever an export would not otherwise be in furtherance of world peace and the security and foreign policy of the United States. Comprehensive arms embargoes are normally the subject of a State Department notice published in the **Federal Register**. The exemptions provided in the regulations in this subchapter, except §§ 123.17 and 125.4(b)(13) of this subchapter, do not apply with respect to articles originating in or for export to any proscribed countries or areas.

* * * * *

Dated: December 3, 2001.

John R. Bolton,

Under Secretary, Arms Control and International Security, Department of State.
[FR Doc. 02-115 Filed 1-8-02; 8:45 am]

BILLING CODE 4710-25-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[TD 8976]

RIN 1545-AX20

Dollar-Value LIFO Regulations; Inventory Price Index Computation Method

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations under section 472 of the Internal Revenue Code that relate to accounting for inventories under the last-in, first-out (LIFO) method. The final regulations provide guidance regarding methods of valuing dollar-value LIFO pools and affect persons who elect to use the dollar-value LIFO and inventory price index computation (IPIC) methods or who receive dollar-value LIFO inventories in certain nonrecognition transactions.

DATES: *Effective Date:* These regulations are effective on December 31, 2001.

Applicability Date: For dates of applicability, see §§ 1.472-8(e)(3)(v) and 1.472-8(h)(4).

FOR FURTHER INFORMATION CONTACT: Leo F. Nolan II at (202) 622-4970 (not a toll-free call).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collections of information in this final rule have been reviewed and, pending receipt and evaluation of public comments, approved by the Office of Management and Budget (OMB) under 44 U.S.C. 3507 and assigned control number 1545-1767. The collections of information in this regulation are in § 1.472-8(e)(3)(iii)(B)(3) and (e)(3)(iv). To elect the IPIC method, a taxpayer must file Form 970, "Application to Use LIFO Inventory Method." This information is required to inform the Commissioner regarding the taxpayer's elections under the IPIC method. This information will be used to determine whether the taxpayer is properly accounting for its dollar-value pools under the IPIC method. The collections of information are required if the taxpayer wants to obtain the tax benefits of the LIFO method. The likely respondents are business or other for-profit institutions, and/or small businesses or organizations.

An agency may not conduct or sponsor, and a person is not required to

respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

The reporting burden contained in § 1.472-8(e)(3)(iii)(B)(3) and (e)(3)(iv) is reflected in the burden of Form 970.

Comments on the collections of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, W:CAR:MP:FP:S, Washington, DC 20224.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Background

Section 472 of the Internal Revenue Code (Code) permits a taxpayer to account for inventories using a last-in, first-out (LIFO) method of accounting. Section 472(f) directs the Secretary to prescribe regulations that permit the use of suitable published governmental price indexes for purposes of the LIFO method. The IRS and Treasury Department prescribed the inventory price index computation (IPIC) method in § 1.472-8(e)(3) (TD 7814, 47 FR 11271, 1982-1 C.B. 84) (the current regulations), under the authority contained in sections 472 and 7805. A taxpayer using the IPIC method must base its inventory price indexes on the consumer price indexes or producer price indexes published by the United States Bureau of Labor Statistics (BLS). The IPIC method was intended to simplify the use of the dollar-value LIFO method, so that the LIFO method could be used by more taxpayers and so that taxpayers already using the dollar-value LIFO method would have a simpler alternative method of computing an index for their dollar-value pool.

On May 19, 2000, the IRS and Treasury Department published a notice of proposed rulemaking (REG-107644-98, 65 FR 31841, 2000-23 I.R.B. 1229) (the proposed regulations) intended to simplify and clarify certain aspects of the IPIC method. In addition, the proposed regulations provided rules for computing the LIFO value of a dollar-value pool when a taxpayer receives LIFO inventories in certain nonrecognition transactions. Comments responding to the notice were received,