

# Proposed Rules

Federal Register

Vol. 68, No. 84

Thursday, May 1, 2003

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF AGRICULTURE

### Foreign Agricultural Service

#### 7 CFR Part 1530

RIN 0551-AA65

#### Sugar Re-Export Program

**AGENCY:** Foreign Agricultural Service, USDA.

**ACTION:** Advance notice of proposed rulemaking.

**SUMMARY:** The Foreign Agricultural Service (FAS) is soliciting comments and views on whether to amend and revise the regulation at 7 CFR 1530 for the purpose of improving and streamlining administration of the sugar re-export program and increasing the effectiveness of the program by implementing changes that would affect its scope and coverage.

**DATES:** Comments should be received on or before June 2, 2003, to be assured of consideration.

**ADDRESSES:** Comments should be sent to: Import Policies and Programs Division, Room 5531—Stop 1021, Foreign Agricultural Service, U.S. Department of Agriculture, 1400 Independence Ave., SW., Washington, DC 20250-1021. All written comments received will be available for public inspection at the above address during business hours from 8 a.m. to 5 p.m., Monday through Friday.

**FOR FURTHER INFORMATION CONTACT:** Richard J. Blabey, Director, Import Policies and Programs Division, Foreign Agricultural Service, U.S. Department of Agriculture, (202) 720-2916; fax (202) 720-0876.

#### SUPPLEMENTARY INFORMATION:

##### Background

The current regulation, which became effective February 12, 1999, consolidated three previously separate programs—the Refined Sugar Re-export Program, the Sugar Containing Products Re-export Program, and the Polyhydric Alcohol Program. FAS now has

sufficient experience with the consolidated regulation to propose further enhancements to the program. Basically, the regulation permits sugar refiners in the United States, who have licenses under the regulation, to enter raw sugar unrestricted by the tariff-rate quota provided for in chapter 17 of the Harmonized Tariff Schedule of the United States (HTS) and exempt from the requirement that imports be accompanied by a Certificate for Quota Eligibility (CQE) issued to the foreign exporter in accordance with 15 CFR part 2011. To be eligible for unrestricted entry, licensees must either export an equivalent quantity of refined sugar (as refined sugar or as an ingredient in sugar containing products), or use an equivalent quantity in the production of certain polyhydric alcohols under the terms and conditions of the regulation.

#### Issues for Public Comment

I. With respect to proposed administrative changes, certain practices now routinely authorized under the waiver provision of section 1530.113 of the regulation are being reviewed to determine if they should be incorporated into the regulation. Specifically, the following changes are under consideration, and comments on these specific issues are being requested:

(a) Allowing exports to be conducted by third parties who have been pre-registered on program participants' licenses. The current regulation requires licensees to hold title to goods at the time they leave the U.S. Customs Territory. This provision excludes unlicensed export brokers, consolidators, and trading companies from directly participating in the program and aggressively promoting exports.

(b) Permitting sugar containing product license holders to contract with refiners to toll refine program sugar. The current regulation does not allow a licensed manufacturer of a sugar-containing product to privately source raw cane sugar on the world market and then pay a licensed refiner a fee to enter it into the United States and refine it to the specifications desired by the manufacturer.

(c) Defining program sugar simply as sugar charged or credited to a license balance. The current regulation defines refined sugar as sugar refined from raw cane sugar. The proposed change would

bring the regulation into compliance with the Farm Security and Rural Investment Act of 2002 which states that all refined sugars (whether derived from sugar beets or sugarcane) produced by cane sugar refineries and beet sugar processors shall be fully substitutable for the export of sugar and sugar-containing products under those programs.

II. With respect to amending and revising the scope and coverage of the regulation, FAS is soliciting comments regarding the feasibility of the changes proposed below and views regarding how they might be implemented.

(a) Prohibiting the use of stocks in the program that cannot be marketed domestically due to the imposition of domestic marketing allotments. The Department is concerned that the refined sugar re-export program could be used to circumvent the purpose of marketing allotments by the device of exporting blocked stocks for program credits and then using those same credits to supply additional imports of raw cane sugar to the U.S. market.

(b) Broadening the criteria for issuing refined sugar re-export licenses to allow beet sugar refiners to participate in the program. The number of refiners in the program has declined to just three at present because of industry consolidation. The Farm Security and Rural Investment Act of 2002 declared all refined sugars (whether derived from sugar beets or sugarcane) to be fully substitutable. Allowing beet processors to be licensed could extend the program's benefits to additional participants.

(c) Allowing the transfer of program sugar between holders of refined sugar re-export licenses. The current regulation does not allow a refiner having excess credits to sell those credits to a refiner that is short of credits but in need of raw cane sugar.

(d) Allowing polyhydric users to receive transfers of program sugar from refiners without regard to polarity. The current regulation only allows the transfer of fully refined sugar to a producer of a polyhydric alcohol. Because these alcohols can be produced from sugar of lower polarity, the current regulation results in needless costs for some polyhydric alcohol producers.

(e) Allowing holders of refined sugar re-export licenses to hold sugar containing product licenses. The current

regulation does not take account of trends leading toward increased vertical integration in the sweeteners industry.

(f) Expanding the license balance limits currently imposed on refiners. The current license limit of 50,000 metric tons was set when more refiners held licenses. With only three refiners currently in the program, an increase in the limit may be justified. On the other hand, large and rapid flows of program sugar into and out of the United States could make the administration of marketing allotments more difficult.

III. With respect to Mexico, FAS is soliciting comments on re-exports to Mexico and views for implementing the various options proposed below.

(a) Terminating re-exports.

(b) Restricting re-exports to manufacturers of specific products, such as retail goods.

(c) Allowing re-exports to continue unrestricted as long as exporters comply with the North American Free Trade Agreement (NAFTA) Annex 703.2, paragraph 21 provision, which requires that Mexico be notified whenever re-export sugar is shipped to Mexico.

(d) Establishing a separate program for importing raw cane sugar duty free from Mexico for refining and re-export duty free to Mexico, as provided for by NAFTA Annex 703.2, paragraph 22.

IV. With respect to raw cane sugar, FAS is soliciting comments on the feasibility of new rules to implement chapter 17 of the HTS, additional U.S. note 6, which authorizes the entry of raw cane sugar under subheading 1701.11.20 to be substituted for domestically produced raw cane sugar that has been or will be exported, and whether this should apply exclusively to Hawaii or nationwide. Such a program might offer sugar mills more options for marketing their raw cane sugar. On the other hand, large and rapid flows of program sugar into and out of the United States could make the administration of marketing allotments more difficult.

V. Furthermore, interested parties are also encouraged to comment on the costs and benefits of the above proposals, including effects on:

(a) U.S. sugarcane growers and processors.

(b) Domestic sugar refiners, users, and consumers.

(c) Foreign sugar producers and exporters.

(d) The Overall Allotment Quantity and marketing allotments.

(e) Demand for U.S.-flag vessels and barges.

(f) Sugar futures trading and markets.

(g) NAFTA.

VI. In addition, FAS requests comments on any other aspect of the

program set forth at 7 CFR 1530 which commentators believe should be addressed in a subsequent rulemaking initiative.

Dated: April 28, 2003.

**A. Ellen Terpstra,**

*Administrator, Foreign Agricultural Service.*

[FR Doc. 03-10752 Filed 4-30-03; 8:45 am]

**BILLING CODE 3410-10-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. 2002-NM-66-AD]

RIN 2120-AA64

#### Airworthiness Directives; Boeing Model 727 Series Airplanes

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** This document proposes the superseding of an existing airworthiness directive (AD), applicable to all Boeing Model 727 series airplanes, that currently requires repetitive pre-modification inspections to detect cracks in the forward support fitting of the number 1 and number 3 engines; and repair, if necessary. That AD also provides for an optional high frequency eddy current inspection, and, if possible, modification of the fastener holes; and various follow-on actions; which would terminate the repetitive pre-modification inspections. This action would expand the area to be inspected; require accomplishment of the previously optional (and subsequently revised) modification, which would terminate certain repetitive inspections; and add repetitive post-modification inspections to detect cracking of the fastener holes, and corrective actions if necessary. The actions specified by the proposed AD are intended to prevent fatigue cracking of the forward support fitting of the number 1 and number 3 engines, which could result in failure of the support fitting and consequent separation of the engine from the airplane. This action is intended to address the identified unsafe condition.

**DATES:** Comments must be received by June 16, 2003.

**ADDRESSES:** Submit comments in triplicate to the Federal Aviation Administration (FAA), Transport Airplane Directorate, ANM-114, Attention: Rules Docket No. 2002-NM-

66-AD, 1601 Lind Avenue, SW., Renton, Washington 98055-4056. Comments may be inspected at this location between 9 a.m. and 3 p.m., Monday through Friday, except Federal holidays. Comments may be submitted via fax to (425) 227-1232. Comments may also be sent via the Internet using the following address: [9-anm-nprmcomment@faa.gov](mailto:9-anm-nprmcomment@faa.gov). Comments sent via fax or the Internet must contain "Docket No. 2002-NM-66-AD" in the subject line and need not be submitted in triplicate. Comments sent via the Internet as attached electronic files must be formatted in Microsoft Word 97 for Windows or ASCII text.

The service information referenced in the proposed rule may be obtained from Boeing Commercial Airplane Group, P.O. Box 3707, Seattle, Washington 98124-2207. This information may be examined at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington.

**FOR FURTHER INFORMATION CONTACT:** Ivan Li, Aerospace Engineer, Airframe Branch, ANM-120S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 917-6437; fax (425) 917-6590.

#### SUPPLEMENTARY INFORMATION:

##### Comments Invited

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications shall identify the Rules Docket number and be submitted in triplicate to the address specified above. All communications received on or before the closing date for comments, specified above, will be considered before taking action on the proposed rule. The proposals contained in this action may be changed in light of the comments received.

Submit comments using the following format:

- Organize comments issue-by-issue. For example, discuss a request to change the compliance time and a request to change the service bulletin reference as two separate issues.
- For each issue, state what specific change to the proposed AD is being requested.
- Include justification (e.g., reasons or data) for each request.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the proposed rule. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by