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Contents

Federal Register

Vol. 71, No. 115

Thursday, June 15, 2006

Agricultural Marketing Service
RULES
Onions (Vidalia) grown in Georgia, 34507–34510

Agricultural Research Service
NOTICES
Patent licenses; non-exclusive, exclusive, or partially exclusive:
Becton Dickinson, 34589–34590

Agriculture Department
See Agricultural Marketing Service
See Agricultural Research Service
See Animal and Plant Health Inspection Service
NOTICES
Agency information collection activities; proposals, submissions, and approvals, 34589

Alcohol and Tobacco Tax and Trade Bureau
RULES
Alcohol; viticultural area designations:
Livermore Valley, CA, 34527–34532
San Francisco Bay and Central Coast, CA, 34522–34525
Santa Lucia Highlands and Arroyo Seco, CA, 34525–34527

Animal and Plant Health Inspection Service
RULES
Exportation and importation of animals and animal products:
Contagious equine metritis—
States approved to receive stallions and mares from affected regions; Indiana, 34517
PROPOSED RULES
Exportation and importation of animals and animal products:
Foot-and-mouth disease and rinderpest; disease status change—
Namibia, 34537–34549

Antitrust Division
NOTICES
National cooperative research notifications:
ASTM International, 34644–34645
Open DeviceNet Vendor Association, Inc., 34645

Antitrust Modernization Commission
NOTICES
Antitrust issues appropriate for study:
Civil remedies, 34590–34591

Census Bureau
NOTICES
Grants and cooperative agreements; availability, etc.:
Census Information Center Program, 34591–34593

Centers for Disease Control and Prevention
NOTICES
Agency information collection activities; proposals, submissions, and approvals, 34621–34622

Centers for Medicare & Medicaid Services
See Inspector General Office, Health and Human Services Department

Children and Families Administration
NOTICES
Agency information collection activities; proposals, submissions, and approvals, 34622–34623

Commerce Department
See Census Bureau
See Industry and Security Bureau
See International Trade Administration
See National Oceanic and Atmospheric Administration
See Patent and Trademark Office

Customs and Border Protection Bureau
NOTICES
Agency information collection activities; proposals, submissions, and approvals, 34635

Education Department
NOTICES
Agency information collection activities; proposals, submissions, and approvals, 34603–34604

Environmental Protection Agency
NOTICES
Agency information collection activities; proposals, submissions, and approvals, 34604–34606
Grants and cooperative agreements; availability, etc.:
Gulf of Mexico Alliance Regional Partnership Projects, 34606–34615
Pollution Prevention Information Network, 34615–34616

Export-Import Bank
NOTICES
Agency information collection activities; proposals, submissions, and approvals, 34616–34617

Farm Credit Administration
PROPOSED RULES
Farm credit system:
Regulatory burden reduction, 34549–34550
NOTICES
Privacy Act; systems of records, 34617–34618

Federal Aviation Administration
RULES
Airworthiness standards:
Special conditions—
Societe de Motorisation Aeronautiques Engines, Inc.; Cessna Models 182Q and 182R airplanes, 34517–34519
PROPOSED RULES
Airworthiness directives:
Airbus, 34563–34566

Federal Election Commission
NOTICES
Meetings; Sunshine Act, 34618

Federal Maritime Commission
NOTICES
Agreements filed, etc., 34618

Federal Reserve System
NOTICES
Banks and bank holding companies:
Formations, acquisitions, and mergers, 34618
Committees; establishment, renewal, termination, etc.:
Consumer Advisory Council, 34619–34620

Federal Trade Commission
NOTICES
Prohibited trade practices:
Take-Two Interactive Software, Inc. and Rockstar Games, Inc., 34620–34621

Fish and Wildlife Service
PROPOSED RULES
Endangered and threatened species:
Critical habitat designations—
Fender's blue butterfly, Kincaid's lupine, and Willamette daisy, 34566–34570

Food and Drug Administration
RULES
Animal drugs, feeds, and related products:
Lasalocid
Correction, 34519
NOTICES
Food additive petitions:
Georgia-Pacific Resins, Inc., 34623
Reports and guidance documents; availability, etc.:
Veterinary Medicinal Products, International Cooperation on Harmonisation of Technical Requirements for Registration—
New biotechnological/biological veterinary medicinal products; test procedures and acceptance criteria, 34623–34624
New veterinary drug substances and medicinal products (chemical substances); test procedures and acceptance criteria, 34625–34626

Health and Human Services Department
See Centers for Disease Control and Prevention
See Children and Families Administration
See Food and Drug Administration
See Indian Health Service
See Inspector General Office, Health and Human Services Department
See Substance Abuse and Mental Health Services Administration

Homeland Security Department
See Customs and Border Protection Bureau
See Immigration and Customs Enforcement Bureau
See Secret Service
See U.S. Citizenship and Immigration Services

Housing and Urban Development Department
NOTICES
Agency information collection activities; proposals, submissions, and approvals, 34641–34643
Low income housing:
Housing assistance payments (Section 8)—
Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program (2007 FY); fair market rents, 34726–34786

Immigration and Customs Enforcement Bureau
RULES
Immigration regulations:
Employment Eligibility Verification (Form I-9); electronic signature and storage, 34510–34517

Indian Health Service
NOTICES
Privacy Act; systems of records, 34626–34630

Industry and Security Bureau
NOTICES
Export privileges, actions affecting:
Muttreja, Kailash, 34593–34596
Teepad Electronic General Trading, 34596–34599

Inspector General Office, Health and Human Services Department
NOTICES
Program exclusions; list, 34630–34634

Interior Department
See Fish and Wildlife Service
See Land Management Bureau
See Reclamation Bureau

Internal Revenue Service
NOTICES
Meetings:
Taxpayer Advocacy Panels, 34674–34675

International Trade Administration
NOTICES
Antidumping:
Stainless steel angle from—
Various countries, 34599
Stainless steel bar from—
Germany, 34599–34600
Foreign air carriers; exemption from excise taxes; discontinuance:
Bolivia, 34600

International Trade Commission
NOTICES
Import investigations:
Pharmaceutical products and chemical intermediates; advice concerning addition to Pharmaceutical Appendix to Harmonized Tariff Schedule of U.S., 34643–34644

Justice Department
See Antitrust Division

Land Management Bureau
NOTICES
Meetings:
Resource Advisory Councils—
Central Montana, 34643

National Oceanic and Atmospheric Administration
RULES
Fishery conservation and management:
Caribbean, Gulf, and South Atlantic fisheries—
Gulf of Mexico reef fish, 34534–34536
PROPOSED RULES
Endangered and threatened species:
Critical habitat designations—
Southern Resident killer whale, 34571–34588

NOTICES
Committees; establishment, renewal, termination, etc.:
Gulf of the Farallones National Marine Sanctuary Advisory Council, 34600–34601
Monitor National Marine Sanctuary Advisory Council, 34601

Overseas Private Investment Corporation
NOTICES
Agency information collection activities; proposals, submissions, and approvals, 34645

Patent and Trademark Office
NOTICES
Agency information collection activities; proposals, submissions, and approvals, 34601–34603

Pension Benefit Guaranty Corporation
RULES
Single-employer plans:
Allocation of assets—
Interest assumptions for valuing and paying benefits, 34532–34534
NOTICES
Single-employer and multiemployer plans:
Interest rates and assumptions, 34645–34646

Reclamation Bureau
NOTICES
Meetings:
California Bay-Delta Public Advisory Committee, 34643

Secret Service
NOTICES
Agency information collection activities; proposals, submissions, and approvals, 34635–34636

Securities and Exchange Commission
NOTICES
Self-regulatory organizations; proposed rule changes:
American Stock Exchange LLC, 34646–34648
Chicago Stock Exchange, Inc., 34648–34651
International Securities Exchange, Inc., 34651–34652
Municipal Securities Rulemaking Board, 34652–34656
NASDAQ Stock Market LLC, 34656–34658
National Association of Securities Dealers, Inc., 34658–34660
National Stock Exchange, 34660–34672
New York Stock Exchange LLC, 34672–34674

Small Business Administration
PROPOSED RULES
Government contracting programs:
Women-Owned Small Business Federal Contract Assistance Program, 34550–34563
NOTICES
Loan programs:
Lender risk rating system, 34674

State Department
RULES
Homeland Security Department creation; visas: nomenclature changes, 34519–34522
NOTICES
Gifts to Federal employees from foreign governments; list (2004 CY), 34678–34724
Meetings:
Shipping Coordinating Committee, 34674
Trade Act of 1974:
Vietnam; waiver authority continuation, 34674

Substance Abuse and Mental Health Services Administration
NOTICES
Meetings:
SAMHSA National Advisory Council, 34634–34635

Transportation Department
See Federal Aviation Administration

Treasury Department
See Alcohol and Tobacco Tax and Trade Bureau
See Internal Revenue Service

U.S. Citizenship and Immigration Services
NOTICES
Temporary protected status program designations; terminations, extensions, etc.:
El Salvador, 34637–34641

Separate Parts In This Issue

Part II
State Department, 34678–34724

Part III
Housing and Urban Development Department, 34726–34786

Reader Aids

Consult the Reader Aids section at the end of this issue for phone numbers, online resources, finding aids, reminders, and notice of recently enacted public laws.

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CFR PARTS AFFECTED IN THIS ISSUE

A cumulative list of the parts affected this month can be found in the Reader Aids section at the end of this issue.

7 CFR
955 34507

8 CFR
274a 34510

9 CFR
93 34517

Proposed Rules:
94 34537

12 CFR

Proposed Rules:
611 34549
612 34549
613 34549
614 34549

13 CFR

Proposed Rules:
121 34550
125 34550
127 34550

14 CFR
23 34517

Proposed Rules:
39 34563

21 CFR
558 34519

22 CFR
40 34519
41 34519
42 34519

27 CFR
9 (3 documents) 34522, 34525, 34527

29 CFR
4022 34532
4044 34532

50 CFR
622 34534

Proposed Rules:
17 34566
226 34571

Rules and Regulations

Federal Register
Vol. 71, No. 115
Thursday, June 15, 2006

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

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DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 955

[Docket No. FV06–955–1 IFR]

Vidalia Onions Grown in Georgia; Revision of Reporting and Assessment Requirements

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Interim final rule with request for comments.

SUMMARY: This rule revises the reporting and assessment requirements under the marketing order for Vidalia onions grown in Georgia (order). The order regulates the handling of Vidalia onions grown in Georgia and is administered locally by the Vidalia Onion Committee (Committee). This rule changes the reporting requirements for handlers from filing weekly shipment reports to monthly reporting. It also changes when assessments are due and how delinquent assessments are handled. This change is expected to benefit handlers without negatively affecting program compliance.

DATES: Effective June 16, 2006; comments received by August 14, 2006 will be considered prior to issuance of a final rule.

ADDRESSES: Interested persons are invited to submit written comments concerning this rule. Comments must be sent to the Docket Clerk, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue, SW., STOP 0237, Washington, DC 20250–0237; Fax: (202) 720–8938; E-mail: *moab.docketclerk@usda.gov*; or Internet: *http://www.regulations.gov*. All comments should reference the docket number and the date and page number of this issue of the **Federal Register** and will be made available for public inspection in the Office of the Docket Clerk during regular business hours, or can be viewed at: *http://www.ams.usda.gov/fv/moab.html*.

FOR FURTHER INFORMATION CONTACT: Doris Jamieson, Southeast Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA; telephone: (863) 324–3378, Fax: (863) 325–8793; or Christian Nissen, Regional Manager, Southeast Marketing Field Office, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA; telephone: (863) 324–3378, Fax: (863) 325–8793.

Small businesses may request information on complying with this regulation by contacting Jay Guerber, Marketing Order Administration Branch, Fruit and Vegetable Programs, AMS, USDA, 1400 Independence Avenue, SW., STOP 0237, Washington, DC 20250–0237; telephone: (202) 720–2491, Fax: (202) 720–8938, or E-mail: *Jay.Guerber@usda.gov*.

SUPPLEMENTARY INFORMATION: This rule is issued under Marketing Agreement and Order No. 955, both as amended (7 CFR part 955), regulating the handling of Vidalia onions grown in Georgia, hereinafter referred to as the ''order.'' The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), hereinafter referred to as the ''Act.''

The Department of Agriculture (USDA) is issuing this rule in conformance with Executive Order 12866.

This rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is not intended to have retroactive effect. This rule will not preempt any State or local laws, regulations, or policies, unless they present an irreconcilable conflict with this rule.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may file with USDA a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law and request a modification of the order or to be exempted therefrom. A handler is afforded the opportunity for a hearing on the petition. After the hearing USDA would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction to review USDA's ruling on the petition, provided an action is filed not later than 20 days after the date of the entry of the ruling.

This rule revises the reporting and assessment requirements prescribed under the order. This rule changes the reporting requirements for handlers from filing weekly shipment reports to monthly reporting. It also changes when assessments are due and how delinquent assessments are handled. This change is expected to benefit handlers without negatively affecting program compliance. The Committee unanimously recommended these changes at a meeting on January 19, 2006.

Section 955.60 of the order provides authority for the Committee to require handlers to file reports and provide other information as may be necessary for the Committee to perform its duties. Section 955.101 of the regulations provides the requisite reporting requirements. Prior to this action, handlers were required to file weekly reports that included, among other things, the name and address of the handler, the period covered in the report, the total volume of Vidalia onions received by the handler, and the handler's total fresh market shipments.

Section 955.42 provides the authority for the formulation of an annual budget of expenses and the collection of assessments from handlers to administer the order. Section 955.42(f) provides the authority to impose a late payment charge or an interest charge or both, on any handler who fails to pay assessments in a timely manner and the authority to establish the time and rate of such charges. Section 955.142 of the rules and regulations outlines the procedures for applying interest charges to delinquent assessments.

This rule amends § 955.101 to require handlers to file shipping reports on a monthly basis rather than weekly. This rule also revises § 955.142 to specify when assessments are due and to adjust the way interest is applied to delinquent assessments.

Prior to this rule, § 955.101 required handlers to provide the Committee with information regarding the volume of Vidalia onions they received and

shipped during each week of the shipping season. The shipping reports were to be filed no later than 4 p.m. on the Tuesday immediately following the shipping week. The Committee provided a form to assist handlers with supplying the required shipping information. Fresh Vidalia onions are primarily shipped from April through June with some limited shipments through December with the use of Controlled Atmosphere storage.

Handler reports are used by the Committee to calculate the assessments owed by each handler. When handler reports are not received in a timely manner, it delays the receipt of assessment payments and in turn, the collection process the Committee uses to pursue late payments. Thus, timely receipt of handler reports is important.

In 2002, the Committee changed from monthly reporting and assessment collection to weekly (67 FR 58511). This change was made to address the problems the Committee staff was experiencing in receiving monthly reports and assessment payments in a timely manner. The change was made in an effort to provide an earlier indication to Committee staff of potential problems with handlers not reporting or paying their assessments so these potential problems could be addressed before the amounts involved grew to significant levels.

After several seasons of weekly reporting, the Committee has been receiving requests from the industry to return to monthly reporting. It was reported that several handlers considered weekly reporting too cumbersome and unnecessary. In discussing this issue, Committee members stated that during harvest, handlers utilize all their resources to get the onions harvested and to market. They stated that weekly reporting is very time consuming and puts an additional burden on their staff to ensure weekly reports are submitted on time to avoid penalties and interest. In addition, many handlers do not ship onions every week of the season. Nevertheless, under current reporting requirements, handlers had to file a report each week.

Committee members recognized that monthly reporting would reduce Committee expenditures. The Committee also recognized that several adjustments have been made in the compliance and assessment collection process which have helped address some of the problems relating to late reporting and assessment collection. The Committee has implemented an electronic tracking system to ensure all reports and assessment payments are received from each handler. A data base has been created with each handler's name and the date reports are due. As reports are received from each handler, the data is entered into the computer. A detailed report listing all handlers, the date reports are due, and if all handlers have submitted reports for each due date can be generated to assist with compliance efforts. If a handler fails to file a report for a specific reporting date, the tracking report will reflect that information. The handler can then be notified a report is due.

The Committee has also hired a part-time compliance officer. The compliance officer will visit handlers on a routine basis throughout the season to ensure compliance with the order, including the timely submission of reports and payment of assessments.

Further, the Committee's compliance plan has been modified to better address late reports and assessment payments. Consequently, the Committee follows up more rapidly on late reports and assessments. These efforts will help prevent an accumulation of a large assessment debt from handlers.

The Committee believes the adjustments to its compliance and assessment collection process and the addition of a compliance officer will better address the problems with late payment and reporting that were experienced previously during monthly reporting. Therefore, the Committee voted unanimously to return to monthly reporting.

This rule also revises the rules and regulations specifying when reports and assessments are to be received by the Committee office. Prior to this change, handler reports and assessments were both due at 4 p.m. the Tuesday immediately following the week in which the shipments were made. This action changes §§ 955.101 and 955.142 to require that reports and assessments must be submitted to the Committee office by 5 p.m. on the fifth day of each month following a month of active shipping. Should the fifth day of the month fall on a weekend or holiday, payments and reports are due by the first business day prior to the fifth day of the month.

This rule also makes changes to the way delinquent assessments are handled to reflect the change to monthly reporting. Previously, § 955.142 specified that handlers must pay interest charges of 1 percent per week on any unpaid assessments and on any accrued unpaid interest beginning the day immediately after the date the weekly assessments were due, until the delinquent handler's assessments, plus applicable interest, had been paid in full. This rule revises § 955.142 by adjusting the way interest charges are applied so interest accrues at 1 percent per month on any unpaid assessments and on any accrued unpaid interest beginning the day immediately after the date the monthly assessments are due until the delinquent handler's assessments plus applicable interest has been paid in full.

Initial Regulatory Flexibility Analysis

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA), the Agricultural Marketing Service (AMS) has considered the economic impact of this action on small entities. Accordingly, AMS has prepared this initial regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

There are approximately 100 producers of Vidalia onions in the production area and approximately 100 handlers of Vidalia onions who are subject to regulation under the marketing order. Small agricultural producers are defined by the Small Business Administration (SBA) as those having annual receipts of less than $750,000, and small agricultural service firms, which include handlers, are defined as those whose annual receipts are less than $6,500,000 (13 CFR 121.201).

Based on the Georgia Agricultural Statistical Service and Committee data, the average annual grower price for fresh Vidalia onions during the 2005 season was around $12 per 40-pound bag. Total Vidalia onion shipments for the 2005 season were around 3,571,500 40-pound bags. Using available data, more than 90 percent of Vidalia onion handlers could be considered small businesses under the SBA definition. In addition, based on acreage, production, grower prices as reported by the National Agricultural Statistics Service, and the total number of Vidalia onion growers, the average annual grower revenue is below $750,000. Thus, the majority of handlers and producers of Vidalia onions may be classified as small entities.

This rule revises the reporting and assessment requirements prescribed under the order. This rule changes the reporting requirements for handlers

from filing weekly shipment reports to monthly reporting. It also changes when assessments are due and how delinquent assessments are handled. This change reduces the number of reports a handler must submit annually and is expected to benefit handlers without negatively affecting program compliance. This rule revises §§ 955.101 and 955.142. Authority for this action is provided for in §§ 955.42 and 955.60 of the order. This change was unanimously recommended by the Committee at a meeting held on January 19, 2006.

Requiring handlers to file shipping reports on a monthly basis rather than weekly reduces the reporting burden on both small and large handlers. Fresh Vidalia onions are primarily shipped from April through June with some limited shipments through December. Therefore, total reporting requirements per handler for weekly reporting totaled around 60 minutes per handler annually (5 minutes per response times approximately 12 responses). This resulted in a total annual industry burden of about 100 hours (60 minutes per handler times 100 handlers). Requiring handlers to report monthly, decreases the annual burden on a handler to around 15 minutes annually (5 minutes per response times approximately 3 responses), for a total annual industry burden of approximately 25 hours (15 minutes times 100 handlers). Thus, the total annual burden for handlers is decreased by around 75 hours, which is expected to benefit all handlers.

This rule is not expected to result in any additional costs for handlers. This rule reduces the number of reports and assessment payments handlers are required to submit annually, which reduces the amount of time necessary for handlers to file reports and assessments.

It also reduces the amount of time required by the Committee staff to monitor shipping reports and assessment payments by reducing the number of submissions. Thus, this rule offers the potential for cost savings. The potential reduction in Committee costs would benefit all handlers regardless of their size. Consequently, the benefits of this rule are expected to be equally available to all.

The Committee did consider the alternative of making no change in the current regulation. However, the change to monthly reporting would reduce the number of reports a handler must submit annually and the Committee believes it would benefit handlers without negatively affecting program compliance. Therefore, this alternative was rejected and the Committee unanimously agreed to return to monthly reporting and assessment collection requirements.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the information collection requirements contained in this rule have been previously approved by the Office of Management and Budget (OMB) and assigned OMB No. 0581–0178, Vegetable and Specialty Crops. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sectors.

AMS is committed to compliance with the Government Paperwork Elimination Act (GPEA), which requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible.

In addition, USDA has not identified any relevant Federal rules that duplicate, overlap or conflict with this rule.

Further, the Committee's meeting was widely publicized throughout the Vidalia onion industry and all interested persons were invited to attend the meeting and participate in Committee deliberations. Like all Committee meetings, the January 19, 2006, meeting was a public meeting and all entities, both large and small, were able to express their views on this issue. Finally, interested persons are invited to submit information on the regulatory and informational impacts of this action on small businesses.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: *http://www.ams.usda.gov/fv/moab.html*. Any questions about the compliance guide should be sent to Jay Guerber at the previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

This rule revises the provisions requiring handlers to file shipment reports from weekly reporting to monthly reporting. It also changes when assessments are due and how delinquent assessments are handled. Any comments received will be considered prior to finalization of this rule.

After consideration of all relevant material presented, including the Committee's recommendation, and other information, it is found that this interim final rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

Pursuant to 5 U.S.C. 553, it is also found and determined upon good cause that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice prior to putting this rule into effect and that good cause exists for not postponing the effective date of this rule until 30 days after publication in the **Federal Register** because: (1) Vidalia onion handlers began shipping onions April 17; (2) this issue has been widely discussed at industry meetings, and the Committee has kept the industry well informed; (3) the Committee unanimously recommended these changes at a public meeting and interested parties had an opportunity to provide input; and (4) this rule provides a 60-day comment period and any comments received will be considered prior to finalization of this rule.

List of Subjects in 7 CFR Part 955

Onions, Marketing agreements, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, 7 CFR part 955 is amended as follows:

PART 955—VIDALIA ONIONS GROWN IN GEORGIA

■ 1. The authority citation for 7 CFR part 955 continues to read as follows:

Authority: 7 U.S.C. 601–674.

■ 2. Amend § 955.101 by replacing the word ''weekly'' with the word ''monthly'' both times it appears in paragraph (a) and by revising paragraph (b) to read as follows:

§ 955.101 Vidalia Onion Handler Report.

(a) * * *

(b) Handlers shall file reports each fiscal period beginning the first month they make shipments and shall continue filing reports until they submit a final report for the season. Each such report shall be filed with the Committee not later than 5 p.m. on the fifth day of each month following the month in which any shipments were made. Should the fifth day of the month fall on a weekend or holiday, reports are due by the first business day prior to the fifth day of the month.

■ 3. Revise § 955.142 to read as follows:

§ 955.142 Delinquent assessments.

Each handler shall submit assessments to the Vidalia Onion Committee on a monthly basis for each month during the fiscal period in which they made shipments. Each such assessment shall be paid to the Committee not later than 5 p.m. on the fifth day of each month following the month in which any shipments were

made. Should the fifth day of the month fall on a weekend or holiday, assessments are due by the first business day prior to the fifth day of the month.

Each handler shall pay interest of one percent per month on any unpaid assessments levied pursuant to § 955.42 and on any accrued unpaid interest beginning the day immediately after the date the monthly assessments were due, until the delinquent handler's assessments, plus applicable interest, has been paid in full.

Dated: June 8, 2006.

Kenneth C. Clayton,

Acting Administrator, Agricultural Marketing Service.

[FR Doc. E6–9235 Filed 6–14–06; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF HOMELAND SECURITY

Bureau of Immigration and Customs Enforcement

8 CFR Part 274a

[BICE 2345–05; DHS–2005–0046]

RIN 1653–AA47

Electronic Signature and Storage of Form I–9, Employment Eligibility Verification

AGENCY: Bureau of Immigration and Customs Enforcement, DHS.

ACTION: Interim rule with request for comments.

SUMMARY: This interim rule amends Department of Homeland Security regulations to provide that employers and recruiters or referrers for a fee who are required to complete and retain Forms I–9, Employment Eligibility Verification, may sign and retain these forms electronically. This interim rule implements statutory changes to the Form I–9 retention requirements by establishing standards for electronic signatures and the electronic retention of the Form I–9.

DATES: *Effective Date:* This interim rule is effective June 15, 2006.

Comment Date: Written comments must be submitted on or before August 14, 2006.

ADDRESSES: You may submit comments, identified by *docket number,* by *one* of the following methods:

- Federal eRulemaking Portal: *http://www.regulations.gov.* Follow the instructions for submitting comments.
- Mail: Jim Knapp, Associate Legal Advisor, Bureau of Immigration and Customs Enforcement, Room 6100, 425 I. St., NW., Washington, DC 20536.

FOR FURTHER INFORMATION CONTACT: Jim Knapp, Associate Legal Advisor, Bureau of Immigration and Customs Enforcement, Room 6100, 425 I St., NW., Washington, DC 20536. Telephone (202) 514–8138 (not a toll-free number).

SUPPLEMENTARY INFORMATION

I. Background

A. Employment Eligibility Verification Requirement

Section 274A of the Immigration and Nationality Act (Act), 8 U.S.C. 1324a, requires all United States employers, agricultural associations, agricultural employers, farm labor contractors, or persons or other entities who recruit or refer persons for employment for a fee, to verify the employment eligibility and identity of all employees hired to work in the United States after November 6, 1986. To comply with the law, an employer, or a recruiter or referrer for a fee, is responsible for the completion of an Employment Eligibility Verification form (Form I–9) for all employees, including United States citizens. 8 CFR 274a.2.

Completed Forms I–9 are not filed with the Federal Government; instead, the completed I–9 form is retained by the employer. Employers are required to retain Forms I–9 in their own files for three years after the date of hire of the employee or one year after the date that employment is terminated, whichever is later. 8 CFR 274a.2(c)(2). Recruiters or referrers for a fee are required to retain the Forms I–9 for three years after the date of hire. *Id.* at (d)(2). The failure to properly complete and retain the Forms I–9 subjects the employer to civil money penalties. Section 274A of the Act, 8 U.S.C. 1324a(e)(5).

B. Format of the Form I–9

Form I–9 has been made available to the public in numerous paper and electronic means since 1986. The Form I–9 is currently available online at the U.S. Citizenship and Immigration Services (USCIS) Web site at (*http://www.uscis.gov*) as a Portable Document Format (.pdf) fillable—printable form *http://uscis.gov/graphics/formsfee/forms/files/i-9.pdf.* In short, an employer or employee can retrieve the form, type the required information into it for a prospective employee, and print it. The form may then be retained in paper, microfilm, or microfiche form. In conjunction with this interim rule, the Department of Homeland Security (DHS) is upgrading the downloadable PDF version of Form I–9 to enable employers and employees to electronically sign and save the filled Form I–9. This provides employers an additional option for convenience and savings. This PDF version of Form I–9 complies with the electronic form requirements of this rule.

However, existing DHS regulations do not permit the form to be completed and stored electronically as an original record. On October 30, 2004, Public Law 108–390, 11 Stat. 2242, authorized employers to retain Forms I–9 in electronic format, effective April 29, 2005, or the effective date of implementing regulations, whichever occurred first. The legislation also allows employers and employees to manifest attestations using electronic signature technology.

This interim rule conforms the regulations to the requirements of Public Law 108–390 and permits employers to complete, sign, and store Forms I–9 electronically, as long as certain performance standards set forth in this interim rule for the electronic filing system are met. This interim rule also permits employers to electronically scan and store existing Forms I–9, as long as standards set forth in this interim rule for the electronic storage system are met. The interim rule adopts performance standards that have been proven by other agencies in the past and provides flexibility for employers to choose a method of retention that is the most economically feasible for their specific business. Utilizing the most widely applicable standards, those adopted by the Internal Revenue Service (IRS) for tax records, provides the widest possible cost savings within the business community because of existing compliance with those standards.

C. Electronic Recordkeeping Standards

There is no single United States Government-wide electronic recordkeeping standard for recordkeeping by private individuals and entities. However, some United States Government agencies provide electronic recordkeeping standards for use in transactions with that agency. These standards provide a baseline for proven practices. To the extent that these standards are applicable to the electronic storage of Form I–9, DHS attempts to use the requirements and language of existing standards. At the same time, DHS recognizes that systems for electronic recordkeeping develop rapidly with the creation of new storage mechanisms, mediums, and methods. Accordingly, the standards adopted in this rule are ''product neutral'' and will guide the application of new products to meet minimum performance standards, rather than establishing specific requirements.

The Internal Revenue Service's Rev. Proc. 97–22, 1997–1 C.B. 652, 1997–13 I.R.B. 9 (March 31, 1997), and Rev. Proc. 98–25, 1998–1 C.B. 689, 1998–11 I.R.B. 7 (March 16, 1998), specify electronic recordkeeping standards for taxpayers. This regulation closely follows the widely accepted electronic storage standards and requirements set forth in the IRS Rulings previously published. The derivation of the substantive standards of this interim rule is set forth below.

DERIVATION OF SUBSTANTIVE STANDARDS FOR ELECTRONIC RETENTION OF FORM I–9

Provision of this rule	Source of provision	Description of provision
8 CFR 274a.2(e)(1)	Rev. Proc. 97–22, section 4.01(2)	Requirements for the electronic generation or storage system.
8 CFR 274a.2(e)(2)	Rev. Proc. 97–22, section 4.01(3)	Requires reproduced documents to exhibit a high degree of legibility and readability.
8 CFR 274a.2(e)(3)	Rev. Proc. 97–22, section 4.01(7)	Requires that any electronic storage system must not be subject to any agreement that would limit or restrict the relevant Government personnel's access or use on the premises.
8 CFR 274a.2(e)(4)	Rev. Proc. 97–22, section 4.01(9)	Allows use of multiple electronic systems so long as each meets the relevant standards.
8 CFR 274a.2(e)(5)	Rev. Proc. 97–22, section 4.01(5)	Requires that descriptions of the system, including procedures for use and indexing systems, be maintained and made available upon request.
8 CFR 274a.2(e)(6)	Rev. Proc. 97–22, section 4.02(1)	Defines indexing system that complies with requirements.
8 CFR 274a.2(e)(7)	Rev. Proc. 97–22, section 4.01(10)	Permits reasonable data compression and formatting technologies.
8 CFR 274a.2(e)(8)	Rev. Proc. 97–22, section 4.01(6)	Requirements for inspection.

The widespread application of these IRS standards by the business community is the critical reason for adoption of these standards. This adoption of existing standards should reduce any potential burden on the portion of the business community that decides to utilize electronic retention.

In 17 CFR 240.17a4, the Securities and Exchange Commission (SEC) specifies electronic recordkeeping standards for certain exchange members, brokers and dealers. DHS did not incorporate specific language from the SEC provisions; however, it did find them instructive on how to establish electronic systems. In particular, 8 CFR 240.17a4(f) provides instruction on audit and indexing systems that employers could find helpful when complying with the similar provisions set forth in this regulation.

Also instructive are the regulations of the National Archives and Records Administration found in 36 CFR part 1234, which set standards for federal agencies to use in order to enhance the trustworthiness of an agency's own electronic records and their admissibility as evidence in court proceedings. Employers utilizing electronic retention and signature technology for Form I–9 may find it helpful to review system requirements placed upon Federal agencies. These standards define terms of art related to the requirements of this regulation and provide information that could help guide businesses establish security and maintenance procedures for electronic records.

Using precedents set by 36 CFR part 1234 and other United States Government agencies, this interim rule provides a reasonable set of standards for creating a trustworthy system for Form I–9 completion and storage. The standards are technology neutral, and allow businesses the flexibility to keep records in a manner consistent with other business processes. They also provide DHS investigators with a framework for inspecting the records and assessing their trustworthiness.

DHS is working with the IRS to develop audit protocols to minimize requirements on businesses to provide information from Forms I–9 when the DHS Bureau of Immigration and Customs Enforcement (ICE) determines that audit and review is necessary.

D. Development of the Rule

After the President signed Public Law 108–390, a working group was established within DHS, consisting of representatives from ICE and USCIS. This regulation was developed, drawing upon work begun under the legacy Immigration and Naturalization Service, as well as relying on standards developed by other Federal agencies utilizing electronic retention and signature methods. On December 10, 2004, at the request of the United States Chamber of Commerce, DHS representatives met with the Electronic I–9 Coalition. This Coalition consisted of representatives from a wide array of business interests. The Chamber of Commerce facilitated the meeting so the Coalition members could express views to DHS regarding the importance of the statute and to offer insight on methods of storage and attestation being contemplated by the business community. DHS representatives listened to the views presented, but could not offer any guidance on specific aspects of the regulation. DHS has carefully considered the views expressed and, to the extent practical and in the public interest, incorporated those suggestions. There are a number of potential advantages that employers may gain through use of electronic Forms I–9. Many employers may experience cost savings by storing Forms I–9 electronically rather than using conventional filing and storage of paper copies or transferring the forms to microfilm or microfiche. Electronic forms may allow employers to better ensure that each Form I–9 is properly completed and retained. Some employers may find that electronic completion and storage renders the process less prone to error. Electronically retained Forms I–9 are more easily searchable, which is important for re-verification, quality assurance and inspection purposes. This will be especially helpful and cost-effective for large employers that have job sites across the country or that have high employee turnover rates.

On April 26, 2005, a fact sheet was published on the ICE Web site to provide information on the development of the regulation based on IRS Revenue Procedure 97–22. The fact sheet included suggested standards established by IRS, and advantages for using electronic signature and retention of Form I–9.

E. Employer Compliance

An employer that is currently complying with the recordkeeping and retention requirements of current 8 CFR 274.2 is not required to take any additional or different action to comply

with the revised rules. The revised rules offer an additional option. Businesses will be permitted to adopt one or more of a number of different electronic recordkeeping, attestation, and retention systems that are compliant with the existing IRS standards.

For example, a small business may wish to download and retain .pdf versions of the employment verification record. DHS made this system available on the USCIS Web site.

Employers who already utilize electronic data recordkeeping as part of their accounting and tax functions may expand those functions to include the employment verification process. As long as the electronic records system remains IRS-compliant, the system will be ICE-compliant.

F. Public Participation

Interested persons are invited to participate in this rulemaking by submitting written data, views, or arguments on all aspects of the proposed rule. DHS also invites comments that relate to the economic, environmental, or federalism affects that might result from this proposed rule. Comments that will provide the most assistance to DHS in developing these procedures will reference a specific portion of the proposed rule, explain the reason for any recommended change, and include data, information, or authority that support such recommended change.

Instructions: All submissions received must include the agency name and docket number for this rulemaking. All comments received will be posted without change to *http://www.regulations.gov,* including any personal information provided.

Docket: For access to the docket to read background documents or comments received, go to *http://www.regulations.gov.* Submitted comments may also be inspected at the street at the address noted above by making an appointment with the individual listed as the individual to contact for further information.

II. Regulatory Requirements

A. Administrative Procedure Act (Good Cause Exception)

Implementation of this rule as an interim rule effective on June 15, 2006, with a request for public comment after the effective date of the rule is based upon the ''good cause'' exceptions found under the Administrative Procedure Act (APA), 5 U.S.C. 553(b)(B) and (d)(3). DHS has determined that delaying implementation of this rule until after a period for public notice and comment, analysis of the public comments (if any), preparation of a final rule, and providing a delayed post-publication effective date of at least 30 days, are impracticable and contrary to the public interest for the following reasons:

This regulation adopts existing, widely-utilized standards for electronic recordkeeping to permit any employer who is required to retain Form I–9, to retain that form in an electronic format. Because of the widespread application of the same rules required to establish taxable income and other matters within the jurisdiction of the IRS in the larger accounting context, it is impractical to adopt differing rules for a specific set of employment forms. Accordingly, providing an opportunity for notice and comment on whether to adopt such widely accepted standards is impractical and unnecessary. Also, the rule provides additional optional methods for complying with an existing requirement. The methods may be utilized or not utilized, in the discretion of the employer. Therefore, a delayed effective date is not necessary.

DHS recognizes that the effective date of the underlying statute authorizing electronic retention of Form I–9 was April 28, 2005. DHS will not require that forms created between that date and the effective date of the rule must comply with this rule. If an audit of such records is required, DHS will permit the employer to provide the forms in paper form; this rule does not require that any employer use an electronic record keeping system.

Moreover, as far as DHS can determine at this time, ''off the shelf'' computer programs and commercial automated data processing systems in use comply with the standards required by this rule. DHS is not aware of systems that would not immediately be useable under the regulations.

Accordingly, DHS finds that no employer required to retain Form I–9 would be adversely affected by the adoption of this rule without pre-promulgation notice and comment or a delayed effective date.

DHS nevertheless invites comments on this interim rule and will consider all timely comments in the preparation of a final rule. In particular, DHS is interested in identifying whether any existing systems for electronic record keeping do not comply with these standards in order to adjust the standards or provide a means to resolving any discrepancies.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) mandates that DHS conduct an RFA analysis when an agency is ''required by section 553, or any other law, to publish general notice of proposed rulemaking for any proposed rule.'' 5 U.S.C. 603(a). RFA analysis is not required when a rule is exempt from notice and comment rulemaking under 5 U.S.C. 553(b). DHS has determined that good cause exists under 5 U.S.C. 553(b)(B) to exempt this rule from the notice and comment requirements of 5 U.S.C. 553(b). Therefore, no RFA analysis under 5 U.S.C. 603 is required for this rule.

C. Unfunded Mandates Reform Act of 1995

This interim rule will not result in an expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of $100 million or more in any one year, and it will not significantly or uniquely affect small governments. Therefore, no actions were deemed necessary under the provisions of the Unfunded Mandates Reform Act of 1995.

D. Small Business Regulatory Enforcement Fairness Act of 1996

This interim rule is not a major rule as defined by section 804 of the Small Business Regulatory Enforcement Fairness Act of 1996. This interim rule will not result in an annual effect of $100 million or more on the economy; a major increase in costs or prices; or significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based companies to compete with foreign-based companies in domestic and export markets. Since utilizing electronic signature and storage technologies are optional, DHS expects that small businesses will only choose electronic methods if they will save costs and/or lessen overall burden. Providing this option should, therefore, have a net cost-saving effect to small businesses.

E. Executive Order 12866 (Regulatory Planning and Review)

This interim rule is considered by DHS to be a ''significant regulatory action'' under Executive Order 12866, section 3(f), Regulatory Planning and Review. Accordingly, the rule has been submitted to the Office of Management and Budget (OMB) for review.

DHS has assessed both the cost and benefits of this interim rule as required by Executive Order 12866 section 1(b)(6), and has made a reasoned determination that the benefits of this interim rule justify its costs to the public and Government. In fact, DHS anticipates that both the public and

Government will experience a net cost savings as a result of this rule. Whether to store Forms I–9 in an electronic format will be within the discretion of the employer or the recruiter or referrer for a fee—those that are already required under 8 CFR 274a.2 to retain the Forms I–9.

The number of Forms I–9 maintained throughout the country is extremely large. Storage of Forms I–9 to meet the statutory retention requirement may require the employer to make a significant investment in personnel and storage space. Currently, storage costs for the paper Form I–9 vary, depending on the storage facility used and the number of Forms I–9 that must be stored. DHS believes that Form I–9 storage costs are highest with large employers or those who have a high employee attrition rate. At an estimated employer total labor cost of $20 per hour, employer burden savings are estimated to be $13,000,000 annually. DHS considers this a conservative estimate, which is based on agency experience since the Form I–9 requirement was implemented. Further, we expect that some employers will have capital costs at the outset, depending on the size and complexity of the system chosen. DHS is unable to estimate possible capital costs as these could vary widely as employers implement a range of electronic options, from simply using a scanner to electronically retain a completed Form I–9 to a complex database that facilitates electronic completion, attestation, retention, production, etc.

Employers utilizing electronic Forms I–9 will bear additional costs associated with the documentation that this rule requires to establish the integrity of the electronic Form I–9 process chosen. This is an initial cost to the employer and will vary depending on the sophistication and capacity of each system deployed. The documentation necessary should accompany the software and hardware being used by the employer to implement the electronic Form I–9.

For employers responsible for a significant number of Forms I–9, these costs are expected to be lower than the costs associated with retaining Forms I–9 in paper format. For employers who do not have a large number of Forms I–9 to retain, utilizing an electronic Form I–9 may not be economical. However, the benefits of using an electronic Form I–9 extend beyond storage space. DHS believes that employers using electronic Forms I–9 will improve their accuracy rate. By completing and/or storing Forms I–9 electronically, employers will be better able to self-audit Forms I–9 in order to detect and correct errors. Employers could create an electronic process for Form I–9 completion that minimizes the possibility of errors. The process could include prompts that preclude the user from completing the rest of the form until an acceptable response is provided. Employers would also be better able to create a reliable system to re-verify an employee's employment authorization when it is about to expire. The forms could be stored on a computer maintained onsite rather than in boxes off-site or other difficult-to-access locations, which DHS has observed when conducting past Form I–9 audits. Electronically stored forms could be presented for review in a matter of minutes rather than the lengthy period required to access paper or microfiche archives. While employers converting to an electronic Form I–9 format may incur initial costs, DHS anticipates that employers who use an electronic Form I–9 system tailored to their needs will generally achieve a net cost-savings in both the short term and long term. In addition, DHS anticipates that its Form I–9 audits will reveal a lower error rate. This should translate into a more efficient employment eligibility verification process for employers and, therefore, a lower incidence of unauthorized workers in the workplace. In recent years, DHS has received many queries from the employer community regarding the possibility of using electronic Forms I–9, with electronic attestation, and storing the forms electronically. Employers have expressed their frustration with the requirement to keep paper forms or maintain the forms on microfilm or microfiche when all other aspects of their businesses have been automated.

For some employers, particularly small employers, retaining the paper Form I–9 may continue to be the most cost-effective and efficient storage method. This rule does not eliminate this option or discourage employers from using it. The paper Form I–9 has the advantage of recording the unique signature of the employee and of the employer representative. This interim rule does not make any change to the current paper Form I–9 process. Additionally, employers can utilize a combination of paper and electronic methods for fulfilling the Form I–9 requirements. For example, an employer can complete the paper Form I–9 and use a scanner to retain electronically. Conversely, an employer can choose to complete the Form I–9 electronically and retain the printed form.

For the Government, amending the regulations to permit the electronic signatures and retention of Form I–9 has many advantages, particularly with respect to DHS's enforcement efforts. When conducting audits, DHS will be able to receive Forms I–9 electronically, rather than using staff resources to physically appear at a worksite. Once the Form I–9 data is received electronically, DHS will have increased flexibility in how it reviews and analyzes them. DHS will be able to more easily compare data among multiple audits to locate unauthorized workers, and store audit records for easy access. When investigating the presence of unauthorized workers in the workplace, employers violating the immigration laws, or national security risks, DHS will have this information immediately available and with less risk of human error. Additionally, there are circumstances in which the Department of Labor and the Department of Justice, Office of Special Counsel for Immigration-Related Unfair Employment Practices, access Forms I–9 in order to exercise their responsibilities.

DHS anticipates that its own additional costs will be minimal. DHS currently inputs Form I–9 information manually into a database. If an employer chooses to electronically retain Form I–9, then the rule's requirement that Form I–9 information be presented in a particular electronic format will enable the electronic transfer of information from employer to DHS to be nearly instantaneous. Therefore, rather than invest DHS investigator time in data entry, investigators will be free to conduct more-thorough investigations.

Once employers begin to utilize electronic Forms I–9 and the various electronic Form I–9 storage options, DHS will be able to better gauge what additional or alternative database and storage options would further increase the efficiency of its investigations. At present, DHS will utilize current systems to implement this rule.

This rule does not limit employers to using one system for the storage of Forms I–9 electronically, nor does it identify one method for acceptable electronic signatures. Instead, this rule seeks to set acceptable standards for employers. Electronic signatures can be accomplished using various technologies including, but not limited to, electronic signature pads, Personal Identification Numbers (PIN), biometrics, and ''click to accept'' dialog boxes. DHS considered specifying acceptable technologies, but rejected this alternative as being too inflexible for employers' needs and economic means. Moreover, to specify a particular technology would require continuous

amendments to the regulations reflecting the rapid changes in technology. DHS concluded that this approach would be impractical and detrimental to employers since it would require continuous and potentially costly changes to employers' business practices.

F. Executive Order 13132 (Federalism)

This interim rule will 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, in accordance with section 6 of Executive Order 13132, it is determined that this interim rule does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement.

G. Executive Order 12988 (Civil Justice Reform)

This interim rule meets the applicable standards set forth in sections 3(a) and 3(b)(2) of Executive Order 12988.

H. Paperwork Reduction Act

Under the Paperwork Reduction Act of 1995, 44 U.S.C. 3501 et seq., all Departments are required to submit any reporting or recordkeeping requirements inherent in a rule to the Office of Management and Budget (OMB) for review and approval. This interim rule requires employers to complete the Form I–9 which has been approved for use by OMB (OMB Control Number 1615–0047); it also permits the employer to continue to retain the Form I–9 in paper, microfiche, or microfilm, and allows a new option: to retain the Form I–9 electronically. The DHS believes that storing the I–9 electronically will reduce the burden on businesses by 650,000 hours (see discussion below). Accordingly, DHS submitted the required Paperwork Reduction Change Worksheet (OMB–83C) to the Office of Management and Budget (OMB) reflecting the reduction in burden hours for Form I–9, and the OMB has approved the changes.

DHS estimates that there will be a total of 78,000,000 respondents annually who will complete the required Form I–9 in either paper or electronic format. DHS has estimated that it takes 9 minutes to gather the required evidence to complete the paper Form I–9 and an additional 4 minutes for employer verification, filing and storage. Because this regulation is technology neutral, it is difficult for DHS to estimate the average time required to complete a Form I–9 electronically, as completion methods may vary widely depending upon the range of systems implemented by employers. However, DHS does not believe the time per respondent will change significantly as the documentation required is unchanged. Many businesses could reduce the time burden by using an electronic Form I–9, as the documentation could be collected from an employee in conjunction with other types of personnel forms (*i.e.*, tax withholding forms, insurance and other benefit forms) that require similar personal information.

For employers who choose electronic retention methods for the Form I–9, DHS does expect a burden reduction. DHS previously estimated that employers spend four minutes per form to verify and file. We project that half of the estimated 78,000,000 Forms I–9 completed annually will involve some method of electronic generation or retention. Employers utilizing at least a partial electronic process for retention of the Form I–9 should save a minimum of one minute of burden time per form based on the previous estimate of 4 minutes per form for verification and filing. Based on 39,000,000 Forms I–9, the total labor hours saved would be 650,000 hours annually.

Under 8 CFR 274a.2(e) through (i), any employer who stores Form I–9 electronically or any employer that applies an electronic signature to the Form I–9 must demonstrate that its electronic storage system is properly maintained and protected against tampering, and that any electronic signature can be authenticated. In addition, an employer or entity who chooses to complete and/or retain Forms I–9 electronically must maintain, and make available to the Department upon request, documentation of the business process that: (1) Creates the retained Forms I–9; (2) Modifies and maintains the retained Forms I–9; and (3) Establishes the authenticity and integrity of the Forms I–9, such as audit trails. These additional requirements are considered information collections under the Paperwork Reduction Act. These requirements are reflected in the Paperwork Reduction Change Worksheet (Form OMB 83–C) that has been submitted to OMB and that specifies the estimated net reduction in burden hours that will result from this rule.

List of Subjects in 8 CFR Part 274a

Administrative practice and procedure, Aliens, Employment, Penalties, Reporting and recordkeeping requirements.

■ Accordingly, part 274a of chapter I of title 8 of the Code of Federal Regulations is amended as follows:

PART 274a—CONTROL OF EMPLOYMENT OF ALIENS

■ 1. The authority citation for part 274a continues to read as follows:

Authority: 8 U.S.C. 1101, 1103, 1324a; 8 CFR part 2.

■ 2. Section 274a.2 is amended:
■ a. By revising paragraph (a);
■ b. By revising paragraph (b)(1)(i)(A);
■ c. By revising paragraph (b)(1)(ii)(B);
■ d. By revising the last sentence in paragraph (b)(1)(iv);
■ e. By revising the last sentence of paragraph (b)(1)(vii);
■ f. By revising paragraph (b)(2)(i) introductory text;
■ g. By revising paragraph (b)(2)(ii);
■ h. By adding paragraph (b)(2)(iv);
■ i. By revising paragraph (b)(3);
■ j. By adding the term ''or electronic images'' immediately after ''copies'' in paragraph (b)(4); and
■ k. By adding new paragraphs (e), (f), (g), (h), and (i).

The revisions and additions read as follows:

§ 274a.2 Verification of employment eligibility.

(a) *General.* This section establishes requirements and procedures for compliance by persons or entities when hiring, or when recruiting or referring for a fee, or when continuing to employ individuals in the United States.

(1) *Recruiters and referrers for a fee.* For purposes of complying with section 274A(b) of the Act and this section, all references to recruiters and referrers for a fee are limited to a person or entity who is either an agricultural association, agricultural employer, or farm labor contractor (as defined in section 3 of the Migrant and Seasonal Agricultural Worker Protection Act, Pub. L. 97–470 (29 U.S.C. 1802)).

(2) *Verification form.* Form I–9, Employment Eligibility Verification Form, is used in complying with the requirements of this 8 CFR 274a.1—274a.11. Form I–9 can be in paper or electronic format. In paper format, the Form I–9 may be obtained in limited quantities at USCIS district offices, or ordered from the Superintendent of Documents, Washington, DC 20402. In electronic format, a fillable electronic Form I–9 may be downloaded from *http://www.uscis.gov*. Alternatively, Form I–9 can be electronically generated or retained, provided that the resulting form is legible; there is no change to the name, content, or sequence of the data elements and instructions; no additional

data elements or language are inserted; and the standards specified under 8 CFR 274a.2(e), (f), (g), (h), and (i), as applicable, are met. When copying or printing the paper Form I–9, the text of the two-sided form may be reproduced by making either double-sided or single-sided copies.

(3) *Attestation Under Penalty and Perjury.* In conjunction with completing the Form I–9, an employer or recruiter or referrer for a fee must examine documents that evidence the identity and employment eligibility of the individual. The employer or recruiter or referrer for a fee and the individual must each complete an attestation on the Form I–9 under penalty of perjury.

(b) * * *

(1) * * *

(i) * * *

(A) Completes section 1—''Employee Information and Verification''—on the Form I–9 at the time of hire and signs the attestation with a handwritten or electronic signature in accordance with paragraph (h) of this section; or if an individual is unable to complete the Form I–9 or needs it translated, someone may assist him or her. The preparer or translator must read the Form I–9 to the individual, assist him or her in completing Section 1—''Employee Information and Verification,'' and have the individual sign or mark the Form I–9 by a handwritten signature, or an electronic signature in accordance with paragraph (h) of this section, in the appropriate place; and

* * * * *

(ii) * * *

(B) Complete section 2—''Employer Review and Verification''—on the Form I–9 within three days of the hire and sign the attestation with a handwritten signature or electronic signature in accordance with paragraph (i) of this section.

* * * * *

(iv) * * * If a recruiter or referrer designates an employer to complete the employment verification procedures, the employer need only provide the recruiter or referrer with a photocopy or printed electronic image of the Form I–9, electronic Form I–9, or a Form I–9 on microfilm or microfiche.

* * * * *

(vii) * * * The employer or the recruiter or referrer for a fee must review this document, and if it appears to be genuine and relate to the individual, re-verify by noting the document's identification number and expiration date, if any, on the Form I–9 and signing the attestation by a handwritten signature or electronic signature in accordance with paragraph (i) of this section.

* * * * *

(2) * * *

(i) A paper (with original handwritten signatures), electronic (with acceptable electronic signatures that meet the requirements of paragraphs (h) and (i) of this section or original paper scanned into an electronic format that meets the requirements of 8 CFR 274a.2(e), (f), and (g)), or microfilm or microfiche copy of the original signed version of the Form I–9 must be retained by an employer or a recruiter or referrer for a fee for the following time periods:

* * * * *

(ii) Any person or entity required to retain Forms I–9 in accordance with this section shall be provided with at least three days notice prior to an inspection of the Forms I–9 by officers of an authorized agency of the United States. At the time of inspection, Forms I–9 must be made available in their original paper, electronic form, a paper copy of the electronic form, or on microfilm or microfiche at the location where the request for production was made. If Forms I–9 are kept at another location, the person or entity must inform the officer of the authorized agency of the United States of the location where the forms are kept and make arrangements for the inspection. Inspections may be performed at an office of an authorized agency of the United States. A recruiter or referrer for a fee who has designated an employer to complete the employment verification procedures may present a photocopy or printed electronic image of the Form I–9 in lieu of presenting the Form I–9 in its original paper or electronic form or on microfilm or microfiche, as set forth in paragraph (b)(1)(iv) of this section. Any refusal or delay in presentation of the Forms I–9 for inspection is a violation of the retention requirements as set forth in section 274A(b)(3) of the Act. No Subpoena or warrant shall be required for such inspection, but the use of such enforcement tools is not precluded. In addition, if the person or entity has not complied with a request to present the Forms I–9, any officer listed in 8 CFR 287.4 may compel production of the Forms I–9 and any other relevant documents by issuing a subpoena. Nothing in this section is intended to limit the subpoena power under section 235(a) of the Act.

* * * * *

(iv) Paragraphs (e), (f), (g), (h), and (i) of this section specify the standards for electronic Forms I–9.

(3) *Copying of documentation.* An employer, or a recruiter or referrer for a fee may, but is not required to, copy or make an electronic image of a document presented by an individual solely for the purpose of complying with the verification requirements of this section. If such a copy or electronic image is made, it must be retained with the Form I–9. The copying or electronic imaging of any such document and retention of the copy or electronic image does not relieve the employer from the requirement to fully complete section 2 of the Form I–9. An employer, recruiter or referrer for a fee should not, however, copy or electronically image only the documents of individuals of certain national origins or citizenship statuses. To do so may violate section 274B of the Act.

(4) *Limitation on use of Form I–9.* Any information contained in or appended to the Form I–9, including copies or electronic images of documents listed in paragraph (c) of this section used to verify an individual's identity or employment eligibility, may be used only for enforcement of the Act and 18 U.S.C. 1001, 1028, 1546, or 1621.

* * * * *

(e) *Standards for electronic retention of Form I–9.* (1) Any person or entity who is required by this section to complete and retain Forms I–9 may complete or retain electronically Form I–9 in an electronic generation or storage system that includes:

(i) Reasonable controls to ensure the integrity, accuracy and reliability of the electronic generation or storage system;

(ii) Reasonable controls designed to prevent and detect the unauthorized or accidental creation of, addition to, alteration of, deletion of, or deterioration of an electronically completed or stored Form I–9, including the electronic signature if used;

(iii) An inspection and quality assurance program evidenced by regular evaluations of the electronic generation or storage system, including periodic checks of the electronically stored Form I–9, including the electronic signature if used;

(iv) In the case of electronically retained Forms I–9, a retrieval system that includes an indexing system that permits searches by any data element; and

(v) The ability to reproduce legible and readable hardcopies.

(2) All documents reproduced by the electronic retention system must exhibit a high degree of legibility and readability when displayed on a video display terminal or when printed on paper, microfilm, or microfiche. The term ''legibility'' means the observer must be able to identify all letters and

numerals positively and quickly, to the exclusion of all other letters or numerals. The term ''readability'' means that the observer must be able to recognize any group of letters or numerals that form words or numbers as those words or complete numbers. The employer, or recruiter or referrer for a fee, must ensure that the reproduction process maintains the legibility and readability of the electronically stored document.

(3) An electronic generation or storage system must not be subject, in whole or in part, to any agreement (such as a contract or license) that would limit or restrict access to and use of the electronic generation or storage system by an agency of the United States, on the premises of the employer, recruiter or referrer for a fee (or at any other place where the electronic generation or storage system is maintained), including personnel, hardware, software, files, indexes, and software documentation.

(4) A person or entity who chooses to complete or retain Forms I–9 electronically may use more than one electronic generation or storage system. Each electronic generation or storage system must meet the requirements of this paragraph, and remain available as long as required by the Act and these regulations.

(5) For each electronic generation or storage system used, the person or entity retaining the Form I–9 must maintain, and make available upon request, complete descriptions of:

(i) The electronic generation and storage system, including all procedures relating to its use; and

(ii) The indexing system.

(6) An ''indexing system'' for the purposes of paragraphs (e)(1)(iv) and (e)(5) of this section is a system that permits the identification and retrieval for viewing or reproducing of relevant books and records maintained in an electronic storage system. For example, an indexing system might consist of assigning each electronically stored document a unique identification number and maintaining a separate database that contains descriptions of all electronically stored books and records along with their identification numbers. In addition, any system used to maintain, organize, or coordinate multiple electronic storage systems is treated as an indexing system. The requirement to maintain an indexing system will be satisfied if the indexing system is functionally comparable to a reasonable hardcopy filing system. The requirement to maintain an indexing system does not require that a separate electronically stored books and records description database be maintained if comparable results can be achieved without a separate description database.

(7) Any person or entity choosing to retain completed Forms I–9 electronically may use reasonable data compression or formatting technologies as part of the electronic storage system as long as the requirements of 8 CFR 274a.2 are satisfied.

(8) At the time of an inspection, the person or entity required to retain completed Forms I–9 must:

(i) Retrieve and reproduce (including printing copies on paper, if requested) only the Forms I–9 electronically retained in the electronic storage system and supporting documentation specifically requested by an agency of the United States, along with associated audit trails. Generally, an audit trail is a record showing who has accessed a computer system and the actions performed within or on the computer system during a given period of time, and

(ii) Provide a requesting agency of the United States with the resources (e.g., appropriate hardware and software, personnel and documentation) necessary to locate, retrieve, read, and reproduce (including paper copies) any electronically stored Forms I–9, any supporting documents, and their associated audit trails, reports, and other data used to maintain the authenticity, integrity, and reliability of the records.

(iii) Provide, if requested, any reasonably available or obtainable electronic summary file(s), such as a spreadsheet, containing all of the information fields on all of the electronically stored Forms I–9 requested by a requesting agency of the United States.

(f) *Documentation.*

(1) A person or entity who chooses to complete and/or retain Forms I–9 electronically must maintain and make available to an agency of the United States upon request documentation of the business processes that:

(i) Create the retained Forms I–9;

(ii) Modify and maintain the retained Forms I–9; and

(iii) Establish the authenticity and integrity of the Forms I–9, such as audit trails.

(2) Insufficient or incomplete documentation is a violation of section 274A(a)(1)(B) of the Act.

(3) Any officer listed in 8 CFR 287.4 may issue a subpoena to compel production of any documentation required by 8 CFR 274a.2. Nothing in this section is intended to limit the subpoena power of an agency of the United States under section 235(a) of the Act.

(g) *Security.*

(1) Any person or entity who elects to complete or retain Forms I–9 electronically must implement an effective records security program that:

(i) Ensures that only authorized personnel have access to electronic records;

(ii) Provides for backup and recovery of records to protect against information loss, such as power interruptions;

(iii) Ensures that employees are trained to minimize the risk of unauthorized or accidental alteration or erasure of electronic records; and

(iv) Ensure that whenever the electronic record is created, accessed, viewed, updated, or corrected, a secure and permanent record is created that establishes the date of access, the identity of the individual who accessed the electronic record, and the particular action taken.

(2) An action or inaction resulting in the unauthorized alteration, loss, or erasure of electronic records, if it is known, or reasonably should be known, to be likely to have that effect, is a violation of section 274A(b)(3) of the Act.

(h) *Electronic signatures for employee.*

(1) If a Form I–9 is completed electronically, the attestations in Form I–9 must be completed using a system for capturing an electronic signature that meets the standards set forth in this paragraph. The system used to capture the electronic signature must include a method to acknowledge that the attestation to be signed has been read by the signatory. The electronic signature must be attached to, or logically associated with, an electronically completed Form I–9. In addition, the system must:

(i) Affix the electronic signature at the time of the transaction;

(ii) Create and preserve a record verifying the identity of the person producing the signature; and

(iii) Provide a printed confirmation of the transaction, at the time of the transaction, to the person providing the signature.

(2) Any person or entity who is required to ensure proper completion of a Form I–9 and who chooses electronic signature for a required attestation, but who has failed to comply with the standards set forth in this paragraph, is deemed to have not properly completed the Form I–9, in violation of section 274A(a)(1)(B) of the Act and 8 CFR 274a.2(b)(2).

(i) *Electronic signatures for employer, recruiter or referrer, or representative.* If a Form I–9 is completed electronically, the employer, the recruiter or referrer for a fee, or the representative of the

employer or the recruiter or referrer, must attest to the required information in Form I–9. The system used to capture the electronic signature should include a method to acknowledge that the attestation to be signed has been read by the signatory. Any person or entity who has failed to comply with the criteria established by this regulation for electronic signatures, if used, and at the time of inspection does not present a properly completed Form I–9 for the employee, is in violation of section 274A(a)(1)(B) of the Act and 8 CFR 274a.2(b)(2).

Dated: June 8, 2006.

Michael Chertoff,

Secretary.

[FR Doc. E6–9283 Filed 6–14–06; 8:45 am]

BILLING CODE 4410–10–P

DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

9 CFR Part 93

[Docket No. APHIS–2006–0020]

States Approved To Receive Stallions and Mares From CEM-Affected Regions; Indiana

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Direct final rule; confirmation of effective date.

SUMMARY: On April 27, 2006, the Animal and Plant Health Inspection Service published a direct final rule. (See 71 FR 24806–24808.) The direct final rule notified the public of our intention to amend the animal importation regulations by adding Indiana to the lists of States approved to receive certain stallions and mares imported into the United States from regions affected with contagious equine metritis. We did not receive any written adverse comments regarding the addition of Indiana to those lists or written notice of intent to submit adverse comments in response to the direct final rule.

DATES: *Effective Date:* The effective date of the direct final rule is confirmed as June 26, 2006.

FOR FURTHER INFORMATION CONTACT: Dr. Freeda E. Isaac, Senior Staff Veterinarian, National Center for Import and Export, VS, APHIS, 4700 River Road Unit 39, Riverdale, MD 20737–1231; (301) 734–8364.

Authority: 7 U.S.C. 1622 and 8301–8317; 21 U.S.C. 136 and 136a; 31 U.S.C. 9701; 7 CFR 2.22, 2.80, and 371.4.

Done in Washington, DC, this 9th day of June 2006.

Kevin Shea,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. E6–9350 Filed 6–14–06; 8:45 am]

BILLING CODE 3410–34–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 23

[Docket No. CE249; Special Conditions No. 23–189–SC]

Special Conditions: Societe de Motorisation Aeronautiques (SMA) Engines, Cessna Models 182Q and 182R: Installation of Model SR305–230 Aircraft Diesel Engine for Full Authority Digital Engine Control (FADEC) System and the Protection of the System From the Effects of High Intensity Radiated Fields (HIRF)

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final special conditions; request for comments.

SUMMARY: This proposes special conditions for the Cessna Models 182Q and 182R airplanes with a Societe de Motorisation Aeronautiques (SMA) Model SR305–230 aircraft diesel engine (ADE). The supplemental type certificate for these airplanes will have a novel or unusual design feature associated with the installation of an aircraft diesel engine that uses an electronic engine control system instead of a mechanical control system. The applicable airworthiness regulations do not contain adequate or appropriate safety standards for this design feature. These special conditions contain the additional safety standards that the Administrator considers necessary to establish a level of safety equivalent to that established by the existing airworthiness standards.

DATES: The effective date of these special conditions is June 7, 2006. Comments must be received on or before July 17, 2006.

ADDRESSES: Comments on the special conditions may be mailed in duplicate to: Federal Aviation Administration (FAA), Regional Counsel, ACE–7, Attention: Rules Docket, Docket No. CE249, 901 Locust, Room 506, Kansas City, Missouri 64106, or delivered in duplicate to the Regional Counsel at the above address. Comments must be marked: Docket No. CE249. Comments may be inspected in the Rules Docket weekdays, except Federal holidays, between 7:30 a.m. and 4 p.m.

FOR FURTHER INFORMATION CONTACT: Peter L. Rouse, Federal Aviation Administration, Aircraft Certification Service, Small Airplane Directorate, ACE–111, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: 816–329–4135, fax: 816–329–4090.

SUPPLEMENTARY INFORMATION: The FAA has determined that notice and opportunity for prior public comment hereon are impracticable because these procedures would significantly delay issuance of the design approval and thus delivery of the affected aircraft. In addition, the substance of these special conditions has been subject to the public comment process in several prior instances with no substantive comments received. The FAA, therefore, finds that good cause exists for making these special conditions effective upon issuance.

Comments Invited

Interested persons are invited to submit such written data, views, or arguments as they may desire. Communications should identify the regulatory docket or special condition number and be submitted in duplicate to the address specified above. All communications received on or before the closing date for comments will be considered by the Administrator. The special conditions may be changed in light of the comments received. All comments received will be available in the Rules Docket for examination by interested persons, both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerning this rulemaking will be filed in the docket. Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this notice must include a self-addressed, stamped postcard on which the following statement is made: ''Comments to Docket No. CE249.'' The postcard will be date stamped and returned to the commenter.

Background

On March 19, 2004, the Societe de Motorisation Aeronautiques Engines, Inc. applied for Supplemental Type Certification of Cessna Models 182Q and 182R airplanes for the installation of an SMA Model SR305–230. The airplane is powered by a SMA Model SR305–230 that is equipped with an electronic engine control system with full authority capability in these airplanes.

Type Certification Basis

Under the provisions of 14 CFR 21.101, SMA Engines, Inc., must show that the Cessna Models 182Q and 182R airplanes, with the installation of an SMA Model SR305–230, meets the applicable provisions of part 14 CFR part 23, as amended by Amendments 23–1 through 23–51 and Civil Air Regulations (CAR) 3 thereto.

If the Administrator finds that the applicable airworthiness regulations (*i.e.*, CAR 3; 14 CFR, part 23) do not contain adequate or appropriate safety standards for the Cessna Models 182Q and 182R airplanes because of a novel or unusual design feature, special conditions are prescribed under the provisions of § 21.16.

Special conditions, as appropriate, as defined in § 11.19, are issued in accordance with § 11.38, and become part of the certification basis for the supplemental type certification basis in accordance with § 21.101. Special conditions are initially applicable to the model for which they are issued. Should the applicant apply for a supplemental type certificate to modify any other models that are listed on the same type certificate to incorporate the same novel or unusual design features, the special conditions would also apply under the provisions of § 21.101.

Novel or Unusual Design Features

The SMA Engines, Inc. modified Cessna Models 182Q and 182R airplanes will incorporate a novel or unusual design feature, an engine that includes an electronic control system with Full Authority Digital Engine control (FADEC) capability.

Many advanced electronic systems are prone to either upsets or damage, or both, at energy levels lower than analog systems. The increasing use of high power radio frequency emitters mandates requirements for improved High Intensity Radiated Fields (HIRF) protection for electrical and electronic equipment. Since the electronic engine control system used on the SMA Engines, Inc., modified Cessna Models 182Q and 182R airplanes will perform critical functions, provisions for protection from the effects of HIRF should be considered and, if necessary, incorporated into the airplane design data. The FAA policy contained in Notice 8110.71, dated April 2, 1998, establishes the HIRF energy levels that airplanes will be exposed to in service. The guidelines set forth in this notice are the result of an Aircraft Certification Service review of existing policy on HIRF, in light of the ongoing work of the Aviation Rulemaking Advisory Committee (ARAC) Electromagnetic Effects Harmonization Working Group (EEHWG). The EEHWG adopted a set of HIRF environment levels in November 1997 that were agreed upon by the FAA, the Joint Aviation Authorities (JAA), and industry participants. As a result, the HIRF environments in this notice reflect the environment levels recommended by this working group. This notice states that a FADEC is an example of a system that should address the HIRF environments.

Even though the control system will be certificated as part of the engine, the installation of an engine with an electronic control system requires evaluation due to the possible effects on or by other airplane systems (*e.g.*, radio interference with other airplane electronic systems, shared engine and airplane power sources). The regulatory requirements in 14 CFR part 23 for evaluating the installation of complex systems, including electronic systems, are contained in § 23.1309. However, when § 23.1309 was developed, the use of electronic control systems for engines was not envisioned; therefore, the § 23.1309 requirements were not applicable to systems certificated as part of the engine (reference § 23.1309(f)(1)). Also, electronic control systems often require inputs from airplane data and power sources and outputs to other airplane systems (*e.g.*, automated cockpit powerplant controls such as mixture setting). Although the parts of the system that are not certificated with the engine could be evaluated using the criteria of § 23.1309, the integral nature of systems such as these makes it unfeasible to evaluate the airplane portion of the system without including the engine portion of the system. However, § 23.1309(f)(1) again prevents complete evaluation of the installed airplane system since evaluation of the engine system's effects is not required.

Therefore, special conditions are proposed for the SMA Engines, Inc., modified Cessna Models 182Q and 182R airplanes to provide HIRF protection and to evaluate the installation of the electronic engine control system for compliance with the requirements of § 23.1309(a) through (e) at Amendment 23–49.

Applicability

As discussed above, these special conditions are applicable to the SMA Engines, Inc., modified Cessna Models 182Q and 182R airplanes. Should SMA Engines, Inc., apply at a later date for a supplemental type certificate to modify any other model included on the same type certificate as the SMA Engines, Inc., modified Cessna Models 182Q and 182R airplanes to incorporate the same novel or unusual design features, the special conditions would apply to that model as well under the provisions of § 21.101.

Conclusion

This action affects only certain novel or unusual design features on SMA Engines, Inc., modified Cessna Models 182Q and 182R airplanes. It is not a rule of general applicability, and it affects only the applicant who applied to the FAA for approval of these features on the airplane.

Under standard practice, the effective date of final special conditions would be 30 days after the date of publication in the **Federal Register**. However, as the certification date for the SMA Engines, Inc., modified Cessna Models 182Q and 182R is imminent, the FAA finds that good cause exists to make these special conditions effective upon issuance.

List of Subjects in 14 CFR Part 23

Aircraft, Aviation safety, Signs and symbols.

Citation

The authority citation for these special conditions is as follows:

Authority: 49 U.S.C. 106(g), 40113 and 44701; 14 CFR 21.16 and 21.101; and 14 CFR 11.38 and 11.19.

The Special Conditions

Accordingly, pursuant to the authority delegated to me by the Administrator, the following special conditions are issued as part of the supplemental type certification basis for SMA Engines, Inc., modified Cessna Models 182Q and 182R airplanes.

1. *High Intensity Radiated Fields (HIRF) Protection.* In showing compliance with 14 CFR part 21 and the airworthiness requirements of 14 CFR part 23, protection against hazards caused by exposure to HIRF fields for the full authority digital engine control system, which performs critical functions, must be considered. To prevent this occurrence, the electronic engine control system must be designed and installed to ensure that the operation and operational capabilities of this critical system are not adversely affected when the airplane is exposed to high energy radio fields.

At this time, the FAA and other airworthiness authorities are unable to precisely define or control the HIRF energy level to which the airplane will be exposed in service; therefore, the FAA hereby defines two acceptable interim methods for complying with the requirement for protection of systems that perform critical functions.

(1) The applicant may demonstrate that the operation and operational capability of the installed electrical and electronic systems that perform critical functions are not adversely affected when the aircraft is exposed to the external HIRF threat environment defined in the following table:

Frequency	Field strength (volts per meter)	
	Peak	Average
10 kHz–100 kHz	50	50
100 kHz–500 kHz	50	50
500 kHz–2 MHz	50	50
2 MHz–30 MHz	100	100
30 MHz–70 MHz	50	50
70 MHz–100 MHz	50	50
100 MHz–200 MHz	100	100
200 MHz–400 MHz	100	100
400 MHz–700 MHz	700	50
700 MHz–1 GHz	700	100
1 GHz–2 GHz	2000	200
2 GHz–4 GHz	3000	200
4 GHz–6 GHz	3000	200
6 GHz–8 GHz	1000	200
8 GHz–12 GHz	3000	300
12 GHz–18 GHz	2000	200
18 GHz–40 GHz	600	200

The field strengths are expressed in terms of peak root-mean-square (rms) values.

or,

(2) The applicant may demonstrate by a system test and analysis that the electrical and electronic systems that perform critical functions can withstand a minimum threat of 100 volts per meter peak electrical strength, without the benefit of airplane structural shielding, in the frequency range of 10 KHz to 18 GHz. When using this test to show compliance with the HIRF requirements, no credit is given for signal attenuation due to installation. Data used for engine certification may be used, when appropriate, for airplane certification.

2. *Electronic Engine Control System.* The installation of the electronic engine control system must comply with the requirements of § 23.1309(a) through (e) at Amendment 23–49. The intent of this requirement is not to re-evaluate the inherent hardware reliability of the control itself, but rather determine the effects, including environmental effects addressed in § 23.1309(e), on the airplane systems and engine control system when installing the control on the airplane. When appropriate, engine certification data may be used when showing compliance with this requirement.

With respect to compliance with § 23.1309(e), the levels required for compliance shall be at the levels for catastrophic failure conditions.

Issued in Kansas City, Missouri on June 7, 2006.

David R. Showers,

Acting Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. E6–9241 Filed 6–14–06; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 558

New Animal Drugs for Use in Animal Feeds; Lasalocid; Correction

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule; correcting amendments.

SUMMARY: The Food and Drug Administration (FDA) is correcting a document amending the animal drug regulations to reflect approval of an original new animal drug application (NADA) that appeared in the **Federal Register** of April 27, 2006 (71 FR 24814). FDA is correcting a paragraph designation in the table for lasalocid cattle feeds which was drafted in error. This correction is being made to improve the accuracy of the animal drug regulations.

DATES: This rule is effective June 15, 2006.

FOR FURTHER INFORMATION CONTACT: George K. Haibel, Center for Veterinary Medicine (HFV–6), Food and Drug Administration, 7519 Standish Pl., Rockville, MD 20855, 240–276–9019, e-mail: *george.haibel@fda.hhs.gov*.

SUPPLEMENTARY INFORMATION: For the reasons set forth in the preamble, FDA is correcting 21 CFR part 558 to read as follows:

List of Subjects in 21 CFR Part 558

Animal drugs, Animal feeds.

■ Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs and redelegated to the Center for Veterinary Medicine, 21 CFR part 558 is amended as follows:

PART 558—NEW ANIMAL DRUGS FOR USE IN ANIMAL FEEDS

■ 1. The authority citation for 21 CFR part 558 continues to read as follows:

Authority: 21 U.S.C. 360b, 371.

§ 558.311 [Amended]

■ 2. Section 558.311 is corrected in the table in the ''Lasalocid sodium in grams per ton'' column, in the entry for use of lasalocid at 30 to 600 grams per ton in combination with chlortetracycline at 500 to 4000 grams per ton, by removing the second paragraph designation ''(xxiii)'' and by adding in its place the paragraph designation ''(xxviii)''.

Dated: June 1, 2006.

Stephen F. Sundlof,

Director, Center for Veterinary Medicine.

[FR Doc. E6–9321 Filed 6–14–06; 8:45 am]

BILLING CODE 4160–01–S

DEPARTMENT OF STATE

22 CFR Parts 40, 41, and 42

[Public Notice 5362]

Nomenclature Changes Reflecting Creation of Department of Homeland Security

AGENCY: State Department.

ACTION: Final rule.

SUMMARY: This rule makes technical nomenclature changes to Title 22 Code of Federal Regulations (CFR) parts 40, 41, and 42 to properly reflect the creation of the Department of Homeland Security (DHS) and its assumption of the functions of the former Immigration and Naturalization Service (INS). This rule also reflects changes to form numbers on various visa-related forms. Because the amendments are entirely technical, the State Department is not providing an opportunity for public comment under the Administrative Procedure Act ''good cause'' exemption.

DATES: *Effective Date:* This rule is effective June 15, 2006.

Persons with access to the internet may view this notice by going to the regulations.gov Web site at: *http://www.regulations.gov/index.cfm.*

FOR FURTHER INFORMATION CONTACT: Barbara J. Kennedy, Legislation and Regulations Division, Visa Services, U.S. Department of State, 2401 E Street, NW., Room L–603, Washington, DC 20520–0106; telephone 202–663–1206 or e-mail *KennedyBJ@state.gov.*

SUPPLEMENTARY INFORMATION:

Why is the Department Promulgating This Rule?

On March 1, 2003, the INS's functions were transferred to the newly created Department of Homeland Security (DHS). The reorganization was required by the Homeland Security Act of 2002, Public Law No. 107–296 section 1502. This final rule includes the changes that reflect the transfer.

How is the Department Amending its Regulations?

This rule reflects the transfer of functions made by including these changes in 22 CFR, parts 40, 41, and 42.

Regulatory Findings

Administrative Procedure Act

The Department's implementation of this regulation as a final rule is based upon the ''good cause'' exceptions found at 5 U.S.C. 553(b)(B). This action is being taken without prior notice and public comment. Section 553(b) of the APA authorizes agencies to dispense with certain notice procedures for rules when they find ''good cause'' to do so. The requirements of notice and opportunity for comment do not apply when the agency, for good cause, finds that those procedures are ''impracticable, unnecessary, or contrary to the public interest.'' Because the changes being made are completely technical, the Department has determined that public comment is unnecessary.

Regulatory Flexibility Act/Executive Order 13272: Small Business

The Department of State, in accordance with the Regulatory Flexibility Act (Pub. L. 96–354, 5 U.S.C. 601–612) and Executive Order 13272, section 3(b), has evaluated the effects of this action of small entities and has determined and hereby certifies that this rule will not have a significant economic impact on a substantial number of small entities.

The Unfunded Mandates Reform Act of 1995

Section 202 of the Unfunded Mandates Reform Act of 1995 (UFMA), Public Law 104–4, 109 Stat. 48, 2 U.S.C. 1532, generally requires agencies to prepare a statement before proposing any rule that may result in an annual expenditure of $100 million or more by State, local, or tribal governments, or by the private section. This rule will not result in any such expenditure, nor will it significantly or uniquely affect small governments.

The Small Business Regulatory Enforcement Fairness Act of 1996

This rule is not a major rule as defined by 5 U.S.C. 804, for purposes of congressional review of agency rulemaking under the Small Business Regulatory Enforcement Fairness Act of 1996, Public Law 104–121. This rule will not result in an annual effect on the economy of $100 million or more; a major increase in costs or prices; or significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based companies to compete with foreign based companies in domestic and import markets.

Executive Order 12866

The Department of State has reviewed this rule to ensure its consistency with the regulatory philosophy and principles set forth in Executive Order 12866 and has determined that the benefits of the regulation justify its costs. The Department does not consider the rule to be a ''significant regulatory action'' within the scope of section 3(f)(1) of the Executive Order since it is not likely to have an annual effect on the economy of $100 million or more or to adversely affect in a material way the economy, a sector of the economy, competition, jobs, the environment, public health or safety, or State, local or tribal governments or communities.

Executive Orders 12372 and 13132: Federalism

This regulation will not have substantial direct effects on the States, on the relationship between the national government and the States, or the distribution of power and responsibilities among the various levels of government. Nor will the rule have federalism implications warranting the application of Executive Orders No. 12372 and No. 13132.

Executive Order 12988: Civil Justice Reform

The Department has reviewed the regulations in light of sections 3(a) and 3(b)(2) of Executive Order No. 12988 to eliminate ambiguity, minimize litigation, establish clear legal standards, and reduce burden.

Paperwork Reduction Act

This rule does not impose any new reporting or recordkeeping requirements subject to the Paperwork Reduction Act, 44 U.S.C. chapter 35.

List of Subjects in 22 CFR Parts 40, 41, and 42

Aliens, Immigration, Students, Passports and visas.

■ In view of the foregoing, 22 CFR parts 40, 41, and 42 are amended as follows:

PART 40—[AMENDED]

Regulations pertaining to both nonimmigrants and immigrants under the Immigration and Nationality Act, as amended.

■ 1. The authority citation for part 40 continues to read as follows:

Authority: 8 U.S.C. 1104.

§ 40.1 [Amended]

■ 2. In § 40.1:

■ A. Remove paragraph (k);

■ B. Redesignate existing paragraphs (g), (h), (i), and (j) as (h), (i), (j), and (k) respectively;

■ C. Add a new paragraph (g);

■ D. In paragraph (l)(1), remove ''Form OF–156'' and add ''Form DS–156'' in its place;

■ E. In paragraph (l)(2), remove ''Form OF–230'' and add ''Form DS–230'' in its place;

■ F. In paragraph (p), remove ''Commissioner of Immigration and Naturalization,'' and ''INS,'' and add ''DHS'' in its place wherever it appears;

The addition reads as follows:

§ 40.1 Definitions.

* * * * *

(g) *DHS* means the Department of Homeland Security.

* * * * *

§ 40.11 [Amended]

■ 3. In § 40.11, in paragraph (b) remove ''INS'' and add ''DHS'' in its place wherever it appears, and remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

§ 40.21 [Amended]

■ 4. In § 40.21, in paragraphs (a)(7) and (b)(2), remove ''INS'' and add ''DHS'' in its place wherever it appears.

§ 40.22 [Amended]

■ 5. In § 40.22, in paragraph (e) remove ''INS'' and add ''DHS'' in its place wherever it appears.

§ 40.24 [Amended]

■ 6. In § 40.24, in paragraph (d) remove ''INS'' and add ''DHS'' in its place wherever it appears.

§ 40.34 [Amended]

■ 7. In § 40.34, in paragraph (g) remove ''INS'' and add ''DHS'' in its place wherever it appears.

§ 40.41 [Amended]

■ 8. In § 40.41:

■ A. In paragraph (b) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

■ B. In paragraph (d) remove ''INS'' and add ''DHS'' in its place.

§ 40.51 [Amended]

■ 9. In § 40.51, in paragraph (b) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

§ 40.53 [Amended]

■ 10. In § 40.53, in paragraph (a) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

§ 40.63 [Amended]

■ 11. In § 40.63, in paragraph (c) remove ''INS'' and add ''DHS'' in its place wherever it appears.

§ 40.65 [Amended]

■ 12. In § 40.65, in paragraph (b) remove ''INS'' and add ''DHS'' in its place wherever it appears.

§ 40.66 [Amended]

■ 13. In § 40.66, in paragraph (b) remove ''INS'' and add ''DHS'' in its place wherever it appears.

§ 40.91 [Amended]

■ 14. In § 40.91, in paragraph (e) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

§ 40.92 [Amended]

■ 15. In § 40.92, in paragraph (c) remove ''INS'' and add ''DHS'' in its place.

§ 40.93 [Amended]

■ 16. In § 40.93 remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

§ 40.105 [Amended]

■ 17. In § 40.105 remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

§ 40.202 [Amended]

■ 18. In § 40.202, in paragraph (b) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

§ 40.301 [Amended]

■ 19. In § 40.301:
■ A. In paragraph (a) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place;
■ B. In paragraph (b) remove ''INS'' and add ''DHS'' in its place wherever it appears;
■ C. In paragraph (c) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place wherever it appears.

PART 41—[AMENDED]

Visas: Documentation of nonimmigrants under the Immigration and Nationality Act, as amended.

■ 20. The authority citation for part 41 continues to read as follows:

Authority: 8 U.S.C. 1104; Public Law No. 05–277, 112 Stat. 2681–795 through 2681–801.

§ 41.2 [Amended]

■ 21. In § 41.2:
■ A. In the heading and in the first sentence, remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place wherever it appears;
■ B. In paragraph (j) remove ''Immigration and Naturalization Service'' and add ''Department of Homeland Security'' in its place, and remove ''INS'' and add ''DHS'' wherever it appears;

§ 41.11 [Amended]

■ 22. In § 41.11, in paragraph (b)(2) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

§ 41.31 [Amended]

■ 23. In § 41.31, in paragraph (a)(1) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

§ 41.32 [Amended]

■ 24. In § 41.32:
■ A. In paragraph (a)(2) remove ''Form OF–156'' and add Form DS–156'' in its place;
■ B. In paragraph (d)(2) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

§ 41.33 [Amended]

■ 25. In § 41.33, in paragraph (c)(2) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

§ 41.51 [Amended]

■ 26. In § 41.51, in paragraphs (a)(13) and (b)(14) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place wherever it appears.

§ 41.53 [Amended]

■ 27. In § 41.53:
■ A. In paragraph (a)(2) remove ''INS'' and add ''DHS'' in its place wherever it appears.
■ B. In paragraph (b) remove ''Immigration and Naturalization Service'' and add ''Department of Homeland Security'' in its place.
■ C. In paragraph (d) remove ''INS'' and add ''DHS'' in its place.

§ 41.54 [Amended]

■ 28. In § 41.54:
■ A. In paragraphs (a)(2), (a)(3), (b) and (d), remove ''INS'' and add ''DHS'' in its place wherever it appears.
■ B. In paragraph (e) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

§ 41.55 [Amended]

■ 29. In § 41.55, in paragraphs (a)(2), (b) and (d) remove ''INS'' and add ''DHS'' in its place wherever it appears.

§ 41.56 [Amended]

■ 30. In § 41.56, in paragraphs (a)(2), (b) and (d) remove ''INS'' and add ''DHS'' in its place wherever it appears.

§ 41.57 [Amended]

■ 31. In § 41.57, in paragraphs (a)(1)(ii), (a)(2) and (a)(4) remove ''INS'' and add ''DHS'' in its place wherever it appears.

§ 41.59 [Amended]

■ 32. In § 41.59:
■ A. In paragraphs (a)(2) and (b) remove ''INS'' and add ''DHS'' in its place wherever it appears.
■ B. In paragraph (d) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

§ 41.61 [Amended]

■ 33. In § 41.61, in paragraphs (b)(1)(i) and (c) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place wherever it appears.

§ 41.63 [Amended]

■ 34. In § 41.63:
■ A. In paragraph (a)(2) remove ''Commissioner of Immigration and Naturalization'' and add ''Department of Homeland Security'' in its place, and remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place wherever it appears;
■ B. In paragraph (a)(3) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place;
■ C. In paragraph (b)(1) remove ''INS Form I–612'' and add ''DHS Form I–612'' in its place, and remove ''Immigration and Naturalization Service'' and add ''Department of Homeland Security'' in its place;
■ D. In paragraph (b)(2)(i), remove ''the Commissioner of the Immigration and Naturalization Service (''Commissioner'')'' and add ''DHS'' in its place, and remove ''the Commissioner'' and add ''DHS'' in its place;
■ E. In paragraph (b)(2)(ii), (b)(2)(iii), (c)(5), (d)(2) and (e)(4) remove ''the Commissioner'' and add ''DHS'' in its place wherever it appears;
■ F. In paragraph (f) remove ''the Immigration and Naturalization Service'' and add ''DHS'' in its place;
■ G. In paragraph (g)(8) remove ''the Commissioner'' and add ''DHS'' in its place.

§ 41.71 [Amended]

■ 35. In § 41.71, in paragraph (b) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

§ 41.81 [Amended]

■ 36. In § 41.81, in paragraphs (a)(1) and (b)(1) remove ''INS'' and add ''DHS'' in its place wherever it appears.

§ 41.83 [Amended]

■ 37. In § 41.83:
■ A. In paragraphs (a)(2)(i)(A) and (a)(2)(i)(B) remove ''INS'' and add

''DHS'' in its place, and remove ''on behalf of the Attorney General;''

■ B. In paragraph (b) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place wherever it appears.

§ 41.84 [Amended]

■ 38. In § 41.84, in paragraph (a)(3) remove ''INS'' and add ''DHS'' in its place.

§ 41.86 [Amended]

■ 39. In § 41.86, in paragraph (c) remove ''INS'' and add ''DHS'' in its place.

§ 41.103 [Amended]

■ 40. In § 41.103, in the heading and in paragraphs (a)(1), (a)(2), (b)(1), (b)(1)(i), (b)(1)(ii), (b)(2), (b)(3) and (b)(4) remove ''Form OF–156'' and add ''Form DS–156'' in its place wherever it appears.

§ 41.106 [Amended]

■ 41. In § 41.106 remove ''Form OF–156'' and add ''Form DS–156'' in its place.

§ 41.108 [Amended]

■ 42. In § 41.108, in paragraph (b) remove ''INS'' and add ''DHS'' in its place.

§ 41.112 [Amended]

■ 43. In § 41.112, in paragraphs (d)(1)(ii) and (d)(2)(i) remove ''INS'' and add ''DHS'' in its place wherever appears.

§ 41.113 [Amended]

■ 44. In § 41.113:

■ A. In paragraph (b) remove ''Form OF–232'' and add ''Form DS–232'' In its place wherever it appears;

■ B. In paragraph (d)(2) remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place;

■ C. In paragraph (g) remove ''Form OF–156'' and add ''Form DS–156'' in its place wherever it appears, and remove ''Form OF–232'' and add Form DS–232'' in its place;

■ D. In paragraph (h) remove ''Form OF–156'' and add ''Form DS–156'' in its place.

§ 41.122 [Amended]

■ 45. In paragraphs (e), (h)(4), (h)(5) and (h)(6), remove ''INS'' and add ''DHS'' in its place wherever it appears.

PART 42—[AMENDED]

Visas: Documentation of immigrants under the Immigration and Nationality Act, as amended.

■ 46. The authority citation for part 42 continues to read as follows:

Authority: 8 U.S.C. 1104; Public Law No. 107–56, Section 421.

§ 42.1 [Amended]

■ 47. In § 42.1, in paragraph (a) remove ''INS'' and add ''The Department of Homeland Security'' in its place.

§ 42.2 [Amended]

■ 48. In § 42.2, in paragraph (g)(2) remove ''INS'' and add ''DHS'' in its place, and remove ''Attorney General'' and add ''Secretary of Homeland Security'' in its place.

§ 42.21 [Amended]

■ 49. In § 42.21, in paragraph (a) and (b) remove ''INS'' and add ''DHS'' in its place wherever it appears.

§ 42.31 [Amended]

■ 50. In § 42.31, in paragraph (a) remove ''INS'' and add ''DHS'' in its place.

§ 42.32 [Amended]

■ 51. In § 42.32, in paragraphs (a)(1), (b)(1), (c)(1), (d)(1)(i)(A), (d)(3)(i), (d)(4), (d)(5)(i), (d)(6), (d)(7)(i), (d)(8)(i), (d)(9)(i)(A) and (e)(1), remove ''INS'' and add ''DHS'' in its place wherever it appears.

§ 42.43 [Amended]

■ 52. In § 42.43, in paragraph (a) and (b)(1) remove ''INS'' and add ''DHS'' in its place wherever it appears.

§ 42.51 [Amended]

■ 53. In § 42.51, in paragraph (b), remove ''INS'' and add ''DHS'' in its place.

§ 42.63 [Amended]

■ 54. In § 42.63, in paragraphs (a)(1), (a)(2),(b) and (c) remove ''Form OF–230'' and add ''Form DS–230'' in its place wherever it appears.

§ 42.67 [Amended]

■ 55. In § 42.67, in paragraphs (a)(2) and (c)(1) remove ''Form OF–230'' and add ''Form DS–230'' in its place wherever it appears.

§ 42.71 [Amended]

■ 56. In § 42.71, in paragraph (a) remove ''INS'' and add ''DHS'' in its place.

§ 42.73 [Amended]

■ 57. In § 42.73:

■ A. In paragraphs (a) and (a)(6), remove ''Form OF–155A'' and add ''Form OF–55B in its place wherever it appears;''

■ B. In paragraph (b) remove ''Form OF–155A'' and add ''Form OF–155B'' in its place, and remove ''Form OF–230'' and add ''Form DS–230'' in its place;

■ C. In paragraph (c) remove ''Form OF–155A'' and add ''Form OF–155B'' in its place, and remove ''Form OF–230'' and add ''Form DS–230'' in its place, and remove ''INS'' and add ''DHS'' in its place;

■ D. In paragraph (d) remove ''Form OF–155A'' and add ''Form OF–155B'' in its place.

§ 42.74 [Amended]

■ 58. In § 42.74, in paragraphs (b)(2) and (c) remove ''Form OF–155A'' and add ''Form OF–155B'' wherever it appears.

§ 42.81 [Amended]

■ 59. In § 42.81, in paragraph (b) remove ''Form OF–230'' and add ''Form DS–230'' in its place wherever it appears.

§ 42.82 [Amended]

■ 60. In § 42.82, in paragraph (e) remove ''INS'' and add ''DHS'' in its place.

Dated: May 17, 2006.

Maura Harty,

Assistant Secretary for Consular Affairs, Department of State.

[FR Doc. E6–8165 Filed 6–14–06; 8:45 am]

BILLING CODE 4710–06–P

DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[T.D. TTB–48; Re: Notice No. 44]

RIN 1513–AA55

Expansion of San Francisco Bay and Central Coast Viticultural Areas (2002R–202P)

AGENCY: Alcohol and Tobacco Tax and Trade Bureau, Treasury.

ACTION: Final rule; Treasury decision.

SUMMARY: This Treasury decision expands by approximately 20,000 acres the San Francisco Bay viticultural area and the Central Coast viticultural area in California to conform to the expanded boundary of the Livermore Valley viticultural area. We designate viticultural areas to allow vintners to better describe the origin of their wines and to allow consumers to better identify wines they may purchase.

DATES: *Effective Date:* July 17, 2006.

FOR FURTHER INFORMATION CONTACT: N.A. Sutton, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 925 Lakeville St., No. 158, Petaluma, California 94952; telephone 415–271–1254.

SUPPLEMENTARY INFORMATION:

Background on Viticultural Areas

TTB Authority

Section 105(e) of the Federal Alcohol Administration Act (the FAA Act, 27 U.S.C. 201 *et seq.*) requires that alcohol

beverage labels provide consumers with adequate information regarding product identity and prohibits the use of misleading information on those labels. The FAA Act also authorizes the Secretary of the Treasury to issue regulations to carry out its provisions. The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers these regulations.

Part 4 of the TTB regulations (27 CFR part 4) allows the establishment of definitive viticultural areas and the use of their names as appellations of origin on wine labels and in wine advertisements. Part 9 of the TTB regulations (27 CFR part 9) contains the list of approved viticultural areas.

Definition

Section 4.25(e)(1)(i) of the TTB regulations (27 CFR 4.25(e)(1)(i)) defines a viticultural area for American wine as a delimited grape-growing region distinguishable by geographical features, the boundaries of which have been recognized and defined in part 9 of the regulations. These designations allow vintners and consumers to attribute a given quality, reputation, or other characteristic of a wine made from grapes grown in an area to its geographical origin. The establishment of viticultural areas allows vintners to describe more accurately the origin of their wines to consumers and helps consumers to identify wines they may purchase. Establishment of a viticultural area is neither an approval nor an endorsement by TTB of the wine produced in that area.

Requirements

Section 4.25(e)(2) of the TTB regulations outlines the procedure for proposing an American viticultural area and provides that any interested party may petition TTB to establish a grape-growing region as a viticultural area. Petitioners may use the same procedure to request changes involving existing viticultural areas. Section 9.3(b) of the TTB regulations requires the petition to include—

- Evidence that the proposed viticultural area is locally and/or nationally known by the name specified in the petition;
- Historical or current evidence that supports setting the boundary of the proposed viticultural area as the petition specifies;
- Evidence relating to the geographical features, such as climate, soils, elevation, and physical features, that distinguish the proposed viticultural area from surrounding areas;
- A description of the specific boundary of the proposed viticultural area, based on features found on United States Geological Survey (USGS) maps; and
- A copy of the appropriate USGS map(s) with the proposed viticultural area's boundary prominently marked.

San Francisco Bay and Central Coast Viticultural Areas Expansion Petition and Rulemaking

Background

TTB received a petition from the Livermore Valley Winegrowers Association proposing to expand both the existing San Francisco Bay viticultural area (27 CFR 9.157) and the existing Central Coast viticultural area (27 CFR 9.75). The association made this request in conjunction with, and as a consequence of, its proposed expansion of the Livermore Valley viticultural area (27 CFR 9.46), which is the subject of another final rule document published in this issue of the **Federal Register**. The petitioner represents most of the vineyards and wineries impacted by these expansions.

The original Livermore Valley viticultural area is entirely within the San Francisco Bay viticultural area, which is, in turn, entirely within the Central Coast viticultural area. To retain this configuration, expansion of the Livermore Valley viticultural area would require the minor expansions of the San Francisco Bay and Central Coast viticultural areas that are the subject of this document.

Below, we summarize the evidence presented in the petition to justify the expansions of the San Francisco Bay and Central Coast viticultural areas.

Rationale and Evidence for the Proposed Expansion

In the years since the Bureau of Alcohol, Tobacco and Firearms (ATF), TTB's predecessor agency, established the current Livermore Valley viticultural area in 1982, ATF also established the Central Coast and San Francisco Bay viticultural areas. Both of these viticultural areas currently encompass the Livermore Valley viticultural area in its entirety and incorporate some of the Livermore Valley area's eastern boundary line as part of their own boundaries. (See: Livermore Valley Viticultural Area, Treasury Decision [T.D] ATF–112, 47 FR 38520, September 1, 1982; Central Coast Viticultural Area, T.D. ATF–216, 50 FR 43130, October 24, 1985, as amended by T.D. ATF–407 64 FR 3023, January 20, 1999; and San Francisco Bay Viticultural Area, T.D. ATF–407, 64 FR 3015, January 20, 1999.)

When ATF established the San Francisco Bay viticultural area and amended the Central Coast viticultural area boundary in 1999, no changes were made to the established boundary line of the Livermore Valley viticultural area. As a result, the Central Coast viticultural area and the San Francisco Bay viticultural area currently share a common boundary line in Alameda County, while the Livermore Valley viticultural area does not share the same boundary line.

The central portion of the Livermore Valley viticultural area's eastern boundary line sits to the west of the current San Francisco Bay and Central Coast viticultural areas' eastern boundary line. This portion of the Livermore Valley viticultural area boundary line is west of the Diablo Range foothills, as noted on the USGS Altamont, Byron Hot Springs, and Mendenhall Springs Quadrangle maps. The common eastern boundary line of the San Francisco Bay and Central Coast viticultural areas is east of the Livermore Valley viticultural area boundary line, along the western foothills and mountains of the Diablo Range, as defined on the USGS Midway and Cedar Mtn. Quadrangle maps.

The preamble of T.D. ATF–407, which established the San Francisco Bay viticultural area, explains that the Diablo Range elevations block the Pacific Ocean's marine air from continuing eastward and inland. Also, the region east of the Diablo Range and the Livermore Valley has higher temperatures, lower humidity, and decreased rainfall typical of an inland, continental climate.

The concurrent petition to expand the Livermore Valley viticultural area provides an opportunity to align the boundaries of all three viticultural areas—Livermore Valley, San Francisco Bay, and Central Coast—into one common boundary line in this region. The proposed expansions of the San Francisco Bay and Central Coast viticultural areas would result in eastern boundaries for these two areas that coincide with the proposed boundary expansion of the Livermore Valley viticultural area. These proposed expansions remain consistent with the essential elements currently recognized by TTB, such as name, regional identity, and distinguishing geographical features, of viticultural areas. Also, they serve consumers by providing clear, unambiguous boundaries that would aid, rather than complicate, their wine buying decisions.

Name and Boundary Evidence

T.D. ATF–407, which established the San Francisco Bay viticultural area and expanded the Central Coast viticultural

area to the north, details evidence for name recognition and regional identity for the San Francisco Bay viticultural area and the Central Coast viticultural area. It explains that the counties of San Francisco, Contra Costa, Alameda, Santa Clara, and San Mateo all border the San Francisco Bay body of water and are consistently considered to be part of the San Francisco Bay region. All, or portions of, the five counties listed above are within the established boundary lines of the San Francisco Bay and Central Coast viticultural areas.

To support the expansion of the boundary of the Central Coast viticultural area, the petitioner cited T.D. ATF–407, which maintains that the general marine climate extends north and northwest beyond the originally established boundary of the Central Coast viticultural area. Also, the name recognition of Central Coast, as used by wine writers and in the California State legislature, extends north and west into the five counties surrounding the San Francisco Bay body of water. The names of both the San Francisco Bay and Central Coast viticultural areas are unaffected by the proposed boundary expansions, and therefore the evidence cited in T.D. ATF–407 remains accurate.

The proposed alignment of the San Francisco Bay and Central Coast boundaries with the expanded Livermore Valley boundary is limited to Alameda and Contra Costa Counties. These counties encompass the Central Coast's northeastern region and the San Francisco Bay's eastern region, as noted on the USGS maps and by the written boundary descriptions. While the aligned boundaries for both the San Francisco Bay and Central Coast viticultural areas would expand eastward, they would do so in a limited manner, and the boundaries remain true to the 1999 T.D. ATF–407 regional definitions for both viticultural areas.

In sum, the name recognition for the affected portions of Alameda and Contra Costa Counties continues as the San Francisco Bay area and the larger Central Coast area, as documented in T.D. ATF–407. Also, the distinguishing boundary and climatic characteristics, as described in T.D. ATF–407, including the cooling marine influences from the Pacific Ocean and San Francisco Bay and the natural boundary of the Diablo Range, apply equally to the proposed expansion area.

Notice of Proposed Rulemaking

On May 19, 2005, TTB published a notice of proposed rulemaking regarding the proposed expansion of the San Francisco Bay and Central Coast viticultural areas in the **Federal Register** (70 FR 28870) as Notice No. 44. In that notice, TTB requested comments by July 18, 2005, from all interested persons. We received no comments in response to that notice.

TTB Finding

After careful review of the petition, TTB finds that the evidence submitted supports the expansion of the two proposed viticultural areas as requested in the petition. Therefore, under the authority of the Federal Alcohol Administration Act and part 4 of our regulations, we amend our regulations to expand the boundaries of the San Francisco Bay and Central Coast viticultural areas in Alameda and Contra Costa Counties, California, effective 30 days from the publication date of this document.

Boundary Description

See the narrative boundary descriptions of the expanded viticultural areas in the amended regulatory texts published at the end of this document.

Maps

The petitioner provided the required maps, and we list them below in the proposed regulatory text.

Impact on Current Wine Labels

The expansion of the San Francisco Bay and Central Coast viticultural areas does not affect currently approved wine labels. The expansions may allow additional vintners to use ''San Francisco Bay'' and ''Central Coast'' as appellations of origin on their wine labels. Part 4 of the TTB regulations prohibits any label reference on a wine that indicates or implies an origin other than the wine's true place of origin. For a wine to be eligible to use as an appellation of origin the name of a viticultural area specified in part 9 of the TTB regulations, at least 85 percent of the grapes used to make the wine must have been grown within the area represented by that name, and the wine must meet the other conditions listed in 27 CFR 4.25(e)(3). Different rules apply if a wine has a brand name containing a viticultural area name that was used as a brand name on a label approved before July 7, 1986. See 27 CFR 4.39(i)(2) for details.

Regulatory Flexibility Act

We certify that these regulations will not have a significant economic impact on a substantial number of small entities. These regulations impose no new reporting, recordkeeping, or other administrative requirement. Any benefit derived from the use of a viticultural area name is the result of a proprietor's efforts and consumer acceptance of wines from that area. Therefore, no regulatory flexibility analysis is required.

Executive Order 12866

This rule is not a significant regulatory action as defined by Executive Order 12866, 58 FR 51735. Therefore, it requires no regulatory assessment.

Drafting Information

N.A. Sutton of the Regulations and Rulings Division drafted this notice.

List of Subjects in 27 CFR Part 9

Wine.

The Regulatory Amendment

■ For the reasons discussed in the preamble, we amend 27 CFR, chapter 1, part 9, as follows:

PART 9—AMERICAN VITICULTURAL AREAS

■ 1. The authority citation for part 9 continues to read as follows:

Authority: 27 U.S.C. 205.

Subpart C—Approved American Viticultural Areas

■ 2. Section 9.75 is amended by revising the introductory text of paragraph (b), removing the word ''and'' at the end of paragraph (b)(40), replacing the period with a semicolon at the end of paragraph (b)(41), adding new paragraphs (b)(42) and (b)(43), and revising paragraphs (c)(10) through (c)(16) to read as follows:

§ 9.75 Central Coast.

* * * * *

(b) *Approved maps.* The approved maps for determining the boundary of the Central Coast viticultural area are the following 43 United States Geological Survey topographic maps:

* * * * *

(42) Midway, California, scale 1:24,000, dated 1953, Photorevised 1980; and

(43) Cedar Mtn., California, scale 1:24,000, dated 1956, Photorevised 1971; minor revision 1994.

(c) * * *

* * * * *

(10) Then proceed southeast in a straight line approximately 1.8 miles to BM 720 in Section 21, Township 2 South, Range 3 East. (Altamont Quadrangle)

(11) Then proceed south-southeast approximately 1 mile to an unnamed 1,147-foot peak in Section 28, Township

2 South, Range 3 East. (Altamont Quadrangle)

(12) Then proceed south-southwest in a straight line approximately 1.1 miles to the intersection of the eastern boundary of Section 32 with Highway 580, Township 2 South, Range 3 East. (Altamont Quadrangle)

(13) Then proceed south-southeast in a straight line approximately 2.7 miles to BM 1602 in Patterson Pass in Section 10, Township 3 South, Range 3 East. (Altamont Quadrangle)

(14) Then proceed south-southeast in a straight line approximately 2.8 miles to BM 1600, adjacent to Tesla Road in Section 26. (Midway Quadrangle)

(15) Then proceed south in a straight line approximately 4.2 miles to BM 1878, 40 feet north of Mines Road, in Section 14, Township 4 South, Range 3 East. (Cedar Mtn. Quadrangle)

(16) Then proceed west-southwest in a straight line approximately 4.2 miles to the southeast corner of Section 19, Township 4 South, Range 3 East. (Mendenhall Springs Quadrangle)

* * * * *

■ 3. Section 9.157 is amended by revising the introductory text of paragraph (b), removing the word ''and'' at the end of paragraph (b)(41), replacing the period with a semicolon followed by the word ''and'' at the end of paragraph (b)(42), adding a new paragraph (b)(43), and revising paragraphs (c)(13) through (c)(18) to read as follows:

§ 9.157 San Francisco Bay.

* * * * *

(b) *Approved maps.* The appropriate maps for determining the boundary of the San Francisco Bay viticultural area are 43 United States Geological Survey topographic maps. They are titled:

* * * * *

(43) Cedar Mtn., California, scale 1:24,000, dated 1956, Photorevised 1971; Minor Revision 1994.

(c) * * *

* * * * *

(13) Then proceed northeast in a straight line approximately 3.2 miles to BM 1878 in Section 14 on the Cedar Mtn. Quadrangle.

(14) Then proceed north in a straight line approximately 4.2 miles to BM 1600 adjacent to Tesla Road in Section 26, Township 3 South, Range 3 East on the Midway Quadrangle.

(15) Then proceed north-northwest in a straight line approximately 2.8 miles to Patterson Pass, BM 1602, in Section 10, Township 3 South, Range 3 East, on the Altamont Quadrangle.

(16) Then proceed north-northwest in a straight line approximately 2.7 miles to the intersection of the eastern boundary of Section 32 with Highway 580 in Township 2 South, Range 3 East.

(17) Then proceed north-northeast in a straight line approximately 1.1 miles to an unnamed peak, elevation 1147, in Section 28, Township 2 South, Range 3 East.

(18) Then proceed north-northwest in a straight line approximately 1 mile to BM 720 in Section 21, Township 2 South, Range 3 East, and proceed northwest in a straight line approximately 1.8 miles to the northeast corner of Section 18 on the Byron Hot Springs Quadrangle, Township 2 South, Range 3 East.

* * * * *

Dated: April 25, 2006.

John J. Manfreda,

Administrator.

Approved: May 25, 2006.

Timothy E. Skud,

Deputy Assistant Secretary (Tax, Trade, and Tariff Policy).

[FR Doc. E6–9364 Filed 6–14–06; 8:45 am]

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DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[T.D. TTB–49; Re: Notices No. 29 and 35]

RIN 1513–AA72

Realignment of the Santa Lucia Highlands and Arroyo Seco Viticultural Areas (2003R–083P)

AGENCY: Alcohol and Tobacco Tax and Trade Bureau, Treasury.

ACTION: Final rule; Treasury decision.

SUMMARY: This Treasury decision realigns a portion of the common boundary line between the established Santa Lucia Highlands and Arroyo Seco viticultural areas in Monterey County, California. This realignment moves approximately 200 acres from the Arroyo Seco viticultural area to the Santa Lucia Highlands area. We designate viticultural areas to allow vintners to better describe the origin of their wines and to allow consumers to better identify wines they may purchase.

DATES: *Effective Date:* July 17, 2006.

FOR FURTHER INFORMATION CONTACT: Nancy Sutton, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 925 Lakeville St., No. 158, Petaluma, California 94952; telephone 415–271–1254.

SUPPLEMENTARY INFORMATION:

Background on Viticultural Areas

TTB Authority

Section 105(e) of the Federal Alcohol Administration Act (the FAA Act, 27 U.S.C. 201 *et seq.*) requires that alcohol beverage labels provide consumers with adequate information regarding a product's identity and prohibits the use of misleading information on those labels. The FAA Act also authorizes the Secretary of the Treasury to issue regulations to carry out its provisions. The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers these regulations.

Part 4 of the TTB regulations (27 CFR part 4) allows the establishment of definitive viticultural areas and the use of their names as appellations of origin on wine labels and in wine advertisements. Part 9 of the TTB regulations (27 CFR part 9) contains the list of approved viticultural areas.

Definition

Section 4.25(e)(1)(i) of the TTB regulations (27 CFR 4.25(e)(1)(i)) defines a viticultural area for American wine as a delimited grape-growing region distinguishable by geographical features, the boundaries of which have been recognized and defined in part 9 of the regulations. These designations allow vintners and consumers to attribute a given quality, reputation, or other characteristic of a wine made from grapes grown in an area to its geographical origin. The establishment of viticultural areas allows vintners to describe more accurately the origin of their wines to consumers and helps consumers to identify wines they may purchase. Establishment of a viticultural area is neither an approval nor an endorsement by TTB of the wine produced in that area.

Requirements

Section 4.25(e)(2) of the TTB regulations outlines the procedure for proposing an American viticultural area and provides that any interested party may petition TTB to establish a grape-growing region as a viticultural area. Section 9.3(b) of the TTB regulations requires the petition to include—

- Evidence that the proposed viticultural area is locally and/or nationally known by the name specified in the petition;
- Historical or current evidence that supports setting the boundary of the proposed viticultural area as the petition specifies;
- Evidence relating to the geographical features, such as climate,

soils, elevation, and physical features, that distinguish the proposed viticultural area from surrounding areas;

- A description of the specific boundary of the proposed viticultural area, based on features found on United States Geological Survey (USGS) maps; and
- A copy of the appropriate USGS map(s) with the proposed viticultural area's boundary prominently marked.

A petition requesting the modification of an established viticultural area must include the appropriate evidence and maps described above to support the requested modification.

Santa Lucia Highlands and Arroyo Seco Viticultural Areas Realignment Petition and Rulemaking

General Background

Paul Thorpe, on behalf of E. & J. Gallo Winery, submitted a petition to TTB requesting the realignment of a portion of the common boundary between the established Santa Lucia Highlands viticultural area (27 CFR 9.139) and the established Arroyo Seco viticultural area (27 CFR 9.59). Both viticultural areas are within the Monterey viticultural area (27 CFR 9.98) in Monterey County, California, which is in turn within the larger multi-county Central Coast viticultural area (27 CFR 9.75).

A portion of the original common boundary between the Santa Lucia Highlands and Arroyo Seco viticultural areas follows a straight line drawn between the intersection of Paraiso and Clark Roads and the northeast corner of section 5, T19S, R6E, as shown on the USGS Paraiso Springs, California, quadrangle map. The proposed realignment moves this portion of the two viticultural areas' common boundary line approximately 1,000 feet to the east of the Paraiso and Clark Roads intersection and slightly less than 500 feet to the east of the northeast corner of section 5, T19S, R6E. Overall, the proposed realignment transfers approximately 200 acres of land from the Arroyo Seco viticultural area to the Santa Lucia Highlands area.

Rationale and Evidence for the Proposed Realignment

The proposed realignment of this portion of the common boundary between the Santa Lucia Highlands and Arroyo Seco viticultural areas serves three purposes: (1) It brings the western boundary of the Arroyo Seco viticultural area into conformity with the western boundary of the historical Arroyo Seco Land Grant, which lends its name to the Arroyo Seco viticultural area; (2) it conforms the boundary line to land ownership boundaries; and (3) it ends the current division of the Olsen Ranch vineyards between the two viticultural areas.

Currently, a thin strip of land outside of the Arroyo Seco Land Grant lies in the western-most portion of the Arroyo Seco viticultural area. By moving the common Santa Lucia Highlands and Arroyo Seco boundary line to the east, this portion of the Arroyo Seco viticultural area's western boundary will match that of the historic Arroyo Seco Land Grant.

The vast majority of the Olsen Ranch lies within the Santa Lucia Highlands viticultural area, while a small portion falls within the Arroyo Seco viticultural area. Thus, the vineyards on the Olson Ranch, which were planted after the establishment of the two viticultural areas, are divided between the Arroyo Seco and Santa Lucia Highlands viticultural areas. The proposed eastward realignment of the portion of the two viticultural areas' common boundary line between Clark Road and section 5, T19S, R6E allows the Olson Ranch vineyards to be totally in the Santa Lucia Highlands viticultural area.

The dominant physical feature of the proposed realignment area is the alluvial terracing that differentiates the highlands along the western edge of the Salinas Valley from the lower elevation valley floor. These terraces, which are above 600 feet in elevation, match the terrain found in the Santa Lucia Highlands viticultural area, generally between 600 feet and 1,200 feet, as shown on USGS topographic maps. Also, the terraces and higher elevations of the Santa Lucia Highlands area contrast to the flatter terrain and lower elevation valley floor found in the Arroyo Seco viticultural area.

The primary soils of the proposed realignment area are of the Arroyo Seco and Chualar series. These soils are generally loam or gravelly, sandy loam, with underlying very gravelly material, and they coincide with the dominant soils of the Santa Lucia Highlands viticultural area.

The climatic conditions of the realignment area are similar to those of the Santa Lucia Highlands viticultural area. The rainfall in the realignment area and the Santa Lucia Highlands area is 10 to 15 inches a year. In contrast, the lower valley floor found in the Arroyo Seco viticultural area averages less rain, totaling approximately 9.5 inches a year.

Notice of Proposed Rulemaking and Comments Received

On January 24, 2005, TTB published a notice of proposed rulemaking regarding the realignment of the Santa Lucia Highlands and Arroyo Seco viticultural area boundaries in the **Federal Register** (70 FR 3333) as Notice No. 29. In that notice, TTB requested comments by March 25, 2005, from all interested persons. In response to a request for more time to study the proposal, on March 8, 2005, we published a notice to extend the comment period in the **Federal Register** (70 FR 11178) as Notice No. 35. In that notice, TTB requested comments by May 25, 2005, from all interested persons.

In total, TTB received three comments in response to the two notices. One comment strongly supported the proposed realignment. Kendall-Jackson Wine Estates submitted two comments, the first of which requested the additional time to review and evaluate the petition information. The second Kendall-Jackson comment proposed an additional boundary realignment of the Santa Lucia Highlands and the Arroyo Seco viticultural areas common boundary involving approximately 1,200 acres. This proposed boundary realignment lies north of the originally proposed Gallo boundary realignment. Although TTB believes the Kendall-Jackson proposed boundary realignment may have merit, we did not adopt the proposal in this final rulemaking since it has not been the subject of prior public notice and comment procedures. Kendall-Jackson may at any time submit its proposal as a separate viticultural area rulemaking petition with the required supporting evidence and maps as described above.

TTB Finding

After careful review of the petition and the comments received, TTB finds that the evidence submitted supports the boundary realignment proposed in Notice No. 29. Therefore, under the authority of the Federal Alcohol Administration Act and part 4 of our regulations, we realign the boundaries of the Santa Lucia Highlands and Arroyo Seco viticultural areas in Monterey County, California, effective 30-days from this document's publication date.

Boundary Description

See the amendments to the narrative boundary descriptions of the Arroyo Seco and Santa Lucia Highlands viticultural areas in the regulatory text published at the end of this notice.

Maps

The petitioner provided a copy of the USGS Paraiso Springs quadrangle map to document the proposed boundary

realignment. There are no changes to the lists of maps required to document the boundaries of the amended Arroyo Seco and Santa Lucia Highlands viticultural areas.

Impact on Current Wine Labels

Part 4 of the TTB regulations prohibits any label reference on a wine that indicates or implies an origin other than the wine's true place of origin. With the realignment of the Santa Lucia Highlands and Arroyo Seco viticultural areas, wine bottlers using ''Santa Lucia Highlands'' or ''Arroyo Seco'' in a brand name, including a trademark, or in another label reference as to the origin of the wine, must continue to ensure that the product is eligible to use the relevant viticultural area's name as an appellation of origin.

For a wine to be eligible to use as an appellation of origin the name of a viticultural area specified in part 9 of the TTB regulations, at least 85 percent of the grapes used to make the wine must have been grown within the area represented by that name, and the wine must meet the other conditions listed in 27 CFR 4.25(e)(3). If the wine is not eligible to use the viticultural area name as an appellation of origin and that name appears in the brand name, then the label is not in compliance and the bottler must change the brand name and obtain approval of a new label. Similarly, if the viticultural area name appears in another reference on the label in a misleading manner, the bottler would have to obtain approval of a new label.

Different rules apply if a wine has a brand name containing a viticultural area name that was used as a brand name on a label approved before July 7, 1986. See 27 CFR 4.39(i)(2) for details.

Regulatory Flexibility Act

We certify that this regulation will not have a significant economic impact on a substantial number of small entities. This regulation imposes no new reporting, recordkeeping, or other administrative requirement. Any benefit derived from the use of a viticultural area name is the result of a proprietor's efforts and consumer acceptance of wines from that area. Therefore, no regulatory flexibility analysis is required.

Executive Order 12866

This rule is not a significant regulatory action as defined by Executive Order 12866 (58 FR 51735). Therefore, it requires no regulatory assessment.

Drafting Information

Nancy Sutton of the Regulations and Rulings Division drafted this document.

List of Subjects in 27 CFR Part 9

Wine.

The Regulatory Amendment

■ For the reasons discussed in the preamble, we amend 27 CFR, chapter 1, part 9, as follows:

PART 9—AMERICAN VITICULTURAL AREAS

■ 1. The authority citation for part 9 continues to read as follows:

Authority: 27 U.S.C. 205.

■ 2. Section 9.59 is amended by revising paragraph (c)(13), redesignating paragraphs (c)(14) through (c)(19) as (c)(16) through (c)(21), and adding new paragraphs (c)(14) and (c)(15) to read as follows:

§ 9.59 Arroyo Seco.

* * * * *

(c) * * *

* * * * *

(13) Then east-northeasterly along Clark Road for approximately 1,000 feet to its intersection with an unnamed light-duty road to the south.

(14) Then in a straight south-southeasterly line for approximately 1.9 miles to the line's intersection with the southeast corner of section 33, T18S, R6E (this line coincides with the unnamed light duty road for approximately 0.4 miles and then with the eastern boundaries of sections 29, 32 and 33, T18S, R6E, which mark this portion of the western boundary of the historical Arroyo Seco Land Grant).

(15) Then straight west along the southern boundary of section 33, T18S, R6E, to its southwest corner.

* * * * *

■ 3. Section 9.139 is amended by revising paragraphs (c)(9) and (c)(10), redesignating paragraphs (c)(11) through (c)(21) as (c)(12) through (c)(22), and adding a new paragraph (c)(11) to read as follows:

§ 9.139 Santa Lucia Highlands.

* * * * *

(c) * * *

* * * * *

(9) Then east-northeasterly along Clark Road for approximately 1,000 feet to its intersection with an unnamed light-duty road to the south.

(10) Then in a straight south-southeasterly line for approximately 1.9 miles to the line's intersection with the southeast corner of section 33, T18S, R6E (this line coincides with the unnamed light duty road for about 0.4 miles and then with the eastern boundaries of sections 29, 32 and 33, T18S, R6E, which mark this portion of the western boundary of the historical Arroyo Seco Land Grant).

(11) Then straight west along the southern boundaries of sections 33, 32, and 31, T18S, R6E, to the southwest corner of section 31.

* * * * *

Dated: April 16, 2006.

John J. Manfreda,

Administrator.

Approved: May 25, 2006.

Timothy E. Skud,

Deputy Assistant Secretary (Tax, Trade, and Tariff Policy).

[FR Doc. E6–9365 Filed 6–14–06; 8:45 am]

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DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[T.D. TTB–47; Re: Notice No. 43]

RIN 1513–AA54

Expansion of the Livermore Valley Viticultural Area (2002R–202P)

AGENCY: Alcohol and Tobacco Tax and Trade Bureau, Treasury.

ACTION: Final rule; Treasury decision.

SUMMARY: This Treasury decision expands the existing 96,000-acre Livermore Valley viticultural area into northern Alameda County and southern Contra Costa County, California. The expansion adds 163,000 acres to the Livermore Valley viticultural area. We designate viticultural areas to allow vintners to better describe the origin of their wines and to allow consumers to better identify wines they may purchase.

DATES: *Effective Date:* July 17, 2006.

FOR FURTHER INFORMATION CONTACT: N.A. Sutton, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 925 Lakeville St., No. 158, Petaluma, California 94952; telephone 415–271–1254.

SUPPLEMENTARY INFORMATION:

Background on Viticultural Areas

TTB Authority

Section 105(e) of the Federal Alcohol Administration Act (the FAA Act, 27 U.S.C. 201 *et seq.*) requires that alcohol beverage labels provide consumers with adequate information regarding product

identity and prohibits the use of misleading information on those labels. The FAA Act also authorizes the Secretary of the Treasury to issue regulations to carry out its provisions. The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers these regulations.

Part 4 of the TTB regulations (27 CFR part 4) allows the establishment of definitive viticultural areas and the use of their names as appellations of origin on wine labels and in wine advertisements. Part 9 of the TTB regulations (27 CFR part 9) contains the list of approved viticultural areas.

Definition

Section 4.25(e)(1)(i) of the TTB regulations (27 CFR 4.25(e)(1)(i)) defines a viticultural area for American wine as a delimited grape-growing region distinguishable by geographical features, the boundaries of which have been recognized and defined in part 9 of the regulations. These designations allow vintners and consumers to attribute a given quality, reputation, or other characteristic of a wine made from grapes grown in an area to its geographical origin. The establishment of viticultural areas allows vintners to describe more accurately the origin of their wines to consumers and helps consumers to identify wines they may purchase. Establishment of a viticultural area is neither an approval nor an endorsement by TTB of the wine produced in that area.

Requirements

Section 4.25(e)(2) of the TTB regulations outlines the procedure for proposing an American viticultural area and provides that any interested party may petition TTB to establish a grape-growing region as a viticultural area. Petitioners may use the same procedure to request changes involving existing viticultural areas. Section 9.3(b) of the TTB regulations requires the petition to include—

- Evidence that the proposed viticultural area is locally and/or nationally known by the name specified in the petition;
- Historical or current evidence that supports setting the boundary of the proposed viticultural area as the petition specifies;
- Evidence relating to the geographical features, such as climate, soils, elevation, and physical features, that distinguish the proposed viticultural area from surrounding areas;
- A description of the specific boundary of the proposed viticultural area, based on features found on United States Geological Survey (USGS) maps; and
- A copy of the appropriate USGS map(s) with the proposed viticultural area's boundary prominently marked.

Livermore Valley Viticultural Area Expansion Petition and Rulemaking

Background

TTB received a petition from the Livermore Valley Winegrowers Association proposing to expand the existing Livermore Valley viticultural area (27 CFR 9.46). As currently defined, the area is located in Alameda County and encompasses approximately 96,000 acres, of which 4,235 acres are devoted to vineyards. A total of 20 wineries operate in the viticultural area.

TTB also received from the Livermore Valley Winegrowers Association a petition proposing to expand the existing San Francisco Bay (27 CFR 9.157) and Central Coast (27 CFR 9.75) viticultural areas; that petition is addressed in a separate final rule document published in this issue of the **Federal Register**. Those proposed expansions correspond directly to the proposed Livermore Valley viticultural area expansion that is the subject of this document.

The petitioner requested an expansion of the Livermore Valley viticultural area to encompass both the valley floor and the flanking hills that define the valley's geography and watershed in Alameda County and in the southern part of Contra Costa County. The proposed expanded Livermore Valley viticultural area would be bounded by the Altamont Hills and Crane Ridge to the east, Cedar Mountain Ridge and Rocky Ridge to the south, Walpert Ridge and Rocky Ridge to the west, and the peak of Mount Diablo (the highest point of the Black Hills) to the north. The expansion of the Livermore Valley viticultural area would result in a viticultural area of 259,000 acres, of which 4,355 acres would be devoted to vineyards. A total of 24 wineries would operate within the proposed boundaries. The expansion, therefore, would add a total of approximately 163,000 acres, 120 acres of vineyards, and 4 wineries to the viticultural area.

Below, we summarize the evidence presented in the petition.

Name Evidence

The original final rule establishing the Livermore Valley viticultural area, Treasury Decision (T.D.) ATF–112, 47 FR 38520, September 1, 1982, details the derivation of the Livermore Valley as a place name and summarizes strong evidence of the Livermore Valley's local and national renown as a vineyard region. As noted in ''A Companion to California Wine'' by Charles L. Sullivan and ''The Wine Atlas of California'' by James Halliday, the Livermore Valley continues to be well known as one of California's most historic wine regions.

The original viticultural area boundary was established by TTB's predecessor, the Bureau of Alcohol, Tobacco and Firearms (ATF), and encompasses land historically and geographically identified as the Livermore Valley growing region. Establishment of that boundary was based upon the boundary presented to ATF in the original petition. In the current petition, however, the petitioner has presented additional evidence to TTB to support the conclusion that lands immediately outside of and adjacent to the original Livermore Valley viticultural area boundary to the north, east, south, and west could be properly included in the viticultural area, based upon both shared name identification and shared geographical features. In addition, the proposed Livermore Valley viticultural area expansion areas contrast sharply with lands beyond these boundaries.

Wines & Vines of California'' by Frona Eunice Wait, ''American Wines'' by Frank Schoonmaker, ''Gorman on Premium California Wines'' by Robert Gorman, and ''The Winewright's Register'' by Bruce Cass all document the Livermore Valley as a much larger area that encompasses the entire valley basin and surrounding hills. All four references recognize the Livermore Valley as reaching north to Mount Diablo, and all mention the hills that surround the Livermore Valley basin to the east, south, and west. As indicated in the discussion of *Boundary Evidence* below, the evidence defining the Livermore Valley in this broader context covers the region's viticultural history, from the 1880s to present.

Boundary Evidence

The Livermore Valley has a long grape-growing history and a strong regional identity. However, precise viticulture boundaries for the region were not defined until 1982, when ATF established the Livermore Valley viticultural area. The proposed boundary expansion includes those lands that, based on name identity and natural features, could have been included in the original viticultural area petition. Also, the proposed expansion boundaries maintain the historic and geographical integrity of viticulture within Livermore Valley.

Historical and current evidence documents that what is known as the

Livermore Valley includes the entire valley basin and its encircling hills, rather than the relatively limited portion of the valley floor encompassed in the original petition. In ''Early Days in the Livermore-Amador Valley'' by Merilyn Calhoun, published in 1973, the Livermore-Amador Valley is shown as reaching from Niles Canyon and Vallecitos in the south to Tassajara in the north and from the hills west of Pleasanton to the Altamont Pass and the eastern limits of Arroyo Seco to the east. Bulletin No. 118–2 from the California Department of Water Resources ''Evaluation of Ground Water Resources: Livermore and Sunol Valley'' features maps on land use and mean annual precipitation. These two publications show that the Livermore Valley stretches from Niles Canyon in the south, beyond the Alameda County-Contra Costa County line to the north, and from hills west of Pleasanton in the west to the Altamont Pass and the hills east of Livermore in the east. ''Valley Profiles: A Photographic Essay on the Livermore Valley of California'' by Hans Benhard, published in 1977, includes a map of the Livermore Valley that encompasses virtually the same area as that described in the other publications, that is, south to beyond Sunol, north to beyond Danville, west into the hills east of Pleasanton and Dublin, and east to Altamont Pass.

The Livermore Valley Winegrowers Association, which states that it represents the interests of the Livermore Valley growers and vintners, likewise substantiates a broader definition for the geographical region. The association's membership includes wineries and vineyards located in Palomares Canyon and Sunol along the western edge of the proposed expansion. The association's promotional brochure, ''Livermore Valley Wine Country,'' features a map that shows this broader regional definition. Wente Vineyards, one of the original Livermore Valley viticultural area petitioners in the early 1980s, also supports the expansion.

What is known as the Livermore Valley is considerably larger than the limited portion of the valley floor and southern hills included in the Livermore Valley viticultural area originally established in 1982. Natural topographic features, that is, mountain ranges and river drainages, primarily define the geography of the Livermore Valley. These natural topographic features and their influences distinguish the Livermore Valley and support expansion of the viticultural area to include the entire Livermore Valley and its encircling hills.

Distinguishing Features

The expanded Livermore Valley viticultural area would encompass land with the same geographical features as the current viticultural area. The uniformity of the distinguishing elements (climate, topography, and soils) is detailed below.

Climate and Topography

As stated in T.D. ATF–112, which established the Livermore Valley viticultural area, the valley has a moderate coastal climate that results from its proximity to San Francisco Bay and the Pacific Ocean. That final rule also cited cool marine winds and morning fog as important factors in moderating temperatures during the growing season and in keeping the area's vineyards relatively frost free in early spring.

The majority of vineyard acreage in the Livermore Valley viticultural area, as explained in T.D. ATF–112, is classified as Region III (3,001–3,500 degree days) under the University of California at Davis system of heat summation by degree days. A small portion of the area within the Livermore Valley is classified as Region II (2,501–3,000 degree days). Each degree that a day's mean temperature is above 50 degrees Fahrenheit, which is the minimum temperature required for grapevine growth, is counted as 1 degree day; see ''General Viticulture,'' Albert J. Winkler, University of California Press, 1975.

Cumulative climatic data from the National Weather Service shows an average annual degree-day total of 3,425 in the town of Livermore (elevation 486 feet), the heart of the current Livermore Valley viticultural area. The only equivalent weather station in the proposed expanded viticultural area is located at Mount Diablo Junction on the 2,100-foot elevation line, just south of the proposed expanded northern boundary. Cumulative climatic data from this weather station shows an average total for the growing season of 3,359 degree days, which is in the same Region III range as most of the current Livermore Valley viticultural area.

The cool marine winds and morning fog enter the Livermore Valley from San Francisco Bay through gaps in the western hills of Alameda and Contra Costa Counties, specifically through Niles Canyon and Hayward Pass (at the top of Dublin Canyon), as detailed in the San Jose Astronomical Association material (*http://ephemeris.sjaa.net/0107/b.html*, search dated 10/01/01), and through Crow Canyon. Such cooling influences are not limited to a specific section of the valley. As seen from the degree-day data above, they provide a relatively uniform climate throughout the Livermore Valley basin.

Developed by Waldimir Koppen in the early 20th century and based on temperature, precipitation, and vegetation, the Koppen (or ''Koeppen'') climate classification system also offers evidence of the uniform Livermore Valley climate. The ''Koeppen Classification for California'' map, developed by the University of Idaho, and the ''Koppen Climate Chart'' classify the Livermore Valley as ''Csb'' (Mediterranean: mild with dry, warm summer). The region is differentiated from the ''Csa'' (Mediterranean: mild with dry, hot summer) and ''BSk'' (Midlatitude steppe, midlatitude dry) classifications found to the east. Significantly, the boundary line between these climate classifications almost exactly duplicates the proposed eastern boundary of the expanded Livermore Valley viticultural area. With the entire Livermore Valley basin sharing the same climate, it is logical that the entire basin should be included in the Livermore Valley viticultural area.

The Livermore Valley basin's climate during the growing season represents a transition zone between the very cool, temperate, marine-influenced climate directly west and adjacent to San Francisco Bay and the hot, dry, diurnally (day versus night) differentiated climate to the east of the upper San Joaquin Valley. A clear indicator of the unique character of the Livermore Valley basin climate can be seen by comparing the average growing season degree-day totals at climate stations within the region to those that are east and west of the proposed expansion of the existing Livermore viticultural area at the same, or approximately same, latitude. The average degree-day total within the proposed expanded Livermore Valley viticultural area is fairly consistent—3,425 at Livermore and 3,359 at Diablo Junction. In contrast, the total at the Upper San Leandro Filtration Plant, directly west of the proposed expansion area, near San Francisco Bay, averages 2,461 degree days; the total at Tracy Carbona, directly east of the proposed expansion area in the San Joaquin Valley, averages 2,465 degree days.

The Livermore Valley basin, bounded by hills to the west and east, enjoys a climate distinct from the adjacent areas. The unique climate of the valley supports expansion of the viticultural area to its natural geographical boundaries.

Soils

Soils are a distinguishing feature that supports the proposed expansion of the Livermore Valley viticultural area. The proposed expansion area encompasses a geographical area significantly larger than the current Livermore Valley viticultural area; for both areas, the underlying geologic formations and the geological factors in soil formation are the same. Thus, the soils in the proposed expansion area are consistent with those of the original viticultural area.

As shown on the Geologic Map of California, the current Livermore Valley viticultural area and the proposed expansion area developed on the same geologic formations. Those formations include Pleistocene, alluvial, mostly nonmarine terrace deposits on the basin floor; Pleistocene, Pliocene, Miocene, and Cretaceous sandstone, shale, gravel, and conglomerate in the northern, eastern, and western hills; and Franciscan Complex fragmented and sheared sandstone in the southern hills.

The geological forces that formed the topography and soils in the proposed expansion of the Livermore Valley viticultural area are the same as those that formed the topography and soils of the original Livermore Valley viticultural area. Uplift and subsidence along several earthquake faults (among them, the Calaveras and Pleasanton faults to the west, the Greenwood fault to the east, and the Livermore and Tesla faults in the center of the valley) have shaped the region's topography. Erosion and weathering of base material on the slopes and deposition of sediment carried in runoff onto the valley floor have, over long periods of time, formed the soils of the region.

T.D. ATF–112 stated, ''the main soil type is the Yolo-Pleasanton association with the Livermore gravelly and very gravelly series being prominent in the southern portion of the valley.'' This description represents a highly simplified review of the soils within the original viticultural area boundaries. According to the ''Soil Survey of Alameda Area, California'' by the United States Department of Agriculture, Soil Conservation Service, published in 1966, the portion of the Livermore Valley floor within the current viticultural area also includes the Positas-Perkins association (shallow gravelly loam on terraces) and the Clear Lake-Sunnyvale association (shallow clay in basins and on terraces).

Soils on the slopes of the current viticultural area and recorded in the survey include the Millsholm-Los Gatos-Los Osos association (well drained to excessively drained soils that have low fertility, on moderately sloping to very steep slopes), the Altamont-Diablo association (well drained to excessively drained, clayey soils that have moderate or high fertility, on rolling to steep slopes), and the Vallecitos-Parris association (well drained to excessively drained, shallow loam and gravelly loam on steep or very steep slopes).

The ''Soil Survey of Alameda Area, California'' and the ''Soil Survey of Contra Costa County, California,'' by the United States Department of Agriculture, Soil Conservation Service, published in 1977, both record that the same soils were mapped in the proposed expansion area and in the current viticultural area. Although the Altamont-Diablo and Clearlake-Sunnyvale associations in Alameda County and the Altamont-Diablo-Fontana and Clearlake-Cropley associations in Contra Costa County were mapped along the boundary of the two soil survey areas, the soils are virtually identical. The differences in soil names are the result of improvements in the classification of the soils, particularly modifications or refinements in soil series concepts.

Regarding vineyards, the soils in the proposed expanded Livermore Valley viticultural area are different from those in surrounding areas to the north and east; they are on the only sites where vineyards are suited in the immediate vicinity because of steep terrain, population density, and other limiting factors. To the north and east of the proposed boundary, the soils transition into the Brentwood-Rincon-Zamora association (level, well drained clay and silty clay loam on alluvial fans) and the Marcuse-Solan-Pescadero association (nearly level, poorly drained clay, loam, and clay loam on basin rims). Although suited to vineyards, these soils differ from those in the current Livermore Valley viticultural area and the proposed expansion area.

Evidence Summary

The entire Livermore Valley basin has the same moderate coastal climate as that of the existing Livermore Valley viticultural area and the same average degree-day totals. Also, the climatic data and supporting evidence show the Livermore Valley basin experiences the same cooling marine influences of wind and morning fog through the gaps in the western hills of Alameda and Contra Costa Counties as does the current viticultural area. Hence, both the existing Livermore Valley viticultural area and the broader Livermore Valley basin experience the same unique climate.

Topographic and soil evidence indicates the same geologic formations are in the two areas. Clearly, the proposed expansion area and the current viticultural area have experienced the same geological forces. Allowing for differences in soil names resulting from improvements in the classification of the soils, the same soils are in both the proposed expansion area and the existing viticultural area. Unlike the climate, the soils in the proposed expansion area are not unique to the region. However, areas beyond the boundaries to the west and north—the only adjacent areas suited to grape growing—transition into soil associations unlike those in the current viticultural area or the proposed expansion area.

The distinguishing features of the original Livermore Valley viticultural area, including the climate and soils, are present in the proposed expansion area and provide sufficient evidence to meet the requirements of 27 CFR 9.3.

Notice of Proposed Rulemaking and Comments Received

On May 19, 2005, TTB published a notice of proposed rulemaking regarding the expansion of the Livermore Valley viticultural area in the **Federal Register** (70 FR 28873) as Notice No. 43. In that notice, TTB requested comments by July 18, 2005, from all interested persons. TTB received one comment in response to the notice. The comment supported the expansion of the Livermore Valley viticultural area and noted geographical and climatic similarities of the existing viticultural area and the proposed expansion area.

TTB Finding

After careful review of the petition and the submitted comment, TTB finds that the evidence submitted supports the expansion of the Livermore Valley viticultural area as requested in the petition. Therefore, under the authority of the Federal Alcohol Administration Act and part 4 of our regulations, we amend our regulations to expand the boundary of the Livermore Valley viticultural area in Alameda and Contra Costa Counties, California, effective 30 days from the publication date of this document.

Boundary Description

See the narrative boundary description of the expanded Livermore Valley viticultural area in the amended regulatory text published at the end of this document.

Maps

The petitioner provided the required maps, and we list them in the regulatory text.

Impact on Current Wine Labels

The expansion of the Livermore Valley viticultural area does not affect currently approved wine labels. The expansion may allow additional vintners to use ''Livermore Valley'' as an appellation of origin on their wine labels. Part 4 of the TTB regulations prohibits any label reference on a wine that indicates or implies an origin other than the wine's true place of origin. For a wine to be eligible to use as an appellation of origin the name of a viticultural area specified in part 9 of the TTB regulations, at least 85 percent of the grapes used to make the wine must have been grown within the area represented by that name, and the wine must meet the other conditions listed in 27 CFR 4.25(e)(3). Different rules apply if a wine has a brand name containing a viticultural area name that was used as a brand name on a label approved before July 7, 1986. See 27 CFR 4.39(i)(2) for details.

Regulatory Flexibility Act

We certify that this regulation will not have a significant economic impact on a substantial number of small entities. This regulation imposes no new reporting, recordkeeping, or other administrative requirement. Any benefit derived from the use of a viticultural area name is the result of a proprietor's efforts and consumer acceptance of wines from that area. Therefore, no regulatory flexibility analysis is required.

Executive Order 12866

This rule is not a significant regulatory action as defined by Executive Order 12866, 58 FR 51735. Therefore, it requires no regulatory assessment.

Drafting Information

N.A. Sutton of the Regulations and Rulings Division drafted this notice.

List of Subjects in 27 CFR Part 9

Wine.

The Regulatory Amendment

■ For the reasons discussed in the preamble, we are amending title 27 CFR, chapter 1, part 9, as follows:

PART 9—AMERICAN VITICULTURAL AREAS

■ 1. The authority citation for part 9 continues to read as follows:

Authority: 27 U.S.C. 205.

Subpart C—Approved American Viticultural Areas

■ 2. Section 9.46 is amended by revising paragraphs (b) and (c) to read as follows:

§ 9.46 Livermore Valley.

* * * * *

(b) *Approved maps.* The appropriate maps for determining the boundary of the Livermore Valley viticultural area are 13 United States Geological Survey 1:24,000 scale topographic maps. They are titled:

(1) Clayton, CA (1953; Photorevised 1980; Minor Revision 1994);

(2) Diablo, Calif. (1953; Photorevised 1980);

(3) Tassajara, CA (1996);

(4) Byron Hot Springs, Calif., (1953, Photorevised 1968);

(5) Altamont, Calif., (1953, Photorevised 1981);

(6) Midway, Calif., (1953, Photorevised 1980);

(7) Cedar Mtn., CA, (1956, Photorevised 1971, Minor Revision 1994);

(8) Mendenhall Springs, CA (1996);

(9) La Costa Valley, CA (1996);

(10) Niles, Calif., (1961, Photorevised 1980);

(11) Dublin, Calif., (1961, Photorevised 1980);

(12) Hayward, CA (1993); and

(13) Las Trampas Ridge, CA (1995).

(c) *Boundary.* The Livermore Valley viticultural area is located in the State of California in Contra Costa and Alameda Counties. The Livermore Valley viticultural area's boundary is defined as follows:

(1) The beginning point is on the Clayton map at the peak of Mount Diablo (VABM 3849) where the Mount Diablo Base Line and Mount Diablo Meridian Line intersect, T1S, R1E;

(2) From the beginning point proceed southeast in a straight line for approximately 14 miles, crossing the Diablo and Tassajara maps, and pass onto the Byron Hot Springs map to the summit of Brushy Peak (elevation 1,702 feet), T1S, R2E; then

(3) Continue due south in a straight line approximately 400 feet to the northern boundary of section 13, T2S, R2E; then

(4) Proceed due east along the section 13 and section 18 northern boundary lines to the northeast corner of section 18, T2S, R3E; then

(5) Continue southeast in a straight line approximately 1.8 miles to BM 720 in section 21, T2S, R3E, on the Altamont map; then

(6) Continue south-southeast in a straight line approximately 1 mile to an unnamed, 1,147-foot peak in section 28, T2S, R3E; then

(7) Continue south-southwest in a straight line approximately 1.1 miles to the intersection of the eastern boundary of section 32, T2S, R3E, with Interstate 580; then

(8) Continue southeast in a straight line approximately 2.7 miles to BM 1602 in Patterson Pass in section 10, T3S, R3E; then

(9) Continue south-southeast in a straight line approximately 2.8 miles to BM 1600, adjacent to Tesla Road in section 26, T3S, R3E, on the Midway map; then

(10) Continue south in a straight line approximately 4.2 miles, passing onto the Cedar Mtn. map, to BM 1878, 40 feet north of Mines Road, in section 14, T4S, R3E; then

(11) Proceed west-southwest in a straight line approximately 4.2 miles, passing onto the Mendenhall Springs map, to the southeast corner of section 19, T4S, R3E; then

(12) Continue west along the southern boundaries of section 19, T4S, R3E, and section 24, T4S, R2E, to the southwest corner of section 24; then

(13) Proceed north along the western boundary of section 24, T4S, R2E, to the southeast corner of section 14, T4S, R2E; then

(14) Continue west along the southern boundary of section 14, T4S, R2E, to its southwest corner and then proceed north along the western boundary of section 14 to its intersection with the Hetch Hetchy Aqueduct, T4S, R2E; then

(15) Follow the Hetch Hetchy Aqueduct west-southwest approximately 4.2 miles to the Aqueduct's intersection with the R1E/R2E range line on the La Costa Valley map, T4S; then

(16) Continue southwest in a straight line approximately 3.9 miles, crossing Apperson, Welsh, and Alameda Creeks, to BM 533 in section 10, T5S, R1E; then

(17) Proceed due west-northwest in a straight line approximately 1.9 miles, passing onto the Niles map, to the line's intersection with the eastern boundary of section 5 and the Fremont Boundary Line, T5S, R1E; then

(18) Continue northwest in a straight line approximately 1.1 miles to an unnamed, 1,291-foot peak in section 32, T4S, R1E; then

(19) Continue northwest in a straight line approximately 1.1 miles to an unnamed, 1,058-foot peak in section 30, T4S, R1E; then

(20) Continue northwest in a straight line approximately 3.8 miles, passing through BM 161 in section 11, T4S, R1W, until the line intersects Palomares

Road, a medium duty road, in section 11; then

(21) Follow Palomares Road in a northerly direction for approximately 0.7 miles to the road's intersection with the power transmission line shown in section 11, T4S, R1W; then

(22) Proceed northwest along the power transmission line for approximately 6.4 miles, passing through the Dublin map near Walpert Ridge, onto the Hayward map to the point where the power transmission line turns nearly west, approximately 500 feet south of an unnamed, 891-foot, peak, T3S, R2W; then

(23) Continue north-northwest in a straight line approximately 1.4 miles to an unnamed, 840-foot peak, T3S, R2W; then

(24) Proceed north-northeast in a straight line approximately 3.4 miles, returning to the Dublin map, to the point where the Contra Costa County-Alameda County line turns to the northwest, about 0.4 mile west of Wiedemann Hill (elevation 1,854 feet), section 20, T2S, R1W; then

(25) Proceed in a northwesterly direction along the meandering Contra Costa County-Alameda County line for approximately 6.0 miles, passing briefly onto the Hayward, Las Trampas Ridge, and Diablo maps, before returning to the Las Trampas Ridge map and continuing to the point where the Contra Costa County-Alameda County line turns to the west-northwest, section 35, T1S, R2W; then

(26) Continue north-northwest in a straight line approximately 2.7 miles to the summit of Las Trampas Peak (elevation 1,827 feet) in section 22, T1S, R2W; then

(27) Proceed east-northeast in a straight line approximately 8.8 miles, passing through the Diablo map, and return to the beginning point.

Dated: April 25, 2006.

John J. Manfreda,

Administrator.

Approved: May 25, 2006.

Timothy E. Skud,

Deputy Assistant Secretary (Tax, Trade, and Tariff Policy).

[FR Doc. E6–9366 Filed 6–14–06; 8:45 am]

BILLING CODE 4810–31–P

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Parts 4022 and 4044

Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: The Pension Benefit Guaranty Corporation's regulations on Benefits Payable in Terminated Single-Employer Plans and Allocation of Assets in Single-Employer Plans prescribe interest assumptions for valuing and paying benefits under terminating single-employer plans. This final rule amends the regulations to adopt interest assumptions for plans with valuation dates in July 2006. Interest assumptions are also published on the PBGC's Web site (*http://www.pbgc.gov*).

DATES: Effective July 1, 2006.

FOR FURTHER INFORMATION CONTACT: Catherine B. Klion, Attorney, Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202–326–4024. (TTY/TDD users may call the Federal relay service toll-free at 1–800–877–8339 and ask to be connected to 202–326–4024.)

SUPPLEMENTARY INFORMATION: The PBGC's regulations prescribe actuarial assumptions—including interest assumptions—for valuing and paying plan benefits of terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974. The interest assumptions are intended to reflect current conditions in the financial and annuity markets.

Three sets of interest assumptions are prescribed: (1) A set for the valuation of benefits for allocation purposes under section 4044 (found in Appendix B to part 4044), (2) a set for the PBGC to use to determine whether a benefit is payable as a lump sum and to determine lump-sum amounts to be paid by the PBGC (found in Appendix B to part 4022), and (3) a set for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using the PBGC's historical methodology (found in Appendix C to part 4022).

This amendment (1) adds to Appendix B to part 4044 the interest assumptions for valuing benefits for allocation purposes in plans with valuation dates during July 2006, (2) adds to Appendix B to part 4022 the interest assumptions for the PBGC to use for its own lump-sum payments in plans with valuation dates during July 2006, and (3) adds to Appendix C to part 4022 the interest assumptions for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using the PBGC's historical methodology for valuation dates during July 2006.

For valuation of benefits for allocation purposes, the interest assumptions that the PBGC will use (set forth in Appendix B to part 4044) will be 6.30 percent for the first 20 years following the valuation date and 4.75 percent thereafter. These interest assumptions represent an increase (from those in effect for June 2006) of 0.10 percent for the first 20 years following the valuation date and are otherwise unchanged. These interest assumptions reflect the PBGC's recently updated mortality assumptions, which are effective for terminations on or after January 1, 2006. See the PBGC's final rule published December 2, 2005 (70 FR 72205), which is available at *http://www.pbgc.gov/docs/05–23554.pdf*. Because the updated mortality assumptions reflect improvements in mortality, these interest assumptions are higher than they would have been using the old mortality assumptions.

The interest assumptions that the PBGC will use for its own lump-sum payments (set forth in Appendix B to part 4022) will be 3.50 percent for the period during which a benefit is in pay status and 4.00 percent during any years preceding the benefit's placement in pay status. These interest assumptions represent an increase (from those in effect for June 2006) of 0.25 percent for the period during which a benefit is in pay status and are otherwise unchanged.

For private-sector payments, the interest assumptions (set forth in Appendix C to part 4022) will be the same as those used by the PBGC for determining and paying lump sums (set forth in Appendix B to part 4022).

The PBGC has determined that notice and public comment on this amendment are impracticable and contrary to the public interest. This finding is based on the need to determine and issue new interest assumptions promptly so that the assumptions can reflect current market conditions as accurately as possible.

Because of the need to provide immediate guidance for the valuation and payment of benefits in plans with valuation dates during July 2006, the PBGC finds that good cause exists for making the assumptions set forth in this

amendment effective less than 30 days after publication.

The PBGC has determined that this action is not a ''significant regulatory action'' under the criteria set forth in Executive Order 12866.

Because no general notice of proposed rulemaking is required for this amendment, the Regulatory Flexibility Act of 1980 does not apply. See 5 U.S.C. 601(2).

List of Subjects

29 CFR Part 4022

Employee benefit plans, Pension insurance, Pensions, Reporting and recordkeeping requirements.

29 CFR Part 4044

Employee benefit plans, Pension insurance, Pensions.

■ In consideration of the foregoing, 29 CFR parts 4022 and 4044 are amended as follows:

PART 4022—BENEFITS PAYABLE IN TERMINATED SINGLE-EMPLOYER PLANS

■ 1. The authority citation for part 4022 continues to read as follows:

Authority: 29 U.S.C. 1302, 1322, 1322b, 1341(c)(3)(D), and 1344.

■ 2. In appendix B to part 4022, Rate Set 153, as set forth below, is added to the table.

Appendix B to Part 4022—Lump Sum Interest Rates For PBGC Payments

* * * * *

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		i_1	i_2	i_3	n_1	n_2
*	*		*	*	*	*	*	
153	7–1–06	8–1–06	3.50	4.00	4.00	4.00	7	8

■ 3. In appendix C to part 4022, Rate Set 153, as set forth below, is added to the table.

Appendix C to Part 4022—Lump Sum Interest Rates For Private-Sector Payments

* * * * *

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		i_1	i_2	i_3	n_1	n_2
*	*		*	*	*	*	*	
153	7–1–06	8–1–06	3.50	4.00	4.00	4.00	7	8

PART 4044—ALLOCATION OF ASSETS IN SINGLE-EMPLOYER PLANS

■ 4. The authority citation for part 4044 continues to read as follows:

Authority: 29 U.S.C. 1301(a), 1302(b)(3), 1341, 1344, 1362.

■ 5. In appendix B to part 4044, a new entry for July 2006, as set forth below, is added to the table.

Appendix B to Part 4044—Interest Rates Used to Value Benefits

* * * * *

For valuation dates occurring in the month—	the values of i_t are:					
	i_t	for t =	i_t	for t =	i_t	for t =
*	*		*	*	*	
July 2006	.0630	1–20	.0475	>20	N/A	N/A

Issued in Washington, DC, on this 8th day of June 2006.

Vincent K. Snowbarger,

Acting Executive Director, Pension Benefit Guaranty Corporation.

[FR Doc. E6–9345 Filed 6–14–06; 8:45 am]

BILLING CODE 7709–01–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 622

[Docket No. 060322083–6147–02; I.D. 032006C]

RIN 0648–AU04

Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Gulf of Mexico Recreational Grouper Fishery Management Measures

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Final rule.

SUMMARY: NMFS issues this final rule to implement the bag limit provisions of a regulatory amendment to the Fishery Management Plan for the Reef Fish Resources of the Gulf of Mexico (FMP) prepared by the Gulf of Mexico Fishery Management Council (Council). This final rule will establish a recreational bag limit for Gulf red grouper of one fish per person per day and prohibit the captain and crew of a vessel operating as a charter vessel or headboat from retaining any Gulf grouper, i.e., establish a zero bag limit for captain and crew. The intended effect of this final rule is to help maintain recreational landings at levels consistent with the red grouper rebuilding plan.

DATES: This final rule is effective July 17, 2006.

ADDRESSES: Copies of the Final Regulatory Flexibility Analysis (FRFA), are available from Andy Strelcheck, NMFS, Southeast Regional Office, 263 13th Avenue South, St. Petersburg, FL 33701; telephone 727–824–5305; fax 727–824–5308; e-mail *Andy.Strelcheck@noaa.gov*.

FOR FURTHER INFORMATION CONTACT: Andy Strelcheck, telephone 727–824–5305; fax 727–824–5308; e-mail *Andy.Strelcheck@noaa.gov*.

SUPPLEMENTARY INFORMATION: The reef fish fishery of the Gulf of Mexico is managed under the FMP. The FMP was prepared by the Council and is implemented under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) by regulations at 50 CFR part 622.

In accordance with the FMP's framework procedure, the Council recommended and NMFS published a proposed rule to implement the regulatory amendment and requested public comment on the proposed rule through May 1, 2006 (71 FR 16275, March 31, 2006). In addition to the measures contained in this final rule, the proposed rule included a February 15 to March 15 recreational closure for red grouper, gag, and black grouper. NMFS expects a new stock assessment for gag to be completed in July 2006 that might contain new information pertinent to evaluating the need for the seasonal closure. Also, the Florida Fish and Wildlife Conservation Commission expressed concerns about implementation of the seasonal closure. Therefore, NMFS is implementing the bag limit and captain and crew provisions in this final rule but will defer possible implementation of the seasonal closure until the new gag assessment is completed. If the seasonal closure is warranted based on the results of the gag stock assessment, another final rule will be published for that action. The seasonal closure provision has been removed from this final rule. The rationale for the measures in the regulatory amendment is provided in the preamble to the proposed rule and is not repeated here. A summary of the public comments received by NMFS on the proposed rule and NMFS' responses are provided below.

Comments and Responses

NMFS received a total of 8 different comments from 12 commenters. Following is a summary of the comments received on the proposed rule and NMFS' responses.

Comment 1: Eight commenters opposed the February 15 to March 15 recreational seasonal closure and believed the closure period would severely impact the livelihood of charter boat captains, crew, and their families.

Response: NMFS expects a new stock assessment for gag to be completed in July 2006 that might contain new information pertinent to evaluating the need for the seasonal closure for red grouper, gag, and black grouper. Therefore, NMFS intends to defer possible implementation of the seasonal closure until the new gag assessment is completed. If the seasonal closure is warranted based on the results of the gag stock assessment, the closure may be implemented via appropriate rulemaking.

Comment 2: Two commenters opposed prohibiting for-hire captain and crew from retaining bag limits of grouper while under charter. Two commenters were in favor of prohibiting for-hire captain and crew from retaining bag limits of grouper.

Response: With a reduction in the red grouper bag limit to one fish per person per day, there is a greater incentive for captain and crew on for-hire vessels to retain fish and supplement the landings of their clients, negating some of the benefit of the lower red grouper bag limit. Although past regulations allowed captains and crew to socially and economically benefit from the enjoyment of fishing and supplying their families with fresh fish, continuing to allow captain and crew to retain bag limits reduces the effectiveness of the red grouper bag limit. Implementing this measure increases the likelihood that red grouper landings reduction targets are reached, as specified in the rebuilding plan for red grouper. Not implementing this measure may result in more severe management reductions with accompanying increased adverse economic impacts to captains and crew. Additionally, prohibiting for-hire captains and crew from retaining bag limits of grouper while under charter is considered equitable because commercial fishermen would be prohibited from retaining bag limits of reef fish while commercially fishing if Amendment 18A to the FMP is implemented.

Comment 3: Two commenters were in favor of reducing the bag limit from two to one red grouper per person per day.

Response: The reduction in red grouper bag limit is part of management measures to return recreational red grouper landings to levels specified in the rebuilding plan. Reducing the red grouper bag limit to one is estimated to reduce landings of red grouper by 29.7 percent.

Comment 4: One commenter suggested creating a closed season of September 15 to October 15 instead of February 15 to March 15.

Response: The seasonal closure was proposed for February 15 to March 15 because the commercial seasonal closure occurs at this time and includes important spawning seasons for red, black, and gag grouper. The Council also considered seasonal closures during April-May and August and was presented with analyses for seasonal closures in September and October. A September 15 to October 15 seasonal closure would result in similar, although slightly greater, reductions in

harvest than the preferred February 15 to March 15 seasonal closure. However, a closure during fall would not provide the added benefits of protecting red, gag, and black grouper during spawning or closing the recreational fishery at the same time as the commercial fishery. NMFS intends to defer possible implementation of the recreational seasonal closure until the new gag assessment is completed in summer 2006.

Comment 5: Three commenters each suggested one of the following topics: (1) Better enforcement of charter boats that fish in Federal waters without permits; (2) purchase of all charter boat businesses by the government to relieve the economic strain of regulations on fishermen; and (3) prevention of supposed toxic material dumping by phosphate plants as a measure to prevent fish mortality.

Response: The regulatory amendment only considered reducing the bag limit from two to one red grouper per person per day, prohibiting for-hire captain and crew from retaining bag limits of grouper while under charter, and creating a seasonal closure from February 15 to March 15. The regulatory amendment did not consider the topics listed in the above comment because other measures were considered to be more appropriate. Therefore, this comment is beyond the scope of the regulatory amendment and this rule.

Classification

The Administrator, Southeast Region, NMFS, determined the regulatory amendment is necessary for the conservation and management of the Gulf reef fish fishery and is consistent with the Magnuson-Stevens Act and other applicable laws.

This final rule has been determined to be not significant for purposes of Executive Order 12866.

A FRFA was prepared. The FRFA incorporates the initial regulatory flexibility analysis (IRFA), a summary of the significant issues raised by public comments in response to the IRFA, and NMFS responses to those comments, and a summary of the analyses completed to support the action. A summary of the analyses follows.

This rule will reduce the daily recreational red grouper bag limit and eliminate the captain and crew daily grouper bag limit. The purpose for this regulatory amendment is to implement management measures for the Gulf of Mexico grouper fishery that will restrict recreational red grouper landings to levels specified in the red grouper rebuilding plan. The Magnuson-Stevens Act provides the statutory basis for this final rule.

The proposed rule contained a February 15 to March 15 recreational seasonal closure for red grouper, gag, and black grouper. In response to public comment and to allow for evaluation of the results of a new stock assessment for gag expected to be completed in July 2006, consideration of implementation of the seasonal closure will be deferred until the new assessment is completed.

No duplicative, overlapping, or conflicting Federal rules have been identified.

A moratorium on the issuance of new charter vessel/headboat (for-hire) permits for reef fish has been in effect since June 16, 2003, and, currently, approximately 1,625 unique vessels are permitted to operate in this fishery. The for-hire fishery is comprised of charter vessels, which charge fees on a per-vessel basis, and headboats, which charge fees on an individual angler basis. The average charter vessel is estimated to generate $76,960 in annual revenue and $36,758 in annual ''profit'' (computed as gross revenue minus costs; costs exclude depreciation, fixed costs, and returns to owner/operators). The comparable figures for an average headboat are $404,172 in annual gross revenue and $338,209 in annual profits. Some vessels in the for-hire fleet also participate in the commercial fisheries. However, information on the average revenues generated from operation as a commercial vessel and the impacts of these revenues on the overall economic performance of the business operation are unknown.

Although the rule will not directly affect support industries, potential reductions in fishing effort and associated expenditures may have indirect impacts on hotels, restaurants, gear and bait shops, and other associated businesses. It is not possible to enumerate or characterize these businesses.

The rule will not change current reporting, recordkeeping and other compliance requirements under the FMP. These requirements include permit qualification criteria and participation in data collection programs if selected by NMFS. All of the information elements required for these processes are standard elements essential to the successful operation of a fishing business and should, therefore, already be collected and maintained as standard operating practice by the business. The requirements do not require professional skills, and, therefore, are deemed not to be onerous.

The Small Business Administration defines a small business in the for-hire fishery sector as a firm that is independently owned and operated, is not dominant in its field of operation, and has annual receipts up to $6.5 million. Given the economic profile of the for-hire fleet presented above, NMFS determined that all for-hire fishing entities that could be affected by this final rule are small business entities. Because all of these entities could be affected, NMFS determined that the final rule will affect a substantial number of small entities.

The determination of ''significant economic impact'' can be ascertained by examining two issues: disproportionality and profitability. The disproportionality question is whether the regulations place a substantial number of small entities at a significant competitive disadvantage to large entities. All for-hire entities affected by the rule are considered small entities, so the issue of disproportionality does not arise in the present case. The profitability question is whether the regulations significantly reduce profit for a substantial number of small entities. For-hire operations, specifically charter boats, will bear the primary burden of the rule, although spill-over impacts are expected in associated industries such as hotels, marinas, and bait and tackle shops. For-hire operations may experience a reduction in bookings, resulting in reduced receipts from for-hire fees, tips, gear rental, food or beverages, and fish-cleaning. No trip cancellations were projected due to the reduced red grouper bag limit because most grouper trips have not historically landed either the former red grouper or aggregate grouper daily bag limit. Approximately 13,000 trips per year, on average, are expected to be affected by the reduced red grouper bag limit. Although few of these trips are expected to be cancelled due to the reduced bag limit, they represent approximately $1.57 million in for-hire fees (approximately $1,000 per vessel), or approximately 1 percent of average gross revenues and 3 percent of average net revenues per vessel. No financial impacts would accrue to trips that are not cancelled as a result of the reduced bag limit. The impact of the rule on associated industries cannot be determined.

Six alternatives, including the status quo, were considered to the proposed red grouper bag limit and seasonal closure. The status quo would have allowed continued landing overages in the recreational sector and would, therefore, not meet the Council's objectives because continued overages would not allow the fishery to meet rebuilding goals. Additionally, for the

reasons stated above, the rule does not include the proposed seasonal closure.

The second alternative would have reduced the red grouper daily bag limit to one fish per angler or three fish per vessel, whichever is less. This alternative is more restrictive than the bag limit in the final rule and, therefore, would result in greater adverse economic impacts due to greater loss of consumer surplus and greater likelihood of trip cancellation.

The third alternative would have increased the red grouper recreational minimum size limit to 22 inches (55.9 cm). An increase in the minimum size limit, however, would be expected to increase bycatch and discard mortality, which is inconsistent with the Council's objective of minimizing bycatch and discard mortality. Thus, this alternative would not meet the Council's objectives.

The fourth alternative would have reduced the red grouper recreational bag limit within the aggregate grouper limit to one per person per day and closed the season for all grouper during August. This alternative would have resulted in greater reductions in consumer surplus and potential foregone expenditures, therefore increasing the adverse economic impacts relative to the final rule.

The fifth alternative would have reduced the red grouper recreational bag limit within the aggregate limit to one per person per day and closed the season for all grouper during April through May. This alternative would also have resulted in greater reductions in consumer surplus and potential foregone expenditures than the final rule.

The sixth alternative would have reduced the red grouper bag limit within the aggregate limit to one per person per day and increased the minimum recreational size limit to 21 inches (53.3 cm). Similar to an increase of the minimum size limit to 22 inches (55.9 cm), excessive bycatch mortality was expected to accrue to this alternative.

The final alternative to the red grouper bag limit would have reduced the red grouper bag limit within the aggregate grouper limit to one fish per angler or three fish per vessel per day, whichever is less, except for reef fish-permitted for-hire vessels with a U.S. Coast Guard Certificate of Inspection. For these vessels, the resultant vessel limit would be one red grouper per two paying passengers. This alternative is more restrictive than the rule and would result in greater adverse economic impacts than the rule.

One alternative, the status quo, was considered for the 0–fish captain and crew grouper bag limit. The status quo, which would allow captain and crew a bag limit equal to that of the recreational angler, in combination with the other actions, would not achieve the necessary red grouper harvest reductions and would not, therefore, meet the Council's objectives. The 0–fish captain and crew bag limit constrains the potential harvest capacity aboard for-hire vessels, limits allowable bag limits to paying clients who are fishing recreationally, and contributes additional reduction in fishing mortality.

Copies of the FRFA are available from NMFS (see **ADDRESSES**).

List of Subjects in 50 CFR Part 622

Fisheries, Fishing, Puerto Rico, Reporting and recordkeeping requirements, Virgin Islands.

Dated: June 8, 2006,

James W. Balsiger,

Acting Deputy Assistant Administrator for Regulatory Programs, National Marine Fisheries Service.

■ For the reasons set out in the preamble, 50 CFR part 622 is amended as follows:

PART 622—FISHERIES OF THE CARIBBEAN, GULF, AND SOUTH ATLANTIC

■ 1. The authority citation for part 622 continues to read as follows:

Authority: 16 U.S.C. 1801 *et seq.*

■ 2. In § 622.39, the suspensions of paragraphs (b)(1)(ii) and (b)(1)(v) are lifted; paragraphs (b)(1)(viii) and (b)(1)(ix) are removed; and paragraph (b)(1)(ii) is revised to read as follows:

§ 622.39 Bag and possession limits.

* * * * *

(b) * * *

(1) * * *

(ii) Groupers, combined, excluding goliath grouper and Nassau grouper -5 per person per day, but not to exceed 1 speckled hind or 1 warsaw grouper per vessel per day or 1 red grouper per person per day. However, no grouper may be retained by the captain or crew of a vessel operating as a charter vessel or headboat—their bag limit is zero.

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Proposed Rules

Federal Register
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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

Animal and Plant Health Inspection Service

9 CFR Part 94

[Docket No. APHIS–2006–0037]

Change in Disease Status of Namibia With Regard to Foot-and-Mouth Disease and Rinderpest

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Proposed rule.

SUMMARY: We are proposing to amend the regulations to add Namibia, except the portion of the country north of the Veterinary Cordon Fence (VCF), to the list of regions that are considered free of foot-and-mouth disease (FMD), and to add the entire country to the list of regions that are considered free of rinderpest. We are taking this action because we have determined that the region in Namibia south of the VCF is now free of FMD and the entire country is free of rinderpest. We are also proposing to add Namibia, except the region north of the VCF, to the list of FMD- and rinderpest-free regions that are subject to certain import restrictions on meat and other animal products because of their proximity to or trading relationships with rinderpest- or FMD-affected regions. This proposed action would relieve certain restrictions due to FMD and rinderpest on the importation into the United States of certain live animals and animal products from all regions of Namibia except the region north of the VCF. However, because we consider Namibia to be affected with African swine fever, classical swine fever, and swine vesicular disease, the importation of live swine and pork and pork products would continue to be restricted. In addition, because we consider Namibia to be affected with other animal diseases that are exotic to the United States, the importation of live ruminants and germplasm would also continue to be restricted. These actions would update the disease status of Namibia with regard to FMD and rinderpest while continuing to protect the United States from an introduction of those diseases by providing additional requirements for any meat and meat products imported into the United States from Namibia.

DATES: We will consider all comments that we receive on or before August 14, 2006.

ADDRESSES: You may submit comments by either of the following methods:

- Federal eRulemaking Portal: Go to *http://www.regulations.gov* and, in the lower ''Search Regulations and Federal Actions'' box, select ''Animal and Plant Health Inspection Service'' from the agency drop-down menu, then click on ''Submit.'' In the Docket ID column, select APHIS–2006–0037 to submit or view public comments and to view supporting and related materials available electronically. Information on using Regulations.gov, including instructions for accessing documents, submitting comments, and viewing the docket after the close of the comment period, is available through the site's ''User Tips'' link.
- Postal Mail/Commercial Delivery: Please send four copies of your comment (an original and three copies) to Docket No. APHIS–2006–0037, Regulatory Analysis and Development, PPD, APHIS, Station 3A–03.8, 4700 River Road Unit 118, Riverdale, MD 20737–1238. Please state that your comment refers to Docket No. APHIS–2006–0037.

Reading Room: You may read any comments that we receive on this docket in our reading room. The reading room is located in room 1141 of the USDA South Building, 14th Street and Independence Avenue, SW., Washington, DC. Normal reading room hours are 8 a.m. to 4:30 p.m., Monday through Friday, except holidays. To be sure someone is there to help you, please call (202) 690–2817 before coming.

Other Information: Additional information about APHIS and its programs is available on the Internet at *http://www.aphis.usda.gov.*

FOR FURTHER INFORMATION CONTACT: Dr. Javier Vargas, Animal Scientist, Regionalization Evaluation Services Staff, National Center for Import and Export, VS, APHIS, 4700 River Road, Unit 38, Riverdale, MD 20737–1231; (301) 734–0756.

SUPPLEMENTARY INFORMATION:

Background

The regulations in 9 CFR part 94 (referred to below as the regulations) govern the importation of certain animals and animal products into the United States in order to prevent the introduction of various diseases, including rinderpest, foot-and-mouth disease (FMD), African swine fever, classical swine fever, and swine vesicular disease. These are dangerous and destructive communicable diseases of ruminants and swine. Section 94.1 of the regulations lists regions of the world that are declared free of rinderpest or free of both rinderpest and FMD. Rinderpest or FMD exists in all other parts of the world not listed. Section 94.11 of the regulations lists regions of the world that have been determined to be free of rinderpest and FMD, but that are subject to certain restrictions because of their proximity to or trading relationships with rinderpest- or FMD-affected regions.

In February 2001, the Animal and Plant Health Inspection Service (APHIS) received a request from Namibia's Government to recognize Namibia as free from rinderpest. Because rinderpest has not been diagnosed in Namibia since 1907, we are proposing to recognize the entire country of Namibia as free of rinderpest.

The Namibian Government also requested that APHIS recognize the region of Namibia south of the Veterinary Cordon Fence (VCF), which is described in more detail in the ''Degree of Separation from Adjacent Regions,'' as free of FMD. The regulations define the term *region*, in part, as ''any defined geographic land area identifiable by geological, political, or surveyed boundaries.'' Namibian veterinary officials define four zones for purposes of FMD control in Namibia: Infected, buffer, surveillance, and free. The infected zone is north of the VCF and includes eastern and western Caprivi, where FMD outbreaks have occurred and free-roaming wild buffalo are present. FMD vaccinations are conducted in this zone. The buffer zone, which abuts high-risk areas in neighboring countries, is also located north of the VCF. This area is considered affected with contagious

bovine pleuropneumonia (CBPP) and does not have as stringent animal movement controls as the FMD-free area. FMD vaccinations are conducted in certain areas of this zone. The surveillance zone borders the VCF in the FMD-free area and is at least two farms wide. FMD vaccination does not occur in this area so that the animals can serve as sentinels. Finally, the free zone consists of the commercial farming area and communal areas south of the surveillance zone.

In response to the Namibian Government's request, and based on our review of supporting documentation accompanying the request and information obtained during a site visit, we are proposing to recognize the entire country of Namibia as rinderpest-free and all of Namibia except the region north of the VCF as free of FMD. Finally, we are also proposing to add Namibia, except the region north of the VCF, to the list of regions that are subject to certain import restrictions on meat and other animal products because of their proximity to or trading relationships with rinderpest-or FMD-affected regions.

Risk Analysis

Based on the information submitted to us by the Government of Namibia, as well as information gathered during a site visit by APHIS staff to Namibia in June 2003, we have reviewed and analyzed the animal health status of Namibia relative to FMD. Our review and analysis were conducted in light of the factors identified in 9 CFR 92.2, ''Application for recognition of the animal health status of a region,'' which are used to determine the level of risk associated with importing animals or animal products into the United States from a given region. Based on the information submitted to us and gathered during the June 2003 site visit, we have concluded the following:

Veterinary Infrastructure

The authority for veterinary infrastructure and control in Namibia rests with the Directorate of Veterinary Services (DVS) in the Ministry of Agriculture, Water, and Rural Development. This authority is derived from several laws, including the Undesirable Residue in Meat Act, the Stock Brands Act, the Government Notice on the Prohibition of Certain Farm Feeds, and the Animal Disease and Parasites Act, No. 13, of 1956; this last act is the primary source of authority for Namibia's animal health, disease control, and animal movement control activities. The overall structure of DVS includes a central headquarters and State veterinary offices throughout Namibia, both of which are described below.

DVS headquarters is located in Windhoek, where DVS officials develop all polices, laws, and regulations relating to animal health issues. The relationship between DVS headquarters and the State offices is close and information is shared regularly. The State offices are formally audited to review the offices' performance on trade-related issues, such as traceability, bovine spongiform encephalopathy (BSE) surveillance, and monitoring farm feeds for ruminant protein. During the site visit, APHIS staff found the State office they visited to be structured, effective, and organized.

DVS animal health officials participate in training activities on a regular basis, including teaching community members how to recognize disease symptoms. The central office sets criteria for FMD-free countries and assigns disease status to countries. Permits are issued according to a country's disease status and, if a disease outbreak occurs in a previously free country, DVS cancels the permits for affected articles from that country and alerts State veterinarians at the ports of arrival that those permits have been canceled.

Support for DVS in Namibian farming and producer groups and local communities is strong. This support is demonstrated by high involvement in programs such as participation and enforcement of vaccination schedules and community participation in education, outreach, and meetings. DVS works with various farming organizations in Namibia, such as the National Agricultural Union, which consists mainly of commercial farmers, and the Namibia National Farmers' Union, which is comprised of mostly communal farmers. DVS also works with the Namibian Meat Board, which is an industry group focusing on developing and improving livestock product markets. The Meat Board administers the Farm Assured Namibian Meat Scheme, a quality assurance program for meat, and operates the Brand Registry, which contains the registration of every meat producer's brand mark. Finally, DVS partners with the Namibian police force to ensure that all vehicles entering the proposed free zone through VCF checkpoints are inspected and that emergency roadblocks can be put into place if necessary.

The site visit team visited the Walvis Bay Veterinary Services Office, a State veterinary office located at a port on the central coast of Namibia. The premises included the State veterinarian's office and a quarantine facility used for small animals, such as dogs, birds, and cats. For each animal product entering Namibia, the State veterinarian keeps records of a description of the product, as well as the product's date of entry, permit number, origin, and quantity. The office is also responsible for performing field duties, such as annual farm inspections and inspections of cold storage facilities. The State veterinarians can hold a shipment until paperwork can be completed, but do not open sealed containers until all documents are present.

The State office receives faxes from the central office to alert the State veterinarian of any arriving shipments that will need inspection. During an inspection, the State veterinarian checks the expiration and product dates, the endorsement of the permit, and the physical appearance of the shipment. Satisfactory shipments are released to the owner, while unsatisfactory shipments must either be destroyed or returned to the country of origin. If the product is destroyed, the State veterinarian, municipal police, Port Control, and Customs are involved. Although no beef or lamb has been confiscated, a shipment of chicken was destroyed by being mixed with sand and buried in a 5 meter hole at the municipal dump. At the port visited by the APHIS team, the harbor is completely fenced off and guards man the port gate. If a shipment does not have stamped release papers, the guards will stop the shipment so that it cannot leave the harbor.

DVS also supplements its workforce through Community Animal Health Workers (CAHWs) who work in the communal areas to assist DVS' disease surveillance and to provide a more comprehensive and accurate animal disease treatment, surveillance, and reporting system. Although the CAHWs are not government employees or certified, they receive government training in animal husbandry, handling, animal diseases, and health maintenance and are members of the community in which they work. The CAHWs then can establish private businesses that provide very basic veterinary care along with a limited veterinary pharmacy.

One concern about DVS raised during the site visit was the mandatory or voluntary retirement for several senior DVS officials in the upcoming year with no apparent plans for overlapping by replacements. This process could create a loss of institutional memory and result in a weakening or failure of the current disease control system, which requires

consistent application and reassessment to prevent FMD from entering Namibia. In addition, highly trained personnel are spread very thin over a wide range of duties and qualified recruits are lacking due to either a lack of funding or training. DVS acknowledged these issues during the site visit and stated that field personnel are being moved to headquarters to receive training and become familiar with operations at the headquarters level. In addition, DVS advertised posts to fill vacancies prior to the officials' departure to ensure a smooth transition. Also, DVS stated that the restructuring was designed to strengthen surveillance, reporting, and case follow-up.

However, in July 2004, Namibia's Cabinet approved a new structure for DVS, which is designed to strengthen the central competent authority and allow for closer supervision and decentralization of services. The Directorate remains under the supervision of a Chief Veterinary Officer and consists of four divisions: Animal Disease Control (Animal Health); Veterinary Public Health; Epidemiology, Import/Export and Training; and Diagnostic Services and Research. Each of these divisions will be headed by a Deputy Chief Veterinary Officer who oversees a variety of supporting staff. Recruitment to fill positions has begun and progress in filling positions had been made as of January 2006. The effort to fill all positions is ongoing.

Under the new restructuring, Namibia is divided into four regions: South, North-east, North-west, and Central. With regard to Animal Health, each of the four regions will have a Chief Veterinarian, who reports directly to the Deputy Chief Veterinary Officer of the Animal Health division at headquarters. Each Chief Veterinarian will operate as a supervisor of a number of State veterinary officers (up to four each) and be responsible for training, control, monitoring, and guiding field veterinarians. Six additional field veterinarian posts will be added in the northern communal areas. In addition, the number of animal health technician (AHT) posts (agricultural diploma level) will be increased from 79 to 95, with a plan to phase out Stock Inspection Assistants over time.

The Veterinary Public Health division will consist of a Chief Veterinarian, a Control Veterinary Hygiene Inspector, chief hygiene inspectors, and a Veterinary Public Health Specialist. Chief Hygiene Inspector positions have been created to enhance supervision on the slaughter floor of abattoirs. The Epidemiology, Import/Export, and Training Division will also have a Chief Veterinarian, who will assist the Deputy with administrative issues, a veterinary specialist in epidemiology, and two additional veterinarians. One of these veterinarians will be responsible for the livestock identification and tracing system. There will also be a veterinarian in charge of import/export control, a chief veterinary technician, and additional technicians. There will also be 20 posts for veterinary officials who will be stationed at the main entry points. These posts have been approved and DVS hopes to fill them soon. The veterinary port officials will oversee compliance with import requirements and notification of arrival of animals and animal products.

The results of our evaluation indicate that animal health officials in Namibia have the legal authority to enforce Federal and State regulations pertaining to FMD and the necessary veterinary infrastructure to carry out FMD surveillance and control activities.

Disease History and Surveillance

The last outbreak of FMD in the surveillance and free zones (i.e., the region under consideration for FMD-free status) was in 1965. In the buffer zone, the last FMD outbreak occurred in 1992. However, in the infected zone, an FMD outbreak occurred on August 18, 2002. In this outbreak, six cattle were found to have FMD lesions that were South African type (SAT) positive. DVS controlled the outbreak through movement control and vaccination, vaccinating all animals in the immediate vicinity of the outbreak twice and all animals in the remainder of the infected zone once. After 6 months of not detecting another FMD-infected animal, the outbreak was declared over on March 31, 2003.

Active Surveillance

Most of Namibia's active surveillance occurs through inspections. In the surveillance zone, DVS inspects for FMD every 3 months, while inspections in the area north of the VCF occur biannually. In the free zone, inspections occur on an annual basis. During the inspections, the veterinarians and AHTs conduct census and disease reporting activities. Farmers in the free zone receive 1-month's notice and are required to present at least 80 percent of their stock for inspection. If a farmer does not comply, movement and marketing restrictions are put into place. Surveillance data are also collected from inspections required for movement permits, auctions, and upon arrival at abattoirs. During an inspection, a DVS official walks through a herd of animals rather than conducting individual exams for each animal. However, inspectors will individually check sick or injured animals and will take lick and feed samples from the animals.

For each premises, inspectors complete a farm visit form that includes animal health information such as vaccinations used, parasite treatment, mortality, diseases in stock and game, lick supplement status, and farm name, number, and district. The inspection team did note that brand marks were not included on the form; DVS stated the next reprint of forms will include a space for this information. Until that time, animal health technicians have to check for brand marks as part of the inspection protocol. If animals on a farm are not properly branded in accordance with the Stock Brands Act, the farm is closed. DVS also visits premises for reasons other than the scheduled inspections. For example, because there are so few private veterinarians in most areas of Namibia, DVS frequently responds to any disease or sickness reports for livestock.

As for wild game, no FMD serological surveys have been conducted in the free zone. However, in 1996, DVS conducted serological surveys of sable antelopes and free-roaming buffalo in the buffer zone. The herd of buffalo tested negative for antibodies to SAT 1, SAT 2, and SAT 3 both in 1996 and when retested in 2002. Any captured wild game are certified clinically free of disease before movement. The Department of Natural Resources within the Ministry of Environment and Tourism is the responsible body for managing game capture and movement. The site visit team visited the Etosha game park, which is north of the VCF, and found a minimal risk for FMD introduction based on the observation of double fences separating wild game from domestic livestock, the lack of Cape Buffalo species, and the low likelihood of visitors with FMD-susceptible animals or animal products.

Passive Surveillance

FMD surveillance in the buffer and free zones is typically accomplished through more passive surveillance means because of the inaccessibility of diagnostic services in remote locations. DVS and the Meat Board of Namibia have an extensive outreach education program for livestock owners that includes placing pamphlets and posters in community centers, churches, and gathering places. Radio announcements and weekly programs are widely used to disseminate information, especially in areas that are not accessible via telephone, Internet, or television. Veterinarians and AHTs also interact

with farmers on a regular basis. In the northern communal area, CAHWs and pharmaceutical retailers participate in 1 to 2 week training sessions endorsed by DVS to learn to detect suspicious signs of foreign animal diseases and have a mandatory responsibility to notify DVS of any suspicion of FMD.

Diagnostic Capabilities

The Central Veterinary Laboratory (CVL) is an accredited biosecurity level 2 laboratory located in Windhoek. The CVL is not structured to test for all diseases listed by OIE (Office International des Epizooties, or World Organization for Animal Health), but does perform residue testing of meat destined for export and tests for vesicular diseases including bovine viral disease, infectious bovine rhinotracheitis, bluetongue, and orf. Although the CVL may acquire a diagnostic enzyme-linked immunosorbent assay kit for antibody detection of FMD, FMD testing occurs either at the Botswana Vaccine Institute, which is an OIE reference laboratory for FMD, or the Onderstepoort Veterinary Institute in the Republic of South Africa. The site team visited the latter facility and determined that the Institute was an adequate testing facility that had facilities designated for FMD vaccine production and exotic disease diagnosis. The tests used for FMD at the Institute meet OIE guidelines and the laboratory's records showed that three diagnostic investigations were submitted from Namibia between 2000 and 2003 to rule out FMD.

Given the information above, Namibia appears to have adequate disease control authority, programs, and animal health management to diagnose FMD.

Vaccination Status

The vaccination status in Namibia varies throughout the country. FMD vaccinations are not performed on any animal in either the surveillance or free zones, and only cattle are vaccinated in the infected zone and in certain areas of the buffer zone. The remaining unvaccinated cattle in the buffer zone serve as sentinels of FMD. FMD symptoms in these areas would likely be reported due to community education by DVS, the cultural importance of livestock health, and the frequent interactions of AHTs and CAHWs with local producers. Small stock are not vaccinated for FMD anywhere in Namibia.

In the buffer zone, which is FMD free with vaccination, vaccination coverage is 80 percent. FMD vaccinations are free and administered by DVS personnel. Only cattle in the Kavango, the area proximate to the infected area, and the north central area, a strip of land approximately 50 kilometers wide adjacent to Angola, are vaccinated annually. These cattle are vaccinated with an oil adjuvant bivalent (SAT 1 and SAT 2) FMD vaccine combined with a CBPP vaccine. In the infected zone, cattle in the eastern portion of Caprivi are vaccinated twice a year with a trivalent SAT 1, 2, and 3 vaccine, while the cattle in the western portion of Caprivi are vaccinated only once a year. Before vaccination, serological tests for FMD are not performed, which may result in the vaccination masking any FMD already present in the animals. However, due to the open range herd management style of the buffer zone, the vaccinated cattle are exposed to unvaccinated cattle that would likely serve as sentinels should the virus become present.

Any cattle entering Namibia from Angola are vaccinated at the border post of entry and branded with an ''A'' for identification. The cattle are also branded with an arrow that tells DVS officials the year in which the cattle were vaccinated. These cattle are prohibited from moving south of the VCF.

Vaccinations performed by DVS are recorded and maintained by State veterinary personnel for each herd owner. In order to facilitate vaccinations, DVS administers vaccinations at specific gathering places so that communal owners from the vicinity can bring their animals to the site. Vaccinated cattle are identified with an arrow brand, which indicates the year of vaccination. At the time of vaccination, the herd owner must present a stock card identifying the animals' vaccinations, census, and movements, which is then updated to reflect the most recent vaccination. These stock cards, which are maintained for both small stock and cattle, are kept by the owner, who must update the cards any time a movement, sale, slaughter, vaccination, or other significant event occurs. If a herd owner does not comply with vaccination requirements, the infraction is reported to the ''induna'' (chief or head person of the area) who alerts the water committee to deny water to the offending herd owner's livestock. Access is denied until the herd owner contacts the State veterinary office and schedules the cattle's vaccination.

FMD vaccine for Namibia is produced at the Botswana Vaccine Institute or the Onderstepoort Veterinary Institute, both of which are discussed in more detail under the ''Diagnostic Capabilities'' section above. The Onderstepoort Veterinary Institute produces vaccines containing prevalent FMD serotypes found in Africa, including SAT 1, SAT 2, and SAT 3. The Institute is also equipped to make autogenous FMD vaccines upon request. Namibia annually uses about 500,000 doses of bivalent/trivalent vaccines.

Disease Status of Adjacent Regions

Namibia is bordered to the north by Angola and Zambia, to the east by Botswana, and to the south and east by the Republic of South Africa. Zambia's border with Namibia abuts Namibia's infected zone and therefore is not assessed further in this document. Angola's border abuts Namibia's buffer zone. Angola experienced an FMD outbreak in 2001 and its veterinary disease control situation is unclear. Although Angola may represent a risk for FMD introduction into Namibia, Namibia's veterinary infrastructure and border controls likely would detect it.

Botswana experienced FMD outbreaks in 2002 and 2003; however, the southern portion of Botswana, which abuts Namibia's proposed free zone, is recognized by the OIE and Namibia as FMD-free. The border between Botswana and Namibia consists of a game- and stock-proof fence. However, approximately 10 kilometers of the northern part of Botswana lies adjacent to the surveillance zone of Namibia. This portion of the surveillance zone, referred to as the ''Gam area,'' is separated by four fences (double game- and stock-proof fences). Although the Republic of South Africa has had FMD outbreaks in 2001 and 2003, these outbreaks have mostly occurred in the eastern portion of the country that is not near Namibia.

In addition to neighboring countries, the proposed region to be declared FMD-free is bordered by the buffer zone as described in the ''Background'' section. Information on this zone's FMD status can be found in the ''Disease History and Surveillance'' section above.

Because Namibia shares borders with and trades with countries that have experienced recent FMD outbreaks or that are not recognized as FMD-free by the United States and because FMD exists in some portions of Namibia, APHIS proposes to add Namibia (excluding the region north of the VCF) to the list of regions in § 94.11. The regions in § 94.11, although declared free of FMD and rinderpest, supplement their national meat supply by the importation of fresh (chilled or frozen) meat of ruminants or swine from regions that are designated in § 94.1(a) to be infected with rinderpest or FMD; or

have a common land border with regions designated as infected with rinderpest or FMD; or import ruminants or swine from regions designated as infected with rinderpest or FMD under conditions less restrictive than would be acceptable for importation into the United States. Therefore, all meat of ruminants or swine or other animal products would have to meet the certification requirements in § 94.11 to be eligible for importation into the United States. These certification requirements are explained later in this document under the heading ''Certification Requirements.''

Degree of Separation From Adjacent Regions

Borders With Other Countries

The border between Namibia and the Republic of South Africa consists of the Kalahari Desert adjacent to the Orange River and a stock-proof fence. Approximately 10 kilometers of the northern part of Botswana lies adjacent to the surveillance zone in Namibia and is separated from Namibia by double game- and stock-proof fences for a total of four fences. The rest of the border between Botswana and Namibia consists of a game- and stock-proof fence, which appeared to be in good shape during the APHIS site visit. However, there was evidence of warthogs digging under the fence on both sides. Namibia's border with Angola did not have an adequate fence present between the two countries. However, a task force is currently in place to reestablish a fence along this border and Namibia has initiated its 10-year plan to erect a complete fence on the border with Angola with specific areas for animal entry. Namibia's long-term goal is to move the VCF to the Angolan border with the intention that the entire country, except the infected zone of eastern Caprivi, would be included in the FMD-free region. DVS feels that disease control in the country is assisted by the sparse human and animal population coupled with the long distances between settlements. The nearest part of the infected zone to the free zone is more than 200 kilometers (124 miles) away.

DVS has a permanent fence team that patrols and repairs damage to the fences. The teams are in the field for two weeks every month. Security agents also patrol the border fence and report fence breaches. In addition, every 6 months there is a joint inspection along the entire border by Namibian and Batswana officials.

For animals that originate from Angola, there are border entry points. At these entry points DVS examines the animals and cattle re vaccinated for CBPP and FMD prior to entry. The cattle are also branded as originating from Angola. Animals imported from Angola are mainly used for local slaughter or enter Namibia for seasonal grazing and then return to Angola. If the cattle are slaughtered in the buffer zone, the meat must stay in the buffer zone and cannot enter the free zone. In addition, these cattle cannot cross the VCF into the free zone.

Borders Within Namibia

The surveillance and free zones in Namibia are bounded by natural and man-made borders. The western coast of Namibia consists of Atlantic coastline and a very harsh desert that effectively prevents all animal movement. As discussed above in the ''Background'' section above, within Namibia the surveillance and free areas are separated from the buffer and infected zones by the Veterinary Cordon Fence (VCF). This fence is designed to prohibit cloven-hoofed domestic and wild animals from moving into the FMD-free zone from the north; this movement restriction also stops any CBPP spread from north to south Namibia. In past years, Namibian officials have moved the VCF progressively northward, leaving old portions of the fence in place to control movements of animals and animal products in the event of an outbreak for a total of about 2,200 kilometers of old and current fence. DVS is aware that APHIS must be notified of any further plans for northward movement of the fence so that APHIS may reevaluate the region's risk.

Namibia treats the VCF as if it were an international border for livestock purposes. The only way to pass through the VCF is through gateposts that have a roadblock at which vehicles are inspected. On major roads, the gateposts allow traffic movement, but are monitored 24 hours a day by veterinary and police personnel who perform inspections to ensure that prohibited animals, meat, or meat products are not being brought into the free zone. The VCF consists of a northern fence, which is a 17- to 21-wire game-proof fence 2.4 meters in height, and a southern fence, which is an 8-wire stock-proof fence 1.4 meters in height. These fences are separated by 10 meters of dead space. The site visit team observed many kilometers of the fence and found it in good repair and of adequate structure to stop most animals. The site team did notice that warthogs could burrow under the fence, but this is likely not a major concern, as these animals are likely to be localized to the vicinity of the fence. However, as stated above, the fence is maintained by full-time repair crews that patrol the fence in search of damage from animals or humans.

From 2000–2003, DVS recorded a number of breaches to the VCF, which included cuts made to the fence, cuts made for the movement of stolen vehicles, and smuggling of animals and animal products. Each of the cuts reported were repaired by patrol teams. Seven of the breaches involved individuals attempting to smuggle various animals or animal products, such as live cattle, goat meat, and cattle hides, through the fence. In each of these cases, appropriate remedial and enforcement action was taken.

Namibia is adequately separated from other countries and regions by maintained game-proof fences, road blocks, and physical barriers such as deserts and rivers. These boundaries appear to be adequate as long as DVS maintains active control of border posts and continues maintenance of the stock- and game-proof fences.

Movement Controls and Biological Security

In order to control cattle movement, an animal identification system has been put into place to identify and track all cattle in Namibia from farm to processing. Under the Stock Brands Act of 1995, each cattle owner has an individual brand mark and must brand all cattle 6 months of age and older with a registered brand that identifies the cattle's ownership and location. Livestock owners also must brand all purchased cattle within 30 days of procurement. Brands must be legible and are recorded on a movement permit as described below. Permits are required for various types of cattle movement, and any movement or sale of cattle requires rebranding and recording the event on stock cards and in DVS records. Through branding, stock cards, DVS records, and bar codes assigned to meat from slaughter to processing, Namibia can trace back animals. Under the current version of the Stock Brands Act, which was amended on March 29, 2004, and enacted on April 14, 2004, all small stock on all farms in Namibia must be identifiable by means of a readable tattoo and/or metal eartag bearing the registered brand mark of the owner when they reach 3 months of age or earlier if removed from the farm.

Import Controls

Namibia imports fresh beef, mutton, pork, processed meat, and other animal products from various countries, including the Republic of South Africa.

In order to import animals and animal products into Namibia, a veterinary import permit and a health certificate are required. The permits are issued by the Deputy Director of Epidemiology and require that transport trucks or containers importing animal products and certain live animals be sealed. Namibia does not import domestic animals or animal products from FMD- or BSE-affected regions and does not permit animals vaccinated against FMD or certain products from these animals to enter the country.

DVS currently has a registry system in place to track all imported animals from arrival to death and plans to add a component to this system that would ensure that each animal's cause of death is recorded. DVS also has plans to identify imported cattle, sheep, goats, and ostriches with unique identification eartags and brands and to institute a plan to ensure that imported cattle are tested for BSE after death. Animals or animal products entering Namibia from Windhoek International Airport without a permit are either destroyed or returned to the country of origin. DVS is currently creating a system to record these entry denials.

Export Controls

Namibia has abattoirs that prepare and export meat and meat products. These abattoirs are supervised directly by government veterinary officials who are responsible for export certification. After arrival at the abattoir, cattle are examined for clinical signs of illness by veterinary staff. All animals also undergo an antemortem inspection during which they are specifically checked for signs or lesions suggestive of FMD and a postmortem inspection during which the feet and tongues are checked for FMD lesions. DVS receives monthly condemnation statements and summaries from export slaughter abattoirs. For more details on the slaughter process for exportable meat and meat products, see the section entitled ''Livestock Demographics and Marketing'' below.

Within Namibia

DVS is authorized to control animal movements between farms, from farm to slaughter, and from farm to auction. If movement controls are not complied with, farmers' market access may be restricted. The State police work with DVS to enforce road blocks, control livestock movement, and, if needed, guard and isolate an infected area after an outbreak.

In order to control animal movement, DVS requires the use of a veterinary movement permit when animals are moved between premises. Copies of these movement permits are kept in the veterinary office at the region of origin, with the owner, and with the consignment. A fourth copy is also sent to the veterinary office at the shipment's destination, which alerts the State veterinarian of the shipment. Each State veterinary office keeps movement records for each producer and summary statistics are compiled electronically at DVS headquarters. Also, any animals moved from the surveillance zone must have a ''red cross'' movement permit in addition to a 3-week quarantine at the destination farm. A red cross permit is a movement permit with a large red watermark to distinguish it from a regular movement permit. These permits are used when DVS needs to alert officials of certain conditions existing in the permit, such as quarantine at the destination farm or a sealed vehicle requirement for transportation.

Animals in Namibia can be moved via livehaul conveyances, which are allowed free movement through the VCF gateposts and have no requirement for cleaning or disinfection prior to entry south of the VCF or into quarantine camps. This lack of requirements generally does not pose a risk much of the year because steel truck beds and the extremely hot and dry climate would likely eliminate the FMD virus. However, in the rainy season or in the presence of manure, the trucks could become a mechanical vector for FMD. The site visit team expressed its concern about this possibility, and in November 2004, DVS introduced a system for disinfecting trucks used for the transport of cattle into and out of quarantine camps in the areas north of the VCF. In areas south of the VCF, a system of registration of livestock transports has been introduced. Trucks transporting livestock to export abattoirs must be cleaned and disinfected before animals are loaded.

Given this information, APHIS did not identify any significant risk pathways to consider Namibian animals or animal products as a likely source for introducing FMD into the United States.

Movement Across Borders

Borders With Other Countries

Animals moving into Namibia are primarily imported from the Republic of South Africa; most of the imported cloven-hoofed game originates from the portion of the Republic of South Africa identified by the OIE as FMD-free. Namibia and the Republic of South Africa originally had a bilateral agreement allowing the importation of animals into Namibia under a Master Import Permit system, which resulted in DVS having incomplete records of animal and animal products movement from the Republic of South Africa during this time. However, this system was abandoned after the FMD outbreak in the Republic of South Africa in 2000 and all cloven-hoofed animals and their products being imported into Namibia were required to have import permits. After the outbreak was controlled, permits for low-risk products, such as dairy products and processed/cooked meats, were waived. Since the APHIS site team visit, DVS has finalized the system for issuing import permits for animals and animal products from the Republic of South Africa.

Currently, for meat originating from the Republic of South Africa, officials may ask for a certificate verifying that the meat is entering the country in accordance with the agreement between Namibia and the Republic of South Africa. This agreement provides that the requirement for a permit varies with the amount of meat being imported. For example, shipments of meat less than 25 kilograms are allowed without a permit or health certificate if it is for home consumption, while shipments over 500 kilograms must have both an import permit and a health certificate.

Animals from Angola primarily are brought into Namibia for slaughter, seasonal grazing, or breeding. Namibia's border with Angola has three entry points for individuals importing animals into Namibia: Oshikango, Ruacana, and Mahenene. At these points, DVS examines and vaccinates the cattle for CBPP and FMD before entry. After vaccination, the cattle from Angola are hot branded with an ''A'' and an arrow that indicates the year of the animal's vaccination. Although animals imported from Angola are not quarantined, they remain in the buffer zone and are not permitted to cross into the free zone; they can be returned to Angola and later reenter Namibia. If cattle are slaughtered in the buffer zone, the meat must remain in that zone.

Small stock animals are not identified as originating from Angola and can easily mix with local animals and potentially move from the buffer zone to the areas south of the VCF. However, small stock from the buffer zone not going directly to slaughter would have to undergo two 3-week quarantines, one in the buffer zone and one at their destination, before entering the market in the free zone. In addition, with the placement of sentinels at quarantine stations, APHIS considers that any FMD concerns regarding Angolan small stock animals that may be sent south of the

VCF would be addressed. Also, as described in ''Movement Controls,'' Namibia requires identification for small stock, which will further mitigate the risk of infected small stock from Angola being moved south of the VCF.

For imports from other countries, Namibia requires a permit for all animals and animal products. Namibia does not allow the importation of animals or animal products from regions under FMD restriction and cattle vaccinated against FMD are not imported. All imported cattle are permanently branded and not accepted for slaughter at export slaughter facilities. Cattle may be imported under a veterinary permit. At the time of the site visit, the only recent imports of live sheep, goats, and pigs into the free zone were from the area of Botswana that Namibia considers to be FMD-free. These animals once belonged to Namibians who were residing in Botswana before Namibia obtained independence and before the country required import permits and veterinary health certificates. There is also an import permit for game animals from Botswana.

The site visit team also observed a vehicle inspection at the Oshivello gatepost, which is staffed 24 hours a day, 7 days a week. At Oshivello, individuals carrying meat products must cook it or dispose of it before entering Namibia. The gatepost personnel keep logbooks of contraband seizures and livestock movement.

One land border post, the Transkalahari Customs post in Buitepos on the border of Botswana, was visited by the site team. The officials were aware and knowledgable of DVS requirements for animals and animal products entering Namibia. Permits and health certificates must be presented to officials for meat. Goods are declared voluntarily, but vehicles and luggage are searched if they are suspected of carrying contraband. Also, livestock and animal product conveyances are inspected and drivers are required to show movement permits.

Game prizes and trophies must have an import permit. Customs officials stated that meat is confiscated, on average, about once a month and destroyed at a burn pit adjacent to the facility. For live animals, customs officials check the import permit, ensure that the vehicle seals are intact, and attempt to ensure that the animals meet the condition on the permit, although this inspection can be difficult as the animals are in the sealed vehicles. Customs officials are permitted to contact DVS to offload animals, but more often they unload the animals themselves and then replace the DVS seal with a Customs seal, if necessary.

The site team also visited the Windhoek International Airport, which has incoming flights from Frankfurt, Munich, Capetown, Angola, Johannesburg, and Botswana. While there, they interviewed a Customs official who was not familiar with the duties of Namibian Customs. Although the official was aware that certain plant products must be confiscated, he lacked knowledge of animal products that should be confiscated or not allowed entry. In addition, the airport did not have signs displaying warning or guidance on animal products that were permitted or prohibited to enter Namibia. There were also no checks on the garbage offloaded from planes. Due to the disparity of knowledge between customs officers, DVS became involved in the training of customs officials on the requirements for the importation of animals and animal products. In addition, to further enhance the awareness of the import of animals and animal products, DVS advised State veterinarians, among other personnel, that attention should be given to departure airstrips from places such as lodges to ensure that people who are departing the area are acquainted with the danger and restrictions of transporting animal and animal products to the FMD-free zone. In addition, DVS received approval to establish 20 posts that will be staffed by veterinary port officials. These posts would be at main entry points. These veterinary port officials will oversee compliance with import requirements and notification of arrival of animals and products. Also, upon verification by DVS, the site visit team found that at the international airport in Windhoek, waste is either burned or dumped in a general dump at the airport complex. Private contractors are responsible for disposing of waste from planes, buses, and trains in Windhoek.

Finally, as for sea ports, the site visit team inspected Walvis Bay on the Atlantic Ocean. Customs currently evaluates imports using a guideline called ''Consolidated List of Prohibited and Restricted Imports,'' which was originally created by Republic of South Africa officials, but hopes to have Namibian-specific guidelines in place soon. Namibian-specific guidelines have been developed and stakeholders are being provided the opportunity to comment prior to their implementation. Customs officials here check the waybills and manifests to ensure that the shipment matches information provided by the documents and to identify which ministry is responsible for the commodity's permit. Customs will also notify State veterinarian offices of any shipments that must be examined and will check before the shipment leaves the office that the State veterinarian has released the item. The port also processes skins received from north of the VCF in sealed containers, which the State veterinarian checks for intact seals and completed paperwork. Passenger ships mainly arrive from November to April; luggage is spot checked for animal and plant materials.

International garbage entering Namibia is collected for disposal at various ports, including the Walvis Bay office described above. At Walvis Bay, a private company is contracted to collect the garbage and remove it to municipal dumps. It was not clear how or whether garbage was treated prior to disposal. The site visit team received conflicting reports about the handling of international food garbage and uncertainty existed about whether garbage was taken directly to the dump or if it was diverted to a pig farmer. As a result, the site team asked for a clarification of how international garbage is handled at Walvis Bay because of concerns that FMD could be introduced into the food chain in Namibia by animals scavenging unmonitored garbage dumps. DVS stated that international garbage disposal and removal is completed by an independent contractor who dumps the refuse in the municipal dump and then covers it with soil, which DVS and the Ministry of Health monitor.

Due to the information above, a risk of animal disease incursion may exist in Namibia due to a lack of consistency at points of entry into Namibia regarding the entry of animal products. However, in 2003 DVS issued a letter to the Director of Customs and Excise regarding animal and animal product control at international points of entry. DVS advised Customs officials of disparities on how animal products are handled and that a DVS official has been appointed to visit various entry points, evaluate control measures, and discuss relevant issues with all authorities to ensure compliance with Namibia's veterinary import requirements. DVS will also have the State veterinary staff visit entry points in their designated districts and become involved in the training of Customs officials. Also, as a result of the new structure for DVS, 20 veterinary port officials will be stationed at main entry points to enhance oversight of compliance with the importation requirements for animals and animal products.

Borders Between Zones Within Namibia

As discussed above in the ''Background'' section, we are proposing to declare a certain region of Namibia, the area south of the VCF, as FMD-free. Cloven-hoofed animals moving from the infected zone to the buffer zone must undergo serological tests for FMD, test negative for the disease, and be quarantined for 3 weeks before entering the buffer zone. Police checkpoints exist throughout Namibia to check permits and papers, including those of livestock trucks, to ensure validity.

For animals moving from the buffer zone into the free zone, various requirements are in place to prevent the spread of FMD south of the VCF. Live cattle are not permitted to be moved from the buffer zone to the free zone; game animals are permitted to move only after a 21-day quarantine. Cattle that are slaughtered in the buffer zone are inspected both ante- and post-mortem for FMD lesions. Beef from these animals is matured 24 hours and the pH must be below 6.0; the beef is then hard frozen. Carcasses are deboned and the lymphatics are removed. Meat must be produced at an approved abattoir and remain at the facility for 3 weeks in case of an undetected outbreak in the production area, especially in northern Namibia where no fences exist between Namibia and Angola. Meat products are then moved in sealed vehicles from the buffer zone to the free zone for local consumption or to the Republic of South Africa under permit. Beef sent to the free zone may be further processed, but each box of meat must have bar code identification so that traceback to the slaughterhouse and herd of origin can occur.

More than 3,000 small stock, such as sheep and goats, were moved from the buffer zone to the free zone each year from 2000 to 2002. As of June 2003, 1,178 animals had been moved. Small stock animals originate from areas where cattle are not vaccinated for FMD and are quarantined in one of four quarantine stations in the buffer zone for 3 weeks and then examined for signs of FMD. The site visit team visited one of these quarantine stations and found there was adequate isolation for the animals. Upon entry and exit of the station, the animals' mouths are inspected for signs of vesicular disease and observed for other FMD symptoms. However, the station contained much large, brushy vegetation, which may make the observation of mild FMD symptoms more difficult as such signs could be attributed to damage caused by the vegetation or missed. Small stock animals are not vaccinated or tested for FMD prior to movement, which may create a risk in moving an FMD-positive animal into the free zone. However, in December 2003, DVS began using sentinel cattle during quarantine of small stock. Small stock are penned with seronegative cattle that are retested after 21 days. Small stock are only released when test results are negative. Small stock that have completed the minimum 21-day quarantine and that are not destined for immediate slaughter are not released for an additional 90 days. The animals may be held at official quarantine facilities or at approved facilities at the farm of destination for the remainder of the quarantine period.

At the farm of destination, a State veterinarian inspects the isolation facilities for the quarantined animals and then breaks the transport seals. For animals being quarantined on the farm of destination, quarantine must take place in a double-fenced quarantine facility or the entire farm is quarantined with the small stock restricted to an inside enclosure. Transport vehicles are cleaned and disinfected at the VCF and after unloading.

Game animal products, such as elephant ears and hides, buffalo skulls and horns, hyena skins, and lion capes, are allowed to move south of the VCF under certain conditions. Untreated hides from quarantine abattoirs in Oshakati (buffer zone) and Katima Mulili (infected zone) can be moved into the free zone. However, untreated hides from any other locations must be dried and quarantined under veterinary supervision for 3 months before moving south of the VCF. In order to be transported into the VCF, hides must be accompanied by a permit and a red cross permit, travel in a sealed truck, and be packed in airtight containers sealed under veterinary supervision. After loading, untreated hides must proceed immediately to an approved tannery for supervised unloading and a State veterinary officer must be notified of their arrival. At the tannery, the seals are broken by the State veterinarian, who must ensure that the hides enter the tanning process, which deactivates any FMD. Treated hides must also be accompanied by movement and red cross permits and must be treated through a 3 month quarantine or a sodium carbonate treatment with a 1 month quarantine. Treated hides and skins from Angola may only be taken to approved tanneries in Okapuka (free zone) or Nakara, but treated products from Namibia may move anywhere in the country after crossing into the free zone.

The site team visited one of the quarantine facilities, the Bergvlug farm, as a representative quarantine facility. The quarantine manager lives just outside the facility's gate with his family, allowing for close supervision of the facility. Animals entering the facility are recorded by permit number, date of arrival, owner address, species, number of animals, period of quarantine, tariff, amount, and country of origin. Electric fences surround areas that hold small stock to prevent predator entry. The premises also has a laboratory for research animals and postmortem exams, an incinerator, and cleaning and disinfection equipment.

Officials in Namibia have the authority, procedures, and infrastructure to enforce effectively the system of permits, inspection, quarantines, and treatments that the country has in place to control animals and animal products. APHIS did not identify any specific limitations in the system that might pose an FMD risk to the United States.

Livestock Demographics and Marketing Practices

DVS conducts an annual census of all livestock in Namibia. The numbers of FMD-susceptible livestock in 2004 are listed in table 1.

TABLE 1.—FMD-SUSCEPTIBLE LIVESTOCK, 2004

Type of livestock	Number
Cattle	2,349,700
Sheep	2,619,363
Goats	1,997,172
Swine	52,624

Source: Namibian Government.

In Northern Namibia, cattle farming is predominant, while in southern Namibia sheep farming is more common. In the free zone, livestock are maintained on privately owned farms except for a communal range area in the western part of the Omaruru State Veterinary district. In the buffer zone, livestock graze on communal land. Communal farming is largely used for sustenance.

Swine production in commercial facilities in Namibia is small because feed must be imported from the Republic of South Africa. Due to the presence of African swine fever in Namibia, these facilities must be double fenced to decrease contact with warthogs that may be infected with that disease. These facilities are inspected annually by an animal health inspector. Namibian law prohibits feeding swine-origin material to swine and commercial

facilities do not feed swill to pigs. A small number of people purchase fattening pigs for Christmas for their own consumption. Although these individuals do not have to double fence their fattening pigs, they must slaughter the pigs by a certain date and obtain a permit to move the pigs to their premises. Wild game animals are prevalent in all regions of Namibia and are believed to be free of FMD as discussed in the ''Disease History and Surveillance'' section above.

The site visit team observed two farms in Namibia: A cattle/game farm and a sheep/game farm. At the cattle/game farm, the owner maintained monthly records on the number of deaths, births, and animals sent to slaughter as well as a head count. This farm had approximately 1,600 head of cattle. The farm owner receives educational material on FMD from the farmers association and knew the procedure for contacting the State veterinarian and animal health inspectors. As for movement permits, the owner knew to request movement permits for cattle. The farm also holds game hunts in which trophies may be taken and the meat, which is dressed outside of the pasture area, is made into biltong for farm workers, family, and guests. All game for this farm is purchased from an area south of the VCF and any movement of these animals requires capture and movement permits, which are overseen by the Nature Conservancy. The game on this farm was not restocked and the population is controlled with hunting and sicknesses, such as plant poisoning.

On the sheep/game farm, the owner had 1,500 Dorper sheep including lambs that are kept in fields year round. Lambs are kept for up to 5 months before being sent to slaughter. The game at this farm included springbuck, oryx, and blue wildebeest. The farm's owner works closely with the Nature Conservancy with regard to the movement of animals, game censuses, culling, and night culling, which the farm uses to depopulate springbuck. Game animals are slaughtered at a mobile facility outside the pasture area where the head, legs, and intestines are removed from each animal. The animal is then stored and shipped in a cooling truck to an abattoir, where the hide is removed and the carcasses are prepared. The owner at this facility also kept detailed records of animal movement permits and all animal deaths of which he was aware; however, he usually finds only skeletal remains. The owner performs autopsies on any animal that dies on his premises.

Livestock in Namibia can be sold at livestock auctions. Larger auction facilities are registered with the Animal Health Department. If an auction involves selling animals from more than one source, DVS will attend the auction, inspect the animals, issue movement permits, and collects permits, checking them for endorsements, brand marks, and animals in corrals. If any game animals are present at the auction, the Nature Conservancy must be present to oversee any sales. Auctions in the communal area can take place anywhere in the area as long as DVS is notified ahead of time to be present to inspect animal transactions and issue permits for animal movement. In addition, animal owners must present their stock card to DVS so DVS can record the ownership change and movement. DVS is not present for animal sales from personal property, but most buyers will travel to the State office to obtain a movement permit for the purchased animal.

Some slaughterhouses in Namibia have feedlots, which are areas in which cattle can be held before they enter a slaughter line. These feedlots help ensure a steady slaughter line of animals. The APHIS team visited the Okapuka feedlot, which is owned by a Meatco abattoir. The feedlot purchases cattle ranging from 8 to 12 months of age from farmers, communal areas through permittees, and auctions all of which are located south of the VCF. The cattle generally remain on the premises for 3 months with each feedlot operating on an all-in, all-out policy. Upon arriving at the feedlot, all cattle are branded, eartagged, dipped, dewormed, and vaccinated for anthrax, several clostridial diseases, pasteurella, and infectious bovine rhinotracheitis. The cattle are also checked every day for signs of sickness; sick cattle are removed from the herd. Fifteen to twenty percent of the cattle at the lot are female. Cattle are pen fed on a mixed-ration diet that is completely vegetarian with no fish, poultry, or mammalian byproducts. The feedlot maintains records of arrival, departure, disease diagnosis, and death of each cattle.

The site visit team also observed two abattoirs: The Farmer's Meat Packers and Meatco. Both of these facilities operate under the Hazard Analysis Critical Control Point System. The Farmer's Meat Packers facility slaughters goats, lamb, sheep, and small game with a maximum capacity of 1,500 sheep, 400 game animals, and 250 deboning of lamb and game animals per day. The facility slaughters approximately 1,200 sheep per day and only receives animals from farms that DVS annually inspects.

All livestock animals entering the facility are already marked with identification indicating the preceding owners; this information is added to the arrival sheet. Upon entry, the animals are checked by the veterinary health inspector for symptoms or lesions and any difficulties are referred to the State veterinarian. All live animals are tagged with a scan tag, and animals that arrive dead or die after arrival are taken to the dump site, burned, and buried under the veterinary health inspector's supervision. If an animal dies after arrival under suspicious circumstances, tests are performed and the abattoir's veterinarian performs a necropsy, calling the State veterinarian if the cause of death could be contagious. Sheep from the same owner are marked. Paint marks are used if there is no other identifier on animal. After slaughter, tags (colored) are used to mark where new ownership begins and animals are tagged with a scan tag. The person who scans has a list of owners and the number of animals. The facility also has a high incidence form, which is completed when a large shipment has a 5 percent incidence or a small shipment has 10 percent incident of listed conditions. The site visit team noticed that the form did not include vesicular diseases. Livestock animal carcasses are kept in chillers at 4 °C for 24 hours and have a pH of about 5.4 to 5.5, which is only checked if the importing country requires it. A representative from the Namibian Meat Board grades the meat. As for game animals, the facility does not slaughter live animals, but instead deals with carcasses after they have been culled at the ranch in origin. A separate cooler, exam area, and offloading area exist for game and the pH is not measured unless required by the importing country. Trucks leaving the facility are cleaned and washed prior to departure.

Sheep and game are dressed separately on the same slaughter line. In between uses of game or sheep, the equipment is cleaned and checked by the VHI to ensure there was no mixed slaughtering. During work hours, individuals working in the clean area are not permitted to mix with the employees responsible for slaughter. These two groups have separate facilities, including during outdoor breaks. The surfaces of the slaughter line are cleaned between every 15 carcasses, and every day 50 samples are sent to the central laboratory for salmonella testing. The knives are changed constantly and sterilized before use. Condemned trimmings are taken to the facility's dump site for burning.

Meatco, another abattoir visited by the site visit team, has four abattoirs: Two in the free zone, one in the buffer zone, and one in the infected zone. Meatco slaughters cattle, sheep, goats, and pigs. Ninety-nine percent of source farms, which are located south of the VCF, are on contract procurement from Meatco. Of the ovines slaughtered, 90 percent are lambs and 10 percent are older sheep.

When a truck arrives at the facility, the truck is checked for a valid animal movement permit before offloading its animals. Once the animals are offloaded, inspectors examine the animals, collect movement permits, and enter data on the slaughter animal arrival record. For cattle, antemortem inspections take place in specially built pens with adequate room for cattle to be moved for a thorough examination. The running chute leading up to the holding pens also allowed for adequate animal inspection. After unloading, the trucks are washed to remove solid matter, which is verified by a guard who keeps a written record, but are not disinfected.

Each month the facility sends four heads to the central laboratory for brain sampling. At the time of the site visit, no neurological conditions have been diagnosed by the abattoir. After beheading each carcass, matching tags are placed on the head and carcass of the animal, which stay in place until the carcass is graded. The tags are then removed and a bar code tag is placed on the carcass by which the bar code tag can be traced from incoming shipment to end-product boxes. A pallet tracing system is used to ensure consignments are shipped correctly and only two people have access to the tracking and loading system to ensure integrity. Carcasses are held in chillers at 7 °C for 48 hours before they are deboned. Random pH tests in compliance with European Union requirements are performed on carcasses with a calibrated pH meter, which is calibrated before testing each carcass. For cattle, the pH is taken in two places, the forequarter and hindquarter, due to a possible 0.2 to 0.4 difference; the average pH is 5.4 to 5.7. Sheep carcasses are also tested for pH levels. A veterinarian verifies the pH and temperature prior to movement out of the chiller and also inspects for any dark meat, which indicates stress, poor bleeding, or fever. If necessary, carcasses are rejected from export and used in the local market instead.

In addition to commercial abattoirs, some villages in Namibia have bush abattoirs, some of which slaughter only one to two animals per day. These abattoirs can be sources of surveillance information. DVS was in the process of training personnel at these abattoirs.

APHIS did not identify any factors in this category that might pose a risk to the United States if animals or animal products are imported from Namibia.

Detection and Eradication of Disease

If an FMD outbreak does occur, DVS has an emergency response plan in place that includes notifying a reporting list, which includes trading partners, within 24 hours of an outbreak. The plan stresses early detection and reporting and includes training for both farmers and DVS staff so that an outbreak can be detected in its early phases. The plan also includes protocols for sampling and diagnostic submissions as well as disinfection and biosecurity and a public awareness strategy to quickly communicate restrictions and stoppages of all animals and animal products. Emergency equipment is stored in the Otjiwarango office, which is centrally located, and State veterinarians have instructions to establish animal movement restrictions, disease containment, quarantines, road blocks, and buffer and surveillance zones around the outbreak. In addition, contingency funding plans for the immediate mobilization of 300 military personnel have been approved by the Ministry.

Given the geography of the free zone, which includes limited roadways with almost uniform division of the area by game and stock fences, the authority for compulsory vehicle stoppage at roadblocks, the strong public awareness of FMD, mandatory reporting, and routine field inspections, APHIS concluded that an FMD outbreak likely would be detected and responded to quickly. A recent FMD outbreak in the infected zone was quickly controlled by DVS using the system above. Namibia has a well planned, documented, and readily implemented emergency response system to rapidly identify and respond to an FMD outbreak. Based on the above factors, APHIS considers the likelihood of an FMD outbreak occurring in Namibia to be low.

Certification Requirements

We are proposing to add Namibia, excluding the region north of the VCF, to the list in § 94.11(a) of regions declared free of rinderpest and FMD but that are subject to special restrictions on the importation of their meat and other animal products into the United States. The regions listed in § 94.11(a) are subject to these special restrictions because they: (1) Supplement their national meat supply by importing fresh (chilled or frozen) meat of ruminants or swine from regions that are designated in § 94.1(a) as regions where rinderpest or FMD exists, (2) have a common land border with regions where rinderpest or FMD exists, or (3) import ruminants or swine from regions where rinderpest or FMD exists under conditions less restrictive than would be acceptable for importation into the United States.

As previously noted, Namibia shares land borders with Botswana, Angola, and the Republic of South Africa, all of which have experienced recent FMD outbreaks. A portion of Namibia, the infected zone, is also considered affected with FMD. In addition, from 2000–2002, Namibia imported fresh beef, mutton, and pork from several countries the United States considers affected with FMD. Namibia also imported cooked and uncooked processed meat from the Republic of South Africa under the condition that the meat be cooked to a core temperature of 70 °C for 30 minutes, which is not as long as the time required in § 94.4 of the regulations for cooked meat from regions where FMD exists. Namibia also imports unprocessed hides and skins of ungulates or parts thereof, trophies, wool, and hair, all of which must be treated in accordance with the veterinary health certificate requirements. Namibia trades these items with countries the United States considers affected with FMD and some of the treatment requirements are not as restrictive as those of the United States. Finally, Namibia also imports milk and milk-based products from regions the United States does not consider as FMD-free. Thus, even though we are proposing to declare a region of Namibia free of FMD, there is a risk that animals or animal products originating in that region of Namibia may be commingled with animals or animal products originating in an FMD-affected region.

This action would relieve certain restrictions due to FMD and rinderpest on the importation of live animals, germplasm, and animal products from the region of Namibia south of the VCF. However, because we consider Namibia to be affected with other animal diseases that are exotic to the United States, the importation of live ruminants and germplasm would continue to be restricted. In addition, because we consider Namibia as affected with African swine fever, classical swine fever, and swine vesicular disease, the importation of live swine and pork and pork products would continue to be restricted. All other meat and meat products imported into the United States from Namibia would be required to meet the requirements of § 94.11.

Under § 94.11, meat and other animal products of ruminants and swine, including ship stores, airplane meals, and baggage containing these meat or animal products, may not be imported into the United States except in accordance with § 94.11 and the applicable requirements of the U.S. Department of Agriculture's Food Safety and Inspection Service at 9 CFR chapter III.

Section 94.11 generally requires that the meat and other animal products of ruminants and swine be: (1) Prepared in an inspected establishment that is eligible to have its products imported into the United States under the Federal Meat Inspection Act; and (2) accompanied by an additional certificate, issued by a full-time salaried veterinary official of the national government of the exporting region, assuring that the meat or other animal products have not been commingled with or exposed to meat or other animal products originating in, imported from, transported through, or that have otherwise been in a region where rinderpest or FMD exists.

Conclusion

We have concluded that the Namibian Government has the laws, policies, and infrastructure to detect, respond to, and eliminate any reoccurrence of FMD. These findings are described in further detail in a risk analysis that may be obtained from the person listed under **FOR FURTHER INFORMATION CONTACT** and may be viewed on the Internet at *http://www.aphis.usda.gov/vs/ncie/reg-request.html* by following the link for ''Information previously submitted by Regions requesting export approval and their supporting documentation.'' The objective of the risk analysis is to evaluate the likelihood of introducing FMD virus into the United States through the importation of FMD-susceptible species and products. APHIS could identify no risk factors currently applicable to Namibia that would justify keeping the region of Namibia south of the VCF from the list of regions APHIS considers as FMD free.

Executive Order 12866 and Regulatory Flexibility Act

This proposed rule has been reviewed under Executive Order 12866. For this action, the Office of Management and Budget has waived its review under Executive Order 12866.

This proposed rule would amend the regulations in § 94.1 to list Namibia as a region free of rinderpest and the region of Namibia south of the VCF as a region free of FMD. However, since Namibia borders on and trades with regions that the United States does not recognize as free of FMD and because its importation standards are less stringent than those of the United States, we are also proposing to list the region of Namibia south of the VCF in § 94.11 as a region subject to the additional certification requirements of that section.

It should be noted that Namibia is not currently eligible to export ruminant meat products to the United States under the FSIS regulations cited earlier in this document; there would, therefore, be no economic effects on U.S. entities until establishments in Namibia were approved to export ruminant meat and other products to the United States. The following analysis examines the potential economic impacts of the proposed changes in the regulations that could occur if this proposed rule were implemented and establishments in Namibia were approved to export under the FSIS regulations.

Namibia produces and internationally trades in beef, sheep, goat, and game meat. Namibia produced 134 million pounds of beef in 2004 and exported an average of 59.2 million pounds of beef and veal per year between 1994 and 2003. The country has established trading relationships with the Republic of South Africa and several western European countries. Namibia also produced 29.6 million pounds of mutton, lamb, and goat meat in 2003 and exported an average of 5.73 million pounds per year between 1994 and 2003, with most exports going to the Republic of South Africa. Namibia produced 8.8 million pounds of game meat in 2003.

Namibia's agricultural trade with the United States is small. In 2003, Namibia exported agricultural products worth a total $199,000, of which $21,000 was for hides and skins, and imported $5.443 million worth of agricultural products, of which $40,000 was for beef and veal. (Sources: FAO, FAOSTAT, 2004; UN/FAO, FAOSTAT Data, 2004; Hilda Hampweya, April 2005, personal communication, Namibia Division of Trade and Statistics.)

Possible economic effects of imports from Namibia would differ for beef and for sheep and goat meat imports. For beef imports, approximately 22 million pounds of beef may be imported annually from Namibia as a result of the proposed rule, based on data collected from the Central Bureau of Statistics-Trade Statistics Division of Namibia. Based on 10-year average U.S. domestic supply, an import of about 22 million pounds of beef would result in a price decrease of less than $0.002 per pound at the wholesale level. If 50 percent of Namibia's 10-year average beef exports (29.6 million pounds) were diverted to the U.S. market, the result would be a price decline of only $0.0024 per pound (Table 2).

As for sheep and goats, the estimated potential exports to the United States of these meats are about 15.43 million pounds per year according to data collected from the Central Bureau of Statistics-Trade Statistics Division of Namibia. If this supply were realized, U.S. sheep and goat meat prices could decline and sheep producers could be negatively affected, as the above figure represents about 4.35 percent of U.S. domestic supply. This could result in a price decline of $0.07 per pound (Table 2). However, it is questionable whether Namibia would have the capacity to export this amount and maintain its trade with its established South African and European markets. Although several markets in the European Union are accessible to Namibia, the Republic of South Africa continues to be its major trading partner. Namibia exported 15.66 million pounds of sheep and goat meat to all countries in 2003, so to meet this goal of 15.43 million pounds exported to the United States, nearly all of the current exports would have to be diverted. Between 1994 and 2003, Namibian exports of sheep and goats have fluctuated, with a negative export growth rate in every year except for four: 1995, 1998, 1999, and 2001. The impact is not as large when based on the 10-year average quantity exported of 5.73 million pounds. Assuming this level of export to the United States, the estimated decline in price is between $0.02 and $0.03 per pound.

TABLE 2.—THE IMPACT OF THE IMPORTATION OF BEEF, SHEEP, AND GOAT MEAT FROM NAMIBIA TO THE UNITED STATES

Percentage diverted to the U.S. market [1]	Beef				Sheep and goat meat			
	Million pounds	Change in price (%)	Decline in price (cents/pound)	Domestic producer loss (millions of $)	Million pounds	Change in price (%)	Decline in price (cents/pound)	Domestic producer loss (millions (%)
10	5.92	−0.0291	−0.0483	−11.902	0.573	−0.231	−0.261	−0.435
20	11.84	−0.0582	−0.0966	−23.795	1.146	−0.461	−0.521	−0.871
40	23.68	−0.1164	−0.1932	−47.586	2.293	−0.922	−1.042	−1.742
50	29.6	−0.1454	−0.2414	−59.479	2.865	−1.153	−1.303	−2.177
Designated	[2]22.05	−0.1083	−0.1799	−44.309	[2]15.43	−6.209	−7.016	−11.725

[1] The percentages are based on the 10-year average exports: 59.2 million pounds for beef and 5.73 million pounds for sheep and goat meat.
[2] Denotes the estimated amount indicated by Namibian Agricultural specialists and the industry as being available for export to the United States.

The impacts depicted in Table 2 are further considered in terms of effects for large and small entities in Table 3 (beef producers) and Table 4 (sheep and goat producers). In each case, impacts at various import levels are apportioned between large and small establishments by inventory share, according to the 2002 Census of Agriculture. Average effects per establishment are calculated based on numbers of large and small establishments with reported sales (2002 Census of Agriculture). As shown in Table 3, if Namibia were to divert to the United States 22.05 million pounds of beef exports per year, as projected by that country's agricultural specialists, the average annual decline in revenue for U.S. small entities would be about $28. Similarly, if 15.43 million pounds of sheep and goat meat exports per year were diverted to the United States, as projected by Namibia, the average annual decline in revenue for U.S. small entities would be about $108.

TABLE 3.—POTENTIAL EFFECTS FOR LARGE AND SMALL BEEF CATTLE PRODUCERS

Percentage diverted to the U.S. market [1]	U.S. producer revenue loss (millions of $)	Large [2]		Small [2]	
		Revenue loss (millions of $)	Average revenue loss ($)	Revenue loss (millions of $)	Average revenue loss ($)
10	−11.902	−5.571	−860	−6.331	−8
20	−23.795	−11.138	−1,719	−12.657	−15
40	−47.586	−22.275	−3,437	−25.311	−30
50	−59.479	−27.642	−4,265	−31.637	−38
Designated	−44.309	−20.741	−3,200	−23.568	−28

[1] The percentages are based on the 10-year average exports: 59.2 million pounds for beef and 5.73 million pounds for sheep and goat meat.
[2] Revenue losses to large and small establishments are distributed according to inventory share (46.81 percent for large and 53.19 percent for small establishments). Averaged revenue losses are calculated by dividing by the number of establishments (845,490 and 6,481 for small and large establishments, respectively).

TABLE 4.—POTENTIAL EFFECTS FOR LARGE AND SMALL SHEEP AND GOAT PRODUCERS

Percentage diverted to the U.S. market [1]	U.S. producer revenue loss (millions of $)	Large [2]		Small [2]	
		Revenue loss (millions of $)	Average revenue loss ($)	Revenue loss (millions of $)	Average revenue loss ($)
10	−0.435	−0.114	−765	−0.321	−4
20	−0.871	−0.229	1,537	−0.642	−8
40	−1.742	−0.458	−3,074	−1.284	−16
50	−2.177	−0.573	−3,846	−1.604	−20
Designated	−11.725	−3.084	−20,698	−8.641	−108

[1] The percentages are based on the 10-year average exports: 59.2 million pounds for beef and 5.73 million pounds for sheep and goat meat.
[2] Revenue losses to large and small establishments are distributed according to inventory share (26.3 percent for large and 73.7 percent for small establishments). Average revenue losses are calculated by dividing by the number of establishments (80,443 and 149 for small and large establishments, respectively).

According to the size standards established by the Small Business Administration (SBA) for livestock and animal specialties, producers of cattle and calves (North American Industry Classification System [NAICS] code 112111), game animal (NAICS 112990), sheep (NAICS 112410) and goat (NAICS 112420) producers with not more than $750,000 annual sales qualify as small entities. Based on data from the 2002 Census of Agriculture, 851,971 operations in the U.S. raised and sold 73 million cattle and calves in 2002. Small operations (over 99 percent of the farms) had an average of 68 cattle and an average income of $24,067, well below the SBA criterion of $750,000 in annual sales for businesses primarily engaged in cattle farming. Large operations had an annual income of $3,821,440. Similarly, over 99 percent of sheep and goat producers (80,443) are small. Small sheep and lamb producers had an

average income of $7,520, while large ones had an average income of $1.042 million.

Meat packing establishments (NAICS 311611), and meat and meat product wholesale traders (NAICS 422470) might be affected (Source: U.S. Census Bureau, 1997 Economic Census, Wholesale Trade-Subject Series, August 2000). Under SBA standards, meat packing establishments with no more than 500 employees and meat and meat product wholesale traders with no more than 100 employees are considered small. In 1997, there were 1,393 companies in the United States that processed and sold meat. More than 95 percent of these establishments are considered to be small entities and had average sales of $9.7 million, while large meat packers had average sales of $603 million. In 1997, there were total of 3,150 meat and meat product wholesale traders in the United States (Source: SBA and 1997 Economic Census). Of these establishments, 3,084 (97.9 percent) employed not more than 100 employees and are, thus, considered small by SBA standards. Small wholesalers had average sales of $8.85 million, while large entities had average sales of $348 million. Thus, predominant numbers of producers, packers and wholesale traders are considered to be small by SBA standards. Average sales of even the smallest packers and wholesalers are large compared to the quantities expected to be imported from Namibia. Furthermore, any impact on these entities would likely be positive since imports would increase the supply.

We have only limited information with regard to the production, demand, price, trade of game meat, or the number of small entities involved in these businesses. We welcome any information that the public may offer in this area.

The only alternative to the proposed rule would involve not changing the current regulations regarding the importation of beef, sheep, and goat meat and game meat from Namibia. This alternative would not meet the needs of importers who are attempting to establish a new source of supply for red meat and would deny both businesses and consumers the benefits of widened choices. The proposed rule provides the safeguarding measures appropriate to the risk associated with importation of this type of animal product. The proposed rule also enhances a positive trade environment between Namibia and the United States. We note again that Namibia is not currently eligible to export ruminant meat products to the United States under the FSIS regulations cited earlier in this document; there would, therefore, be no economic effects on U.S. entities until establishments in Namibia were approved to export ruminant meat and other products to the United States.

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 proposed rule has been reviewed under Executive Order 12988, Civil Justice Reform. If this proposed rule is adopted: (1) All State and local laws and regulations that are inconsistent with this rule will be preempted; (2) no retroactive effect will be given to this rule; and (3) administrative proceedings will not be required before parties may file suit in court challenging this rule.

Paperwork Reduction Act

This proposed 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 propose to amend 9 CFR part 94 as follows:

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

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

Authority: 7 U.S.C. 450, 7701–7772, 7781–7786, and 8301–8317; 21 U.S.C. 136 and 136a; 31 U.S.C. 9701; 7 CFR 2.22, 2.80, and 371.4.

§ 94.1 [Amended]

2. Section 94.1 would be amended as follows:

a. In paragraph (a)(2), by adding the words ''Namibia (excluding the region north of the Veterinary Cordon Fence),'' after the word ''Mexico,''.

b. In paragraph (a)(3), by removing the words ''The Republic'' and adding the words ''Namibia and the Republic'' in their place.

§ 94.11 [Amended]

3. In § 94.11, paragraph (a) would be amended by adding the words ''Namibia (excluding the region north of the Veterinary Cordon Fence),'' before the words ''The Netherlands''.

Done in Washington, DC, this 8th day of June 2006.

Kevin Shea,

Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 06–5440 Filed 6–13–06; 8:45 am]

BILLING CODE 3410–34–P

FARM CREDIT ADMINISTRATION

12 CFR Parts 611, 612, 613, and 614

RIN 3052–AC15

Organization; Standards of Conduct and Referral of Known or Suspected Criminal Violations; Eligibility and Scope of Financing; Loan Policies and Operations; Regulatory Burden

AGENCY: Farm Credit Administration.

ACTION: Proposed rule; reopening of comment period.

SUMMARY: The Farm Credit Administration (FCA) Board reopens the comment period on the proposed rule intended to reduce regulatory burden on the Farm Credit System (FCS or System), so that interested parties will have additional time to provide comments.

DATES: Please send your comments to us by July 17, 2006.

ADDRESSES: Comments may be sent by electronic mail to *reg-comm@fca.gov,* through the Pending Regulations section of our Web site at *http://www.fca.gov* or through the Government-wide *http://www.regulations.gov* portal. You may also send written comments to Gary K. Van Meter, Deputy Director, Office of Regulatory Policy, Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102–5090 or by fax to (703) 734–5784.

You may review copies of comments we received at our office in McLean, Virginia, or from our Web site at *http://www.fca.gov.* Once you are in the Web site, select ''Legal Info,'' and then select ''Public Comments.'' We will show your comments as submitted, but for technical reasons we may omit items such as logos and special characters. Identifying information you may provide, such as phone numbers and addresses, will be publicly available. However, we will attempt to remove electronic-mail addresses to help reduce Internet spam.

FOR FURTHER INFORMATION CONTACT: Jacqueline R. Melvin, Associate Policy Analyst, Office of Regulatory Policy, Farm Credit Administration, McLean, Virginia 22102–5090, (703) 883–4144, TTY (703) 883–4434; or

Howard Rubin, Senior Counsel, Office of General Counsel, Farm Credit Administration, McLean, Virginia 22102–5090, (703) 883–4020, TTY (703) 883–4020.

SUPPLEMENTARY INFORMATION: On March 28, 2006, FCA published a proposed rule in the **Federal Register** to amend regulations in parts 611, 612, 613, and 614 to reduce regulatory burden on System banks and associations. The comment period expired on May 30, 2006. *See* 71 FR 15343, March 28, 2006. A member of the public has requested us to extend the comment period for at least an additional 30 days. In response to this request, we are reopening the comment period until July 17, 2006. The FCA supports public involvement and participation in its regulatory process and invites all interested parties to review and provide comments on the proposed rule. We believe that a reopening of the comment period to allow all interested parties more time to provide comments is appropriate, but that the reopening should be no longer than 30 days.

Dated: June 8, 2006.

Roland E. Smith,

Secretary, Farm Credit Administration Board.

[FR Doc. E6–9355 Filed 6–14–06; 8:45 am]

BILLING CODE 6705–01–P

SMALL BUSINESS ADMINISTRATION

13 CFR Parts 121, 125 and 127

RIN: 3245–AE65

The Women-Owned Small Business Federal Contract Assistance Program

AGENCY: Small Business Administration.

ACTION: Proposed rule.

SUMMARY: The U.S. Small Business Administration (SBA) proposes to amend its regulations governing SBA's government contracting programs. This proposed rule would add a new part to implement the Women-Owned Small Business Federal Contract Assistance Program authorized under the Small Business Reauthorization Act of 2000. It would also make the relevant conforming amendments to SBA's regulations.

DATES: Comments must be received on or before July 17, 2006.

ADDRESSES: You may submit comments, identified by Agency name and RIN 3245–AE65, by any of the following methods: (1) The Federal eRulemaking portal at *http://www.regulations.gov;* (2) E-mail (include RIN number in the subject line) to: *Linda.Waters@sba.gov;* Fax: (202) 205–6390; (3) Mail or Hand Delivery/Courier to Linda Waters, Procurement Analyst, Office of Federal Contract Assistance for Women Business Owners, U.S. Small Business Administration, 409 3rd Street, SW., Washington, DC 20416.

FOR FURTHER INFORMATION CONTACT: Linda Waters, Procurement Analyst, Office of Federal Contract Assistance for Women Business Owners, (202) 205–7315 or *Linda.Waters@sba.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

Women-owned businesses have been regarded as the fastest growing segment of the business community in the United States. Although between 1997 and 2002 the growth rate in the number of women-owned small businesses (WOSBs) was almost twice that of all firms, WOSBs have not received a commensurate increase in their share of Federal contracting dollars.

Several congressional and executive efforts over the years to increase Federal contracting with WOSBs have not enhanced the WOSB share of Federal contracting dollars as much as anticipated. For example, in 1979, when Executive Order 12138 charged Federal agencies with responsibility for providing procurement assistance to women-owned businesses, WOSBs received only 0.2 percent of all Federal procurements. More than 9 years later, the percentage of WOSB Federal procurements had grown to only one percent. Similarly, in 1988, the Women's Business Ownership Act, Public Law 100–588 (Oct. 25, 1988), was enacted to assist women in starting, managing and growing small businesses. This program has been successful in assisting thousands of women in obtaining business financing and in business formation, but has enjoyed less success in the Federal procurement arena.

Section 7106 of the Federal Acquisition Streamlining Act (FASA), Public Law 103–355 (Oct. 13, 1994), amended the Small Business Act (the Act) by establishing a target that would result in greater opportunities for women to compete for Federal contracts. FASA, among other things, amended the Small Business Act (the Act) by establishing a government-wide goal for participation by WOSBs in procurement contracts of not less than 5 percent of the total value of all prime contract and subcontract awards for each fiscal year. FASA also directed that WOSBs, like other small businesses and small disadvantaged businesses (SDBs), have the maximum practicable opportunity to become subcontractors for Federal contracts exceeding $100,000, and it mandated that WOSBs be included in subcontracting plans required under Section 8(d) of the Act, 15 U.S.C. 637(d).

Federal Procurement Data System (FPDS) data indicates that since fiscal year (FY) 1996, Federal agencies have not met the separate 5 percent government-wide WOSB goal for prime contracts and subcontracts. However, the share of Federal prime contracting dollars to WOSBs has increased over the years. For example, in FY 2000, WOSBs received 2.3 percent of the approximately $200 billion in Federal prime contract awards. The share of WOSB prime contract awards increased to 2.49 percent in FY 2001, and again to 2.90, 2.98, and 3.03 percent in FYs 2002, 2003 and 2004, respectively. Nonetheless, the total percent of WOSB prime contract awards stills falls short of the statutory goal of 5 percent.

The Government Accountability Office (GAO) published a report in February 2001 discussing the trends and obstacles in Federal contracting with WOSBs since FY 1996. *See Trends and Challenges in Contracting With Women-Owned Small Businesses,* GAO–01–346. In that report, GAO noted that contracting officials complain that one of the primary obstacles in achieving the statutory five percent WOSB goal was the absence of a ''targeted government program for contracting with WOSBs.''

Section 811 of the Small Business Reauthorization Act of 2000, Public Law 106–554, provided such a mechanism. Section 811, enacted on December 21, 2000, amended the Act by adding a new section 8(m), 15 U.S.C. 637(m), authorizing contracting officers to restrict competition to eligible WOSBs for certain Federal contracts in industries in which SBA has determined that WOSBs are underrepresented or substantially underrepresented in Federal procurement. The new section 8(m) of the Act explicitly limits the contracting officer's authority to restrict competition to contracts not exceeding $3 million ($5 million for manufacturing). It further requires SBA to conduct a study to identify the industries in which WOSBs are underrepresented and substantially underrepresented in Federal procurement and requires the head of any department or agency to provide SBA with any information that SBA deems necessary to conduct the study.

To be eligible as a WOSB under section 8(m) of the Act, the firm must be a ''small business concern owned and controlled by women'' as defined in section 3(n) of the Act, 15 U.S.C. 632(n). Section 8(m) also requires that such concerns be at least 51 percent owned by one or more women who are economically disadvantaged, except with respect to procurements in industries in which SBA has determined that WOSBs are substantially underrepresented in Federal contracting and has waived the requirement for economically disadvantaged women business owners.

Section 8(m) of the Act requires SBA to establish the standards for determining the eligibility of a concern as a WOSB or economically disadvantaged WOSB (EDWOSB). It also charges SBA with responsibility for verifying a concern's eligibility and it provides the penalties for a concern's misrepresentation of its status as an EDWOSB or WOSB.

To implement the new section 8(m) of the Act, this proposed rule would establish a WOSB Federal Contract Assistance Program (the Program) to be administered by SBA's Office of Government Contracting. Although the Program would be considered part of SBA's government contracting programs set forth under part 125 of title 13 of the Code of Federal Regulations (CFR), for ease of reference, the proposed WOSB regulations would be contained in a new part 127 of title 13.

As proposed, the regulations provide the general definitions applicable to the Program; specific eligibility requirements for qualification as an EDWOSB or WOSB; the certification procedures for the Program; the process for SBA to verify the continuing eligibility of a concern; the contract assistance available under the Program; the relevant protest and appeal procedures; and the applicable penalties. The proposed rule also provides conforming amendments necessary to integrate the Program into SBA's size and government contracting regulations.

SBA invites comment on all aspects of this proposed rule.

II. Section-by-Section Analysis

The following is a section-by-section analysis of the proposed rule.

A. Conforming Amendments to Parts 121 and 125

The authority citation for 13 CFR part 121 would be revised to include 15 U.S.C. 637(m), since part 121 would be amended to include references to the WOSB Federal Contracting Assistance Program.

Section 121.401 would be amended to add the Program to the list of government procurement programs subject to size determinations. This would subject EDWOSBs and WOSBs to size protests and determinations under part 121 of title 13.

Section 121.1001 also would be amended by adding a new paragraph (a)(9) to describe who may initiate a size protest in connection with a particular requirement set aside under the Program. That section would provide that any concern that submits an offer for a specific requirement set aside under the Program, the contracting officer, or the Associate Administrator for Government Contracting or designee, may protest the size of another offeror for the particular requirement.

Section 121.1008 would be amended by adding a sentence that requires the SBA Government Contracting Area Director, or designee, to notify SBA's Assistant Administrator for Size Standards of receipt of a size protest involving a concern that is designated in the Central Contractor Registration (CCR) as a certified EDWOSB or WOSB.

Section 125.6 would be amended to provide that EDWOSBs and WOSBs awarded a set-aside contract under this Program must satisfy certain requirements if they intend to subcontract. These subcontracting limitations are applicable to small businesses awarded a contract as a result of their small business status. Similar to the existing § 125.6(b) governing set asides under the Service-Disabled Veteran-Owned Small Business (SDVOSB) Program, the proposed § 125.6(d) would allow an EDWOSB or WOSB prime contractor to utilize other WOSBs to help it meet the subcontracting requirements. This would afford WOSBs greater contracting opportunities.

B. Addition of a New Part 127

A new part 127 would be added to title 13 of the CFR to provide the policies, procedures and requirements governing the Program.

Subpart A provides background information concerning the Program. Specifically, §§ 127.100 and 127.101 describe the purpose, legal basis and assistance provided under the Program. Section 127.102 defines the relevant terms used in part 127. Many of those definitions are identical to or derived from the definitions provided in parts 121 and 124 of this title, governing SBA's size, 8(a) Business Development (BD) and SDB programs.

The proposed rule also uses several newly defined terms which SBA developed for ease of reference to various statutory requirements. For example, the proposed rule uses the term ''economically disadvantaged WOSB'' or ''EDWOSB'' to refer to the Act's requirement that certain WOSBs be not less than 51 percent owned and controlled by one or more women who are economically disadvantaged.

Subpart B describes the eligibility requirements for qualification as an EDWOSB or WOSB. Because the Program uses similar ownership, control and economic disadvantage criteria as used in the 8(a) BD and SDB programs, this proposed rule similarly requires that the concern be at least 51 percent unconditionally owned and controlled by one or more women who are United States citizens. One notable exception is with respect to the application of community property laws. The Act explicitly provides that ownership shall be determined without regard to any community property laws. As a result, § 127.201 precludes the application of community property laws in ownership determinations for purposes of the Program. For reasons of consistency, the economic disadvantage requirement in § 127.203 has the same $750,000 threshold for personal net worth as does the 8(a) BD program and the SDB program for purposes of determining a program participant's continuing eligibility.

Subpart C of the proposed rule sets forth the certification requirements for concerns that submit offers on procurements set aside under the Program. Section 8(m)(2)(F)(i) of the Act authorizes certification by ''a Federal agency, a State government, or a national certifying entity'' approved by SBA. Consistent with that provision, subpart C of this proposed rule establishes the procedures for obtaining EDWOSB or WOSB certification from SBA.

It is noteworthy that Section 8(m)(2)(F)(ii) of the Act also authorizes concerns to self-certify their status directly to the contracting officer, provided that their self-certifications include adequate documentation in accordance with standards established by SBA. However, based on prevailing Supreme Court precedent, the likely disruption that such an approach would have on the acquisition process as well as the Agency's goal of reducing the risk of fraud associated with the Program, SBA has decided not to propose a self-certification process for procurements set aside under the Program. In its 1995 decision *Adarand* v. *Peña*, 515 U.S. 200 (1995), the Supreme Court questioned

the use of self-certifications in affirmative action contracting programs. In addition, by requiring the submission of the supporting documentation to the contracting officer for review, Section 8(m)(2)(F)(ii) essentially places the responsibility for policing self-certifications on contracting officers. That added responsibility would create extra work for acquisition officials and would likely result in delays and other administrative inconveniences in the procurement process. Moreover, SBA certification, as authorized in section 8(m)(2)(F)(i) and as proposed here, would reduce the likelihood of fraud and misrepresentation of WOSB status. As a result, this proposed rule requires certification by SBA in order for a concern to be eligible to receive an award set aside under this Program.

Specifically, § 127.300 of this proposed rule explains the purpose of EDWOSB or WOSB certification. That section indicates that SBA certification and designation of the concern on CCR as a certified EDWOSB or WOSB is necessary before a concern may submit an offer for an EDWOSB or WOSB requirement. The concern also must qualify as a small business for the particular procurement and must not have been subject to any material change in eligibility since its certification.

Sections 127.301 through 127.303 provide the specific procedures for obtaining EDWOSB and WOSB certification. As proposed, the procedures are intended to impose the least burdensome application requirements and to simplify the certification scheme by providing a single certification process through SBA. In particular, the proposed § 127.302 authorizes use of an SBA electronic application process, with the electronic application to be made available at a Web site to be determined when the final rule is published. To maximize the use of existing certification programs, § 127.303 describes the other program certifications SBA will accept as EDWOSB or WOSB certifications for purposes of the Program, based on SBA's determination of the certification's compliance with governing EDWOSB and WOSB eligibility requirements.

In an effort to minimize the burden on certified concerns, § 127.304 provides a three-year certification period, and § 127.305 sets forth streamlined recertification procedures and notification of change obligations. These requirements ensure the continuing eligibility of concerns designated on CCR as certified EDWOSBs and WOSBs.

SBA seeks comments on the proposed certification procedures under subpart C. SBA specifically invites commenters to discuss alternative procedures to better streamline the certification process. SBA also solicits comments on what, if any, additional safeguards SBA should adopt to further protect the integrity of the certification process.

Proposed §§ 127.400 through 127.405 under subpart D discuss the program examination process for determining the continuing eligibility of a firm that is designated on CCR as a certified EDWOSB or WOSB. Those sections explain when and how SBA will conduct the program examination and the decertification procedures SBA will follow when it is unable to verify that a concern qualifies as an EDWOSB or WOSB.

Proposed § 127.401 also explains the distinctions between the program examination process and the EDWOSB and WOSB protest mechanism provided under the proposed subpart F. The proposed § 127.401 makes clear that the program examination process is intended to verify the continuing EDWOSB or WOSB eligibility of a concern generally, while an EDWOSB or WOSB status protest is designed to determine the EDWOSB or WOSB eligibility of a concern for a specific procurement. The separate program examination procedures will assist in maintaining the integrity of the certification process by subjecting certified concerns to random examinations of their EDWOSB and WOSB eligibility. Consequently, program examinations will serve to supplement the protest mechanism by monitoring the continuing eligibility of firms that claim EDWOSB and WOSB status.

Moreover, § 127.401(a) further provides that if SBA is conducting a program examination on a concern that has submitted an offer on a pending EDWOSB or WOSB requirement and SBA has credible information that the concern may not qualify as an EDWOSB or WOSB, SBA may file a protest under § 127.600 to challenge the concern's eligibility for award for the specific requirement.

The provisions governing the available Federal contract assistance under this program are set forth in proposed subpart E. Sections 127.500 through 127.502 discuss the industries in which contracting officers are authorized to restrict competition to EDWOSBs and WOSBs. As required under section section 8(m) of the Act, § 127.500 explains that contracting officers may only restrict competition to EDWOSBs and WOSBs in industries in which SBA has determined that WOSBs are either underrepresented or substantially underrepresented in Federal procurement. Sections 127.501 and 127.502 indicate how SBA will determine, identify and provide public notice of those industries.

Those sections, like section 8(m) of the Act, do not specify how SBA will determine whether WOSBs are underrepresented or substantially underrepresented in a particular industry. Instead, § 127.501 provides generally that at least every three years SBA, or another entity authorized to act on its behalf, will conduct a study to identify the underrepresented or substantially underrepresented industries. As provided under § 8(m) of the Act, § 127.501 also requires other Federal agencies to furnish SBA, or any other entity SBA may designate for that purpose, with data or information that SBA finds necessary to conduct the study. It also explains the effective date of SBA's designation of eligible industries. Section 127.502 indicates that SBA will post a list of the eligible industries on its Internet Web site.

SBA also proposes to publish a separate **Federal Register** notice, specifically detailing the methodology used to analyze the participation of WOSBs in Federal contracting and to designate the industries that will be eligible for restricted competition under the Program.

Section 127.503 addresses when a contracting officer is authorized to restrict competition under the Program. It establishes a similar ''rule-of-two'' standard as used in small business set asides. That section further makes clear that contracting officers may only allow certified WOSBs to submit offers for requirements in industries in which SBA has determined that WOSBs are substantially underrepresented and has waived the requirement for ownership and control of the firm by economically disadvantaged women.

Sections 127.504 and 127.505 describe the additional requirements a concern must satisfy to submit an offer on an EDWOSB or WOSB requirement. Section 127.504 indicates that in addition to the certification requirements under subpart C, offerors on EDWOSB or WOSB requirements must also certify that they are small under the size standard for the procurement and that they will comply with the limitations on subcontracting rule set forth in § 125.6 of this title. Section 127.505 explains that an EDWOSB or WOSB that is a non-manufacturer, as defined in § 121.406(b), may submit an offer for an

EDWOSB or WOSB requirement if it meets the requirements of § 121.406(b).

Proposed § 127.506 provides the rules governing joint venture relationships involving WOSBs. That section provides joint venture provisions that are modeled after the SDB joint venture regulations contained in § 124.1002(f).

The proposed Subpart F sets forth the procedures for protesting the status of a concern as an EDWOSB or WOSB, including the procedures for filing protests, for rendering protest determinations and for appealing those determinations to SBA's Associate Deputy Administrator for Government Contracting and Business Development (ADA/GC&BD). Sections 127.600 through 127.602 describe who is authorized to file and decide EDWOSB and WOSB status protests and the permissible grounds for filing protests.

Sections 127.603 through 127.606 prescribe the applicable deadlines for filing and determining EDWOSB and WOSB protests and for appealing SBA's protest determinations. Unlike program examinations under the proposed subpart D, protests are time sensitive because they are tied to a particular procurement. As a result, §§ 127.604 and 127.605 prescribe filing and decision deadlines to minimize undue interruptions in the underlying procurement.

The final section of the proposed part 127, subpart G, § 127.700, prescribes the applicable penalties that may be imposed on any person or concern that misrepresents the status of a concern as an EDWOSB or WOSB for purposes of receiving a benefit under the Program.

Compliance with Executive Orders 12866, 12988, and 13132, the Paperwork Reduction Act (44 U.S.C. Ch. 35), and the Regulatory Flexibility Act (5 U.S.C. 601–612).

Executive Order 12866

The Office of Management and Budget (OMB) has determined that this rule is a ''significant'' regulatory action under Executive Order 12866. The Regulatory Impact Analysis is set forth below.

Regulatory Impact Analysis

1. Necessity of Regulation

This regulatory action is needed to implement section 8(m) of the Act, which was enacted as part of section 811 of the Small Business Reauthorization Act of 2000, Public Law 106–554. Section 8(m) authorizes the creation of the WOSB Program. Under this Program certain Federal contracts in industries in which SBA has determined that WOSBs are underrepresented or substantially underrepresented in Federal procurement may be restricted to WOSBs that meet certain requirements. This rule will establish such requirements and the procedures necessary to administer the Program.

2. Alternative Approaches to Proposed Rule

Before proposing this rule, SBA evaluated the estimated costs and benefits of the alternatives. The primary alternative SBA considered in implementing section 8(m) of the Act was with respect to the provisions relating to the certification of firms that claim EDWOSB or WOSB status. In particular, section 8(m)(2)(F) provides that participants of the WOSB Program must be certified by a Federal agency, a State government, or a national certifying entity approved by the Administrator, as a small business concern owned and controlled by economically disadvantaged women.

In developing proposed regulations to implement those provisions, SBA considered the legislative provision under section 8(m)(2)(F)(ii) of the Small Business Act. That section authorizes firms to self-certify their status as EDWOSB and WOSB concerns and submit the necessary supporting documentation directly to the contracting officer for the particular procurement. SBA has decided not to adopt that approach because of the possible constitutional infirmities associated with self-certification, the probable delay in requiring contracting officers to review the supporting documentation and the Agency's desire to reduce the risk of fraud. SBA determined that the alternative approach proposed is the most cost-effective for both the government and WOSBs. The proposed approach provides for a simplified electronic application process and for SBA to accept other Federal program certifications that it determines comply with the EDWOSB and WOSB eligibility requirements. The approach also is consistent with SBA's statutory responsibilities under section 8(m) of the Act to establish certification standards and procedures.

Executive Order 12988

For purposes of Executive Order 12988, SBA has drafted this proposed rule, to the extent practicable, in accordance with the standards set forth in section 3 of that Order.

Executive Order 13132

For purposes of Executive Order 13132, SBA has determined that this proposed rule has no Federalism implications warranting the preparation of a Federalism Assessment.

Paperwork Reduction Act

For purposes of the Paperwork Reduction Act, 44 U.S.C. Chapter 35, SBA has determined that this proposed rule imposes two new reporting requirements. The titles, descriptions of respondents and the information collections, along with an estimate of the annual reporting burdens are discussed below. Included in the estimates is the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing each collection of information. As required by the Paperwork Reduction Act, SBA will also submit the two information collections to OMB for review.

SBA invites comments on: (1) Whether the proposed collections of information are necessary for the proper performance of SBA's functions, including whether the information will have a practical utility; (2) the accuracy of SBA's estimate of the burdens of the proposed collections of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collections of information on respondents, including through the use of automated collection techniques, when appropriate, and other forms of information technology.

Please send comments by the closing date for comment for this proposed rule to David Rostker, Office of Management and Budget, Office of Information and Regulatory Affairs, 725 17th Street, NW., Washington, DC 20503, and to Linda Waters, Procurement Analyst, Office of Federal Contract Assistance for Women Business Owners, Small Business Administration, 409 Third Street, SW., Washington, DC 20416.

A. Application for Certification

Title: Application for the Women-Owned Small Business (WOSB) Federal Contract Assistance Program Certification. [No SBA Form Number]

Summary: The proposed regulations require concerns [that have not been otherwise certified] seeking certification for the WOSB program to submit to SBA an application, which demonstrates that the concern meets the eligibility requirements for the Program. Concerns will be required to submit information establishing that: (1) The concern is small as defined by SBA in 13 CFR part 121, Small Business Size Regulations; (2) one or more women unconditionally

and directly own at least 51% of the concern; (3) the woman or women who own at least 51% of the concern are United States citizens; and (4) if seeking certification as an EDWOSB, the 51% or more owners are economically disadvantaged, that is, their ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same line of business. Concerns will be subject to criminal, civil and administrative penalties for making misrepresentations or false statements in the application for certification as an EDWOSB or WOSB.

Need and Purpose: Section 811 of the Small Business Reauthorization Act of 2000 authorizes contracting officers to restrict competition to eligible WOSBs for certain Federal contracts in industries in which SBA has determined that WOSBs are underrepresented or substantially underrepresented in Federal procurement. Section 811 specifies the eligibility criteria for EDWOSBs and WOSBs and requires SBA to establish procedures for verifying the eligibility of concerns that claim that status. The information submitted on the application for certification will enable SBA to verify that the concern qualifies as an EDWOSB or WOSB.

Description of Respondents: Concerns that are seeking certification as an EDWOSB or WOSB will submit this application. Concerns that have been certified under other Federal programs (including SBA's 8(a) and SDB programs), and that satisfy EDWOSB and WOSB eligibility requirements, will automatically qualify and will not need to submit this application. This program has not yet been implemented; therefore, there is no actual data to measure the number of respondents or the time to complete the certification. However, because the certification requirements and procedures for the WOSB program will be similar to the SDB, HUBZone and 8(a) certification programs, SBA relied on its experience with those programs as its basis for arriving at the following estimates.

As of January 2006, there were approximately 76,000 WOSBs registered in CCR. SBA estimates that of this total, approximately 16,500 WOSBs will ultimately seek certification from SBA, at the rate of approximately 2,000 concerns each year. SBA estimates that each of these 2,000 applicants will need approximately 2.5 hours to complete the certification application, at a cost of approximately $150.00 per hour. Therefore, the estimated aggregate hour burden for this certification is 5,000 hours per annum, costing an aggregated $750,000 for the year.

B. Recertification

Title: Recertification Form for the Women-Owned Small Business (WOSB) Federal Contract Assistance Program. [No SBA Form Number]

Summary: According to the proposed regulations, EDWOSBs and WOSBs that are designated as certified concerns on CCR must recertify their eligibility to SBA every three years. The recertification form will require an authorized representative of a concern that is listed on CCR as a certified EDWOSB or WOSB to certify under the penalty of perjury that it continues to satisfy the eligibility requirements to qualify as an EDWOSB or WOSB. Specifically, the concern will certify that: (1) There has been no material change in circumstances that could affect the concern's eligibility for the WOSB program since such eligibility was last determined; and (2) SBA has not decertified the concern, or otherwise determined that the concern does not qualify as a EDWOSB or WOSB.

Need and Purpose: As noted above, section 8(m) of the Small Business Act requires SBA to determine that all concerns in the WOSB program meet the eligibility requirements for participation in the Program. As part of this responsibility, SBA has an ongoing need to ensure that each concern certified as an EDWOSB or WOSB continues to meet the eligibility requirements. The information submitted on the recertification form will enable SBA to verify that the concern continues to qualify as an EDWOSB or WOSB.

Description of Respondents: All concerns that are designated on CCR as certified EDWOSBs and WOSBs are required to submit the recertification form to SBA within 60 days prior to the expiration of their three-year certification period. Since the proposed regulations do not require concerns to recertify their EDWOSB or WOSB status until two months before the expiration of their three-year certification term, no concerns will recertify their status during the first two years of the operation of the WOSB Program. Thereafter, SBA estimates that approximately 1,000 concerns will recertify their eligibility to SBA each year. The estimated decline in the number of concerns recertifying relative to the number of concerns that initially certified would more than likely be attributable to WOSBs not being eligible due to size or ownership, losing interest in the program or ceasing operation.

SBA estimates that each of the 1,000 WOSBs recertifying each year will need approximately 30 minutes to complete the recertification form. SBA estimates that the cost to complete this collection will be approximately $75.00 per half-hour. Thus, the estimated aggregated burden is 500 hours per annum, costing an aggregated $75,000 for the year.

Regulatory Flexibility Act

SBA has determined that this proposed rule establishing the WOSB Federal Contract Assistance Program may have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act (RFA), 5 U.S.C. 601, *et seq.* Accordingly, SBA has prepared an Initial Regulatory Flexibility Analysis (IRFA) addressing the impact of the WOSB Federal Contract Assistance Program in accordance with Section 603, Title 5, of the United States Code. The IRFA examines the objectives and legal basis for the proposed rule; the kind and number of small entities that may be affected; the projected recordkeeping, reporting, and other requirements; whether there are any Federal rules that may duplicate, overlap, or conflict with the proposed rule; and whether there are any significant alternatives to the proposed rule.

1. What are the Reasons for, and Objectives of, the Proposed Rule?

SBA is proposing to establish the Women-Owned Small Business Federal Assistance Program pursuant to the SBA Reauthorization Act, Pub. L. 106–554, enacted December 21, 2000. Section 8(m) of the Act created a ''Procurement Program for Women-Owned Small Business Concerns'' which authorizes the use of ''restricted competition'' in industries where WOSBs are underrepresented in Federal procurement and when certain other conditions are met. The purpose of the proposed rule is to create an initial framework and infrastructure for implementing this new program, thereby providing a tool Federal agencies may eventually use to increase Federal contracting to WOSBs.

The objective of this proposed rule is to increase the amount of Federal contract dollars awarded to WOSBs in industries where they are currently underutilized. The program will assist Federal agencies in achieving the Federal Government's goal of awarding 5 percent of Federal contract dollars to WOSBs, as provided in the Federal Acquisition Streamlining Act of 1994. Federal procurement was nearly $300 billion in FY 2004, of which $9.1 billion

in Federal contracts, or 3 percent, went to WOSBs.

2. What is the Legal Basis for the Proposed Rule?

This action, including publication of proposed rules, is authorized pursuant to section 8(m) of SBA's Reauthorization Act (Pub. L. 106–554), enacted December 21, 2000, that authorizes a new mechanism for Federal contracting with WOSBs.

3. What is SBA's description and estimate of the number of small entities to which the rule will apply?

The RFA directs agencies to provide a description, and where feasible, an estimate of the number of small business concerns that may be affected by the proposed rules, if adopted. This proposed rule would ultimately establish in the Federal Acquisition Regulation (FAR) a new procurement mechanism to benefit WOSBs. Therefore, WOSBs that compete for Federal contracts are the specific group of small business concerns most directly affected by this proposed rule. This rule may also affect other small businesses to the extent that small businesses not owned and controlled by women may be excluded from competing for certain Federal contracting opportunities.

The 2002 Survey of Business Owners published by the U.S. Bureau of the Census reported 6,489,493 women-owned businesses in the United States. More than 900,000 of these businesses have one or more paid employees. Most women-owned businesses, however, do not participate in the Federal contracting market. The information contained in the Federal Government's CCR provides the best source of information on businesses interested in Federal contracting, including information on businesses identified as WOSBs.

In February 2005, approximately 75,000 businesses represented themselves as WOSBs in CCR as actual or potential Federal contractors. The potential number of WOSBs that could be direct beneficiaries of a program restricting certain Federal contracts to only WOSBs is likely to be much fewer than the number of WOSBs registered in CCR. Not all WOSBs will satisfy the certification requirements for SBA-certified EDWOSB and WOSB status. Also, the expected benefits of the Program may be less attractive to some WOSBs than other programs designed to assist small businesses.

SBA estimates that up to 16,500 WOSBs over time may seek status as an SBA-certified WOSB. SBA's experience with its SDB Certification and Eligibility Program provides an example of a similar program for certain designated entities that may reveal the level of interest and participation by WOSBs. SBA has found that not all businesses identified in CCR as minority-owned seek or are eligible for SBA-certified SDB status. Approximately 22 percent of minority-owned small businesses (MSB) registered in CCR have obtained certified SDB status. In lieu of other indications, SBA assumes that a similar experience will occur with WOSBs seeking SBA certification. Applying the 22 percent certified SDB to MSB ratio to the 75,000 CCR-registered WOSBs results in approximately 16,500 potentially certified WOSBs. Currently, 7,673 WOSBs are SBA-certified as SDB or HUBZone firms, many of which are likely to seek SBA-certified WOSB status.

The potential number of SBA-certified WOSBs could be lower or higher than estimated. This proposed rule, if adopted, will affect SBA-certified WOSBs that participate in Federal procurement in industries where they are underrepresented. Not all areas of Federal procurement are likely to be designated as underrepresented, and opportunities in some of the qualified areas may be limited. Consequently, many otherwise-qualified WOSBs will not find WOSB-certified status as beneficial.

On the other hand, the estimated number of SBA-certified WOSBs could also be higher than 16,500. As other WOSBs realize that they can successfully compete in those qualified industries where contracts may be restricted to SBA-certified WOSBs, more WOSBs may pursue becoming qualified and active participants in this market, especially those now participating in state and local disadvantaged business enterprise contracting programs.

The proposed rule, if adopted, may also affect non-WOSBs (firms not 51 percent owned and controlled by women) seeking Federal contracts for which competition has been restricted to participants in this program. The CCR lists approximately 300,000 small businesses that are not WOSBs. Among these are 22,000 small businesses certified in the 8(a) and HUBZone Programs.

Additional contracting opportunities identified by Federal agencies as candidates to set aside for SBA-certified WOSBs will come from new contracting requirements and contracts currently performed by small and large businesses. At this time, SBA cannot estimate how the existing distribution of contracts by business type may change by this proposed rule. Until the WOSB-underrepresented industries are identified, no supportable quantifiable estimate can be made on the potential benefits to WOSBs and impact on other small businesses. However, SBA does not expect that many, if any, contracts awarded through the 8(a), HUBZone, or SDVOSB Programs ($14.3 billion in FY 2004) will be re-competed as WOSB set-aside contracts because those programs also support socioeconomic goals that agencies strive to achieve through their contracting activities.

4. What are the Projected Reporting, Recordkeeping, Paperwork Reduction Act and Other Compliance Requirements?

WOSBs are not required to be certified as such in order to contract with the Federal Government. This will still be true if the proposed rule is adopted. However, for a WOSB to participate in the Program, it will have to be certified by SBA as a WOSB. This provision ensures that the program is narrowly tailored and participation is restricted to qualified WOSBs. Similar provisions apply to WOSBs desiring to participate in SBA's 8(a) or SDB program or the Department of Transportation's Disadvantaged Business Enterprise program. SBA may accept WOSBs currently certified for those programs when presented with evidence of the existing certification.

This certification requirement will have associated costs, *i.e.*, labor costs, for participating WOSBs. At a minimum, potential participants must complete specific forms and provide adequate documentation. Documents include what a business would normally have on hand, *e.g.*, ownership records, tax records, etc. Firms applying for certification will have to locate, copy and submit supporting documents. SBA estimates that the cost to complete these activities will be approximately $150.00 per hour. After the tax and other business papers for documentation are assembled, completing the form is estimated to take about 2.5 hours. An estimated 2,000 firms per year are expected to apply using the full form process and thus, the total cost is estimated to be $750,000 per year. The paperwork burden on the WOSB applying for certification is estimated from SBA's experience with SDB and 8(a) applications that require similar documentation to support the claim of economic disadvantage and 51 percent ownership and control of the firm.

This rule also proposes a recertification process. However, to minimize the reporting burden on WOSBs, SBA is proposing that WOSBs recertify every three years instead of

annually. The total cost associated with the recertification process is expected to be less than the certification process because the information required to be submitted is far less. However, the labor cost is expected to be the same $150 per hour because the same level of knowledge about the firm's status will be necessary. It will take approximately 30 minutes to complete the recertification form and with 1,000 concerns expected to recertify their eligibility each year, the total cost of recertification will be approximately $75,000.

5. What Relevant Federal Rules may Duplicate, Overlap, or Conflict with the Rule?

SBA has not identified any relevant Federal rules currently in effect that duplicate, overlap, or conflict with this proposed rule. This ''restricted competition'' program for WOSBs would be an addition to the small business, SDB, HUBZone, SDVOSB and 8(a) preference programs that agencies currently administer. Because any contract to a WOSB may also count toward the agency's small business goal, this program enhances an agency's chances of meeting its goals in the other preference programs as well as the 5 percent WOSB goal. Where applicable, a WOSB contract can also count toward other goals, such as SDVOSB or SDB. Therefore, rather than duplicate, overlap or conflict with, the addition of the WOSB program should complement existing rules. Because agencies are not required to use the Program, the issue of which preference program takes precedence should be mitigated.

6. What Significant Alternatives did SBA Consider that Accomplish the Stated Objectives and Minimize Any Significant Economic Impact on Small Entities?

The Regulatory Flexibility Act (RFA) requires agencies to identify alternatives to the proposed rule in an effort to ''minimize any significant economic impact of the proposed rule on small entities.'' SBA has determined that the proposed rule may have a significant economic impact on a substantial number of small entities.

This proposed rule would implement a WOSB Federal Contracting Program as established by Section 811 of Pub. L. 106–554 (15 U.S.C. 637(m)). Most of the provisions of this proposed rule reflect requirements under that Program. The legislation does provide SBA with alternative approaches for the certification of WOSBs. Specifically, a WOSB may be certified by a Federal agency, a State government, or a national certifying entity approved by the Administrator, or a WOSB may submit a certification to the contracting officer that it is a small business concern owned and controlled by women along with adequate documentation, in accordance with standards established by the Administration. As discussed earlier, SBA is proposing that it will be responsible for certifying businesses as EDWOSBs and WOSBs.

SBA decided to perform the certification function based on administrative and legal considerations. SBA currently performs certifications for status as 8(a) firms, HUBZone firms, and SDBs. Because the Act uses similar ownership, control and economic disadvantage criteria as used in the 8(a) BD and SDB Programs, SBA is able to efficiently utilize existing processes to determine the eligibility of businesses as EDWOSBs and WOSBs. SBA also believes that such an approach would reduce the likelihood of fraud and misrepresentation of WOSB status.

An alternative approach would have businesses self-certify their status directly to the contracting officer, provided that their self-certifications include adequate documentation in accordance with standards established by SBA. However, based on prevailing Supreme Court precedent, the likely disruption that such an approach would have on the acquisition process as well as the Agency's goal of preventing fraud, SBA has decided not to propose a self-certification process for procurements set aside under the Program.

As described in this RFA's discussion of reporting requirements and other compliance issues, WOSBs will incur new costs associated with the application process. However, SBA believes that its proposed certification approach is more preferable than for potential bidders to submit the same information with each offer and, most likely, to different contracting officers. Not only could that entail higher costs in the long run, it creates a potential for inconsistent and erroneous decisions.

SBA welcomes comments on this proposed rule's RFA. Comments from small entities concerning the affected 13 CFR parts will be considered in accordance with section 610 of the Act. Such comments must be submitted separately and should cite 5 U.S.C. 601, *et seq.* in correspondence.

List of Subjects

13 CFR Part 121

Government procurement, Government property, Grant programs—business, Individuals with disabilities, Loan programs—business, Small businesses.

13 CFR Part 125

Government contracts, Government procurement, Reporting and recordkeeping requirements, Small businesses, Technical assistance.

13 CFR Part 127

Administrative practice and procedure, Government procurement, Reporting and recordkeeping requirements, Small businesses.

Accordingly, for the reasons stated in the preamble, SBA proposes to amend 13 CFR chapter I as follows:

PART 121—SMALL BUSINESS SIZE REGULATIONS

1. The authority citation for 13 CFR part 121 is revised to read as follows:

Authority: 15 U.S.C. 632, 634(b)(6), 636(b), 637, 644, and 662(5); and Pub. L. 105–135, sec. 401 *et seq.*, 111 Stat. 2592; Pub. L. 106–24, 113 Stat. 39.

§ 121.401 [Amended]

2. Amend § 121.401 by adding the phrase ''the Women-Owned Small Business (WOSB) Federal Contract Assistance Program,'' after the phrase ''SBA's HUBZone Program''.

3. Amend § 121.1001 by adding a new paragraph (a)(9) to read as follows:

§ 121.1001 Who may initiate a size protest or request a formal size determination?

(a) * * *

(9) For SBA's WOSB Federal Contracting Assistance Program, the following entities may protest:

(i) Any concern that submits an offer for a specific requirement set aside for WOSBs or WOSBs owned by one or more women who are economically disadvantaged (EDWOSB).

(ii) The contracting officer;

(iii) The SBA Government Contracting Area Director; and

(iv) The Associate Administrator for Government Contracting, or designee.

* * * * *

4. Amend § 121.1008(a) by adding a new sentence after the second sentence to read as follows:

§ 121.1008 What happens after SBA receives a size protest or a request for a formal size determination?

(a) * * * If the protest pertains to a requirement set aside for WOSBs or EDWOSBs, the Area Director will also notify SBA's Assistant Administrator for Size Standards of the protest. * * *

PART 125—GOVERNMENT CONTRACTING PROGRAMS

5. The authority citation for 13 CFR part 125 continues to read as follows:

Authority: 15 U.S.C. 632(p), (q), 637, 644, and 657f.

6. Section 125.6 is amended by redesignating paragraphs (d) through (j) as paragraphs (e) through (k), respectively, and by adding a new paragraph (d) to read as follows:

§ 125.6 Prime contractor performance requirements (limitations on subcontracting).

* * * * *

(d) An economically disadvantaged women-owned small business or women-owned small business (WOSB) awarded a contract pursuant to § 127.503 of this chapter may subcontract part of the contract provided:

(1) In the case of a contract for services (except construction), the concern spends at least 50 percent of the cost of the contract performance incurred for personnel on the concern's employees or the employees of other concerns designated as a certified WOSB in the Central Contractor Registration (CCR);

(2) In the case of a contract for general construction, the concern spends at least 15 percent of the cost of contract performance incurred for personnel on the concern's employees or the employees of other concerns designated as a certified WOSB in CCR;

(3) In the case of a contract for construction by special trade contractors, the concern spends at least 25 percent of the cost of contract performance incurred for personnel on the concern's employees or the employees of other concerns designated as a certified WOSB in CCR; and

(4) In the case of a contract for procurement of supplies or products (other than procurement from a non-manufacturer in such supplies or products), at least 50 percent of the cost of manufacturing the supplies or products (not including the costs of materials), will be performed by the concern or other concerns designated as a certified WOSB in CCR.

(5) In the case of a contract awarded under § 126.503 to a joint venture formed in accordance with § 127.506, the joint venture must perform the applicable percentage of work.

* * * * *

7. Add a new part 127 to read as follows:

PART 127—WOMEN-OWNED SMALL BUSINESS FEDERAL CONTRACT ASSISTANCE PROGRAM

Subpart A—General Provisions

127.100 What is the purpose of part 127?
127.101 What type of assistance is available under part 127?
127.102 What are the definitions of the terms used in part 127?

Subpart B—Eligibility Requirements To Qualify as an EDWOSB or WOSB

127.200 What are the requirements a concern must meet to qualify as an EDWOSB or WOSB?
127.201 What are the requirements for ownership of an EDWOSB and WOSB?
127.202 What are the requirements for control of an EDWOSB or WOSB?
127.203 What are the rules governing the requirement that economically disadvantaged women must own EDWOSBs?

Subpart C—Certification of EDWOSB or WOSB Status

127.300 What is the purpose of obtaining EDWOSB or WOSB certification?
127.301 How may a concern become certified as an EDWOSB or WOSB?
127.302 What is the process for obtaining EDWOSB or WOSB certification from SBA?
127.303 What are the other program certifications SBA will accept as EDWOSB or WOSB certifications for purposes of the WOSB Program?
127.304 How long does EDWOSB or WOSB certification last?
127.305 How does a concern maintain certification?

Subpart D—Program Examinations

127.400 What is a program examination?
127.401 What is the difference between a program examination and an EDOWSB or WOSB status protest pursuant to subpart F of this part?
127.402 How will SBA conduct a program examination?
127.403 What happens if SBA verifies the concern's eligibility?
127.404 What happens if SBA is unable to verify a concern's eligibility?

Subpart E—Federal Contract Assistance

127.500 In what industries is a contracting officer authorized to restrict competition under this part?
127.501 How will SBA determine the industries in which WOSBs are underrepresented or substantially underrepresented?
127.502 How will SBA identify and provide notice of the industries that are eligible for EDWOSB or WOSB requirements?
127.503 When is a contracting officer authorized to restrict competition under this part?
127.504 What additional requirements must a concern satisfy to submit an offer on a EDWOSB or WOSB requirement?
127.505 May a non-manufacturer submit an offer on an EDWOSB or WOSB requirement for supplies?
127.506 May a joint venture submit an offer on an EDWOSB or WOSB requirement?

Subpart F—Protests

127.600 Who may protest the status of a concern as an EDWOSB or WOSB?
127.601 May a protest challenging the size and status of a concern as a EDWOSB or WOSB be filed together?
127.602 What are the grounds for filing an EDWOSB or WOSB status protest?
127.603 What are the requirements for filing an EDWOSB or WOSB protest?
127.604 How will SBA process an EDWOSB or WOSB status protest?
127.605 What are the procedures for appealing an EDWOSB or WOSB status protest decision?

Subpart G—Penalties

121.700 What penalties may be imposed under this part?

Authority: 15 U.S.C. 632, 634(b)(6), 637(m), and 644.

Subpart A—General Provisions

§ 127.100 What is the purpose of part 127?

Section 8(m) of the Small Business Act authorizes certain procurement mechanisms to increase Federal contracting opportunities for women-owned small businesses (WOSBs) and to assist agencies in achieving their WOSB participation goals mandated under Section 15(g) of the Small Business Act.

§ 127.101 What type of assistance is available under part 127?

This part authorizes contracting officers to restrict competition to eligible WOSBs for certain Federal contracts in industries in which the Small Business Administration (SBA) has determined that WOSBs are underrepresented or substantially underrepresented in Federal procurement.

§ 127.102 What are the definitions of the terms used in part 127?

For purposes of this part:

8(a) Business Development (8(a) BD) concern means a concern that SBA has certified as an 8(a) BD program participant.

AA/GC means SBA's Associate Administrator for Government Contracting.

ADA/GC&BD means SBA's Associate Deputy Administrator for Government Contracting and Business Development.

Central Contractor Registration (CCR) means the system that functions as the central registration and repository of contractor data for the Federal government. CCR also serves as the single portal for conducting searches of small business contractors and as the authoritative source for identifying contractors that are certified as 8(a) BD program participants, small

disadvantaged businesses, WOSBs and EDWOSBs. Prospective Federal contractors must be registered in CCR prior to award of a contract or purchase agreement, unless the award results from a solicitation issued on or before May 31, 1998.

Certified concern means a concern that is determined to qualify as an economically disadvantaged WOSB or WOSB by SBA or under another program that SBA has determined includes the same eligibility criteria as set forth in § 127.200.

Citizen means a person born or naturalized in the United States. Resident aliens and holders of permanent visas are not considered to be citizens.

Concern means a firm that satisfies the requirements in § 121.105 this chapter.

Contracting officer has the meaning given to that term in section 27(f)(5) of the Office of Federal Procurement Policy Act (codified at 41 U.S.C. 423(f)(5)).

Decertification or decertify means the determination by SBA that a certified concern does not qualify as an economically disadvantaged WOSB or as a WOSB.

Economically disadvantaged WOSB (EDWOSB) means a concern that is small pursuant to part 121 of this title and that is at least 51% owned and controlled by one or more women who are economically disadvantaged in accordance with §§ 127.200, 127.201, 127.202 and 127.203. An EDWOSB automatically qualifies as a WOSB.

EDWOSB requirement means a Federal requirement for services or supplies for which a contracting officer has restricted competition to EDWOSBs.

Immediate family member means father, mother, husband, wife, son, daughter, brother, sister, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, and daughter-in-law.

Interested party means any concern that submits an offer for a specific EDWOSB or WOSB requirement.

Primary industry classification means the six digit North American Industry Classification System (NAICS) code designation that best describes the primary business activity of the concern. The NAICS code designations are described in the NAICS manual available via the Internet at *http://www.census.gov/NAICS*.

Small disadvantaged business (SDB) means a concern that SBA has certified in accordance with subpart B of part 124 of this chapter, and has listed on CCR as an SDB.

WOSB means a concern that is small pursuant to part 121 of this chapter, and that is at least 51% owned and controlled by one or more women in accordance with §§ 127.200, 127.201 and 127.202.

WOSB requirement means a Federal requirement for services or supplies for which a contracting officer has restricted competition to eligible WOSBs.

Subpart B—Eligibility Requirements To Qualify as an EDWOSB or WOSB

§ 127.200 What are the requirements a concern must meet to qualify as an EDWOSB or WOSB?

(a) *Qualification as an EDWOSB.* To qualify as an EDWOSB, a concern must be:

(1) A small business as defined in part 121 of this chapter; and

(2) Not less than 51 percent unconditionally and directly owned and controlled by one or more women who are United States citizens and are economically disadvantaged.

(b) *Qualification as a WOSB.* To qualify as a WOSB, a concern must be:

(1) A small business as defined in part 121 of this chapter; and

(2) Not less than 51 percent unconditionally and directly owned and controlled by one or more women who are United States citizens.

§ 127.201 What are the requirements for ownership of an EDWOSB and WOSB?

(a) *General.* To qualify as an EDWOSB or WOSB, one or more women must unconditionally and directly own at least 51 percent of the concern. Ownership will be determined without regard to community property laws.

(b) *Requirement for unconditional ownership.* To be considered unconditional, the ownership must not be subject to any conditions, executory agreements, voting trusts, or other arrangements that cause or potentially cause ownership benefits to go to another. The pledge or encumbrance of stock or other ownership interest as collateral, including seller-financed transactions, does not affect the unconditional nature of ownership if the terms follow normal commercial practices and the owner retains control absent violations of the terms.

(c) *Requirement for direct ownership.* To be considered direct, the qualifying women must own 51 percent of the concern directly. The 51 percent ownership may not be through another business entity or a trust (including employee stock ownership trusts) that is, in turn, owned and controlled by one or more women or economically disadvantaged women. However, ownership by a trust, such as a living trust, may be treated as the functional equivalent of ownership by a woman or economically disadvantaged woman where the trust is revocable, and the woman is the grantor, a trustee, and the sole current beneficiary of the trust.

(d) *Ownership of a partnership.* In the case of a concern that is a partnership, at least 51 percent of each class of partnership interest must be unconditionally owned by one or more women. The ownership must be reflected in the concern's partnership agreement. For purposes of this requirement, general and limited partnership interests are considered different classes of partnership interest.

(e) *Ownership of a limited liability company.* In the case of a concern that is a limited liability company, at least 51 percent of each class of member interest must be unconditionally owned by one or more women.

(f) *Ownership of a corporation.* In the case of a concern that is a corporation, at least 51 percent of each class of voting stock outstanding and 51 percent of the aggregate of all stock outstanding must be unconditionally owned by one or more women. In determining unconditional ownership of the concern, any unexercised stock options or similar agreements held by a woman will be disregarded. However, any unexercised stock option or other agreement, including the right to convert non-voting stock or debentures into voting stock, held by any other individual or entity will be treated as having been exercised.

§ 127.202 What are the requirements for control of an EDWOSB or WOSB?

(a) *General.* To qualify as an EDWOSB or WOSB, the management and daily business operations of the concern must be controlled by one or more women. Control by one or more women means that both the long-term decision making and the day-to-day management and administration of the business operations must be conducted by one or more women.

(b) *Managerial position and experience.* A woman must hold the highest officer position in the concern (usually President or Chief Executive Officer) and must have managerial experience of the extent and complexity needed to run the concern. The woman manager need not have the technical expertise or possess the required license to be found to control the concern if she can demonstrate that she has ultimate managerial and supervisory control over those who possess the required licenses or technical expertise. However, if a man possesses the required license and

has an equity interest in the concern, he may be found to control the concern.

(c) *Limitation on outside employment.* The woman who holds the highest officer position of the concern may not engage in outside employment that prevents her from devoting sufficient time and attention to the daily affairs of the concern to control its management and business operations.

(d) *Control over a partnership.* In the case of a partnership, one or more women must serve as general partners, with control over all partnership decisions.

(e) *Control over a limited liability company.* In the case of a limited liability company, one or more women must serve as management members, with control over all decisions of the limited liability company.

(f) *Control over a corporation.* One or more women must control the Board of Directors of the concern. Women are considered to control the Board of Directors when either:

(1) One or more women own at least 51 percent of all voting stock of the concern, are on the Board of Directors and have the percentage of voting stock necessary to overcome any super majority voting requirements; or

(2) Women comprise the majority of voting directors through actual numbers or, where permitted by state law, through weighted voting.

(g) *Involvement in the concern by other individuals or entities.* Men or other entities may be involved in the management of the concern and may be stockholders, partners or limited liability members of the concern. However, no males or other entity may exercise actual control or have the power to control the concern.

§ 127.203 What are the rules governing the requirement that economically disadvantaged women must own EDWOSBs?

(a) *General.* To qualify as an EDWOSB, the concern must be at least 51% owned by one or more women who are economically disadvantaged. A woman is economically disadvantaged if she can demonstrate that her ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business.

(b) *Limitation on personal net worth.* In order to be considered economically disadvantaged, the woman's personal net worth must be less than $750,000, excluding her ownership interest in the concern and equity in her primary personal residence.

(c) *Factors that may be considered.* The personal financial condition of the woman claiming economic disadvantage, including her personal income for the past two years (including bonuses, and the value of company stock given in lieu of cash), her personal net worth and the fair market value of all of her assets, whether encumbered or not, may be considered in determining whether she is economically disadvantaged.

(d) *Transfers within two years.* Assets that a woman claiming economic disadvantage transferred within two years of the date of the concern's certification will be attributed to the woman claiming economic disadvantage if the assets were transferred to an immediate family member, or to a trust that has as a beneficiary an immediate family member. The transferred assets within the two-year period will not be attributed to the woman if the transfer was:

(1) To or on behalf of an immediate family member for that individual's education, medical expenses, or some other form of essential support; or

(2) To an immediate family member in recognition of a special occasion, such as a birthday, graduation, anniversary, or retirement.

Subpart C—Certification of EDWOSB or WOSB Status

§ 127.300 What is the purpose of obtaining EDWOSB or WOSB certification?

Certification as an EDWOSB or WOSB enables a concern to submit an offer for an EDWOSB or WOSB requirement for which it qualifies, provided that the concern:

(a) Is designated as a certified EDWOSB or WOSB on CCR;

(b) Qualifies as a small business concern for the particular procurement; and

(c) Has not been subject to any material change in its circumstances since its certification as an EDWOSB or WOSB.

§ 127.301 How may a concern become certified as an EDWOSB or WOSB?

To obtain EDWOSB or WOSB certification, a concern must apply for SBA certification or must have a valid certification recognized by SBA in accordance with § 127.303 of this part.

§ 127.302 What is the process for obtaining EDWOSB or WOSB certification from SBA?

(a) *Application.* A concern seeking EDWOSB or WOSB certification by SBA must submit an electronic application to SBA. The completed application must demonstrate that the concern meets the requirements for eligibility set forth in subpart B of this part. After submitting the application, the applicant must notify SBA of any material changes that could affect its eligibility.

(b) *Processing of application.* SBA will only process completed electronic applications submitted in accordance with the application instructions. Any incomplete applications will be returned to the applicant unprocessed. At its discretion, SBA may request additional information or request clarification of information contained in the application. Whenever practicable, SBA will make its determination within 30 calendar days after receipt of the completed application.

(c) *SBA decision.* The AA/GC is authorized to approve or decline EDWOSB or WOSB applications submitted to SBA. If the application is approved, the AA/GC will send a written notice of approval to the applicant and will automatically designate the concern on CCR as a certified EDWOSB or WOSB, as appropriate. If the application is denied, the AA/CAWBO will send a written notice of denial to the applicant. The notice of denial will specify the basis of the AA/GC's decision. The decision of the AA/GC is the final agency decision.

§ 127.303 What are the other program certifications SBA will accept as EDWOSB or WOSB certifications for purposes of the WOSB Program?

(a) *8(a) BD and SDB certifications.* SBA will accept all current SBA-certified 8(a) BD or SDB women-owned concerns in good standing as certified EDWOSBs for purposes of this part and will automatically designate such concerns on CCR as certified EDWOSBs. SBA also will accept as certified EDWOSBs any WOSB that has graduated from the 8(a) BD program, provided SBA determined that the concern continued to be eligible for the 8(a) BD program as part of an annual review within the last 3 years and has no information indicating that the firm may not be eligible for certification as an EDWOSB.

(b) *Certifications from other programs.* If a concern has a current, valid certification as a disadvantaged business enterprise (DBE) from a certifying entity of a Department of Transportation grant recipient and is at least 51 percent owned by one or more women, SBA may adopt the DBE certification as an EDWOSB certification when determined by the AA/GC or designee to be appropriate. SBA will maintain on its web site a list of all certifications from other programs that it will accept for purposes of this part and information on the procedures concerns must follow for

SBA to adopt their certifications from such programs.

§ 127.304 How long does an EDWOSB or WOSB certification last?

(a) *General certification period.* Certification as an EDWOSB or WOSB will be effective for a period of 3 years from the date SBA notifies the concern in writing that SBA has approved its EDWOSB or WOSB application, pursuant to § 127.302.

(b) *Extension of period.* Where SBA determines in connection with a program examination that a certified concern continues to qualify as an EDWOSB or WOSB, SBA will extend the concern's certification period for 3 years from the date of SBA's final program examination and will amend the concern's CCR designation as a certified EDWOSB or WOSB to reflect its extended 3 year certification period.

(c) *Early termination of period.* Where SBA determines in connection with a program examination or protest that a concern does not qualify as an EDWOSB or WOSB, SBA will immediately decertify the concern and remove its CCR designation as a certified EDWOSB or WOSB.

§ 127.305 How does a concern maintain certification?

(a) *Re-certification.* To remain certified without any interruption in its certification term, a certified concern must submit to the AA/GC or designee within 60 days of the expiration of its certification term, a written certification as to its continued eligibility.

(1) The certification must be in writing, must represent that there has been no material change in circumstances that could affect the concern's eligibility as an EDWOSB or WOSB, and must be signed by a duly authorized representative of the concern.

(2) SBA will notify the firm in writing once it has completed processing the written certification and will extend the concern's certification period listed on CCR for an additional 3 years from the date of SBA's written notification. If SBA obtains information that indicates that the concern may no longer qualify as an EDWOSB or WOSB, SBA will conduct a program examination pursuant to subpart D of this part.

(3) A concern's failure to submit a written certification of its continued eligibility before the expiration of its certification term will result in the removal of its designation on CCR as a certified EDWOSB or WOSB.

(b) *Notification of change.* A certified EDWOSB or WOSB must immediately notify the AA/GC or designee in writing of any change that could affect its eligibility. Failure to provide written notification of the change may result in the concern's decertification pursuant to § 127.404, and removal of the concern's designation on CCR as a certified EDWOSB or WOSB. SBA also may seek the imposition of penalties under § 127.700.

Subpart D—Program Examinations

§ 127.400 What is a program examination?

A program examination is an investigation by SBA to verify that a certified concern meets the EDWOSB or WOSB eligibility requirements at the time of the program examination. SBA may, in its sole discretion, perform a program examination at any time after it designates a concern in CCR as a certified EDWOSB or WOSB.

§ 127.401 What is the difference between a program examination and an EDWOSB or WOSB status protest pursuant to subpart F of this part?

(a) *Program examination.* A program examination is the formal process through which SBA verifies and monitors the continuing eligibility of a concern that is designated on CCR as a certified EDWOSB or WOSB. For purposes of a program examination, SBA will determine the eligibility of a concern as of the date SBA notifies the concern that it will conduct the program examination. SBA's program examination determination will apply only to solicitations issued on or after the date of the determination. If SBA is conducting a program examination on a concern that has submitted an offer on a pending EDWOSB or WOSB procurement and SBA has credible information that the concern may not qualify as an EDWOSB or WOSB, then SBA may initiate a protest pursuant to § 127.600, to suspend award of the contract for 15 days pending SBA's determination of the concern's eligibility.

(b) *EDWOSB or WOSB protests.* An EDWOSB or WOSB status protest provides a mechanism for challenging or verifying the EDWOSB or WOSB eligibility of a concern in connection with a specific EDWOSB or WOSB requirement. SBA will process EDWOSB or WOSB protests in accordance with the procedures and time frame set forth in subpart F, and will determine the EDWOSB or WOSB eligibility of the protested concern as of the date the concern represented its EDWOSB or WOSB status as part of its initial offer including price. SBA's protest determination will apply to the specific procurement to which the protest relates and to future procurements.

§ 127.402 How will SBA conduct a program examination?

(a) *Notification.* No less than 5 business days before commencing a program examination, SBA will notify the concern in writing that it will conduct a program examination to determine the status of the concern as an EDWOSB or WOSB. The notification also will advise the concern that its EDWOSB or WOSB eligibility will be determined based on the status of the concern on the date of the notification.

(b) *Request for information.* SBA may request that the concern provide documentation and information related to the concern's EDWOSB or WOSB eligibility. SBA may draw an adverse inference where a concern fails to cooperate in providing the requested information.

§ 127.403 What happens if SBA verifies the concern's eligibility?

If SBA verifies that the concern satisfies the applicable EDWOSB or WOSB eligibility requirements at the time of the program examination, then the AA/GC will send the concern a written decision to that effect and will extend the concern's EDWOSB or WOSB certification period indicated in CCR for a period of 3 years from the date of SBA's decision.

§ 127.404 What happens if SBA is unable to verify a concern's eligibility?

(a) *Notice of proposed de-certification.* If SBA is unable to verify that the concern qualifies as an EDWOSB or WOSB at the time of the program examination, then the AA/GC will send the concern a written notice proposing to decertify the concern. The notice will set forth the specific reasons for the proposed decertification and will notify the concern that it has 15 calendar days from the date it receives the notice to respond to the proposed decertification.

(b) *SBA determination.* Following the 15-day response period, the AA/GC or designee will consider the reasons for the proposed decertification and any information the concern submitted in response, and will issue a decision as follows:

(1) If SBA verifies that the concern qualifies as an EDWOSB or WOSB at the time of the program examination, then the AA/GC will send the concern a decision to that effect and will extend the concern's EDWOSB or WOSB CCR designation for a period of 3 years from the date of the decision.

(2) If SBA determines that the concern does not qualify as an EDWOSB or

WOSB, then the AA/GC will notify the concern in writing that it is decertified and will remove the concern's designation as an EDWOSB or WOSB on CCR. The decertification notice will explain the basis of the determination.

(3) The decertification notice constitutes the final agency decision. The decertification notice is effective immediately and applies to solicitations issued on or after the date of the notice.

Subpart E—Federal Contract Assistance

§ 127.500 In what industries is a contracting officer authorized to restrict competition under this part?

A contracting officer may restrict competition under this part only in those industries in which SBA has determined that WOSBs are underrepresented or substantially underrepresented in Federal procurement.

§ 127.501 How will SBA determine the industries in which WOSBs are underrepresented or substantially underrepresented?

(a) *Determination of eligible industries.* At least once every three years, SBA, or other authorized entities, will conduct a study to identify the industries in which WOSBs are underrepresented or substantially underrepresented in Federal contracting. The study will include an analysis of the extent of the participation and utilization of WOSBs in Federal contracting. Based upon that analysis, SBA will designate by the 3-digit NAICS Industry Subsector the eligible industries as follows:

(1) Industries in which SBA has determined that WOSBs are underrepresented or substantially underrepresented in Federal contracting will be designated as industries eligible for EDWOSB requirements; and

(2) Industries in which SBA has determined that WOSBs are substantially underrepresented in Federal contracting and has waived the requirement for WOSB ownership and control by economically disadvantaged women, will be designated as industries eligible for EDWOSB and WOSB requirements.

(b) *Data collection.* In determining the extent of WOSB participation and utilization in Federal contracting, SBA may request that the head of any Federal department or agency provide SBA, or other designated entity, data or information necessary to analyze the extent of WOSB participation in Federal contracting.

(c) *Effective date of determination.* SBA's determination of eligible industries for EDWOSB or WOSB contracts will apply to solicitations that are issued on or after the effective date of the determination. The effective date of the determination of eligible industries will be no less than 30 days after its publication date.

§ 127.502 How will SBA identify and provide notice of the industries that are eligible for EDWOSB or WOSB requirements?

SBA will post a list of the industries eligible for EDWOSB and WOSB requirements on its Internet web site. The list of eligible industries also may be obtained from the local SBA district office and may be posted on the General Services Administration Internet Web site.

§ 127.503 When is a contracting officer authorized to restrict competition under this part?

(a) *EDWOSB requirements.* For requirements in industries in which SBA has determined that WOSBs are underrepresented, a contracting officer may restrict competition to certified EDWOSBs, if the contracting officer has a reasonable expectation that:

(1) Two or more EDWOSBs will submit offers for the contract;

(2) The anticipated award price of the contract (including options) does not exceed $5,000,000, in the case of a contract assigned an NAICS code for manufacturing; or $3,000,000, in the case of all other contracts; and

(3) Contract award may be made at a fair market price.

(b) *WOSB requirements.* For requirements in industries in which SBA has determined that WOSBs are substantially underrepresented and has waived the requirement for WOSB 51 percent ownership and control by economically disadvantaged women, a contracting officer may restrict competition to certified WOSBs, if the contracting officer has a reasonable expectation that:

(1) Two or more WOSBs will submit offers for the contract;

(2) The anticipated award price of the contract (including options) does not exceed $5,000,000, in the case of a contract assigned an NAICS code for manufacturing; or $3,000,000, in the case of all other contracts; and

(3) Contract award may be made at a fair market price.

(c) *8(a) BD requirements.* A contracting officer may not restrict competition to eligible WOSBs if an 8(a) BD concern is currently performing the requirement or SBA has accepted the requirement for performance under the authority of the 8(a) BD program, unless SBA consented to release the requirement from the 8(a) BD program.

§ 127.504 What additional requirements must a concern satisfy to submit an offer on an EDWOSB or WOSB requirement?

In order for a concern to submit an offer on a specific EDWOSB or WOSB requirement, the concern must certify at the time it submits its offer to the contracting officer that:

(a) It is small under the size standard corresponding to the NAICS code assigned to the contract;

(b) It is listed on CCR as a certified EDWOSB or WOSB;

(c) There has been no material change in its ownership or any other circumstances affecting its EDWOSB or WOSB eligibility; and

(d) It will meet the applicable percentages of work requirement as set forth in § 125.6 of this chapter (limitations on subcontracting rule).

§ 127.505 May a non-manufacturer submit an offer on an EDWOSB or WOSB requirement for supplies?

An EDWOSB or WOSB that is a non-manufacturer, as defined in § 121.406(b) of this chapter, may submit an offer on an EDWOSB or WOSB contract for supplies, if it meets the requirements under the non-manufacturer rule set forth in § 121.406(b).

§ 127.506 May a joint venture submit an offer on an EDWOSB or WOSB requirement?

A joint venture may submit an offer on an EDWOSB or WOSB contract if the joint venture meets all of the following requirements:

(a) Except as provided in § 121.103(h)(3) of this chapter, the combined annual receipts or employees of the concerns entering into the joint venture must meet the applicable size standard corresponding to the NAICS code assigned to the contract;

(b) The EDWOSB or WOSB participant of the joint venture must be designated on CCR as a certified EDWOSB or WOSB;

(c) The EDWOSB or WOSB must be the managing venturer of the joint venture, and an employee of the managing venturer must be the project manager responsible for the performance of the contract;

(d) The joint venture must perform any applicable percentage of work required of the EDWOSB or WOSB offerors in accordance with § 125.6 of this chapter (limitations on subcontracting rule); and

(e) The EDWOSB or WOSB venturer must perform a significant portion of the contract.

Subpart F—Protests

§ 127.600 Who may protest the status of a concern as an EDWOSB or WOSB?

An interested party, the procuring agency contracting officer or SBA may protest the EDWOSB or WOSB status of an apparent successful offeror on an EDWOSB or WOSB contract. Any other party or individual may submit information to the contracting officer or SBA in an effort to persuade them to initiate a protest or to persuade SBA to conduct a program examination pursuant to subpart D of this part.

§ 127.601 May a protest challenging the size and status of a concern as an EDWOSB or WOSB be filed together?

An interested party seeking to protest both the size and the EDWOSB or WOSB status of an apparent successful offeror on an EDWOSB or WOSB requirement must file two separate protests, one size protest pursuant to part 121 of this chapter and one EDWOSB or WOSB status protest pursuant to this subpart. An interested party seeking to protest only the size of an apparent successful EDWOSB or WOSB offeror must file a size protest to the contracting officer pursuant to part 121 of this chapter.

§ 127.602 What are the grounds for filing an EDWOSB or WOSB status protest?

SBA will consider a protest challenging the status of a concern as an EDWOSB or WOSB if the protest presents credible evidence that the concern is not owned and controlled by one or more women who are United States citizens and, if the protest is in connection with an EDWOSB contract, that the concern is not at least 51% owned and controlled by one or more women who are economically disadvantaged.

§ 127.603 What are the requirements for filing an EDWOSB or WOSB protest?

(a) *Format.* Protests must be in writing and must specify all the grounds upon which the protest is based. A protest merely asserting that the protested concern is not an eligible EDWOSB or WOSB, without setting forth specific facts or allegations, is insufficient.

(b) *Filing.* Protestors may deliver their written protests in person, by facsimile, by express delivery service, or by U.S. mail (postmarked within the applicable time period) to the following:

(1) To the contracting officer, if the protestor is an interested party; or

(2) To the AA/GC, if the protest is initiated by the contracting officer or SBA.

(c) *Timeliness.* (1) For negotiated acquisitions, an interested party must submit its protest by close of business on the fifth business day after notification by the contracting officer of the apparent successful offeror.

(2) For sealed bid acquisitions, an interested party must submit its protest by close of business on the fifth business day after bid opening.

(3) Any protest submitted after the time limits is untimely, unless it is from SBA or the contracting officer. A contracting officer and SBA may file an EDWOSB or WOSB protest at any time after offers are opened.

(4) Any protest received prior to bid opening or notification of intended awardee, whichever applies, is premature.

(d) *Referral to SBA.* The contracting officer must forward to SBA any non-premature protest received, notwithstanding whether he or she believes it is sufficiently specific or timely. The contracting officer must send all such protests, along with a referral letter, directly to the Associate Administrator for Government Contracting, U.S. Small Business Administration, 409 Third Street, SW., Washington, DC 20416 or by fax to (202) 205–6390, marked Attn: Women-Owned Small Business Status Protest. The contracting officer's referral letter must include information pertaining to the solicitation that may be necessary for SBA to determine timeliness and standing, including: the solicitation number; the name, address, telephone number and facsimile number of the contracting officer; whether the protestor submitted an offer; whether the protested concern was the apparent successful offeror; when the protested concern submitted its offer; whether the procurement was conducted using sealed bid or negotiated procedures; the bid opening date, if applicable; when the protest was submitted to the contracting officer; when the protestor received notification about the apparent successful offeror, if applicable; and whether a contract has been awarded. The AA/GC or designee will decide the merits of EDWOSB or WOSB status protests.

§ 127.604 How will SBA process an EDWOSB or WOSB status protest?

(a) *Notice of receipt of protest.* Upon receipt of the protest, SBA will notify the contracting officer and the protestor of the date SBA received the protest and whether SBA will process the protest or dismiss it under paragraph (b) of this section.

(b) *Dismissal of protest.* If SBA determines that the protest is premature, untimely, nonspecific, or is based on nonprotestable allegations, SBA will dismiss the protest and will send the contracting officer and the protestor a notice of dismissal, citing the reason(s) for the dismissal. Notwithstanding SBA's dismissal of the protest, SBA may, in its sole discretion, consider the protest allegations in determining whether to conduct a program examination of the protested concern pursuant to subpart D of this part.

(c) *Notice to protested concern.* If SBA determines that the protest is timely, sufficiently specific and is based upon protestable allegations, SBA will:

(1) Notify the protested concern of the protest and of its right to submit information responding to the protest within five business days from the date of the notice; and

(2) Forward a copy of the protest to the protested concern.

(d) *Time period for determination.* SBA will determine the EDWOSB or WOSB status of the protested concern within 15 business days after receipt of the protest, or within any extension of that time that the contracting officer may grant SBA. If SBA does not issue its determination within the 15-day period, the contracting officer may award the contract, unless the contracting officer has granted SBA an extension.

(e) *Notification of determination.* SBA will notify the contracting officer, the protestor, and the protested concern in writing of its determination. If SBA sustains the protest, SBA will decertify the concern and remove its designation on CCR as a certified EDWOSB or WOSB, as appropriate.

(f) *Effect of determination.* SBA's determination is effective immediately and is final unless overturned by ADA/GC&BD on appeal.

§ 127.605 What are the procedures for appealing an EDWOSB or WOSB status protest decision?

(a) *Parties authorized to appeal.* The protested concern, the protestor, or the contracting officer may file appeals of protest determinations with the ADA/GC&BD.

(b) *Timeliness of appeal.* The ADA/GC&BD must receive the appeal no later than five business days after the date of receipt of the protest determination. SBA will dismiss any appeal received after the five-day period.

(c) *Method of submission.* The party appealing the decision may deliver its appeal in person, by facsimile to (202) 205–6390, by express delivery service or by U.S. mail (postmarked within the applicable time period) to Associate Deputy Administrator of Government Contracting and Business Development, U.S. Small Business Administration,

409 Third Street, SW., Washington, DC 20416, marked Attn: Women-Owned Small Business Status Appeal.

(d) *Notice of appeal.* The party bringing an appeal must provide notice of the appeal to the contracting activity contracting officer and either the protested concern or original protestor, as appropriate.

(e) *Grounds for appeal.* (1) SBA will re-examine a protest determination only if the appeal demonstrates that there was a clear and significant error in the processing of the protest or if the AA/GC failed completely to consider a significant fact contained within the information supplied by the protestor or the protested concern.

(2) SBA will not consider additional information or changed circumstances that were not disclosed at the time of SBA's protest decision or that are based on disagreement with the findings and conclusions contained in the determination.

(f) *Contents of appeal.* The appeal must be in writing. The appeal must identify the protest determination being appealed and set forth a full and specific statement as to why the decision is erroneous or what significant fact the AA/GC failed to consider.

(g) *Completion of appeal after award.* An appeal may proceed to completion even after award of the contract that prompted the protest, if so desired by the protested concern, or where the AA/GC&BD determines that a decision on appeal is meaningful.

(h) *Decision.* The ADA/GC&BD will make a decision within five business days of receipt of the appeal, if practicable, and will base his or her decision only on the information and documentation in the protest record as supplemented by the appeal. SBA will provide a copy of the decision to the contracting officer, the protestor, and the protested concern, consistent with law. The ADA/GC&BD's appeal decision is the final agency decision.

Subpart G—Penalties

§ 127.700 What penalties may be imposed under this part?

Persons or concerns that falsely certify or otherwise misrepresent a concern's status as an EDWOSB or WOSB for purposes of receiving Federal contract assistance under this part are subject to:

(a) Suspension or debarment pursuant to the procedures set forth in part 145 of this title, and in the Federal Acquisition Regulations, subpart 9.4 of title 48 of the Code of Federal Regulations;

(b) Administrative and civil remedies prescribed by the False Claims Act, 31 U.S.C. 3729–3733 and under the Program Fraud Civil Remedies Act, 31 U.S.C. 3801–3812;

(c) Administrative and criminal remedies as described at sections 16(a) and (d) of the Small Business Act, 15 U.S.C. 645(a) and (d), as amended;

(d) Criminal penalties under 18 U.S.C. 1001; and

(e) Any other penalties as may be available under law.

Dated: February 24, 2006.

Hector V. Barreto,

Administrator.

[FR Doc. 06–5354 Filed 6–14–06; 8:45 am]

BILLING CODE 8025–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2006–25047; Directorate Identifier 2006–NM–028–AD]

RIN 2120–AA64

Airworthiness Directives; Airbus Model A300 B4–600, B4–600R, and F4–600R Series Airplanes, and Model A300 C4–605R Variant F Airplanes (Collectively Called A300–600 Series Airplanes)

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to supersede an existing airworthiness directive (AD) that applies to certain Airbus Model A300–600 series airplanes. The existing AD currently requires repetitive eddy current inspections to detect cracks of the outer skin of the fuselage at certain frames, and repair or reinforcement of the structure at the frames, if necessary. The existing AD also requires eventual reinforcement of the structure at certain frames, which, when accomplished, terminates the repetitive inspections. This proposed AD would add, for airplanes that were previously reinforced but not repaired in accordance with the existing AD, a one-time inspection for cracking of the fuselage outer skin at frames 28A and 30A above stringer 30, and repair if necessary. This proposed AD results from a report that the previously required actions were not sufficient to correct cracking before the structural reinforcement was installed. We are proposing this AD to prevent such fatigue cracking, which could result in reduced structural integrity, and consequent rapid decompression of the airplane.

DATES: We must receive comments on this proposed AD by July 17, 2006.

ADDRESSES: Use one of the following addresses to submit comments on this proposed AD.

- DOT Docket Web site: Go to *http://dms.dot.gov* and follow the instructions for sending your comments electronically.
- Governmentwide rulemaking Web site: Go to *http://www.regulations.gov* and follow the instructions for sending your comments electronically.
- Mail: Docket Management Facility; U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL–401, Washington, DC 20590.
- Fax: (202) 493–2251.
- Hand Delivery: Room PL–401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Contact Airbus, 1 Rond Point Maurice Bellonte, 31707 Blagnac Cedex, France, for service information identified in this proposed AD.

FOR FURTHER INFORMATION CONTACT: Tom Stafford, Aerospace Engineer, International Branch, ANM–116, FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98055–4056; telephone (425) 227–1622; fax (425) 227–1149.

SUPPLEMENTARY INFORMATION:

Comments Invited

We invite you to submit any relevant written data, views, or arguments regarding this proposed AD. Send your comments to an address listed in the **ADDRESSES** section. Include the docket number ''Docket No. FAA–2006–25047; Directorate Identifier 2006–NM–028–AD'' at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of the proposed AD. We will consider all comments received by the closing date and may amend the proposed AD in light of those comments.

We will post all comments we receive, without change, to *http://dms.dot.gov,* including any personal information you provide. We will also post a report summarizing each substantive verbal contact with FAA personnel concerning this proposed AD. Using the search function of that Web site, anyone can find and read the comments in any of our dockets, including the name of the individual who sent the comment (or signed the comment on behalf of an association, business, labor union, etc.). You may

review the DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477–78), or you may visit *http://dms.dot.gov.*

Examining the Docket

You may examine the AD docket on the Internet at *http://dms.dot.gov,* or in person at the Docket Management Facility office between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Docket Management Facility office (telephone (800) 647–5227) is located on the plaza level of the Nassif Building at the DOT street address stated in the **ADDRESSES** section. Comments will be available in the AD docket shortly after the Docket Management System receives them.

Discussion

On June 23, 1997, we issued AD 97–14–02, amendment 39–10059 (62 FR 35072, June 30, 1997), for certain Airbus Model A300–600 airplanes. That AD requires repetitive eddy current inspections to detect cracks of the outer skin of the fuselage at certain frames, and repair or reinforcement of the structure at the frames, if necessary. That AD also requires eventual reinforcement of the structure at certain frames, which, when accomplished, terminates the repetitive inspections. That AD resulted from a report indicating that fatigue cracks were found in the area of certain frames. We issued that AD to prevent such fatigue cracking, which could reduce the structural integrity of the airframe and result in rapid decompression of the airplane.

Actions Since Existing AD Was Issued

Since we issued AD 97–14–02, the manufacturer has reported that the previously required actions were not sufficient to correct cracking before the structural reinforcement was installed. Cracks detected in accordance with Airbus Service Bulletin A300–53–6045, dated March 21, 1995; Revision 01, dated August 25, 1997; or Revision 02, dated May 2, 1999; may not have been corrected in accordance with the temporary repair defined in the service bulletin, which was referenced in AD 97–14–02.

Relevant Service Information

Airbus has issued Service Bulletin A300–53–6037, Revision 02, dated October 28, 2004. The procedures in the service bulletin are essentially the same as the procedures in Airbus Service Bulletin A300–53–6037, dated March 21, 1995, which was referenced as an appropriate source of service information for accomplishing the reinforcement required by AD 97–14–02.

Airbus has also issued Service Bulletin A300–53–6045, Revision 03, dated October 28, 2004. The procedures in the service bulletin are essentially the same as the procedures in Airbus Service Bulletin A300–53–6045, dated March 21, 1995, which was referenced as an appropriate source of service information for accomplishing the inspections required by AD 97–14–02. However, this service bulletin specifies that additional work is required for airplanes that were previously modified in accordance with any revision of Airbus Service Bulletin A300–53–6037. The additional work is an eddy current inspection for cracking of the fuselage outer skin at frames 28A and 30A above stringer 30. If no crack is found, the service bulletin specifies that no further action is necessary. If any crack is found, the service bulletin specifies contacting Airbus for repair instructions.

Accomplishing the actions specified in the service information is intended to adequately address the unsafe condition. The Direction Générale de l'Aviation Civile (DGAC), which is the airworthiness authority for France, mandated the service information and issued French airworthiness directive F–2005–002, dated January 5, 2005, and corrected February 16, 2005, to ensure the continued airworthiness of these airplanes in France.

FAA's Determination and Requirements of the Proposed AD

These airplane models are manufactured in France and are type certificated for operation in the United States under the provisions of section 21.29 of the Federal Aviation Regulations (14 CFR 21.29) and the applicable bilateral airworthiness agreement. Pursuant to this bilateral airworthiness agreement, the DGAC has kept the FAA informed of the situation described above. We have examined the DGAC's findings, evaluated all pertinent information, and determined that AD action is necessary for airplanes of this type design that are certificated for operation in the United States.

This proposed AD would supersede AD 97–14–02 and would retain the requirements of the existing AD. This proposed AD would also require, for airplanes that were previously reinforced in accordance with any revision of Airbus Service Bulletin A300–53–6037 without having been first repaired in accordance with any revision of Airbus Service Bulletin A300–53–6045, an inspection for cracking of the fuselage outer skin at frames 28A and 30A above stringer 30, and repair if necessary.

Differences Between the Proposed AD and the French Airworthiness Directive

Although Service Bulletin A300–53–6045, Revision 03, which is cited in the French airworthiness directive, specifies to contact the manufacturer for instructions on how to repair certain conditions, this proposed AD would require repairing those conditions using a method that we or the DGAC (or its delegated agent) approve. In light of the type of repair that would be required to address the unsafe condition, and consistent with existing bilateral airworthiness agreements, we have determined that, for this proposed AD, a repair we or the DGAC approve would be acceptable for compliance with this proposed AD.

This proposed AD would require only the actions for airplanes specified as Configuration 02 in the French airworthiness directive. AD 97–14–02 did not allow for flight with cracks, which is specified for Configuration 01 airplanes in the French airworthiness directive. Therefore, the actions described for Configuration 01 airplanes do not apply to this proposed AD.

Changes to Existing AD

This proposed AD would retain all requirements of AD 97–14–02. Since AD 97–14–02 was issued, the AD format has been revised, and certain paragraphs have been rearranged. As a result, the corresponding paragraph identifiers have changed in this proposed AD, as listed in the following table:

REVISED PARAGRAPH IDENTIFIERS

Requirement in AD 97–14–02	Corresponding requirement in this proposed AD
Paragraph (a)	Paragraph (f).
Paragraph (b)	Paragraph (g).

We have revised this action to clarify the appropriate procedure for notifying the principal inspector before using any approved alternative method of compliance (AMOC) on any airplane to which the AMOC applies.

We have revised the applicability to identify the model designations as published in the most recent type certificate data sheet for the affected models, and to remove the reference to Airbus Modification 8684, which is the modification specified in Airbus Service Bulletin A300–53–6037, Revision 02, dated October 28, 2004.

Explanation of Change to Costs of Compliance

After the original NPRM was issued, we reviewed the figures we have used over the past several years to calculate AD costs to operators. To account for various inflationary costs in the airline industry, we find it necessary to increase the labor rate used in these calculations from $65 per work hour to $80 per work hour. The cost impact information, below, reflects this increase in the specified hourly labor rate.

Costs of Compliance

This proposed AD would affect about 53 airplanes of U.S. registry. The following table provides the estimated costs for U.S. operators to comply with this proposed AD. The average labor rate is $80 per work hour.

ESTIMATED COSTS

Action	Work hours	Parts	Cost per airplane	Fleet cost
Inspection (required by AD 97–14–02)	1	None	$80, per inspection cycle.	$4,240, per inspection cycle.
Reinforcement (required by AD 97–14–02)	93	$7,200	$14,640	$775,920.
Inspection (new proposed action)	1	None	$80	$4,240.

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in subtitle VII, part A, subpart III, section 44701, ''General requirements.'' Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

We have determined that this proposed AD would not have federalism implications under Executive Order 13132. This proposed AD 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.

For the reasons discussed above, I certify that the 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. 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.

We prepared a regulatory evaluation of the estimated costs to comply with this proposed AD and placed it in the AD docket. See the **ADDRESSES** section for a location to examine the regulatory evaluation.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA proposes to amend 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. The Federal Aviation Administration (FAA) amends § 39.13 by removing amendment 39–10059 (62 FR 35072, June 30, 1997) and adding the following new airworthiness directive (AD):

Airbus: Docket No. FAA–2006–25047; Directorate Identifier 2006–NM–028–AD.

Comments Due Date

(a) The FAA must receive comments on this AD action by July 17, 2006.

Affected ADs

(b) This AD supersedes AD 97–14–02.

Applicability

(c) This AD applies to Airbus Model A300 B4–601, B4–603, B4–620, B4–622, B4–605R, B4–622R, F4–605R, F4–622R, and C4–605R Variant F airplanes, certificated in any category, except those on which Airbus Modification 8683 has been done.

Unsafe Condition

(d) This AD results from a report that the previously required actions were not sufficient to correct cracking before the structural reinforcement was installed. We are issuing this AD to prevent fatigue cracking of the outer skin of the fuselage at certain frames, which could result in reduced structural integrity, and consequent rapid decompression of the airplane.

Compliance

(e) You are responsible for having the actions required by this AD performed within the compliance times specified, unless the actions have already been done.

Restatement of the Requirements of AD 97–14–02

(f) Prior to the accumulation of 14,100 total flight cycles, or within 12 months after August 4, 1997 (the effective date of AD 97–14–02), whichever occurs later, conduct an eddy current inspection to detect cracking of the fuselage outer skin at frames 28A and 30A above stringer 30, in accordance with the Accomplishment Instructions of Airbus Service Bulletin A300–53–6045, dated March 21, 1995, as revised by Change Notice No. O.A., dated June 1, 1995; or Airbus Service Bulletin A–300–53–6045, Revision 03, dated October 28, 2004. After the effective date of this AD, only Revision 03 may be used. After the effective date of this AD, the initial eddy current inspection and all applicable repairs required by this paragraph must be done before doing the reinforcement specified in paragraph (g) of this AD.

(1) If no cracking is found, repeat the eddy current inspection thereafter at intervals not to exceed 4,500 flight cycles.

(2) If any cracking is found that is within the limits specified in the service bulletin: Prior to further flight do the action in paragraph (f)(2)(i) or (f)(2)(ii) of this AD. After the effective date of this AD, only Airbus Service Bulletin A300–53–6045, Revision 03, dated October 28, 2004, may be used for the repair specified in paragraph (f)(2)(i) of this AD; and the reinforcement option specified in paragraph (f)(2)(ii) of this AD is not allowed in accordance with this paragraph.

(i) Repair in accordance with paragraph 2.D. of the Accomplishment Instructions of Airbus Service Bulletin A300–53–6045, dated March 21, 1995, as revised by Change Notice No. O.A., dated June 1, 1995; or paragraph 3.C. of the Accomplishment Instructions of Revision 03, dated October 28, 2004. After the repair, repeat the eddy current inspection thereafter at intervals not to exceed 4,500 flight cycles.

(ii) Reinforce the structure at frames 28 and 29, and at frames 30 and 31, between stringers 29 and 30, in accordance with the

Accomplishment Instructions of Airbus Service Bulletin A300–53–6037, dated March 21, 1995; or Revision 02, dated October 28, 2004. Such reinforcement constitutes terminating action for the repetitive inspections required by this AD.

(3) If any cracking is found that is outside the limits specified in the service bulletin: Prior to further flight, reinforce the structure at frames 28 and 29, and at frames 30 and 31, between stringers 29 and 30, in accordance with the Accomplishment Instructions of Airbus Service Bulletin A300–53–6037, dated March 21, 1995; or Revision 02, dated October 28, 2004. After the effective date of this AD, only Revision 02 may be used. Such reinforcement constitutes terminating action for the repetitive inspections required by this AD.

(g) Within 5 years after August 4, 1997: Reinforce the structure at frames 28 and 29, and at frames 30 and 31, between stringers 29 and 30, in accordance with the Accomplishment Instructions of Airbus Service Bulletin A300–53–6037, dated March 21, 1995; or Revision 02, dated October 28, 2004. After the effective date of this AD, only Revision 02 may be used. Such reinforcement constitutes terminating action for the repetitive inspections required by this AD. After the effective date of this AD, the initial eddy current inspection and all applicable repairs required by paragraph (f) of this AD must be done before doing the reinforcement.

New Requirements of This AD

Inspection and Corrective Action

(h) For airplanes that meet the conditions of both paragraphs (h)(1) and (h)(2) of this AD: Within 2,400 flight cycles or 18 months after the effective date of this AD, whichever occurs first, conduct an eddy current inspection to detect cracking of the fuselage outer skin at frames 28A and 30A above stringer 30, in accordance with the Accomplishment Instructions of Airbus Service Bulletin A300–53–6045, Revision 03, dated October 28, 2004. If no cracking is found: No further action is required by this paragraph. If any cracking is found: Before further flight, repair the cracking using a method approved by either the Manager, International Branch, ANM–116, Transport Airplane Directorate, FAA; or the Direction Générale de l'Aviation Civile (DGAC) (or its delegated agent).

(1) Airplanes that were reinforced before the effective date of this AD in accordance with any service bulletin specified in Table 1 of this AD.

TABLE 1.—REINFORCEMENT SERVICE BULLETINS

Airbus Service Bulletin	Revision level	Date
A300–53–6037	Original	March 21, 1995.
	01	February 3, 1999.
	02	October 28, 2004.

(2) Airplanes that were not inspected and repaired in accordance with any service bulletin specified in Table 2 of this AD.

TABLE 2.—INSPECTION AND REPAIR SERVICE BULLETINS

Airbus Service Bulletin	Revision level	Date
A300–53–6045	Original	March 21, 1995.
	01	August 25, 1997.
	02	May 2, 1999.
	03	October 28, 2004.

Alternative Methods of Compliance (AMOCs)

(i)(1) The Manager, International Branch, ANM–116, Transport Airplane Directorate, FAA, has the authority to approve AMOCs for this AD, if requested in accordance with the procedures found in 14 CFR 39.19.

(2) Before using any AMOC approved in accordance with § 39.19 on any airplane to which the AMOC applies, notify the appropriate principal inspector in the FAA Flight Standards Certificate Holding District Office.

Related Information

(j) French airworthiness directive F–2005–002, dated January 5, 2005, also addresses the subject of this AD.

Issued in Renton, Washington, on June 8, 2006.

Kalene C. Yanamura,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. E6–9342 Filed 6–14–06; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 17

RIN 1018–AT91

Endangered and Threatened Wildlife and Plants; Proposed Designation of Critical Habitat for the Fender's Blue Butterfly (*Icaricia icarioides fenderi*), *Lupinus sulphureus* ssp. *kincaidii* (Kincaid's Lupine), and *Erigeron decumbens* var. *decumbens* (Willamette Daisy)

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Proposed rule; reopening of comment period and notice of availability of draft economic analysis.

SUMMARY: We, the U.S. Fish and Wildlife Service, announce the reopening of the public comment period on the proposal to designate critical habitat for the Fender's blue butterfly (*Icaricia icarioides fenderi, Lupinus sulphureus* ssp. *kincaidii* (Kincaid's lupine), and *Erigeron decumbens* var. *decumbens* (Willamette daisy) and the availability of the draft economic analysis of the proposed designation of critical habitat. The draft economic analysis has been completed and we are publishing a notice of availability in the **Federal Register** and requesting comments. The economic analysis for the prairie species concluded that the potential future costs associated with conservation activities for the species are estimated to range from $25.3 to $52.7 million over 20 years in undiscounted 2006 dollars. Costs are estimated to range from $19.1 to $40.3 million over 20 years, or $1.3 to 2.7 million annually using a three percent discount rate. Costs are estimated to range from $15.3 to $32.6 million over 20 years, or $1.4 to $3.1 annually using a seven percent discount rate. The

activities affected by species conservation efforts may include development, management of public and conservancy lands (''conservation''), transportation operations, and the Benton County Habitat Conservation Plan (HCP). We are reopening the comment period to allow all interested parties to comment simultaneously on the proposed rule and the associated draft economic analysis. Comments previously submitted need not be resubmitted as they will be incorporated into the public record as part of this comment period, and will be fully considered in preparation of the final rule.

DATES: We will accept public comments until June 30, 2006.

ADDRESSES: Written comments and materials may be submitted to us by any one of the following methods:

(1) Mail: You may submit written comments and information to Kemper McMaster, Field Supervisor, U.S. Fish and Wildlife Service, Oregon Fish and Wildlife Office, 2600 SE 98th Avenue, Suite 100, Portland, OR 97266.

(2) Delivery: You may hand-deliver written comments to our Oregon Fish and Wildlife Office, at the above address.

(3) Fax: You may fax your comments to 503/231–6195.

(4) E-mail: You may send comments by electronic mail (e-mail) to *fw1willamettech@fws.gov.* Please see the Public Comments Solicited section below for file format and other information about electronic filing.

(5) Federal eRulemaking portal: *http://www.regulations.gov*. Follow the instructions found there for submitting comments.

FOR FURTHER INFORMATION CONTACT: Kemper McMaster, Field Supervisor, U.S. Fish and Wildlife Service, Oregon Fish and Wildlife Office, 2600 SE 98th Avenue, Suite 100, Portland, OR 97266 (telephone 503/231–6179; facsimile 503/231–6195).

SUPPLEMENTARY INFORMATION:

Public Comments Solicited

We are soliciting comments on the original proposed critical habitat designation that was published in the **Federal Register** on November 2, 2005 (70 FR 66492) and on our draft economic analysis of the proposed designation. Copies of the proposed rule to designate critical habitat and the draft economic analysis are available on the Internet at: *http://www.fws.gov/oregonfwo/Species/ESA-Actions/WillValleyPage.asp* or from our Oregon Fish and Wildlife Office at the address and contact numbers above. We are particularly interested in comments concerning:

(1) The reasons any habitat should or should not be determined to be critical habitat as provided by section 4 of the Endangered Species Act of 1973, as amended (Act) (16 U.S.C. 1531 *et al.*), including whether it is prudent to designate critical habitat.

(2) Specific information on the Fender's blue butterfly, *Lupinus sulphureus* ssp. *kincaidii,* and *Erigeron decumbens* var. *decumbens* and their habitat, and which habitat or habitat components (i.e., physical and biological features) are essential to their conservation, such as soil moisture gradient, microsite preferences, and light requirements;

(3) Specific information on: the amount and distribution of the Fender's blue butterfly, *Lupinus sulphureus* ssp. *kincaidii,* and *Erigeron decumbens* var. *decumbens* habitat; what areas should be included in the designations that were occupied at the time of listing and contain the features that are essential to the conservation of the species and why; what areas were not occupied at the time of listing but are essential to the conservation of the species and why;

(4) Land use designations and current or planned activities in the subject areas and their possible impacts on proposed critical habitat; we specifically solicit information including:

(a) The benefits provided by a management plan; specifically describe how the plan addresses each primary constituent element (PCE) in the absence of designated critical habitat; describe conservation benefits to Fender's blue butterfly, *Lupinus sulphureus* ssp. *kincaidii,* or *Erigeron decumbens* var. *decumbens;* include citations that point to the certainty of implementation of those aspects of the management plans;

(b) The benefits of excluding from the critical habitat designation the areas covered by the management plan; we are especially interested in knowing how partnerships may be positively or negatively affected by a designation, or through exclusion from critical habitat, and costs associated with designation; and

(c) With specific reference to section 4(a)(3) of the Act, we request information from the Department of Defense to assist the Secretary of the Interior in making a determination as to whether any proposed critical habitat overlaps with lands, administered by or under the control of the Department of Defense, covered by an Integrated Natural Resources Management Plan (INRMP) that benefits the conservation of the species;

(5) Any foreseeable economic, national security, or other potential impacts resulting from the proposed designation and, in particular, any impacts on small entities;

(6) Whether our approach to designating critical habitat could be improved or modified in any way to provide for greater public participation and understanding, or to assist us in accommodating public concerns and comments;

(7) Whether the economic analysis adequately addresses the likely effects and resulting costs arising from State laws as a result of the proposed critical habitat designation;

(8) Whether the analysis adequately addresses the indirect effects;

(9) Whether the analysis accurately defines and captures opportunity costs;

(10) Whether the economic analysis correctly assesses the effect on regional costs (e.g., housing costs) associated with land use controls that could arise from the designation of critical habitat for these three species;

(11) Whether the designation of critical habitat will result in disproportionate economic or other impacts to specific areas that should be evaluated for possible exclusion from the final designation;

(12) Whether the economic analysis is consistent with the Service's listing regulations because this analysis should identify all costs related to the designation of critical habitat for these three species; and,

(13) Whether the benefits of exclusion in any particular area outweigh the benefits of inclusion under Section 4(b)(2) of the Act.

All previous comments and information submitted during the initial comment period need not be resubmitted. Our final determination on the proposed critical habitat will take into consideration all comments and any additional information received. However, we will not consider anonymous comments.

Please submit electronic comments in an ASCII file format and avoid the use of special characters and encryption. Please also include ''RIN 1018–AT91'' and your name and return address in your e-mail message. If you do not receive a confirmation from the system that we have received your e-mail message, please contact us directly (see **ADDRESSES** section). Please note that the Internet address *fw1willamettech@fws.gov* will be unavailable at the termination of the public comment period.

Our practice is to make comments, including names and home addresses of respondents, available for public review

during regular business hours. We will not consider anonymous comments and we will make all comments available for public inspection in their entirety. Comments and materials received will be available for public inspection, by appointment, during normal business hours in the U.S. Fish and Wildlife Service Office at the above address.

Background

On November 2, 2005, we published a proposed rule in the **Federal Register** (70 FR 66492) to designate approximately 3,089 acres (1,250 hectares (ha)) as critical habitat for Fender's blue butterfly, 724 acres (293 ha) as critical habitat for *Lupinus sulphureus* ssp. *kincaidii*, and 718 acres (291 ha) as critical habitat for *Erigeron decumbens* var. *decumbens.* The proposed critical habitat is located in Polk, Benton, Yamhill, Lane, Marion, Linn, and Douglas Counties, Oregon, and Lewis County, Washington. The original comment period on the proposed critical habitat rule closed on January 3, 2006. On April 21, 2006, we published a notice in the **Federal Register** (71 FR 20636) to reopen the comment period and provide notice of a public hearing; the comment period closed on May 19, 2006.

Critical habitat is defined in section 3 of the Act as the specific areas within the geographic area occupied by a species, at the time it is listed in accordance with the Act, on which are found those physical or biological features essential to the conservation of the species and that may require special management considerations or protection; and specific areas outside the geographic area occupied by a species at the time it is listed, upon a determination that such areas are essential for the conservation of the species. If the proposed rule is made final, section 7 of the Act will prohibit destruction or adverse modification of critical habitat by any activity funded, authorized, or carried out by any Federal agency. Federal agencies proposing actions affecting areas designated as critical habitat must consult with us on the effects of their proposed actions, pursuant to section 7(a)(2) of the Act.

Section 4(b)(2) of the Act requires that we designate or revise critical habitat based upon the best scientific and commercial data available, after taking into consideration the economic or any other relevant impact of specifying any particular area as critical habitat. Based upon the previously published proposal to designate critical habitat for the Fender's blue butterfly, *Lupinus sulphureus* ssp. *kincaidii*, and *Erigeron decumbens* var. *decumbens*, we have prepared a draft economic analysis of the proposed critical habitat designation.

The draft economic analysis addresses the impacts of conservation efforts for these three species on activities occurring on lands proposed for designation as well as those proposed for exclusion. The analysis measures lost economic efficiency associated with land development activities, transportation operations, conservation-oriented land management on public and private lands, development of the Benton County Habitat Conservation Plan, and administrative costs related to the section 7 consultation process.

The draft economic analysis considers the potential economic effects of actions relating to the conservation of the Fender's blue butterfly, *Lupinus sulphureus* ssp. *kincaidii*, and *Erigeron decumbens* var. *decumbens*, including costs associated with sections 4, 7, and 10 of the Act, and including those attributable to designating critical habitat. It further considers the economic effects of protective measures taken as a result of other Federal, State, and local laws that aid habitat conservation for the Fender's blue butterfly, *Lupinus sulphureus* ssp. *kincaidii* and *Erigeron decumbens* var. *decumbens* in essential habitat areas. The analysis considers both economic efficiency and distributional effects. In the case of habitat conservation, efficiency effects generally reflect the ''opportunity costs'' associated with the commitment of resources to comply with habitat protection measures (e.g., lost economic opportunities associated with restrictions on land use). The study also analyzes whether a particular group or economic sector bears an undue proportion of the impacts, with specific analysis of the impacts to small entities and potential impacts on energy availability. Finally, this analysis estimates economic impacts to activities from 2000 (the year of the final listing for the species) to 2026 (20 years from the year of final designation of critical habitat). Forecasts of economic conditions and other factors beyond the next 20 years would be speculative.

We solicit data and comments from the public on the draft economic analysis, as well as on all aspects of the proposal to designate critical habitat. We may revise the proposal, or its supporting documents, to incorporate or address new information received during the comment period. In particular, we may exclude an area from critical habitat if we determine that the benefits of excluding the area outweigh the benefits of including the area as critical habitat, provided such exclusion will not result in the extinction of the species.

Costs related to conservation activities for the proposed designation of critical habitat for Fender's blue butterfly, *Lupinus sulphureus* ssp. *kincaidii*, and *Erigeron decumbens* var. *decumbens* pursuant to sections 4, 7, and 10 of the Act are estimated to be approximately $25.3 to $52.7 million over 20 years in undiscounted 2006 dollars. Costs are estimated to range from $19.1 to $40.3 million over 20 years, or $1.3 to 2.7 million annually using a three percent discount rate. Cost estimates using a seven percent discount rate range from $15.3 to $32.6 million over 20 years, or $1.4 to $3.1 annually.

Required Determinations—Amended

Regulatory Planning and Review

In accordance with Executive Order 12866, this document is a significant rule because it may raise novel legal and policy issues. On the basis of our draft economic analysis, the designation of critical habitat for these species is not anticipated to have an annual effect on the economy of $100 million or more or affect the economy in a material way. Due to the timeline for publication in the **Federal Register**, the Office of Management and Budget (OMB) has not formally reviewed the proposed rule.

Further, Executive Order 12866 directs Federal Agencies promulgating regulations to evaluate regulatory alternatives (Office of Management and Budget, Circular A–4, September 17, 2003). Pursuant to Circular A–4, once it has been determined that the Federal regulatory action is appropriate, the agency will then need to consider alternative regulatory approaches. Since the determination of critical habitat is a statutory requirement pursuant to the Endangered Species Act of 1973, as amended, we must then evaluate alternative regulatory approaches, where feasible, when promulgating a designation of critical habitat.

In developing our designations of critical habitat, we consider economic impacts, impacts to national security, and other relevant impacts pursuant to section 4(b)(2) of the Act. Based on the discretion allowable under this provision, we may exclude any particular area from the designation of critical habitat providing that the benefits of such exclusion outweigh the benefits of specifying the area as critical habitat and that such exclusion would not result in the extinction of the species. As such, we believe that the evaluation of the inclusion or exclusion of particular areas, or combination

thereof, in a designation constitutes our regulatory alternative analysis.

Regulatory Flexibility Act (5 U.S.C. 601 et seq.)

Under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*, as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996), whenever an agency is required to publish a notice of rulemaking for any proposed or final rule, it must prepare and make available for public comment a regulatory flexibility analysis that describes the effect of the rule on small entities (i.e., small businesses, small organizations, and small government jurisdictions). However, no regulatory flexibility analysis is required if the head of an agency certifies the rule will not have a significant economic impact on a substantial number of small entities. In our proposed rule, we withheld our determination of whether this designation would result in a significant effect as defined under SBREFA until we completed our draft economic analysis of the proposed designation so that we would have the factual basis for our determination.

According to the Small Business Administration (SBA), small entities include small organizations, such as independent nonprofit organizations, and small governmental jurisdictions, including school boards and city and town governments that serve fewer than 50,000 residents, as well as small businesses (13 CFR 121.201). Small businesses include manufacturing and mining concerns with fewer than 500 employees, wholesale trade entities with fewer than 100 employees, retail and service businesses with less than $5 million in annual sales, general and heavy construction businesses with less than $27.5 million in annual business, special trade contractors doing less than $11.5 million in annual business, and agricultural businesses with annual sales less than $750,000. To determine if potential economic impacts to these small entities are significant, we considered the types of activities that might trigger regulatory impacts under this designation as well as types of project modifications that may result. In general, the term significant economic impact is meant to apply to a typical small business firm's business operations.

To determine if this proposed designation of critical habitat for Fender's blue butterfly, *Lupinus sulphureus* ssp. *kincaidii*, and *Erigeron decumbens* var. *decumbens* would affect a substantial number of small entities, we considered the number of small entities affected within particular types of economic activities (e.g., residential and commercial development, forestry, and agriculture). We considered each industry or category individually to determine if certification is appropriate. In estimating the numbers of small entities potentially affected, we also considered whether their activities have any Federal involvement; some kinds of activities are unlikely to have any Federal involvement and so will not be affected by the designation of critical habitat. Designation of critical habitat only affects activities conducted, funded, permitted or authorized by Federal agencies; non-Federal activities are not affected by the designation.

If this proposed critical habitat designation is made final, Federal agencies must consult with us if their activities may affect designated critical habitat. Consultations to avoid the destruction or adverse modification of critical habitat would be incorporated into the existing consultation process.

In our economic analysis of this proposed designation, we evaluated the potential economic effects on small business entities resulting from conservation actions related to the listing of these three species and proposed designation of critical habitat. We determined from our analysis that the small business entities that may be affected are agriculture and forestry. Approximately 85 percent (i.e., 1,794 acres (726 ha)) of the estimated 2,120 acres (858 ha) of privately owned land within the proposed critical habitat designation is classified as agricultural land. The remaining 327 acres (132 ha) is classified as various types of forest land, most of which is white oak forest, which has no commercial value.

On the basis of our analysis of Fender's blue butterfly, *Lupinus sulphureus* ssp. *kincaidii,* and *Erigeron decumbens* var. *decumbens* conservation measures, we determined that approximately 195 small agriculture operations could be impacted by conservation measures for these three species. These agriculture operations represent approximately 1.2 percent of the number of small farms and ranches operating within the eight counties that encompass the proposed critical habitat designation. The percent of small agriculture operations impacted ranges from a low of approximately 0.1 percent in Marion and Lewis counties to a high of 4.6 percent in Benton County. The conservation measures for the three species are not expected to impact the profitability of these small agriculture operations, as the existing agricultural use of the privately owned lands that encompass the proposed critical habitat designation is not likely to be impacted.

Based on the past and existing land use, it appears the agricultural value of these lands is as grassland/pasture, and livestock grazing, if not intensive, would not further degrade or destroy the prairie habitat. While farm profits are not expected to be affected by species conservation, impacted small agriculture businesses are expected to lose between $383 (Douglas County) and $118,785 (Yamhill County) in land value per farm due to species conservation. Considering that the average market value of a farm's assets (i.e., land, buildings, machinery, and equipment) in the affected counties ranges from approximately $375,000 (Lewis County) to $650,000 (Marion, Polk, Yamhill, and Linn counties), the economic impacts of species conservation to the small agriculture operator is expected to range from as little as 0.1 percent (Douglas and Linn counties) of the value of an operator's farm assets to as much as 18.2 percent (Yamhill County) of an operator's farm assets. The 16 small agriculture operators in Yamhill County are expected to bear the greatest impacts (1.5 to 18.2 percent of the value of farm assets) followed by the 28 operators in Polk County (1.0 to 17.1 percent of the value of farm assets), the 41 operators in Benton County (2.0 to 13.4 percent of the value of farm assets), the 87 operators in Lane County (1.2 to 6.8 percent of the value of farm assets), and then the 3 operators in Marion County (0.4 to 5.8 percent of the value of farm assets). Impacts to the remaining 20 small agriculture operators in Douglas, Linn, and Lewis counties are estimated at less than approximately 2 percent of the value of an operator's farm assets.

The economic effects to forestry operations of this proposed critical habitat designation are expected to be small. Although there are about 494 forestry and logging businesses that operate in the eight counties that encompass the proposed critical habitat designation, only one company has lands that fall within a proposed critical habitat unit. The estimated economic impact of species conservation activities to Starker Forests, Inc., a family-owned business that owns, grows, and manages about 60,000 acres of forest land in Benton, Lincoln, Lane, and Polk counties, Oregon, is about $1,000 to $3,000 annually.

Based on these data, we have determined that this proposed designation would not result in a significant economic impact on a substantial number of small entities, in particular to agricultural and forestry

interests. Please refer to Appendix A of our draft economic analysis of this designation for a more detailed discussion of potential economic impacts to small business entities.

Executive Order 13211

On May 18, 2001, the President issued Executive Order (E.O.) 13211 on regulations that significantly affect energy supply, distribution, and use. E.O. 13211 requires agencies to prepare Statements of Energy Effects when undertaking certain actions. This proposed rule is considered a significant regulatory action under E.O. 12866 because it raises novel legal and policy issues, but it is not expected to significantly affect energy supplies, distribution, or use. Therefore, this action is not a significant action and no Statement of Energy Effects is required.

Unfunded Mandates Reform Act (2 U.S.C. 1501 et seq.)

In accordance with the Unfunded Mandates Reform Act (2 U.S.C. 1501), the Service makes the following findings:

(a) This rule will not produce a Federal mandate. In general, a Federal mandate is a provision in legislation, statute, or regulation that would impose an enforceable duty upon State, local, or tribal governments, or the private sector, and includes both ''Federal intergovernmental mandates'' and ''Federal private sector mandates.'' These terms are defined in 2 U.S.C. 658(5)–(7). ''Federal intergovernmental mandate'' includes a regulation that ''would impose an enforceable duty upon State, local, or tribal governments,'' with two exceptions. It excludes ''a condition of federal assistance.'' It also excludes ''a duty arising from participation in a voluntary Federal program,'' unless the regulation ''relates to a then-existing Federal program under which $500,000,000 or more is provided annually to State, local, and tribal governments under entitlement authority,'' if the provision would ''increase the stringency of conditions of assistance'' or ''place caps upon, or otherwise decrease, the Federal Government's responsibility to provide funding'' and the State, local, or tribal governments ''lack authority'' to adjust accordingly. (At the time of enactment, these entitlement programs were: Medicaid; Aid to Families with Dependent Children work programs; Child Nutrition; Food Stamps; Social Services Block Grants; Vocational Rehabilitation State Grants; Foster Care, Adoption Assistance, and Independent Living; Family Support Welfare Services; and Child Support Enforcement.) ''Federal private sector mandate'' includes a regulation that ''would impose an enforceable duty upon the private sector, except (i) a condition of Federal assistance; or (ii) a duty arising from participation in a voluntary Federal program.''

The designation of critical habitat does not impose a legally binding duty on non-Federal government entities or private parties. Under the Act, the only regulatory effect is that Federal agencies must ensure that their actions do not destroy or adversely modify critical habitat under section 7. Non-Federal entities that receive Federal funding, assistance, permits, or otherwise require approval or authorization from a Federal agency for an action, may be indirectly impacted by the designation of critical habitat. However, the legally binding duty to avoid destruction or adverse modification of critical habitat rests squarely on the Federal agency. Furthermore, to the extent that non-Federal entities are indirectly impacted because they receive Federal assistance or participate in a voluntary Federal aid program, the Unfunded Mandates Reform Act would not apply; nor would critical habitat shift the costs of the large entitlement programs listed above on to State governments.

(b) The boundaries of five city governments encompass the proposed critical habitat designation: Eugene (estimated population in 2005 of 146,160), Corvallis (estimated population in 2005 of 53,165), Dallas (estimated population in 2005 of 14,040), Philomath (estimated population in 2005 of 4,400), and Sheridan (estimated population in 2005 of 5,740). Eugene and Corvallis exceed the criteria (service population of 50,000 or less) for small entity. Of the three small governments, Dallas is the only small government entity potentially impacted by Fender's blue butterfly, *Lupinus sulphureus* ssp. *kincaidii,* and *Erigeron decumbens* var. *decumbens* conservation activities. In fiscal year 2005–06, the City's annual budget is approximately $36 million. The analysis estimates that potential future Fender's blue butterfly and *Lupinus sulphureus* ssp. *kincaidii* conservation activities (related to a planned collector street and the one-time application costs and annual deferred maintenance and personnel training costs associated with a Section 10(a)(1)(A) Recovery Permit) may cost the City between $28,000 (low range assuming a seven percent discount rate) and $197,000 (high range assuming a three percent discount rate) on an annualized basis. These costs represent approximately 0.08 percent to 0.5 percent of the City's annual expenditures.

Further, there is no record of consultation between the Service and any of these governments since the three species were listed in 2000. It is likely that small governments involved with developments and infrastructure projects will be interested parties or involved with projects involving section 7 consultations for Fender's blue butterfly, *Lupinus sulphureus* ssp. *kincaidii,* and *Erigeron decumbens* var. *decumbens* within their jurisdictional areas. Any costs associated with this activity are likely to represent a small portion of a city's budget. Consequently, we do not believe that the designation of critical habitat for Fender's blue butterfly, *Lupinus sulphureus* ssp. *kincaidii,* and *Erigeron decumbens* var. *decumbens* will significantly or uniquely affect these small governmental entities. As such, a Small Government Agency Plan is not required.

Takings

In accordance with Executive Order 12630 (''Government Actions and Interference with Constitutionally Protected Private Property Rights''), we have analyzed the potential takings implications of proposing critical habitat for Fender's blue butterfly, *Lupinus sulphureus* ssp. *kincaidii,* and *Erigeron decumbens* var. *decumbens*. Critical habitat designation does not affect landowner actions that do not require Federal funding or permits, nor does it preclude development of habitat conservation programs or issuance of incidental take permits to permit actions that do require Federal funding or permits to go forward. In conclusion, the designation of critical habitat for Fender's blue butterfly, *Lupinus sulphureus* ssp. *kincaidii*, and *Erigeron decumbens* var. *decumbens* does not pose significant takings implications.

Author

The primary author of this package is Mikki Collins, Oregon Fish and Wildlife Office, U.S. Fish and Wildlife Service.

Authority

The authority for this action is the Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.*).

Dated: June 6, 2006.

David P. Smith,

Acting Assistant Secretary for Fish and Wildlife and Parks.

[FR Doc. E6–9323 Filed 6–14–06; 8:45 am]

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 226

[Docket No. 060228057–6057–01; I.D. 022206D]

RIN 0648–AU38

Endangered and Threatened Species; Designation of Critical Habitat for the Southern Resident Killer Whale

AGENCY: National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Commerce.

ACTION: Proposed rule; request for comment.

SUMMARY: We, the National Marine Fisheries Service (NMFS), propose to designate critical habitat for the Southern Resident killer whale (Orcinus orca) distinct population segment (DPS), which was recently listed as endangered under the Endangered Species Act (ESA). Three specific areas are proposed for designation: The Summer Core Area in Haro Strait and waters around the San Juan Islands; Puget Sound; and the Strait of Juan de Fuca, which comprise approximately 2,564 square miles (6,641 sq km) of marine habitat. We propose to exclude 18 military sites, comprising approximately 112 square miles (291 sq km), because of national security impacts.

We are soliciting comments from the public on all aspects of the proposal, including information on the economic, national security, and other relevant impacts of the proposed designation, as well as the benefits to Southern Resident killer whales from designation. A draft economic analysis, biological report, and Section 4(b)(2) report conducted in support of this proposal are also available for public review and comment.

DATES: Comments on this proposed rule must be received by close of business on August 14, 2006. Public meetings have been scheduled for July 12, 2006, 7–9 p.m., at the Seattle Aquarium, Seattle, WA and July 13, 2006, 7–9 p.m., at the Whale Museum, Friday Harbor, WA. Requests for additional public hearings must be made in writing by July 31, 2006.

ADDRESSES: Comments may be submitted by any of the following methods:

- E-mail: *orcahabitat.nwr@noaa.gov.* E-mail comments, with or without attachments, are limited to 5 megabytes.
- Federal eRulemaking Portal: *http://www.regulations.gov.* Follow the instructions at that site for submitting comments.
- Mail: Submit written comments and information to Chief, Protected Resources Division, 1201 NE Lloyd Blvd., Suite 1100, Portland, OR 97232–1274.

The proposed rule, maps, stock assessments, listing rule, biological and economic analyses, and other materials relating to this proposal can be found on our Web site at *http://www.nwr.noaa.gov/.*

FOR FURTHER INFORMATION CONTACT: Lynne Barre at (206) 526–4745, or Marta Nammack at (301) 713–1401.

SUPPLEMENTARY INFORMATION:

Background

Under the Endangered Species Act of 1973, as amended (ESA), we are responsible for determining whether certain species, subspecies, or distinct population segments (DPS) are threatened or endangered, and designating critical habitat for them (16 U.S.C. 1533). In November 2005, we listed the Southern Resident killer whale DPS as endangered under the ESA (70 FR 69903; November 18, 2005). At the time of listing, we also announced our intention to propose critical habitat for the Southern Resident killer whale.

Section 3 of the ESA defines critical habitat as ''(i) the specific areas within the geographical area occupied by the species, at the time it is listed * * *, on which are found those physical or biological features (I) essential to the conservation of the species and (II) which may require special management considerations or protection; and (ii) specific areas outside the geographical area occupied by the species at the time it is listed * * *, upon a determination by the Secretary that such areas are essential for the conservation of the species.'' Section 3 of the ESA (16 U.S.C. 1532(3)) also defines the terms ''conserve,'' ''conserving,'' and ''conservation'' to mean: ''to use, and the use of, all methods and procedures which are necessary to bring any endangered species or threatened species to the point at which the measures provided pursuant to this chapter are no longer necessary.''

Section 4 of the ESA requires that, before designating critical habitat, we consider economic impacts, impacts on national security, and other relevant impacts of specifying any particular area as critical habitat. The Secretary may exclude any area from critical habitat if he determines that the benefits of exclusion outweigh the benefits of designation, unless excluding an area from critical habitat will result in the extinction of the species concerned. Once critical habitat is designated, section 7(a)(2) of the ESA requires that each Federal agency, in consultation with us and with our assistance, ensure that any action it authorizes, funds, or carries out is not likely to result in the destruction or adverse modification of critical habitat.

Killer Whale Natural History

Killer whales are the world's largest dolphin. The sexes show considerable size dimorphism, with males attaining maximum lengths and weights of 29.5 feet (9 m) and 12,275 pounds (5,568 kg), respectively, compared to 25.3 feet (7.7 m) and 8,400 pounds (3,810 kg) for females (Dahlheim and Heyning, 1999). Adult males develop larger pectoral flippers, dorsal fins, tail flukes, and girths than females (Clark and Odell, 1999). Maximum life span is estimated to be 80–90 years for females and 50–60 years for males (Olesiuk *et al.*, 1990). Animals are black dorsally and have a white ventral region extending from the chin and lower face to the belly and anal region. Each whale has a uniquely shaped and scarred dorsal fin and saddle patch, which permits animals to be individually recognized, as depicted in photo-identification catalogs, such as those compiled for the northeastern Pacific region (*e.g.*, Black *et al.*, 1997; Dahlheim, 1997; Dahlheim *et al.*, 1997; van Ginneken *et al.*, 1998; 2000; 2005; Matkin *et al.*, 1999; Ford and Ellis, 1999; Ford *et al.*, 2000).

Three distinct forms of killer whales, termed residents, transients, and offshores, are recognized in the northeastern Pacific Ocean. Although there is considerable overlap in their ranges, these forms display significant genetic differences due to a lack of reproductive interchange (Stevens *et al.*, 1989; Hoelzel and Dover, 1991; Hoelzel *et al.*, 1998; Barrett-Lennard, 2000; Barrett-Lennard and Ellis, 2001; Krahn *et al.*, 2004). There are also important differences in ecology, behavior, morphology, and acoustics among these three forms (Baird, 2000; Ford *et al.*, 2000).

Resident killer whales in U.S. waters are distributed from Alaska to California, with four distinct communities recognized: Southern, Northern, Southern Alaska, and Western Alaska (Krahn *et al.*, 2002; 2004). The Southern Resident DPS consists of three pods, identified as J, K, and L pods, that reside for part of the year in the inland waterways of Washington State and British Columbia (Strait of Georgia,

Strait of Juan de Fuca, and Puget Sound), principally during the late spring, summer, and fall (Ford *et al.*, 2000; Krahn *et al.*, 2002). Pods visit coastal sites off Washington and Vancouver Island (Ford *et al.*, 2000), but travel as far south as central California and as far north as the Queen Charlotte Islands. Offshore movements and distribution are largely unknown for the Southern Resident DPS.

Social organization in this region is based on maternal kinship. Most mating in the North Pacific is believed to occur from May to October (Nishiwaki, 1972; Olesiuk *et al.*, 1990; Matkin *et al.*, 1997). However, small numbers of conceptions apparently happen year-round, as evidenced by births of calves in all months. Calves remain close to their mothers during their first year of life, often swimming slightly behind and to the side of the mother's dorsal fin. Weaning age remains unknown, but nursing probably ends at 1 to 2 years of age (Haenel, 1986; Kastelein *et al.*, 2003). Mothers and offspring maintain highly stable social bonds throughout their lives, and this natal relationship is the basis for the matrilineal social structure (Bigg *et al.*, 1990; Baird, 2000; Ford *et al.*, 2000). A matriline is usually composed of a female, her sons and daughters, and offspring of her daughters, and contains up to 17 individuals spanning up to five generations. Members maintain extremely strong bonds, and individuals seldom separate from the group for more than a few hours.

Although there is considerable overlap in the geographic ranges of Southern and Northern Resident killer whales, pods from the two communities have not been observed to intermix (Ford *et al.*, 2000). Genetic analyses using nuclear (microsatellite) and mitochondrial DNA indicate that the two communities are most likely reproductively isolated from each other (Hoelzel *et al.*, 1998; Barrett-Lennard, 2000; Barrett-Lennard and Ellis, 2001). Recent paternity analyses using microsatellite DNA indicate that resident males nearly always mate with females outside of their own pods, thereby reducing the risks of inbreeding (Barrett-Lennard, 2000; Barrett-Lennard and Ellis, 2001).

Based on scale sampling and stomach contents studies, Southern Resident killer whales are known to consume 22 species of fish and one species of squid (Scheffer and Slipp, 1948; Ford *et al.*, 1998; 2000; Ford and Ellis, 2005; Saulitis *et al.*, 2000). Most published information originates from a single study (Ford *et al.*, 1998; Ford and Ellis, 2005) in British Columbia, including southeastern Vancouver Island, that focused primarily on Northern Residents, relied on several field techniques susceptible to bias (*e.g.*, surface observations and scale sampling), and reported on a relatively small sample of observations for Southern Residents. Of the 487 records of apparent fish predation events from 1974–2004, only 68 (14 percent) observations came from Southern Residents. While this information is limited, it is the best information available.

In this study, salmon were found to represent over 96 percent of the prey during the summer and fall. Chinook salmon (*Oncorhynchus tshawytscha*) were selected over other species, comprising over 70 percent of the identified salmonids taken. This preference occurred despite the much lower abundance of Chinook in the study area in comparison to other salmonids and is probably related to the species' large size, high fat and energy content, and year-round occurrence in the area. Other salmonids eaten in smaller amounts included chum (*O. keta,* 22 percent of the diet), pink (*O. gorbuscha,* three percent), coho (*O. kisutch,* two percent), and sockeye (*O. nerka,* one percent) salmon, and steelhead (*O. mykiss,* less than one percent) (Ford and Ellis, 2005). This work suggests an overall preference for Chinook salmon during the summer and fall, but also revealed extensive feeding on chum salmon in the fall. Rockfish (*Sebastes spp.*), Pacific halibut (*Hippoglossus stenolepis*), and Pacific herring (*Clupea pallasi*) were also observed during predation events (Ford and Ellis, 2005), but in much smaller amounts. This study may underestimate the extent of feeding on bottom fish (Baird, 2000) because it is more difficult to observe predation on bottom fish.

A number of smaller flatfish, lingcod (*Ophiodon elongatus*), greenling (*Hexagrammos spp.*), and squid have been identified in stomach content analyses of resident whales (Ford *et al.*, 1998). Additional sampling of prey remains in 2004 and 2005 also indicate consistent primary selection of Chinook by the Southern Residents in the seasons sampled (NWFSC, unpubl. data).

The energy requirements of killer whales are about 85,000 kcal per day for juveniles, 100,000 kcal per day for immatures, 160,000 kcal per day for adult females, and 200,000 kcal per day for adult males (Osborne, 1999). Based on these values and an average size for five salmon species combined, Osborne (1999) estimated that adults must consume about 28–34 adult salmon daily and that younger whales (<13 years of age) need 15–17 salmon daily to maintain their energy requirements. These data provide a ''rule of thumb'' of approximately 25 salmon per day per whale, estimated over all age classes. We estimate that a Southern Resident DPS of 90 individuals would eat about 820,000 adult salmon annually (Osborne, 1999). This does not, however, account for any other prey species and is therefore likely an overestimate of potential salmon consumption. The average fish size in the extrapolation was based on a combination of five species, so the estimate also does not account for consumption of varying amounts of different species of salmon.

As with other delphinids, killer whales hear sounds through the lower jaw and other portions of the head, which transmit the sound signals to receptor cells in the middle and inner ears (Mhl *et al.*, 1999; Au, 2002). Hearing ability extends from one to at least 120 kHz, but is most sensitive in the range of 18–42 kHz (Szymanski *et al.*, 1999). The most sensitive frequency is 20 kHz, which corresponds with the approximate peak energy of the species' echolocation clicks (Szymanski *et al.*, 1999). Clicks are brief pulses of ultrasonic sound given singly or more often in series known as click trains. They are used primarily for navigation and discriminating prey and other objects in the surrounding environment, but are also commonly heard during social interactions and may have a communication function (Barrett-Lennard *et al.*, 1996). Killer whales locate their prey through a combination of echolocation and passive listening (Barrett-Lennard *et al.*, 1996), but probably rely on vision and echolocation during capture.

Vocal communication is particularly advanced in killer whales and is an essential element of the species' complex social structure. Like all dolphins, killer whales produce numerous types of vocalizations that are useful in navigation, communication, and foraging (Dahlheim and Awbrey, 1982; Ford, 1989; Barrett-Lennard *et al.*, 1996; Ford *et al.*, 2000; Miller, 2002; Miller *et al.*, 2004). Dialects are complex and stable over time, and are unique to single pods. Call patterns and structure are also distinctive within matrilines (Miller and Bain, 2000). Individuals likely learn their dialect through contact with their mother and other pod members (Ford, 1989; 1991; Miller and Bain, 2000). Distinct vocal repertoires, or dialects, may be a mechanism that guides breeding with individuals

outside of natal pods, but within the resident group.

Killer whales frequent a variety of marine habitats that do not appear to be constrained by water depth, temperature, or salinity (Baird, 2000). They are highly mobile, can cover large distances, and range over a variety of habitats, including inland waters and open ocean coastal areas.

The Southern Residents spend large amounts of time in ''core'' inland marine waters coinciding with congregations of migratory salmon returning from the Pacific Ocean to spawn in U.S. and Canadian Rivers. The topographic and oceanographic features in these core areas include channels and shorelines which congregate prey and assist with foraging. Southern Residents are large mammals requiring abundant food sources to sustain metabolic processes throughout the year. Prey availability changes seasonally, and Southern Residents appear to depend on different prey species and habitats throughout the year. The seasonal timing of salmon returns to Southern Puget Sound river systems likely influences the movements of Southern Residents out of core summer areas. Whales may travel significant distances to locate prey aggregations sufficient to support their numbers.

Physical or Biological Features Essential for Conservation (Primary Constituent Elements)

Joint NMFS–U.S. Fish and Wildlife Service regulations for listing endangered and threatened species and designating critical habitat at 50 CFR 424.12(b) state that the agencies ''shall consider those physical and biological features that are essential to the conservation of a given species and that may require special management considerations or protection (hereafter also referred to as 'Essential Features' or 'Primary Constituent Elements'/ 'PCEs').'' Pursuant to the regulations, such requirements include, but are not limited to, the following: (1) Space for individual and population growth, and for normal behavior; (2) food, water, air, light, minerals, or other nutritional or physiological requirements; (3) cover or shelter; (4) sites for breeding, reproduction, rearing of offspring, germination, or seed dispersal; and generally, (5) habitats that are protected from disturbance or are representative of the historic geographical and ecological distributions of a species. These regulations state that we shall focus on essential features within the specific areas considered for designation. These features ''may include, but are not limited to, the following: spawning sites, feeding sites, seasonal wetland or dryland, water quality or quantity, geological formation, vegetation type, tide, and specific soil types.''

Fish are the major dietary component of resident killer whales in the northeastern Pacific, with 22 species of fish and one species of squid (*Gonatopsis borealis*) known to be eaten (Scheffer and Slipp, 1948; Ford *et al.*, 1998; 2000; Ford and Ellis, 2005; Saulitis *et al.*, 2000). Observations from this region indicate that salmon are clearly preferred as prey (Ford *et al.*, 1998; Ford and Ellis, 2005) and are likely consumed in large amounts, as indicated by the estimates of total salmon consumed by the Southern Resident killer whale DPS. Sufficient prey abundance is necessary to support individual growth to reach sexual maturity and reproduction, including lactation and successful rearing of calves.

In addition to a sufficient biomass of prey species, the prey must not have amounts of contaminants that exceed levels that can cause mortality or reproductive failure. Because of their long life span, position at the top of the food chain, and their blubber stores, killer whales accumulate high concentrations of contaminants. Organochlorines, such as polychlorinated biphenyls (PCBs) and dichlorodiphenyltrichloroethane (DDT), and many other chemical compounds are a concern because of their ability to induce immune suppression, reproductive impairment, and other physiological damage, as observed in several species of marine mammals (Béland *et al.*, 1998; Bergman *et al.*, 1992; De Guise *et al.*, 2003; Jepson *et al.*, 1999; Reijinders, 2003; Ross, 2002). To move between important habitat areas, find prey, and fulfill other life history requirements, the Southern Resident killer whales require open waterways that are free from obstruction, such as in-water structures that block passage.

Killer whale habitat use is dynamic, and specific breeding, calving or resting areas have not been documented. Births occur largely from October to March, but may take place in any month (Olesiuk *et al.*, 1990), and, therefore, potentially in any part of the whales' range. Southern Residents are highly mobile and can travel up to 100 miles (160 km) in a 24-hour period (Baird, 2000), allowing rapid movements between areas. These movements likely coincide with prey concentrations. Individual knowledge of productive feeding areas and other special habitats is probably important in the selection of locations visited and is likely a learned tradition passed from one generation to the next (Ford *et al.*, 1998).

Based on this natural history of the Southern Resident killer whales and their habitat needs, the physical or biological features of Southern Resident killer whale habitat identified in the proposal to list the species (69 FR 76673; December 22, 2004) were:

(1) Water quality to support growth and development;

(2) Prey species of sufficient quantity, quality and availability to support growth and development;

(3) Sound levels that do not exceed thresholds that inhibit communication or foraging activities or result in temporary or permanent hearing loss; and

(4) Safe passage conditions to support migration and foraging.

NMFS received several comments on the features mentioned in the proposal to list the species. For purposes of this proposal to designate critical habitat, we have revised the PCEs as follows:

(1) Water quality to support growth and development;

(2) Prey species of sufficient quantity, quality and availability to support individual growth, reproduction and development, as well as overall population growth; and

(3) Passage conditions to allow for migration, resting, and foraging.

We are gathering additional information to assist us in evaluating sound as a potential PCE, see Public Comments Solicited.

Geographical Area Occupied by the Species

Photo-identification studies, tracking by boats, and opportunistic sightings have provided considerable information on the ranges and movements of Southern Resident killer whales since the early 1970s. Ranges are best known from late spring to early autumn (May-September), when survey effort is greatest. During this period, all three Southern Resident pods—J, K and L—are regularly present in the Georgia Basin (defined as the Georgia Strait, San Juan Islands, and Strait of Juan de Fuca) (Heimlich-Boran, 1988; Felleman *et al.*, 1991; Olson, 1998; Osborne, 1999).

While in inland waters during summer months, all of the pods concentrate their activity in Haro Strait, Boundary Pass, the southern Gulf Islands, the northeastern end of the Strait of Juan de Fuca, and several localities in southern Georgia Strait (Heimlich-Boran, 1988; Felleman *et al.*, 1991; Olson, 1998; Ford *et al.*, 2000). Pods commonly occur and are observed foraging in areas where salmon frequent, especially during the times of year

salmon are migrating to their natal rivers (Heimlich-Boran, 1986; 1988; Nichol and Shackleton, 1996). Notable concentrations include Haro Strait and Boundary Passage, the southern tip of Vancouver Island, Swanson Channel off North Pender Island, and the mouth of the Fraser River delta, which is visited by all three pods in September and October (Felleman *et al.*, 1991; Ford *et al.*, 2000). These sites are major corridors for migrating salmon.

Individual pods are generally similar in their preferred areas of use (Olson, 1998), although some seasonal and temporal differences exist in areas used. All three pods typically arrive in May or June and spend most of their time in inland waters until departing in October or November. However, K and L pods make frequent trips lasting a few days to the outer coasts of Washington and southern Vancouver Island during this time period (Ford *et al.*, 2000). During early autumn, Southern Resident pods, especially J pod, routinely expand their movements into Puget Sound, probably to take advantage of chum and Chinook salmon runs (Osborne, 1999). Additional studies currently underway have identified finer scale pod differences in seasonal movement patterns and use of core areas (Hauser *et al.*, in prep).

There are no confirmed sightings of Southern Resident killer whales inside Hood Canal. On one occasion in 1995, acoustic recordings from Dabob Bay were identified as J pod vocalizations (Unger, 1997). We do not consider this sufficient evidence of presence to find Hood Canal ''within the geographical area occupied by the species.'' (Transient killer whales, in contrast, have been observed in Hood Canal on multiple occasions and have remained in Hood Canal for extended periods in the last several years.)

We also do not consider extremely shallow waters of Puget Sound to be within the geographical area occupied by the species. Male killer whales grow to 29.5 feet (9m), and females to 25.3 feet (7.7m), which may limit maneuverability in shallow waters. Southern Residents are seldom observed in shallow waters. (This is in contrast to transient killer whales, which enter shallow water to capture seals and sea lions, and Northern Residents, which spend time in shallow water at rubbing beaches.) Because there is limited information, we are requesting information on killer whale use of shallow areas with less than 20 feet (6.1m) of water (see Public Comments Solicited).

During the late fall, winter, and early spring, the ranges and movements of the Southern Residents are less well known. J pod continues to occur intermittently in the Georgia Basin and Puget Sound part of this time, but its location during apparent absences is uncertain (Osborne, 1999). One sighting of this pod was made off Cape Flattery, Washington, in March 2004 (Krahn *et al.*, 2004). Prior to 1999, K and L pods followed a general pattern in which they spent progressively smaller amounts of time in inland waters during October and November and departed them entirely by December of most years (Osborne, 1999). Sightings of both groups passing through the Strait of Juan de Fuca in late fall suggested that activity shifted to the outer coasts of Vancouver Island and Washington (Krahn *et al.*, 2002), although it is unclear if the whales spend a substantial portion of their time in this area or simply transit to other locations.

While there are considerable data on the use of inland waters of Washington, there is very little information on the movements of Southern Resident killer whales off the coast. Areas of activity of all pods are virtually unknown during their absences from inland waters. In the last 30 years of study, there are only 28 confirmed sightings in outside waters (Krahn *et al.*, 2004; NWFSC unpubl. data). The majority of these sightings were opportunistic, with most occurring within 10 miles (16.1 km) of shore, and we do not know how far from shore the Southern Residents range. Several new sightings occurred during the last 5 years, when effort was increased with dedicated ship surveys and expanded volunteer coastal sighting networks. Our knowledge of the southern and northern boundaries of the range has expanded with these new sightings from California and the Queen Charlotte Islands in recent years. At this time there are few data on how the whales are using offshore areas; however, some of the sightings included observations of feeding.

There is an active research effort underway to identify coastal and offshore distribution of Southern Residents. We have increased outreach efforts to gather sighting information from coastal communities, vessel operators, and pilots along the coasts of Oregon, Washington, and British Columbia. In addition, researchers are conducting dedicated ship surveys to locate the whales and observe their activities outside of Puget Sound. The research program is a long-term effort, but we hope to greatly increase the number of coastal observations in the next 5 years. As new information is collected on the coastal and offshore distribution and habitat use, we hope to fill in the data gaps about the important habitat features of these coastal and offshore areas.

NMFS regulations at 50 CFR 424.12(h) state: ''Critical habitat shall not be designated within foreign countries or in other areas outside of United States jurisdiction.'' Although the Southern Residents' range includes inland waters of Canada, we are not proposing these areas for designation.

Specific Areas Within the Geographical Area Occupied by the Species

Several commenters stated that designating critical habitat was important for the recovery of Southern Resident killer whales and that designation should occur as soon as possible. Suggestions for essential features, and specific areas where they could be found, were general and included ''most of Puget Sound,'' ''Puget Sound and the Straits of Georgia and Juan de Fuca,'' and ''all internal waters of Washington State.''

We reviewed the available information on Southern Resident distribution, habitat use and habitat needs in a biological report to assist in identifying critical habitat (NMFS, 2006a). Within the geographical area occupied by the Southern Resident killer whales we have identified three specific areas that contain essential habitat features. We have divided the inside waters of Washington State into specific areas based on the habitat features and the use patterns of the Southern Resident killer whales.

We analyzed Southern Resident killer whale sightings data from The Whale Museum (Osborne, 2005; The Whale Museum Orca Master, 1990–2003) to assist in identifying specific areas based on habitat use patterns by the whales. The Whale Museum data are predominantly opportunistic sightings from a variety of sources, including public reports, commercial whale watching industry pager system, Soundwatch, Lime Kiln State Park land-based observations, and compilations of independent researcher reports. The data set does not account for level of effort by season or location, and, therefore, the sampling and data are biased (Osborne, 2005). The 1990–2003 Whale Museum data set is, however, the most comprehensive long-term data available to evaluate broad-scale whale distribution in inland waters at this time (with a total number of sighting records of 22,509). In order to evaluate frequency of use, our analysis of the sightings was limited to one unique location sighting, per location, per day to reduce the bias introduced by multiple sightings of the same whales in

the same location on the same day (total number of unique sightings per day is 11,836). For the majority of the killer whale sightings the location reported was not an exact point location (Lat./Long.), and all locations were subsequently assigned to a center point in a quadrant system (Osborne, 2005). Almost half of the data is from the Whale Watch pager system created by the commercial whale watch industry and available to subscribers. A validation of recent pager data revealed greater than 90 percent accuracy in locating whales (Hauser *et al.*, in prep).

From the sightings and other data, we have identified three ''specific areas,'' within the geographical area occupied by the species, that contain PCEs. We considered presence and movements of the whales, behavioral observations and studies, and other information to verify that one or more of the physical or biological features, or PCEs, can be found in these three areas. In some cases where direct data on PCEs were not available, we relied on distribution patterns of the whales to infer presence of PCEs.

Area 1. Core Summer Area—Bordered to the North and West by the U.S./Canadian border, Area 1 includes the waters surrounding the San Juan Islands, the U.S. portion of the Southern Strait of Georgia, and areas directly offshore of Skagit and Whatcom counties. Prey species, one of the PCEs, are present in Area 1. Runs of salmon passing through Area 1 include Chinook, chum, coho, pink, and sockeye salmon, which have all been identified as prey for Southern Residents (Ford *et al.*, 1998; Ford and Ellis, 2005; NWFSC, unpubl. data). The Strait of Juan de Fuca, Haro and Georgia Straits are relatively narrow channels and concentrate salmon returning from the Pacific Ocean to spawn in U.S. and Canadian rivers. In particular, Area 1 lies near the mouth of the Fraser River, which has the largest salmon runs in the Georgia Basin/Puget Sound region (Northcote and Atagi, 1997).

Occurrence of Southern Residents in Area 1 coincides with concentrations of salmon. Southern Resident killer whales have been sighted in Area 1 during every month of the year, but sightings are more consistent and concentrated in the summer months of June through August. The Whale Museum database from 1990–2003 contains 11,836 unique sightings after duplicate locations on the same date are excluded. Of these, 8,508 are in U.S. waters, and 85 percent of the U.S. sightings are in Area 1. Although sighting effort in Area 1 is extensive during the summer months as compared to other areas, which biases the data, the strength of the summer use pattern would undoubtedly persist if accounting for sighting effort. Sighting data from 1976–1990, when effort was significantly lower, also reflects this pattern (Whale Museum, unpubl. data). The largest number of sightings in Washington's inland waters is from Haro Strait off the west side of San Juan Island. There are over 1,200 unique sightings from 1990–2003 in one quadrant off the west side of San Juan Island.

Much of the behavioral research on Southern Residents takes place within Area 1. Southern Residents are observed exhibiting a variety of behaviors in this area, including travel, forage, social, and play. Resident whales spend 50–67 percent of their time foraging (Heimlich Boran, 1988; Ford, 1989; Morton, 1990; Felleman *et al.*, 1991). Opportunities to forage are presumed to be a major factor attracting Southern Residents to Area 1, particularly in the summer months when it is considered a primary feeding area for all three pods (J, K, and L).

Area 2. Puget Sound—south from Deception Pass Bridge, entrance to Admiralty Inlet, Hood Canal Bridge. Southern Resident killer whale occurrence in Area 2 has been correlated with fall salmon runs, a prey-related PCE. Feeding has been observed in Area 2 (NWFSC, unpubl. data), though few behavioral studies have been conducted in this area. During the fall, Southern Residents, especially J pod, expand their movements into Puget Sound, likely taking advantage of chum and Chinook salmon runs (Osborne, 1999). A fall chum run was suggested as the likely reason for an extended presence of members of L pod in Dyes Inlet during October and November of 1997.

Southern Resident killer whales have been sighted in parts of Area 2 in all seasons despite limited search effort. The presence of Southern Residents in Area 2 is intermittent, with the smallest number of sightings in May–July. There are different sighting patterns in Area 2 for the three pods. In the most southern portion of Area 2, south of Tacoma Narrows Bridge, there have been only a small number of Southern Resident sightings from October–January, with one additional sighting in April.

Area 3. Strait of Juan de Fuca—Deception Pass Bridge, San Juan and Skagit County lines to the northeast, entrance to Admiralty Inlet to the southeast, U.S./Canadian border to the north, Bonilla Point/Tatoosh Island line to the West. All pods regularly use the Strait of Juan de Fuca for passage from Areas 1 and 2 to outside waters in the Pacific Ocean. Area 3 is predominantly a passage used to access outer coastal waters feeding grounds, including Swiftsure and La Perouse Banks, off Tofino, British Columbia, and off Westport, as well as other areas with unknown usage, such as the coast of northern California. Recent observations at Westport coincided with presence of a spring Chinook salmon run, although other species were also likely present (NWFSC, unpubl. data). The presence of migrating salmonids in the Strait of Juan de Fuca suggests that feeding might occur during times the whales are transiting. However, the whales are not known to spend long periods in localized areas in the Strait. Sightings of the Southern Residents in Area 3 are limited, particularly on the U.S. side of the international boundary, as there is little observation effort in the area, particularly to the west toward the Bonilla Point/Tatoosh Island line. Even with a small number of actual sightings, we can infer that the whales are using this corridor, and the passage PCE is present in Area 3 based on the inland and coastal sightings of whales. The Strait of Juan de Fuca is not the only transit corridor between inland waters and coastal British Columbia, and the whales occasionally use the Strait of Georgia and Johnstone Strait in Canadian waters as an alternate route.

Special Management Considerations

The specific areas within the geographical area occupied by a species meet the definition of critical habitat only if they contain physical or biological features that ''may require special management considerations or protection.'' Agency regulations at 50 CFR 424.02(j) define ''special management considerations or protection'' to mean ''any methods or procedures useful in protecting physical and biological features of the environment for the conservation of listed species.'' Several forms of human activity have the potential to affect the habitat of killer whales and, specifically, the PCEs that are essential to their conservation.

Most salmon stocks throughout the Northwest are at a fraction of their historic levels. Historically, overfishing was a major cause of decline. More recently the major cause is loss of freshwater habitat. Poor ocean conditions over the past two decades reduced populations already weakened by the degradation and loss of freshwater and estuary habitat, fishing pressures, hydropower system management, and hatchery practices.

Continued regulation of contaminants and pollution in Puget Sound is also necessary to protect the prey PCE for

Southern Residents through management schemes, such as the National Pollutant Discharge Elimination System (NPDES). Contaminants enter marine waters and sediments from numerous sources, but are typically concentrated near areas of high human population and industrialization. Once in the environment these substances proceed up the food chain, accumulating in long-lived top predators like Southern Resident killer whales. Chemical contamination through the food chain continues to be a potential threat to Southern Resident killer whales, despite the enactment of modern pollution controls in recent decades, which were successful in reducing, but not eliminating, the presence of many contaminants in the environment.

Oil spills are another source of contamination that can have long-lasting impacts on habitat (although the primary concern with oil spills is the potential for direct injury to the whales). The Environmental Protection Agency and U.S. Coast Guard oversee the Oil Pollution Prevention regulations promulgated under the authority of the Federal Water Pollution Control Act. There is a Northwest Area Contingency Plan, developed by the Northwest Area Committee, which serves as the primary guidance document for oil spill response in Washington and Oregon.

Southern Residents are highly mobile and use a variety of areas for foraging and other activities, as well as for traveling between these areas. Human activities can interfere with movements of the whales and impact the passage PCE. In particular, vessels may present obstacles to whale passage, causing the whales to swim further and change direction more often, which potentially increases energy expenditure for whales and impacts foraging behavior (although this effect of vessels is primarily a direct effect on the whales rather than an effect on their habitat).

Major categories of habitat-related activities which may require special management considerations or protection include fishery management, vessel activities, and water quality management. All of these activities have the potential to affect the PCEs by altering prey abundance, prey contamination levels, and passage between areas.

Features Which May Require Special Management Considerations or Protection in Each Specific Area

Area 1. Area 1 likely has areas of low to moderate levels of contaminated sediments. Levels of contaminants in marine mammals such as harbor seals show a trend of decreasing levels of contamination moving north from South Puget Sound to the San Juans and up into Canadian waters (Jeffries *et al.*, 2003; Ross *et al.*, 2004). Exposure to contaminants for species of salmon depends on feeding patterns and may also be linked to salmon spending different amounts of time in Puget Sound (O'Neill *et al.*, 2005). Three of the four major oil refineries in Puget Sound are located in Area 1. There is commercial and recreational fishing for salmon and other species in Area 1, and effort is seasonally dependent on fish abundance.

Area 1 and nearby adjoining Canadian waters contain the highest level of commercial and recreational whale watching activity in the region. The majority of both Canadian- and U.S.-based whale watching vessels originate from ports and marinas in Area 1, although there are a small number of vessels originating from ports in Areas 2 and 3 (Hauser *et al.*, in prep). Fishing vessels, ferries, oil tankers, and commercial shipping vessels are also present in Area 1, which contains a major shipping channel along the U.S.-Canada border.

Area 2. Contaminated sediment levels in Area 2 likely range from low/moderate (northern portions) to very high (*e.g.*, near Tacoma). A higher number of NPDES permits are issued in Area 2 than in Areas 1 or 3. One of the four major oil refineries in Puget Sound is located in Area 2. Considerable vessel traffic (including shipping, oil tanker and ferry traffic) occurs in Area 2, and the ports of Seattle and Tacoma are located in Area 2. Whale watching may be expanding in Area 2 to include fall months following the primary summer whale watch season. There is commercial and recreational fishing for salmon and other species in Area 2, and effort is seasonally dependent on fish abundance.

Area 3. Contaminated sediment levels in Area 3 likely range from low to moderate with isolated spots of moderate/high levels (*e.g.*, Port Angeles). Area 3 contains a major shipping lane for commercial shipping vessels entering and departing major U.S. ports of Seattle and Tacoma, and Vancouver in British Columbia, Canada. Oil tankers also use the shipping lane to transport crude oil to the four major refineries in Puget Sound. There is little whale watching activity in Area 3. There is commercial and recreational fishing for salmon and other species in Area 3, and effort is seasonally dependent on fish abundance.

Coastal and Offshore Areas

We have few data on Southern Resident distribution and habitat use of coastal and offshore areas in the Pacific Ocean. While we know that the whales occupy these waters for a portion of the year and they are considered part of the geographical area occupied by the species, we do not have detailed information about distribution, behavior, and habitat. While we can infer that some of the PCEs, such as prey, must be present to support the whales, we do not have sufficient data to describe them adequately and identify ''specific areas'' with those features. Based on the difficulties of determining PCEs, we cannot assess the human activities affecting them or the special management considerations for their protection. At this time we are not proposing to designate coastal or offshore areas, though we do recognize that they are important for the Southern Resident killer whales. There is an active research program to fill the data gaps regarding coastal and offshore distribution and habitat features, and we anticipate obtaining additional data in the coming years. We will consider new information as it becomes available to inform future considerations of critical habitat for Southern Residents.

Unoccupied Areas

ESA section 3(5)(A)(ii) further defines critical habitat to include ''specific areas outside the geographical area occupied'' if the areas are determined by the Secretary to be ''essential for the conservation of the species.'' Regulations at 50 CFR 424.12(e) specify that NMFS ''shall designate as critical habitat areas outside the geographical area presently occupied by a species only when a designation limited to its present range would be inadequate to ensure the conservation of the species.'' At the present time we have not identified any areas outside the geographical area occupied by the species that are essential for its conservation, and, therefore, we are not proposing to designate any unoccupied areas. During the comment period we are requesting information on any potential unoccupied areas that may be essential for conservation.

Activities That May be Affected

Section 4(b)(8) of the ESA requires that we describe briefly and evaluate, in any proposed or final regulation to designate critical habitat, those activities that may destroy or adversely modify such habitat or that may be affected by such designation. A wide variety of activities may affect critical

habitat and, when carried out, funded, or authorized by a Federal agency, require an ESA section 7 consultation. Such activities include, but are not limited to, fishery management practices, vessel traffic, dredging and disposal, sub-marine cable/pipeline installation and repair, oil and gas exploration, pollutant discharge, and oil spill prevention and response.

This proposed designation of critical habitat will provide Federal agencies, private entities, and the public with clear notification of proposed critical habitat for Southern Resident killer whales and the boundaries of the habitat. This proposed designation will also assist Federal agencies and others in evaluating the potential effects of their activities on critical habitat and in determining if ESA section 7 consultation with NMFS is needed. Consistent with recent agency guidance on conducting adverse modification analyses (NMFS, 2005a), we will apply the statutory provisions of the ESA, including those in section 3 that define ''critical habitat'' and ''conservation,'' to determine whether a proposed action might result in the destruction or adverse modification of critical habitat.

Application of ESA Section 4(b)(2)

The foregoing discussion describes the specific areas that fall within the ESA section 3(5) definition of critical habitat and are eligible for designation as critical habitat. Specific areas eligible for designation are not automatically designated as critical habitat. Section 4(b)(2) of the ESA requires the Secretary to first consider the economic impact, impact on national security, and any other relevant impact of designation. The Secretary has the discretion to exclude an area from designation if he determines the benefits of exclusion (that is, avoiding the impact that would result from designation) outweigh the benefits of designation based upon best scientific and commercial data. The Secretary may not exclude an area from designation if exclusion will result in the extinction of the species. Because the authority to exclude is discretionary, exclusion is not required for any area.

The first step in conducting an ESA section 4(b)(2) analysis is to identify the ''particular areas'' to be analyzed. ESA section 3(5) defines critical habitat in terms of ''specific areas,'' and ESA section 4(b)(2) requires the agency to consider certain factors before designating ''particular areas.'' Depending on the biology of the species, the characteristics of its habitat, and the nature of the impacts of designation, ''specific'' areas might be different from, or the same as, ''particular'' areas. For this designation, we analyzed two types of ''particular'' areas. Where we considered economic impacts, and weighed the economic benefits of exclusion against the conservation benefits of designation, we used the same biologically-based ''specific'' areas we had identified under section 3(5)(A) (Areas 1, 2, and 3). This delineation allowed us to most effectively consider the conservation value of the different areas when balancing conservation benefits of designation against economic benefits of designation. Where we considered impacts on national security, however, we instead used a delineation of ''particular'' areas based on ownership or control of the area. This delineation allowed us to compare and balance the benefits of designation and exclusion relative to land ownership and management.

Impacts of Designation

ESA Section 4(b)(2) provides that the Secretary shall consider certain impacts before designating critical habitat: ''the Secretary shall designate critical habitat * * * on the basis of the best scientific data available and after taking into consideration the economic impact, impact to national security, and any other relevant impact of specifying any particular area as critical habitat.'' The primary impact of a critical habitat designation comes from the ESA section 7(a)(2) requirement that Federal agencies ensure their actions are not likely to result in the destruction or adverse modification of critical habitat. Determining this impact is complicated by the fact that section 7(a)(2) contains the overlapping requirement that Federal agencies must also ensure their actions are not likely to jeopardize the species' continued existence. The true impact of designation is the extent to which Federal agencies modify their actions to ensure their actions are not likely to adversely modify the critical habitat—beyond any modifications they would make because of listing and the jeopardy requirement. Additional impacts of designation include state and local protections that may be triggered as a result of designation, and benefits that may arise from education of the public to the importance of an area for species conservation. We did not identify state or local protections that may be triggered by this proposed designation, but have identified educational benefits. We discuss educational benefits in the ''Benefits of Designation'' section below.

We have found it difficult to predict the incremental change in Federal agency activities as a result of critical habitat designation and the adverse modification prohibition, beyond the changes predicted to occur as a result of listing and the jeopardy prohibition. For example, in our recent critical habitat designations for salmon and steelhead, informed by a Tenth Circuit decision, we considered the ''co-extensive'' impact of designation—that is, the predicted change in agency action as a result of critical habitat designation and the adverse modification prohibition, even if the same change would have occurred because of listing and the jeopardy prohibition. For the present rulemaking, we have again predicted the co-extensive impact of designation.

We examined the types of Federal activities that may affect Southern Resident killer whale critical habitat. We identified three categories of activities that may affect killer whale critical habitat and therefore be subject to ESA section 7's adverse modification requirement: Salmon fishing, vessel traffic, and water quality management. Because killer whales are newly listed and we lack a consultation history, we necessarily had to make assumptions about what types of Federal activities might undergo section 7 consultation. We next considered the range of modifications we might seek in these activities to avoid adverse modification of Southern Resident killer whale critical habitat, again making assumptions, given the lack of consultation history. We relied on information from our proposed conservation plan for the Southern Resident killer whales developed under the Marine Mammal Protection Act (70 FR 57565; October 3, 2005), comments on that plan, comments on the proposed listing determination, and other information available to the agency to establish the types of activities and the potential range of changes.

A draft economic report describes in detail the actions we assumed may be affected, the potential range of changes we might seek in those actions, and the estimate of economic impacts that might result from such changes (NMFS, 2006b). A separate draft ESA 4(b)(2) report describes which actions we consider more directly linked to habitat effects than species effects, as well as our consideration of benefits of designation versus benefits of exclusion (NMFS, 2006c). This report also describes the likelihood of an ESA section 7 consultation resulting in changes to each type of action. These reports are available on the NMFS Northwest Region Web site at *http://www.nwr.noaa.gov/*. We are soliciting comments on our analysis of impacts and their potential benefits and costs.

Impacts of Designation Generally

To predict potential impacts of designation, we first identified three categories of activities that may affect killer whale critical habitat and therefore be subject to ESA section 7 consultation and the adverse modification prohibition: Salmon fishing, vessel traffic, and water quality management. For salmon fishing, we considered a range of potential changes: Reductions in commercial and recreational salmon fishing from 5 percent to 50 percent, and closures of fisheries in different catch management areas. We could not identify a federal nexus for a section 7 consultation on vessel traffic that would relate to the effects of vessels on killer whale passage. (The only vessels we identified with a section 7 nexus were U.S. vessels, such as military, Coast Guard, etc., and ferries, which receive federal funding. However, since these vessels do not affect the whales' ability to pass freely among areas, we do not anticipate section 7 consultations will have any habitat-related impacts on operations of these vessels.) For actions related to water quality management, we considered it too speculative to predict either the actions that might undergo ESA section 7 consultation or the types of changes we might seek.

Where possible, we allocated impacts to each particular area. For impacts to salmon fisheries, we did allocate impacts to particular areas but recognize that because of the migratory behavior of salmon (in contrast to fixed habitat features), designation of any area has the potential to affect harvest in other areas.

In considering potential impacts for each particular area, we kept in mind certain analytical limitations resulting in part from our lack of a consultation history: Not all activity types are equally likely to incur changes as a result of ESA section 7 consultation; all estimates are based on potential changes resulting from section 7 consultation, regardless of whether the modifications are the result of the ''jeopardy'' or ''adverse modification'' prohibition of section 7; within each activity type, estimates are based on potential changes, so there is a wide range of estimated impacts; while some impacts are allocated to a particular area, they could result because of other areas being designated. Regarding the first two limitations, we have attempted in this analysis to weigh impacts of designation according to whether they are more or less likely to occur, and whether they are more closely associated with jeopardy or adverse modification, as described below.

Regarding the first limitation, we considered each of the activity types and how likely it was that a change in a proposed Federal action would be required as a result of ESA section 7 consultation. We considered some changes to be ''likely'' (it is foreseeable a change will occur in most cases); some changes to be ''potential'' (it is foreseeable a change will occur but we currently lack data to predict with any confidence the nature and extent of the change); or ''unlikely'' (it is foreseeable a change will not occur in most cases). In balancing the benefits of designation against the benefits of exclusion, we gave greater weight to changes we considered ''likely'' or ''potential'' than to changes we considered ''unlikely.''

Regarding the overlapping prohibitions of section 7 under the ESA, we analyzed each type of activity to determine whether it directly affects individual members of the species or affects them through a habitat modification (that is, does the activity bear a more direct relationship to the jeopardy or adverse modification prohibition of section 7?). In balancing the benefits of designation against the benefits of exclusion, we gave greater weight to changes we considered as having a more direct relationship to adverse modification of critical habitat and less weight to changes we considered as having a more direct relationship to jeopardy. Table 1 summarizes the nature and likelihood of impact for each type of activity, and Table 2 depicts the relative weight we gave each impact as a result of these considerations. A summary of how we assigned the likelihood, nature of impacts, and weights follows the tables.

TABLE 1.—NATURE AND LIKELIHOOD OF IMPACT RESULTING FROM ESA SECTION 7 CONSULTATION, BY ACTIVITY TYPE

Activity type	Essential feature affected and nature of effect	Type of impact	Likelihood of section 7 impact
Fisheries	—Affects prey —Potential to impact individuals and habitat modification.	Harvest reduction or change in timing, location, etc. by critical habitat area.	Potential
		Harvest closure by management area	Unlikely.
Water Quality Management—Contaminants.	—Affects prey —Stronger connection to habitat modification.	Changes in NPDES standards	Potential.
		Changes in sewer and stormwater runoff standards.	Potential.
Water Quality Management—Oil Spills	—Affects water quality —Stronger connection to impact on individuals.	Changes in oil spill regulations	Unlikely.

TABLE 2.—IMPACT OF DESIGNATION—RELATIVE WEIGHTS FOR EACH TYPE OF ACTIVITY

[Greatest Weight at Top Left of the Matrix, Least Weight at Bottom Right]

		Likely (high weight)	Potential	Unlikely
Likelihood of change occurring as a result of section 7 consultation				
Relationship to section 7: jeopardy vs. adverse modification.	*Adverse modification (high weight).*		—Water Quality Management (NPDES). —Sewer and stormwater runoff.	
	Both		—Harvest Reduction or Modification.	—Harvest closure by management area.

TABLE 2.—IMPACT OF DESIGNATION—RELATIVE WEIGHTS FOR EACH TYPE OF ACTIVITY—Continued

[Greatest Weight at Top Left of the Matrix, Least Weight at Bottom Right]

		Likely (high weight)	Potential	Unlikely
	Jeopardy			—Changes in oil spill regulations.

Salmon Fishing. We considered changes to salmon harvest, either through harvest reductions or changes in timing or location of fishing effort to be ''potential.'' The limited available information about killer whale foraging indicates salmon are their primary prey species (NMFS, 2006a). We are therefore likely to focus ESA section 7 consultations on actions affecting salmon abundance, particularly in times and areas where the whales are foraging. There is presently little direct information, however, about the interactions between salmon harvest and foraging success of whales. Because we presently lack information allowing us to predict the nature and extent of any changes we might seek, we consider reductions in salmon harvest or changes in the location and timing of harvest as ''potential'' impacts of section 7 consultation. In contrast, we considered harvest closure by management area ''unlikely'' because the management areas are large, not necessarily aligned with whale foraging areas, would likely involve species that may not be important components of the Southern Residents' diet, and could include large numbers of fish that surpass the nutritional requirements of the whales for some catch areas.

We considered fishing to have an equally strong connection to both the jeopardy and the adverse modification prohibitions of ESA section 7. Salmon fishing directly affects individual members of the species by reducing the amount of food available, and, therefore, potentially affecting the ability of individual animals to meet their nutritional requirements. Salmon are also one of the biological features in the habitat essential to conservation of the whales, so fishing also modifies critical habitat by removing prey. Because changes in fisheries through catch reductions or changes in timing and location are potential, and because they have a connection to both the jeopardy and adverse modification prohibition of section 7, we gave these potential changes a moderate weight (see Table 2). We gave area management closures a low weight because, while they have a connection to both the jeopardy and adverse modification prohibitions, they are unlikely.

Water Quality Management. We considered changes in water quality management through changes in NPDES standards or changes in sewer and stormwater runoff standards to be ''potential.'' Presently, we lack sufficient information about the relationships among the sources of contaminants, their movement through the food chain, and their impact on killer whales to determine what changes we might seek. Once we have more information, however, we anticipate some changes may be required. Our ability to estimate impacts of designation is also complicated by the fact that the State of Washington has many efforts already underway to address water quality issues (PSAT, 2005) and recently announced a new Puget Sound Partnership initiative to restore and protect Puget Sound. These efforts would presumably be in addition to existing requirements under the Clean Water Act and other applicable standards. Any new requirements imposed or efforts undertaken by the state and local governments would alter the baseline conditions, which we use to determine the impacts of designation. We considered changes to oil spill regulations unlikely because we believe additional oil spill regulations are not needed to meet section 7 requirements.

Water quality management has the potential to affect individual Southern Residents, but is of greatest concern because it may allow contaminants to enter the whales' habitat and food chain. When ultimately consumed by killer whales, the contaminants can cause injury, but the effect is through the whales' prey, an important feature of their habitat. Once the contaminants enter the habitat, they cause a long-lasting modification of the habitat. This modification occurs regardless of whether the whales are present at the time of the activity. We therefore consider this the activity with the strongest link to the adverse modification prohibition of ESA section 7. Oil spills have the potential to modify habitat, but are a primary concern because of their potential to directly injure individual animals. We considered this activity to have a stronger link to the jeopardy prohibition of ESA section 7. Because changes to NPDES standards and sewer and runoff standards are potential, and have a strong connection to the adverse modification prohibition of section 7, we gave these changes a moderate to high weight. We gave changes to oil spill regulations a low weight because we consider such changes an unlikely result of section 7 consultation and because such changes would be more closely linked to jeopardy than to adverse modification.

Benefits of Designation

The primary benefit of designation is that section 7 of the ESA requires all Federal agencies to ensure their actions are not likely to destroy or adversely modify the designated habitat. This is in addition to the requirement that all Federal agencies ensure their actions are not likely to jeopardize the species' continued existence. Another benefit of designation is that it provides notice of areas and features important to species conservation, and information about the types of activities that may reduce the conservation value of the habitat, which can be effective for education and outreach. Critical habitat designation may also trigger protection under state or local regulations.

In addition to the direct benefits of critical habitat designation to the killer whales, there may be ancillary benefits. These other benefits may be economic in nature, or they may be expressed through beneficial changes in the ecological functioning of Puget Sound. For example, Puget Sound supports an active whale watching industry, and so an increase in the killer whale population could increase the economic value of that activity. Another example could be the increased viability of Puget Sound salmon populations if their harvest is reduced to assure a larger prey supply for killer whales. Yet another example could be reduced levels of pollution in Puget Sound.

With sufficient information, it may be possible to monetize benefits of critical habitat designation. For the direct benefits, this would require us to first quantify the benefit to killer whales expected from ESA section 7 consultation (for example, the number of killer whales saved or the increase in their longevity, health, productivity,

etc.), and then translate that benefit into dollars (for example, using information about willingness-to-pay). For the ancillary benefits, monetizing benefits would require quantifying the effects of critical habitat protection to these other possible sources of benefits, and then translating these impacts into dollars.

We are not aware of any available data that would support either step of such an analysis for killer whales. The short statutory timeframes and the ESA's requirement to use the best ''available'' information suggest such a costly and time-consuming approach is not currently possible. In addition, ESA section 4(b)(2) requires us to consider and weigh impacts other than economic impacts that are equally difficult to monetize, such as the benefits to national security of excluding areas from critical habitat. Given the lack of information that would allow us either to quantify or monetize the benefits of designation for the whales, we have determined the qualitative conservation benefits of designating each of the three particular areas identified as critical habitat for Southern Residents. In determining the benefit of designation for each area, we considered a number of factors. We took into account the physical and biological features present in the area, the types of human activities occurring in the area that may threaten the features, and the likelihood that designation would lead to changes in those activities either because of an ESA section 7 consultation or because of the educational effect of designation. We also considered that each area is unique and supports a distinct aspect of the whales' life history. This consideration is described in the 4(b)(2) report supporting this proposed rule (NMFS, 2006c) and summarized below.

Area 1. This is the particular area where Southern Residents are most frequently observed and likely the most important area for their conservation. Whales are observed feeding, socializing, traveling and resting in Area 1. The Strait of Juan de Fuca and the Haro and Georgia Straits are relatively narrow channels that concentrate salmon returning from the Pacific Ocean to spawn in U.S. and Canadian rivers. In particular, Area 1 lies near the mouth of the Fraser River, which has the largest salmon runs in the Georgia Basin/Puget Sound region (Northcote and Atagi, 1997). Runs of salmon passing through the area include Chinook, chum, coho, pink, and sockeye, which have all been identified as prey for Southern Residents (Ford *et al.*, 1998; Ford and Ellis, 2005; NWFSC, unpubl. data).

Killer whales require abundant prey for successful foraging. Designation of Area 1 as critical habitat is likely to improve the ability of an ESA section 7 consultation to focus on salmon abundance as an essential biological feature of the whales' habitat. It is also likely to improve the ability of a section 7 consultation to affect water quality management activities, though we have little information at this time to predict what those actions may be and how such actions may be changed as a result of section 7 consultation.

There is little likelihood that an ESA section 7 consultation would affect vessel traffic in Area 1, but we believe critical habitat designation may provide significant conservation benefits to killer whales, particularly in Area 1 because of its educational value for the large numbers of boaters and whale watchers. If we can highlight that the area is ''critical habitat'' for the whales, it will strengthen the messages to boaters about operating their vessels responsibly in the area. Table 3 illustrates the various factors we considered in weighing the benefit of designation for Area 1.

TABLE 3.—BENEFIT OF DESIGNATION FOR AREA 1

PCEs	Threats	Frequency/Importance of threats	Weights of impacts based on Table 2	Likelihood of education benefits
Water quality	Oil spills	High	Low.	
Prey	Water quality	Moderate	Mod-High.	
	Fishing	High	Moderate.	
Passage	Physical presence of vessels	High		High.

Area 2. Southern Resident killer whales have been seen in parts of Area 2 in all seasons, but they use Area 2 more in the fall than in the summer. They likely move into this area to take advantage of chum and Chinook runs as their occurrence in the area has been correlated with fall salmon runs. Feeding has been observed in Area 2 (NWFSC, unpubl. data), although few behavioral studies have been conducted in this area. The J pod in particular expands into this area in the fall (Osborne, 1999), and a fall chum run has been suggested as the likely reason for an extended presence of members of L pod in Dyes Inlet during October and November of 1997.

Area 2 may be less important than Area 1 to killer whale conservation. There are fewer sightings of whales in this area, particularly south of the Tacoma Narrows bridge, and salmon stocks are not as abundant as in Area 1. Nevertheless, late salmon runs appear to provide needed prey during the fall, particularly for J pod. As with designation of Area 1, designation of Area 2 as critical habitat is likely to improve the ability of an ESA section 7 consultation to focus on salmon abundance as a habitat feature. It may also improve the ability of a section 7 consultation to affect water quality management activities. Though we have little information at this time to predict what those actions may be and how they may be changed as a result of section 7 consultation, it is clear that water quality in Area 2 is the most impaired of all three areas.

There is little likelihood that a section 7 consultation would affect vessel traffic in Area 2, but we believe critical habitat designation may provide some conservation benefits to killer whales in this area because of its educational value for boaters. Interference with the whales from vessels is not as great a concern in Area 2 as in Area 1, but it is still an important concern because of the large number of recreational vessels in this area and the potential for disturbance. Table 4 illustrates the various factors we considered in weighing the benefit of designation for Area 2.

TABLE 4.—BENEFIT OF DESIGNATION FOR AREA 2

PCEs	Threats	Frequency/Importance of threats	Weights of impacts based on Table 2	Likelihood of education benefits
Water quality	Oil spills	High	Low.	
Prey	Water quality	High	Mod-High.	
	Fishing	High	Moderate.	
Passage	Physical presence of vessels	Moderate		Moderate.

Area 3. Area 3 provides needed passage for Southern Residents from the interior waters of Puget Sound to coastal waters. Although the whales may also feed as they transit this area, the most important habitat feature of this area is passage. Sightings of the Southern Residents in Area 3 are limited, particularly on the U.S. side of the international boundary as there is little observation effort in the area, particularly to the west near the Bonilla Point/Tatoosh Island line. Even with a small number of actual sightings we can infer that the whales are using this corridor and the passage is an essential feature of Area 3 based on the inland and coastal sightings of whales. The Strait of Juan de Fuca is not the only transit corridor between inland waters and coastal British Columbia; the whales occasionally use the Strait of Georgia and Johnstone Strait in Canadian waters as an alternate route.

It is difficult to compare the importance of this area to Areas 1 and 2 because the whales use the areas for different activities. Designation of Area 3 as critical habitat may provide less benefit than designation of Areas 1 or 2. It may improve the ability of a section 7 consultation to affect water quality management activities, though we have little information at this time to predict what those actions may be and how they may be changed as a result of section 7 consultation. Water quality in Area 3 is the least impaired of all three areas. Although there are limited observations in this area, it appears that the Southern Residents do not stop and feed here, but primarily use this area for transit. Table 5 illustrates the various factors we considered in weighing the benefit of designation for Area 3.

TABLE 5.—BENEFIT OF DESIGNATION FOR AREA 3

PCEs	Threats	Frequency/Importance of threats	Weights of impacts based on Table 2	Likelihood of education benefits
Water quality	Oil spills	High	Low.	
Prey	Water quality	Moderate	Mod-High.	
	Fishing	Moderate	Moderate.	
Passage	Physical presence of vessels	Low		Low.

Determining the Benefits of Excluding Particular Areas and Balancing the Benefits of Designation Against the Benefits of Exclusion

Section 4(b)(2) of the ESA calls for balancing the benefits of designation against the economic, national security, and other benefits of exclusion. We recognize that, in reality, excluding an area from designation will not likely avoid all of the impacts we considered, because the ESA section 7 requirement regarding jeopardy still applies, just as designating an area provides protection that overlaps with that afforded by the section 7 jeopardy prohibition. To determine the benefits of excluding particular areas, we considered the previously-discussed Federal activities that could be changed as a result of a section 7 consultation and application of the adverse modification prohibition. We considered changes to those actions that could potentially be required to avoid adversely modifying critical habitat, regardless of whether the changes could also potentially be required to avoid jeopardizing the whales' continued existence. We also considered economic benefits of excluding each of the three ''particular'' areas and considered national security benefits of excluding the 18 ''particular'' areas delineated based on military ownership or control.

ESA section 4(b)(2) calls for balancing the benefits that are not directly comparable—the benefit associated with species conservation balanced against the economic benefit, benefit to national security, or other relevant benefit that results if an area is excluded from designation. ESA section 4(b)(2) does not specify a method for the weighing process. Agencies are frequently required to balance benefits of regulations against impacts; Executive Order (E.O.) 12866 established this requirement for Federal agency regulation. Ideally such a balancing would involve first translating the benefits and impacts into a common metric. Executive branch guidance from the Office of Management and Budget (OMB) suggests that benefits should first be monetized (converted into dollars). Benefits that cannot be monetized should be quantified. Where benefits can be neither monetized nor quantified, agencies are to describe the expected benefits (U.S. Office of Management and Budget, Circular A–4, September 17, 2003 (OMB, 2003)).

Economic Impacts (Economic Benefits of Exclusion)

A draft economic report describes in detail the actions we assumed may be affected, the potential range of changes we might seek in those actions, and the estimate of economic impacts that might result from such changes. We considered a range of potential modifications to fishing in Puget Sound (described above) and developed an expected direct cost for changes at each end of the range as well as in some cases for intermediate points within the range. We considered it too speculative at this time to postulate likely consultations on water quality management actions, and what changes we might seek in those actions. The results of our analysis are contained in a draft economic report (NMFS, 2006b) supporting this proposed rule and are summarized below. Although the range of potential impacts is large, we consider it unlikely that the extreme ends of the range will be achieved. The extreme ends of the range (for all impacts in a category) assume that every project or action

consulted on would have the lowest or highest possible cost for that type of action. This outcome is highly unlikely, as projects are likely to have a distribution of costs within the low-high range. Further, because we lack information on the likely distribution of costs across projects, we believe it is reasonable to construct a range of costs for each area.

Regarding impacts from changes to water quality management activities, we are aware of many of the programs currently in place to restore and protect Puget Sound (PSAT, 2005), and we intend to coordinate with the State of Washington and other Federal agencies between the publication of this proposed rule and the final rule, to obtain better information on current and proposed programs. We will use this information to account for any changes in State programs or requirements that may alter the baseline conditions and to better estimate economic impacts of designation for the final rule.

Tables 6 through 8 illustrate the potential range of economic benefits of exclusion for each area, both by activity category and by total for the area. For activity categories where there were two mutually exclusive options, we selected the more likely option. Thus, for salmon fishing, the more likely option is harvest reduction or changes in area and timing, rather than closure of management areas. The tables also display the weight we gave each activity, which is relevant to our consideration of costs for each area. As described in the draft economics report (NMFS 2006c), the total range of estimated economic impacts for this proposed designation is $1,007,000–$10,071,000. (This number is slightly lower than the sum of the impacts shown in Tables 6–8 due to rounding.)

TABLE 6.—ECONOMIC BENEFIT OF EXCLUSION FOR AREA 1

[in $1,000s]

Activity type	Type of impact	Weight	Range
Salmon Fisheries	Harvest reduction or change in timing or location	Moderate	305–3,055
Water Quality Management	NPDES standards	Moderate-High	NA
	Sewer and stormwater runoff	Moderate-High	NA
	Oil spills	Low	0
Total			305–3,055

TABLE 7.—ECONOMIC BENEFIT OF EXCLUSION FOR AREA 2

[in $1,000s]

Activity type	Type of impact	Weight	Range
Salmon Fisheries	Harvest reduction or change in timing or location	Moderate	466–4,660
Water Quality Management	NPDES standards	Moderate-High	NA
	Sewer and stormwater runoff	Moderate-High	NA
	Oil spills	Low	0
Total			466–4,660

TABLE 8.—ECONOMIC BENEFIT OF EXCLUSION FOR AREA 3

[in $1,000s]

Activity type	Type of impact	Weight	Range
Salmon Fisheries	Harvest reduction or change in timing or location	Moderate	236–2,357
Water Quality Management	NPDES standards	Moderate-High	NA
	Sewer and stormwater runoff	Moderate-High	NA
	Oil spills	Low	0
Total			236–2,357

Section 4(b)(2) of the ESA requires that we balance the benefit of designation against the economic benefit of exclusion for each particular area. The co-extensive benefit to the species of designation depends upon the inherent conservation value of the area, the seriousness of the threats to that conservation value, and the extent to which an ESA section 7 consultation or the educational aspects of designation will address those threats. If a threat bears a closer relationship to the adverse modification prohibition of section 7, we can begin to understand and give weight to the incremental benefit of designation beyond the protection provided by listing and the jeopardy prohibition. We have identified the threats that face each area and the likelihood that the adverse modification prohibition will enhance our ability to address those threats.

We listed the whales as endangered, citing, among other reasons, ''the ongoing and potentially changing nature of pervasive threats, in particular, disturbance from vessels, the persistence of legacy toxins and the addition of new ones into the whales' environment, and the potential limits on prey availability (primarily salmon) given uncertain future ocean conditions.'' As described above, designation of critical habitat will enhance our ability to address some of these threats, either through an ESA section 7 consultation or through ongoing public outreach and education. Because some of these threats bear a stronger relationship to adverse modification than to jeopardy, we also believe there is an incremental benefit of designation beyond the protection afforded by the jeopardy prohibition.

The benefit of designation also depends on the inherent conservation value of the area. The habitat areas for these killer whales are unique and irreplaceable. It is difficult to separate the value of any one of the areas: each of the three areas supports a distinct aspect of the whales' life history, and the conservation function of each area complements the conservation function of the others. Therefore, designation of each particular area benefits the conservation function of the other areas. For all of the reasons discussed above, we consider the benefit of designation of each area to be high.

The benefit of exclusion of an area depends on some of the same factors—the likelihood of an ESA section 7 consultation and the extent to which an activity is likely to change as a result of that consultation. As with the benefit of designation side of the equation, if a threat bears a closer relationship to the adverse modification prohibition of section 7, we can begin to understand and give weight to the incremental cost of designation (benefit of exclusion) beyond the cost associated with listing and the jeopardy prohibition. In balancing the potential costs of designation, we also considered the nature of the threats and the relevance of section 7's adverse modification prohibition to each threat. Because adverse modification and jeopardy bear an equally strong relationship to fishing, and because some changes in fishing are likely as a result of consultation, we gave these costs of designation moderate weight. We recognize that adverse modification bears the strongest relationship to water quality management, but we presently lack sufficient data to estimate an economic impact. We also recognize that we have not monetized (quantified) the costs that may be associated with the education benefit of designation with respect to vessel traffic.

We conclude that the economic benefits of excluding each particular area do not outweigh the conservation benefits of designating each particular area as critical habitat, given the endangered status of the whales, the uniqueness of the habitat, the fact that threats to habitat were a primary concern leading to our endangered finding, and the fact that designation will enhance the ability of an ESA section 7 consultation to protect the habitat.

We will seek further information, including public comment and information from other Federal agencies, on important and relevant aspects of this economic analysis to better understand economic impacts before a final designation. These include a better understanding of the potential impacts of designation on water quality management activities.

Impacts on National Security

Prior to listing Southern Resident killer whales under the ESA, we contacted the DoD by letter and identified 18 military sites, previously addressed during salmon and steelhead habitat designations, that potentially overlapped with areas under consideration for Southern Resident killer whale critical habitat: (1) Naval Undersea Warfare Center, Keyport; (2) Naval Ordnance Center, Port Hadlock (Indian Island); (3) Naval Fuel Depot, Manchester; (4) Naval Air Station, Whidbey Island; (5) Naval Station Everett; (6) Naval Hospital Bremerton; (7) Fort Lewis (Army); (8) Pier 23 (Army); (9) Puget Sound Naval Ship Yard; (10) Strait of Juan de Fuca naval air-to-surface weapon range, restricted area; (11) Strait of Juan de Fuca and Whidbey Island naval restricted areas; (12) Admiralty Inlet naval restricted area; (13) Port Gardner Naval Base restricted area; (14) Port Orchard Passage naval restricted area; (15) Sinclair Inlet naval restricted area; (16) Carr Inlet naval restricted area; (17) Port Townsend/Indian Island/Walan Point naval restricted area; and (18) Crescent Harbor Explosive Ordnance Units Training Area.

These 18 sites overlap with areas we found to meet the definition of critical habitat for the Southern Resident killer whale DPS. These sites include shore-based facilities and offshore areas in Puget Sound where the Navy has security restrictions. Because of mapping imprecision, we cannot determine the extent to which the shore-based facilities may extend into 20-foot (6.1 m) deep waters of Puget Sound, and, therefore, the exact amount of overlap with proposed killer whale critical habitat. There are, however, sites that clearly include waters deeper than 20 feet (6.1 meters). The 18 sites, including open marine areas associated with these sites, cover approximately 112 square miles (291 sq km) out of the total 2,676 square miles (6,931 sq km) under consideration as critical habitat for Southern Residents. The shore-based sites cover 81 miles (130 km) of shoreline out of the total 2,081 miles (3,349 km) of shoreline in the proposed critical habitat areas.

The DoD confirmed that the 18 sites are owned or controlled by the DoD, identified the types of military activities that take place in the areas, and provided an assessment as to whether designation of critical habitat would affect military readiness. The Army and Navy concluded that critical habitat designation at any of these sites would likely impact national security by diminishing military readiness. The DoD requested that we consider conducting an ESA section 4(b)(2) analysis to determine whether all of the sites could be excluded from designation because the benefits of exclusion outweigh the benefits of designation. The possible impacts to national security include: preventing, restricting, or delaying training or testing exercises or access to sites; restricting or delaying activities associated with vessel/facility maintenance and ordnance loading; and delaying response times for ship deployments and overall operations.

The benefit of excluding these particular areas is that the Navy would only be required to comply with the jeopardy prohibition of ESA section 7(a)(2) and not the adverse modification prohibition. The Navy maintains that the additional commitment of resources in completing an adverse modification analysis, and any change in its activities to avoid adverse modification of critical habitat, would likely reduce its readiness capability. Given that the Navy is currently actively engaged in training, maintaining, and deploying forces in the current war effort, this reduction in readiness could reduce the ability of the military to ensure national security.

We assessed the benefit of designating these areas of overlap based on: the physical or biological features of each area, the Southern Residents' use of each area (including how frequently they are present), the Federal activities in each area that might trigger an ESA section 7 consultation, the likelihood that we would seek a modification of those activities, and the strength of the connection between those activities and habitat modification. The benefit of designation is that the section 7 requirement regarding adverse modification would focus our section 7 consultations on essential physical and biological features of the whales' habitat, particularly where the Federal activity has a more direct impact on habitat features and a less direct impact on individual killer whales.

We considered the overlap of killer whale habitat within the boundaries of military sites; the conservation value of that habitat; and the types of Federal activities in those areas that would likely undergo ESA section 7 consultation. We also considered the high priority placed on national security, the potential for critical habitat designation to have some impact on

military readiness, and the fact that, collectively, these areas represent relatively small percentages of the total habitat and none of them are located in Area 1, the core summer area. Based on our consideration of these factors, we concluded that the national security benefits of exclusion outweigh the conservation benefits of designation for each of the 18 sites, and we are not proposing to designate these DoD sites as critical habitat.

Other Relevant Impacts

We did not identify other relevant impacts of designation beyond economic impacts and impacts on national security. In this proposed rule, we are seeking information on such impacts.

Critical Habitat Designation

We are proposing to designate approximately 2,564 square miles (6,641 km) of marine habitat within the area occupied by Southern Resident killer whales in Washington. Although areas with water less than 20 feet (6.1 meters) deep are not proposed for critical habitat, these shallow areas have not been subtracted from the estimate of square mileage, so it is an overestimate. The proposed areas are occupied and contain physical or biological features that are essential to the conservation of the species and that may require special management considerations or protection. Some of these areas overlap with military sites, which are not proposed for designation because they were determined to have national security impacts that outweigh the benefit of designation and are therefore being excluded under ESA section 4(b)(2). We determined that the economic benefits of exclusion of any of the areas do not outweigh the benefits of designation, and we are therefore not proposing to exclude any areas based on economic impacts. Section 4(b)(2) does not allow the agency to exclude areas if exclusion will result in extinction of the species. We are recommending exclusion of only a small percentage of the whales' habitat because of impacts to national security. Given this small percentage, we conclude that the exclusion of these areas will not result in extinction of the Southern Resident killer whale DPS. No unoccupied areas are currently proposed for designation of critical habitat.

Public Comments Solicited

We request that interested persons submit comments, information, maps, and suggestions concerning this proposed rule during the comment period (*see* **DATES**). We are soliciting comments or suggestions from the public, other concerned governments and agencies, the scientific community, industry, or any other interested party concerning this proposed rule. Comments particularly are sought concerning:

(1) Maps and specific information describing the amount, distribution, and use type (*e.g.*, feeding, migration, resting) of Southern Resident killer whales in inland and coastal waters, including shallow areas with less than 20 feet (6.1 m) of water;

(2) Information on the identification, location, and quality of physical or biological features which may be essential to the conservation of Southern Resident killer whales, including information on sound as a PCE;

(3) Information regarding potential impacts of designating any particular area, including the types of Federal activities that may trigger an ESA section 7 consultation and the possible modifications that may be required of those activities as a result of section 7 consultation. In particular, we are seeking information on water quality management activities that may trigger section 7 consultation, potential modifications of those activities, and estimated costs of those modifications;

(4) Information regarding the benefits of designating any particular area of the proposed critical habitat;

(5) Information regarding the benefits of excluding particular areas from the critical habitat designation;

(6) Current or planned activities in the areas proposed for designation and their possible impacts on proposed critical habitat; and

(7) Any foreseeable economic or other potential impacts resulting from the proposed designations.

You may submit your comments and materials concerning this proposal by any one of several methods (*see* **ADDRESSES**). The proposed rule, map, fact sheets, references, and other materials relating to this proposal can be found on the NMFS Northwest Region Web site at *http://www.nwr.noaa.gov/*. We will consider all comments and information received during the comment period in preparing the final rule. Accordingly, the final decision may differ from this proposal.

Public Hearings

50 CFR 424.16(c)(3) requires the Secretary to promptly hold at least one public hearing if any person requests one within 45 days of publication of a proposed rule to designate critical habitat. Such hearings provide the opportunity for interested individuals and parties to give comments, exchange information and opinions, and engage in a constructive dialogue concerning this proposed rule. We encourage the public's involvement in such ESA matters. Based on the level of public interest in Southern Resident killer whales, public meetings have been scheduled for July 12, 2006, 7–9 p.m., at the Seattle Aquarium, Seattle, WA and for July 13, 2006, 7–9 p.m., at the Whale Museum, Friday Harbor, WA. Requests for additional public hearings must be made in writing (*see* **ADDRESSES**) by July 31, 2006.

Peer Review

OMB issued its Final Information Quality Bulletin for Peer Review on December 16, 2004. The Bulletin went into effect June 16, 2005, and generally requires that all ''influential scientific information'' disseminated on or after that date be peer reviewed. A scientific document supports this proposal to designate critical habitat for Southern Resident killer whales—a draft Biological Report (NMFS, 2006a), which is available on our Web site (*see* **ADDRESSES**). We obtained independent peer review of this document and incorporated the peer review comments into the document prior to its dissemination in support of this rulemaking. A draft Economic Analysis (NMFS, 2006b) that supports the proposal to designate critical habitat for Southern Resident killer whales was also peer reviewed and is available on our Web site (*see* **ADDRESSES**).

Required Determinations

Regulatory Planning and Review

We have determined this proposed rule to be significant for purposes of E.O. 12866. A draft economic report and ESA section 4(b)(2) report document our consideration of alternatives to rulemaking as required by this E.O.

Regulatory Flexibility Act (5 U.S.C. 601 et seq.)

Under the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*), as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996), whenever an agency publishes a notice of rulemaking for any proposed or final rule, it must prepare and make available for public comment a regulatory flexibility analysis that describes the effects of the rule on small entities (*i.e.*, small businesses, small organizations, and small government jurisdictions). We have prepared an initial regulatory flexibility analysis, which is part of the draft Economic Analysis and available on our Web site

(NMFS, 2006b). The analysis is summarized below.

A description of the reasons why this action is being considered, as well as a statement of the objectives of, and legal basis for, this proposed rule is provided earlier in the preamble and is not repeated here. This proposed rule will not impose any recordkeeping or reporting requirements and will not duplicate, overlap, or conflict with any other laws or regulations.

At the present time, insufficient information exists regarding the cost structure and operational procedures and strategies in the sectors that may be directly impacted by the potential critical habitat designation. Further, significant uncertainty exists regarding the activities that may trigger an ESA section 7 consultation or how those activities may be modified as a result of consultation. Bearing in mind these limitations, we considered which of the potential economic impacts we analyzed might affect small entities. These estimates should not be considered exact estimates of the impacts of potential critical habitat to individual businesses.

There are 344 entities engaged in fishing activities in the region, 332 of which are considered ''small entities.'' Assuming reductions in catch, the annual impact across all regulated fishers may range from $1 million for a 5 percent reduction in catch to $10.1 million for a 50 percent reduction. Closing particular catch areas would have impacts ranging from $29,000 to $7.1 million, depending on the Catch Area closed.

Although ESA section 7 consultations may also occur on water quality management activities, at this time it is too speculative to estimate the type and number of activities and the potential modifications that could result from a consultation.

The RFA, as amended by SBREFA, requires us to consider alternatives to the proposed regulation that will reduce the impacts to small entities. We considered and rejected the alternative of not designating critical habitat for Southern Resident killer whales because such an approach does not meet the legal requirements of the ESA. We also rejected an alternative in which some or all of the critical habitat areas are excluded under the section 4(b)(2) authority because we did not find that the economic benefits of exclusion outweigh the conservation benefits of designation.

E.O. 13211

On May 18, 2001, the President issued an E.O. on regulations that significantly affect energy supply, distribution, and use. E.O. 13211 requires agencies to prepare Statements of Energy Effects when undertaking any action that promulgates or is expected to lead to the promulgation of a final rule or regulation that (1) is a significant regulatory action under E.O. 12866 and (2) is likely to have a significant adverse effect on the supply, distribution, or use of energy.

We have considered the potential impacts of this action on the supply, distribution, or use of energy and find the designation of critical habitat will not have impacts that exceed the thresholds identified above (NMFS, 2006b).

Unfunded Mandates Reform Act (2 U.S.C. 1501 et seq.)

In accordance with the Unfunded Mandates Reform Act, NMFS makes the following findings:

(a) This proposed rule will not produce a Federal mandate. In general, a Federal mandate is a provision in legislation, statute or regulation that would impose an enforceable duty upon state, local, tribal governments, or the private sector and includes both ''Federal intergovernmental mandates'' and ''Federal private sector mandates.'' These terms are defined in 2 U.S.C. 658(5)–(7). ''Federal intergovernmental mandate'' includes a regulation that ''would impose an enforceable duty upon State, local, or tribal governments'' with two exceptions. It excludes ''a condition of Federal assistance.'' It also excludes ''a duty arising from participation in a voluntary Federal program,'' unless the regulation ''relates to a then-existing Federal program under which $500,000,000 or more is provided annually to state, local, and tribal governments under entitlement authority,'' if the provision would ''increase the stringency of conditions of assistance'' or ''place caps upon, or otherwise decrease, the Federal Government's responsibility to provide funding'' and the state, local, or tribal governments ''lack authority'' to adjust accordingly. (At the time of enactment, these entitlement programs were: Medicaid; Aid to Families with Dependent Children work programs; Child Nutrition; Food Stamps; Social Services Block Grants; Vocational Rehabilitation State Grants; Foster Care, Adoption Assistance, and Independent Living; Family Support Welfare Services; and Child Support Enforcement.) ''Federal private sector mandate'' includes a regulation that ''would impose an enforceable duty upon the private sector, except (i) a condition of Federal assistance; or (ii) a duty arising from participation in a voluntary Federal program.'' The designation of critical habitat does not impose a legally binding duty on non-Federal government entities or private parties. Under the ESA, the only regulatory effect is that Federal agencies must ensure that their actions do not destroy or adversely modify critical habitat under section 7. While non-Federal entities which receive Federal funding, assistance, permits or otherwise require approval or authorization from a Federal agency for an action may be indirectly impacted by the designation of critical habitat, the legally binding duty to avoid destruction or adverse modification of critical habitat rests squarely on the Federal agency. Furthermore, to the extent that non-Federal entities are indirectly impacted because they receive Federal assistance or participate in a voluntary Federal aid program, the Unfunded Mandates Reform Act would not apply; nor would critical habitat shift the costs of the large entitlement programs listed above to state governments.

(b) Due to the prohibition against take of this species both within and outside of the designated areas, we do not anticipate that this proposed rule will significantly or uniquely affect small governments. As such, a Small Government Agency Plan is not required.

Takings

In accordance with E.O. 12630, the proposed rule does not have significant takings implications. A takings implication assessment is not required. The designation of critical habitat affects only Federal agency actions. Private lands do not exist within the proposed critical habitat and therefore would not be affected by this action.

Federalism

In accordance with E.O. 13132, this proposed rule does not have significant federalism effects. A federalism assessment is not required. In keeping with Department of Commerce policies, we request information from, and will coordinate development of this proposed critical habitat designation with, appropriate state resource agencies in Washington. The proposed designation may have some benefit to state and local resource agencies in that the areas essential to the conservation of the species are more clearly defined, and the PCEs of the habitat necessary for the survival of the Southern Resident killer whales are specifically identified. While making this definition and identification does not alter where and

what federally sponsored activities may occur, it may assist local governments in long-range planning (rather than waiting for case-by-case ESA section 7 consultations to occur).

Civil Justice Reform

In accordance with E.O. 12988, the Department of Commerce has determined that this proposed rule does not unduly burden the judicial system and meets the requirements of sections 3(a) and 3(b)(2) of the E.O. We are proposing to designate critical habitat in accordance with the provisions of the ESA. This proposed rule uses standard property descriptions and identifies the PCEs within the designated areas to assist the public in understanding the habitat needs of Southern Resident killer whales.

Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.)

This proposed rule does not contain new or revised information collection for which OMB approval is required under the Paperwork Reduction Act. This proposed rule will not impose recordkeeping or reporting requirements on state or local governments, individuals, 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 currently valid OMB control number.

National Environmental Policy Act of 1969 (NEPA)

NMFS has determined that an environmental analysis as provided for under NEPA for critical habitat designations made pursuant to the ESA is not required. See *Douglas County* v. *Babbitt,* 48 F.3d 1495 (9th Cir. 1995), cert. denied, 116 S.Ct. 698 (1996).

Government-to-Government Relationship With Tribes

The long-standing and distinctive relationship between the Federal and tribal governments is defined by treaties, statutes, executive orders, judicial decisions, and agreements, which differentiate tribal governments from the other entities that deal with, or are affected by, the Federal Government. This relationship has given rise to a special Federal trust responsibility involving the legal responsibilities and obligations of the United States toward Indian Tribes and the application of fiduciary standards of due care with respect to Indian lands, tribal trust resources, and the exercise of tribal rights. E.O. 13175—Consultation and Coordination with Indian Tribal Governments—outlines the responsibilities of the Federal Government in matters affecting tribal interests.

None of the proposed critical habitat occurs on tribal lands. However, proposed critical habitat does overlap with Usual and Accustomed hunting and fishing grounds. The proposed designation of critical habitat for Southern Resident killer whales has the potential to affect tribal trust resources, particularly in relation to salmon, an important tribal resource and PCE for the whales. We will continue to consult with affected tribes regarding this proposal to designate critical habitat.

References Cited

A complete list of all references cited in this rulemaking can be found on our Web site at *http://www.nwr.noaa.gov/* and is available upon request from the NMFS office in Seattle, Washington (*see* **ADDRESSES.**)

List of Subjects in 50 CFR Part 226

Endangered and threatened species.

Dated: June 7, 2006.

William T. Hogarth,

Assistant Administrator for Fisheries, National Marine Fisheries Service.

For the reasons set out in the preamble, we propose to amend part 226, title 50 of the Code of Federal Regulations as set forth below:

PART 226—[AMENDED]

1. The authority citation of part 226 continues to read as follows:

Authority: 16 U.S.C. 1533.

2. Add § 226.206, to read as follows:

§ 226.206 Critical habitat for the Southern Resident killer whale (Orcinus orca).

Critical habitat is designated for the Southern Resident killer whale as described in this section. The textual descriptions of critical habitat in this section are the definitive source for determining the critical habitat boundaries. The overview map is provided for general guidance purposes only, and not as a definitive source for determining critical habitat boundaries.

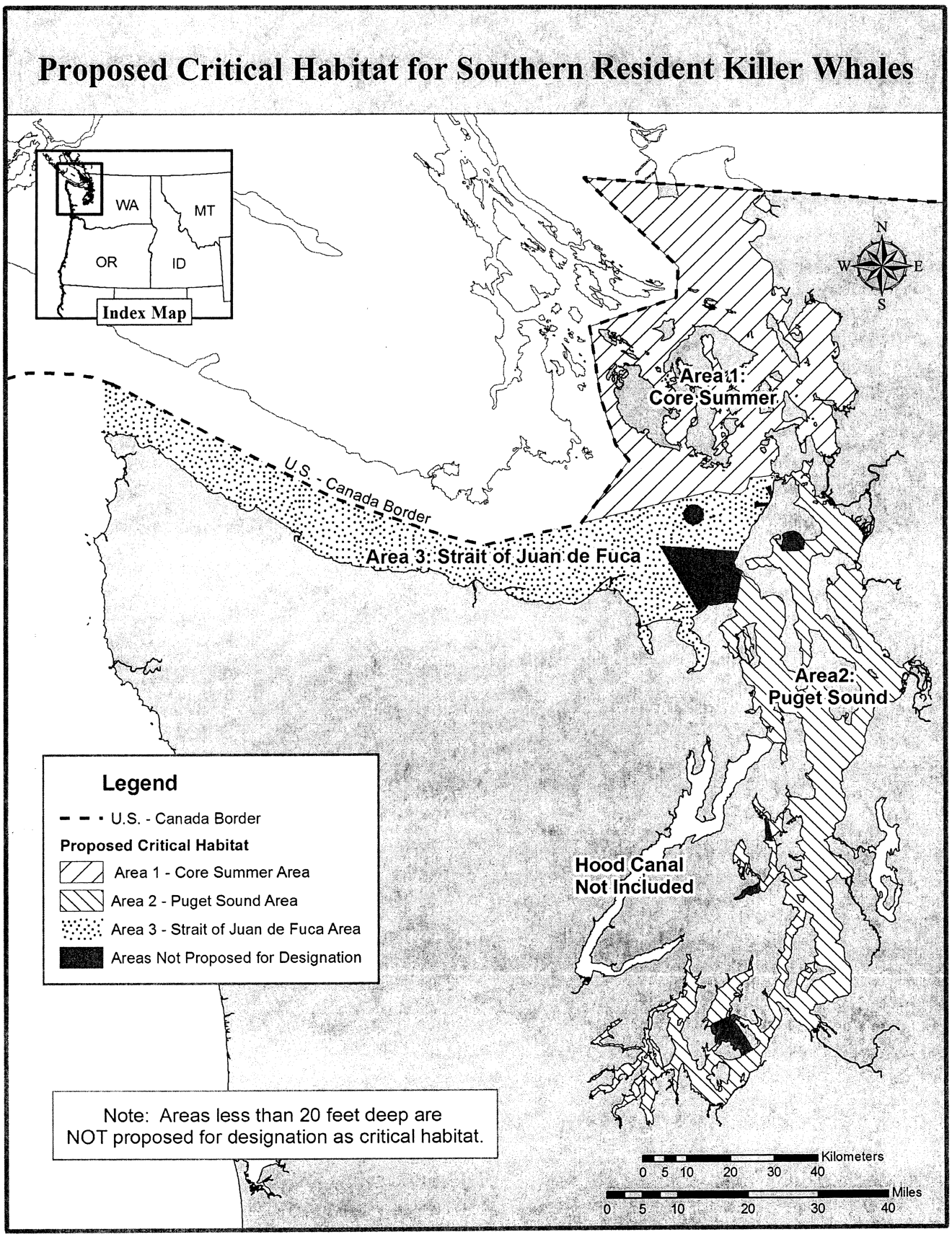
(a) *Critical Habitat Boundaries.* Critical habitat includes three specific marine areas of Puget Sound, Washington, within the following counties: Clallam, Jefferson, King, Kitsap, Island, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston, and Whatcom. Critical habitat includes all waters deeper than 20 feet (6.1 m) relative to a contiguous shoreline delimited by the line of extreme high water in each of the following areas:

(1) *Summer Core Area:* All U.S. marine waters in Whatcom and San Juan counties; and all marine waters in Skagit County west and north of the Deception Pass Bridge (Highway 20) (48°24′ 25″ N./122°38′35″ W.)

(2) *Puget Sound Area:* All marine waters in Island County east and south of the Deception Pass Bridge (Highway 20) (48°24′ 25″ N./122°38′35″ W.), and east of a line connecting the Point Wilson Lighthouse (48°8′39″ N./122°45′12″ W.) and a point on Whidbey Island located at 48°12′30″ N./122°44′26″ W.; all marine waters in Skagit County east of the Deception Pass Bridge (Highway 20) (48°24′25″ N./122°38′35″ W.); all marine waters of Jefferson County east of a line connecting the Point Wilson Lighthouse (48°8′39″ N./122°45′12″ W.) and a point on Whidbey Island located at latitude 48°12′30″ N./122°44′26″ W., and north of the Hood Canal Bridge (Highway 104) (47°51′36″ N./122°37′23″ W.); all marine waters in eastern Kitsap County east of the Hood Canal Bridge (Highway 104) (47°51′36″ N./122°37′23″ W.); all marine waters (excluding Hood Canal) in Mason County; and all marine waters in King, Pierce, Snohomish, and Thurston counties.

(3) *Strait of Juan de Fuca Area:* All U.S. marine waters in Clallam County east of a line connecting Cape Flattery, Washington (48°23′10″ N./124°43′32″ W.), Tatoosh Island, Washington (48°23′30″ N./124°44′12″ W.), and Bonilla Point, British Columbia (48°35′30″ N./124°43′00″ W.); all marine waters in Jefferson and Island counties west of the Deception Pass Bridge (Highway 20) (48°24′25″ N./122°38′35″ W.), and west of a line connecting the Point Wilson Lighthouse (48°8′39″ N./122°45′12″ W.) and a point on Whidbey Island located at 48°12′30″ N./122°44′26″ W.

(b) An overview map of proposed critical habitat for Southern Resident killer whales follows.


Proposed Critical Habitat for Southern Resident Killer Whales
WA
MT
OR
ID
Index Map
N
W
E
S
Area 1:
Core Summer
U.S. - Canada Border
Area 3: Strait of Juan de Fuca
Area2:
Puget Sound
Hood Canal
Not Included
Legend
U.S. - Canada Border
Proposed Critical Habitat
Area 1 - Core Summer Area
Area 2 - Puget Sound Area
Area 3 - Strait of Juan de Fuca Area
Areas Not Proposed for Designation
Note: Areas less than 20 feet deep are
NOT proposed for designation as critical habitat.
Kilometers
0 5 10 20 30 40
Miles
0 5 10 20 30 40

(c) *Primary Constituent Elements.* The primary constituent elements essential for conservation of the Southern Resident killer whales are:

(1) Water quality to support growth and development;

(2) Prey species of sufficient quantity, quality and availability to support individual growth, reproduction and development, as well as overall population growth; and

(3) Passage conditions to allow for migration, resting, and foraging.

(d) *Sites owned or controlled by the Department of Defense.* Critical habitat does not include the following areas owned or controlled by the Department of Defense, or designated for its use, in the State of Washington:

(1) Naval Undersea Warfare Center, Keyport;

(2) Naval Ordnance Center, Port Hadlock (Indian Island);

(3) Naval Fuel Depot, Manchester;

(4) Naval Air Station, Whidbey Island;

(5) Naval Station, Everett;

(6) Naval Hospital Bremerton;

(7) Fort Lewis (Army);

(8) Pier 23 (Army);

(9) Puget Sound Naval Ship Yard;

(10) Strait of Juan de Fuca naval air-to-surface weapon range, restricted area;

(11) Strait of Juan de Fuca and Whidbey Island naval restricted areas;

(12) Admiralty Inlet naval restricted area;

(13) Port Gardner Naval Base restricted area;

(14) Port Orchard Passage naval restricted area;

(15) Sinclair Inlet naval restricted area;

(16) Carr Inlet naval restricted area;

(17) Port Townsend/Indian Island/Walan Point naval restricted area; and

(18) Crescent Harbor Explosive Ordnance Units Training Area.

[FR Doc. 06–5439 Filed 6–14–06; 8:45 am]

BILLING CODE 3510–22–P

Notices

Federal Register
Vol. 71, No. 115
Thursday, June 15, 2006

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Submission for OMB Review; Comment Request

June 9, 2006.

The Department of Agriculture has submitted the following information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1995, Public Law 104–13. Comments regarding (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of burden including the validity of the methodology and assumptions used; (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 those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology should be addressed to: Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget (OMB), *OIRA_Submission@OMB.EOP.GOV* or fax (202) 395–5806 and to Departmental Clearance Office, USDA, OCIO, Mail Stop 7602, Washington, DC 20250–7602. Comments regarding these information collections are best assured of having their full effect if received within 30 days of this notification. Copies of the submission(s) may be obtained by calling (202) 720–8681.

An agency may not conduct or sponsor a collection of information unless the collection of information displays a currently valid OMB control number and the agency informs potential persons who are to respond to the collection of information that such persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

Rural Utilities Service

Title: Lien Accommodations and Subordinations 7 CFR Part 1717, Subparts R and S.

OMB Control Number: 0572–0100.

Summary of Collection: The Rural Electrification Act (RE Act) of 1936, 7 U.S.C. 901 *et seq.,* as amended, authorizes and empowers the Administrator of the Rural Utilities Service (RUS) to make loans in the several States and Territories of the United States for rural electrification and the furnishing electric energy to persons in rural areas who are not receiving central station service. The RE Act also authorizes and empowers the Administrator of RUS to provide financial assistance to borrowers for purposes provided in the RE Act by accommodating or subordinating loans made by the National Rural Utilities Cooperative Finance Corporation, the Federal Financing Bank, and other lending agencies.

Need and Use of the Information: RUS will used the information to determine an applicant's eligibility for a lien accommodation or lien subordination under the RE Act; facilitates an applicant's solicitation and acquisition of non-RUS loans as to converse available Government funds; monitor the compliance of borrowers with debt covenants and regulatory requirements in order to protect loan security; and subsequently to granting the lien accommodation of lien subordination, administer each so as to minimize its cost to the Government. If the information were not collected, RUS would not be able to accomplish its statutory goals.

Description of Respondents: Not-for-profit institutions; Business or other for-profit.

Number of Respondents: 12.

Frequency of Responses: Reporting: On occasion.

Total Burden Hours: 233.

Charlene Parker,

Departmental Information Collection Clearance Officer.

[FR Doc. E6–9333 Filed 6–14–06; 8:45 am]

BILLING CODE 3410–15–P

DEPARTMENT OF AGRICULTURE

Agricultural Research Service

Notice of Intent To Grant Exclusive License

AGENCY: Agricultural Research Service, USDA.

ACTION: Notice of intent.

SUMMARY: Notice is hereby given that the U.S. Department of Agriculture, Agricultural Research Service, intends to grant to Becton Dickinson of Sparks, Maryland, an exclusive license to U.S. Patent No. 5,891,709, ''Campy-Cefex selective and differential medium for campylobacter'', issued on April 6, 1999. Notice is hereby given that the U.S. Department of Agriculture, Agricultural Research Service, intends to grant to Becton Dickinson of Sparks, Maryland, an exclusive license to U.S. Patent No. 6,368,847, ''Selective media for recovery and enumeration of campylobacters'', issued on April 9, 2002.

DATES: Comments must be received by July 17, 2006.

ADDRESSES: Send comments to: USDA, ARS, Office of Technology Transfer, 5601 Sunnyside Avenue, Rm. 4–1174, Beltsville, Maryland 20705–5131.

FOR FURTHER INFORMATION CONTACT: June Blalock of the Office of Technology Transfer at the Beltsville address given above; telephone: 301–504–5989.

SUPPLEMENTARY INFORMATION: The Federal Government's patent rights in the inventions are assigned to the United States of America, as represented by the Secretary of Agriculture. It is in the public interest to so license the inventions as Becton Dickinson of Sparks, Maryland has submitted a complete and sufficient application for a license. The prospective exclusive license will be royalty-bearing and will comply with the terms and conditions of 35 U.S.C. 209 and 37 CFR 404.7. The prospective exclusive license may be granted unless, within thirty (30) days from the date of this published Notice, the Agricultural Research Service receives written evidence and argument which establishes that the grant of the license would not be consistent with the

requirements of 35 U.S.C. 209 and 37 CFR 404.7.

Richard J. Brenner,

Assistant Administrator.

[FR Doc. E6–9351 Filed 6–14–06; 8:45 am]

BILLING CODE 3410–03–P

ANTITRUST MODERNIZATION COMMISSION

Request for Public Comment

AGENCY: Antitrust Modernization Commission.

ACTION: Request for public comment.

SUMMARY: The Antitrust Modernization Commission requests comments from the public regarding specific questions relating to the issues selected for Commission study.

DATES: Comments are due by July 10, 2006.

ADDRESSES: By electronic mail: *comments@amc.gov*. By mail: Antitrust Modernization Commission, Attn: Public Comments, 1120 G Street, NW., Suite 810, Washington, DC 20005.

FOR FURTHER INFORMATION CONTACT: Andrew J. Heimert, Executive Director & General Counsel, Antitrust Modernization Commission. Telephone: (202) 233–0701; e-mail: *info@amc.gov*. Internet: *http://www.amc.gov*.

SUPPLEMENTARY INFORMATION: The Antitrust Modernization Commission was established to ''examine whether the need exists to modernize the antitrust laws and to identify and study related issues.'' Antitrust Modernization Commission Act of 2002, Public Law 107–273, § 11053, 116 Stat. 1856. In conducting its review of the antitrust laws, the Commission is required to ''solicit the views of all parties concerned with the operation of the antitrust laws.'' Id. By this request for comments, the Commission seeks to provide a full opportunity for interested members of the public to provide input regarding certain issues selected for Commission study. From time to time, the Commission may issue additional requests for comment on issues selected for study.

Comments should be submitted in written form. Comments should identify the topic to which it relates. Comments need not address every question within the topic. Comments exceeding 1500 words should include a brief (less than 250 word) summary. Commenters may submit additional background materials (such as articles, data, or other information) relating to the topic by separate attachment.

Comments should identify the person or organization submitting the comments. If comments are submitted by an organization, the submission should identify a contact person within the organization. Comments should include the following contact information for the submitter: an address, telephone number, and email address (if available). Comments submitted to the Commission will be made available to the public in accordance with Federal laws.

Comments may be submitted either in hard copy or electronic form. Electronic submissions may be sent by electronic mail to *comments@amc.gov*. Comments submitted in hard copy should be delivered to the address specified above, and should enclose, if possible, a CD–ROM or a 3½ inch computer diskette containing an electronic copy of the comment. The Commission prefers to receive electronic documents (whether by email or on CD–ROM/diskette) in portable document format (.pdf), but also will accept comments in Microsoft Word format.

The AMC has issued this request for comments pursuant to its authorizing statute and the Federal Advisory Committee Act. Antitrust Modernization Commission Act of 2002, Public Law 107–273, § 11053, 116 Stat. 1758, 1856; Federal Advisory Committee Act, 5 U.S.C. App., 10(a)(3).

Topic for Comment

The Commission requests comment on the following topic.

Civil Remedies

1. The Commission is evaluating a proposal to reform indirect purchaser litigation. The potential reform would consist of three principal components: (1) Legislative overruling of *Illinois Brick Co.* v. *Illinois*, 431 U.S. 720 (1977), so that indirect purchaser claims could be brought under federal antitrust law, and *Hanover Shoe, Inc.* v. *United Shoe Machinery,* 392 U.S. 481 (1968), so as to allow assertion of the pass-on defense; (2) Statutory provisions either (a) to allow removal of all state indirect purchaser actions to federal court to the full extent permitted under Article III, or (b) to preempt state indirect purchaser laws; and (3) Statutory provisions to allow the consolidation of all related direct and indirect purchaser actions in a single Federal district court for pre-trial and trial proceedings.

Should the Commission recommend such reform to Congress? Should the proposal be modified in any respects? In responding, please also comment on the following:

a. Is a provision that would allow removal of state indirect purchaser actions necessary or desirable, in light of the generally applicable removal provisions contained in the Class Action Fairness Act?

b. Is preemption of state indirect purchaser actions necessary or desirable if state indirect purchaser actions may be removed to Federal court?

c. Should the Commission also recommend to Congress that courts be required to use structured proceedings to resolve purchaser claims? Those proceedings would resolve liability in the one phase, determine total damages in another, and allocate damages among direct and indirect claimants in a separate phase. Would structured proceedings work better if courts could combine certain phases of the proceedings, especially liability and total damages, in appropriate cases in the exercise of their discretion?

d. To what extent would the legislative overruling of *Hanover Shoe* create new challenges in the process of certifying appropriate classes of claimants? Can any such challenges be resolved fully through the structured approach suggested in (c) above?

2. The Commission is evaluating a proposal to alter the circumstances in which treble damages are awarded to successful antitrust plaintiffs. The proposal would provide as follows:

The court, in its discretion, may limit the award to single damages based on consideration of the following factors:

a. Whether the violation was *per se* or rule of reason;

b. whether the violation involved single-firm or multi-firm conduct;

c. whether the violation was related to an otherwise pro-competitive joint venture;

d. the state of the development of the law with respect to the challenged conduct as an antitrust violation;

e. whether the challenged conduct was overt or covert;

f. whether the challenged conduct was criminal;

g. whether there has also been a related government action;

h. whether it is a competitor that is alleging the conduct was anticompetitive; and,

i. whether the violation was proven by clear and convincing evidence.

Should the Commission recommend such reform to Congress? Should any of the factors listed above be removed? Are there any other factors that should also be included?

3. Should the Commission recommend to Congress that courts in their discretion be permitted to increase the damages multiplier above three? For

example, should courts be able to increase the multiplier above three where the conduct has significant effects outside the United States for which damages will not be paid?

4. The Commission is evaluating a proposal to change the current regime regarding private antitrust actions. The proposal would provide as follows:

a. In all matters where the government institutes criminal proceedings and obtains a guilty verdict by plea or trial, all unlawful gains made by the defendants and precomplaint and prejudgment interest thereon shall be disgorged in that proceeding, together with such fines as may be provided by law and a civil penalty of 200% of the amount disgorged.

i. The disgorged unlawful gains shall be apportioned among those from whom they were taken directly or indirectly by the criminal court in a summary proceeding to be concluded within 90 days of the entry of a final criminal judgment as to all defendants. Classes of direct and indirect claimants may participate through counsel in that proceeding. Claims of less than $100 shall be disregarded and the amounts attributable to such claims paid to the Treasury.

ii. Fines and civil penalties shall accrue solely to the Treasury, but the court may award compensation from those amounts to any private party found to have been a material factor in the instigation or successful conduct of the government's investigation and prosecution or to its counsel.

b. In the case of defendants acquitted of criminal charges, private claims may be asserted as otherwise provided by law, but only the actual amount of unlawful gain may be recovered.

Should the Commission recommend such reform to Congress? Should any of the particular components be modified?

Dated: June 12, 2006.

By direction of the Antitrust Modernization Commission.

Andrew J. Heimert,

Executive Director & General Counsel, Antitrust Modernization Commission.

[FR Doc. E6–9363 Filed 6–14–06; 8:45 am]

BILLING CODE 6820–YH–P

DEPARTMENT OF COMMERCE

Bureau of the Census

[Docket Number 060505120–6120–01]

Census Information Center Program

AGENCY: Bureau of the Census.

ACTION: Notice; request for proposals.

SUMMARY: The Bureau of the Census (Census Bureau) seeks proposals from eligible organizations to create 15 Census Information Centers. This notice provides information related to eligibility and program requirements. The Census Information Center (CIC) Program is an integral part of the Census Bureau's data dissemination network. The CIC Program was established over 17 years ago to make census data more widely available to nongovernmental organizations representing hard-to-enumerate populations. There are currently 45 such organizations participating as Census Information Centers in the CIC Program. The Census Bureau will consider all complete proposals received before the appropriate deadline.

DATES: Written proposals must be received on or before August 15, 2006.

ADDRESSES: Written proposals should be sent to Mr. Stanley J. Rolark, Chief, Customer Liaison Office, U.S. Census Bureau, 4700 Silver Hill Road, Room 3634, Federal Office Building 3, Washington, DC 20233; Telephone: (301) 763–1544; Fax: (301) 457–4784; E-mail: *Stanley.J.Rolark@census.gov*.

FOR FURTHER INFORMATION CONTACT: Ms. Ceci A. Villa, Customer Liaison Office, U.S. Census Bureau, 4700 Silver Hill Road, Room 3620, Federal Office Building 3, Washington, DC 20233; Telephone: (301) 763–6415; Fax: (301) 457–4784; E-mail: *Ceci.A.Villa@census.gov*.

SUPPLEMENTARY INFORMATION: This section provides information on eligibility, program requirements, proposal format and content, submission instructions, selection, and notification process.

Established in 1988, the Census Information Center (CIC) Program is a cooperative venture among the U.S. Census Bureau and national level, community-based organizations and colleges and universities created to serve as auxiliary data distribution centers that reach underserved populations. Accordingly, each Census Information Center has its own target audience often requiring unique information. The CIC Program includes organizations, such as chambers of commerce; minority-serving colleges and universities; civil rights, social justice, and social service groups; think tanks; and research organizations.

The mission of the CIC Program is to provide efficient access to Census Bureau data products through a wide data dissemination network of organizations. Those organizations effectively process and disseminate Census Bureau data to underserved population groups in easily understandable formats. To accomplish this mission, Census Information Centers work in partnership with the Census Bureau through the Customer Liaison Office.

The Census Information Centers are recognized as official sources of demographic, economic, and social statistics produced by the Census Bureau. Census Information Centers provide training and technical assistance to local governments, businesses, community groups, and other interested data users so that they may access and use Census Bureau data for research, program administration, planning, and decision-making purposes.

Census Information Centers have successfully used census data and local information to support activities promoting change in underserved communities. They have used census data and local statistics to help local communities and minority businesses qualify for reconstruction resources in the wake of the September 11 attack on New York City; establish empowerment zones and revitalization areas in Brooklyn, NY, and Shreveport, LA; obtain youth services and construct after school facilities in local communities in Nashville, TN, and Oakland, CA; provide baseline data to measure the effectiveness of national programs on crime in Washington, DC, public housing; develop ways to link children in need with public services in Minnesota; help local organizations draft grant proposals; and provide American Indians on the Navajo Reservation and across the country access to Temporary Assistance to Needy Families (TANF).

In addition to the Census Information Centers, the Census Bureau's overall data dissemination network includes participants in the State Data Center/Business and Industry Data Center Program, Census Depository Libraries, and the 12 Census Regional Office Partnership and Data Services staff. The combined network includes nearly 2,000 entities located throughout the 48 contiguous states, Alaska, Hawaii, Puerto Rico, the Northern Marianna Islands, American Samoa, Guam, and the U.S. Virgin Islands. A Memorandum of Agreement is signed with the participants to serve as official repositories for census data.

We are interested in maintaining a CIC Program that represents the Nation's diversity and includes organizations with an interest and ability to provide underserved communities access to Census Bureau data.

A. Eligibility

National, regional, and community-based nonprofit organizations representing underserved communities are eligible to participate in the CIC Program. Organizations must have research as part of their mission or as a component of their organization. Organizations must have the ability to effectively disseminate data and information to their members, community data-users, or persons served in the community. Some of the types of organizations we are seeking to include are, but are not limited to, minority think tanks, research organizations, minority serving colleges and universities, Tribal colleges, minority chambers of commerce, economic development corporations, social service organizations, rural community and minority business organizations, as well as organizations that support community and economic development activities, and organizations that serve children and families.

B. Program Requirements

The Census Bureau does not provide funding to CIC Program participants. The Census Bureau does provide access to the full array of its data products, training and technical support free of charge to the Census Information Centers. In return, the Census Information Centers discuss what census data mean for local communities. The Census Information Centers produce reports, fact sheets, briefs, and other materials in different formats, on more specific subjects, and for more unique geographic areas (communities) than those produced by the Census Bureau.

Both parties must sign a Memorandum of Agreement and adhere to the following program responsibilities:

Census Bureau Responsibilities

- Provide program administration and staff support to the Census Information Centers.
- Provide free access to a wide variety of census products, information, and services, including but not limited to, printed reports, CD–ROM/DVD products, electronic files, Internet-based products (through the American Fact Finder, among other sources), subscriptions, documentation, guides, catalogs, statistical compendia, indexes, maps, mapping databases, and other reference materials. This does not include access to confidential data or preparation of custom tabulations.
- Provide training and technical support on Census Bureau data products and services. This assistance includes, but is not limited to, training at Census Bureau headquarters, training sponsored by Census Bureau regional offices, and training via available technologies such as the Internet, teleconferences, videoconferencing, and other training methods.
- Provide advance notification of data release(s) through e-mail.
- Sponsor and pay the travel expenses of Census Information Center representatives to attend an annual training conference and other meetings as appropriate and as budget permits.
- Maintain a Web site for the CIC Program.

Census Information Center Responsibilities

- Disseminate Census Bureau data and information to persons served and local communities.
- Provide training, education, and technical assistance to persons served and local communities on how to access Census Bureau data.
- Assist data users in understanding and accessing Census Bureau data and information, and answering questions from the public and persons served about what the data means for local communities and neighborhoods.
- Provide dedicated office space, staff, and equipment to operate your Census Information Center.
- Provide access to census data and information by establishing a library or reference center with reasonable ''walk-in'' access by the public (optional).
- Support Census Bureau programs by assisting with outreach, promotion and recruitment efforts for the Census Bureau's censuses and surveys.
- Submit an annual report of activities.
- Establish and/or maintain a Web site or Web page that highlights the work of your Census Information Center and links to the Census Bureau Web site.
- Attend an annual training conference. Travel expenses to be covered by the Census Bureau, as budget permits.
- Communicate regularly with the Census Bureau liaison. Provide him/her with updates on your Census Information Center activities. Make him/her aware of any data or data product issues, needs, or concerns expressed by local data users.

C. Suggested Proposal Format and Content

The suggested format below encourages applicants to describe their organization, data dissemination plans, community outreach activities and record of service to underserved populations, research and data use capabilities and expertise, and past experience working with Census Bureau data or the Census Bureau. However, applicants are not required to use the suggested format. All submissions will be given full consideration, regardless of format.

Format

The following is the suggested format. Please make sure your proposal adheres to the following guidelines, if possible:

- A cover letter with an original signature.
- Proposals should not exceed 10 pages. This does not include the cover letter.
- Proposals must be in English.
- Submit proposals on 8½ by 11-inch paper with printing on one side only (single sided). Your typewritten letter and proposal should use Times New Roman or similar type and a 12-point font.

Content/Questions

1. Briefly describe your organization and how it meets the eligibility requirements in Section A, ''Eligibility.'' Include background information about your organization's history, mission, programs, services, persons served, etc.
2. Briefly describe your organizations research and data use capabilities. Include information about your organization's expertise in conducting research, any research or data products your organization regularly produces, and any specific areas of application for your organization's research, especially as it relates to underserved communities.
3. Briefly describe how your organization will disseminate Census Bureau data and information to your constituents and local underserved communities. Include how your organization will provide data access to those without Internet access. Also discuss how your organization will assist data users find, interpret, and understand the data they need, as well as, the various uses and implications on the data within their community.
4. Describe the resources your organization will commit to your Census Information Center, if your organization were selected to participate. Include information on the staff, equipment, space, etc., your organization will make available to your Census Information Center.
5. Describe what would be the focus of your Census Information Center, if your organization were selected to participate. Include information on the geographic area(s) you will cover, racial/

ethnic populations you will serve, and the types of services you will offer.

6. Briefly describe how your organization has worked with the Census Bureau or Census Bureau data or data products in the past.

D. Submission Instructions

Proposals must be received by the date identified in the **DATES** section of this notice. Submit proposals to the official identified in the **ADDRESSES** section of this notice.

E. Selection Process

- Following an initial screening, Census Bureau staff will select seven independent reviewers who will individually review and score the remaining proposals based on the strength of the responses to the questions in Section C, under content/questions. The independent reviewers will make their individual recommendations to the Census Bureau. All submissions will be given full consideration, regardless of the format.
- Proposals will be evaluated as follows:
  - ○ Quality and innovativeness of the organization's plans to disseminate census data to persons served and to the local underserved communities. 45%
  - ○ Expertise of the applicant organization in conducting research, producing research products, and research that focuses on underserved communities. 20%
  - ○ Resources and level of organization available to effectively carry out the program requirements, including staff, equipment and space. 20%
  - ○ Relevancy of the types of services offered and the communities served by the applicant organization. 5%
  - ○ Ability to disseminate data to their membership and local community. 5%
  - ○ Level of knowledge of and previous interaction with the Census Bureau or Census Bureau data products. 5%
- Senior Census Bureau staff will make final decisions on the organizations selected for the CIC Program. Preference shall be given to nonprofit organizations with research as part of their missions or as a component of their organization. The highest consideration will be given to an organization's data dissemination plans, as reflected in the 45% percentage weight given to this criterion.

F. Notification Process

Organizations selected to participate in the CIC Program will be notified in writing by September 15, 2006. The Census Bureau Program Office administering the CIC Program will advise organizations whose proposals are declined as promptly as possible.

If your organization is selected, you must send a representative to a training conference on October 10–13, 2006.

G. Paperwork Reduction Act

Notwithstanding any other provision of law, no person is required to respond to, nor shall a person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act (PRA) unless that collection of information displays a current valid Office of Management and Budget (OMB) control number. In accordance with the PRA, Title 44, United States Code, Chapter 35, OMB approved this information collection under OMB control number 0607–0760.

Dated: June 9, 2006.

Charles Louis Kincannon,

Director, Bureau of the Census.

[FR Doc. E6–9262 Filed 6–14–06; 8:45 am]

BILLING CODE 3510–07–P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

[Docket No. 05–BIS–21]

In the Matter of: Kailash Muttreja, MUTCO International, Kelenberweg 37 1101, EX Amsterdam, Netherlands, Respondent; Decision and Order

In a charging letter filed on November 22, 2005, the Bureau of Industry and Security (BIS) alleged that Respondent, Kailash Muttreja (Muttreja), committed two violations of the Export Administration Regulations (Regulations) [1], issued under the Export Administration Act of 1979, as amended (50 U.S.C. app. §§2401–2420 (2000)) (the Act).[2]

BIS alleged that Muttreja conspired to obtain toxins, including Aflatoxin (M1, P1, Q1) and Staphyloccocal Enterotoxin (A and B), items subject to the Regulations and classified under export control classification number (ECCN) 1C351, on behalf of a North Korean end-user and to export those toxins to North Korea. The charging letter also alleged that Muttreja solicited a violation of the Regulations by ordering the above-mentioned toxins from a U.S. company and by agreeing to complete the shipment of the toxins from the Netherlands to North Korea.

In accordance with Section 766.3(b)(1) of the Regulations, on November 22, 2005, BIS mailed the notice of issuance of the charging letter by registered mail to Muttreja at his last known address. BIS has established that this charging letter was served in accordance with Section 766.3 of the Regulations and that BIS received the signed mail return receipt on January 18, 2006. To date, Muttreja has not filed an answer to the charging letter with the ALJ, as required by the Regulations.

In accordance with Section 766.7 of the Regulations, BIS filed a Motion for Default Order on April 20, 2006. This Motion for Default Order recommended that Muttreja be denied export privileges under the Regulations for a period of six years. Under Section 766.7(a) of the Regulations, ''[f]ailure of the respondent to file an answer within the time provided constitutes a waiver of the respondent's right to appear,'' and ''on BIS's motion and without further notice to the respondent, [the ALJ] shall find the facts to be as alleged in the charging letter.'' Based upon the record before him, the ALJ held Muttreja in default.

On May 24, 2006, based on the record before him, the ALJ issued a Recommended Decision and Order in which he found that Muttreja committed one violation of Section 764.2(d) and one violation of Section 764.2(c) of the Regulations. The ALJ recommended the penalty of denial of Muttreja's export privileges for six years.

The ALJ's Recommended Decision and Order, together with the entire record in this case, has been referred to me for final action under Section 766.22 of the Regulations. I find that the record supports the ALJ's findings of fact and conclusions of law. I also find that the penalty recommended by the ALJ is appropriate, given the nature of the violations and the importance of preventing future unauthorized exports. Based on my review of the entire record, I affirm the findings of fact and

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[1] The Regulations are currently codified at 15 CFR parts 730–774 (2006). The charged violations occurred in 2000 through 2002. The Regulations governing the violations at issue are found in the 2000 through 2002 versions of the Code of Federal Regulations (15 CFR parts 730–774 (2000–2002)). The 2006 Regulations establish the procedures that apply to this matter.

[2] From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 CFR, 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701–1706 (2000)) (''IEEPA''). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 CFR, 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 2, 2005 (70 FR 45,273 (August 5, 2005)), has continued the Regulations in effect under IEEPA.

conclusions of law in the ALJ's Recommended Decision and Order.

Accordingly, it is therefore ordered,

First, that, for a period of six years from the date this Order is published in the **Federal Register**, Kailash Muttreja, MUTCO International, Kelenberweg 37 1101, EX Amsterdam, Netherlands, and when acting for or on his behalf, his representatives, agents, assigns, or employees (''Denied Person''), may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as ''item'') exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

A. Applying for, obtaining, or using any license, License Exception, or export control document;

B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or

C. Benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

Second, that no person may, directly or indirectly, do any of the following:

A. Export or reexport to or on behalf of the Denied Person any item subject to the Regulations;

B. Take any action that facilitates the acquisition or attempted acquisition by the Denied Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the Denied Person acquires or attempts to acquire such ownership, possession or control;

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the Denied Person of any item subject to the Regulations that has been exported from the United States;

D. Obtain from the Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or

E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and that is owned, possessed or controlled by the Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by the Denied Person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

Third, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to the Denied Person by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of this Order.

Fourth, that this Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

Fifth, that this Order shall be served on the Denied Person and on BIS, and shall be published in the **Federal Register.** In addition, the ALJ's Recommended Decision and Order, except for the section related to the Recommended Order, shall be published in the **Federal Register.**

This Order, which constitutes the final agency action in this matter, is effective upon publication in the **Federal Register.**

Dated: June 9, 2006.

David H. McCormick,

Under Secretary of Commerce for Industry and Security.

Department of Commerce—Bureau of Industry and Security

[Docket No: 05–BIS–21]

In the Matter of: Kailash Muttreja, MUTCO International, Kelenberweg 37 1101, EX Amsterdam, Netherlands, Respondent; Recommended Decision and Order

On November 22, 2005, the Bureau of Industry and Security, U.S. Department of Commerce (''BIS''), issued a charging letter initiating this administrative enforcement proceeding against Kailash Muttreja (''Muttreja''). The Charging Letter alleged that Muttreja committed two violations of the Export Administration Regulations (currently codified at 15 CFR parts 730–774 (2006)) (the ''Regulations''),[1] issued under the Export Administration Act of 1979, as amended (50 U.S.C. App. §§ 2401–2420 (2000)) (the ''Act,).[2]

Specifically, the Charging Letter alleged that Muttreja conspired and acted in concert with others, known and unknown, to export toxins from the United States to North Korea without the required Department of Commerce license. BIS alleged that the goal of the conspiracy was to obtain toxins, including Aflatoxin (M1, P1, Q1) and Staphyloccocal Enterotoxin (A and B), items subject to the Regulations and classified under export control classification number (''ECCN'') 1C351, on behalf of a North Korean end-user and to export those toxins to North Korea. BIS alleged that, in furtherance of the conspiracy, Muttreja ordered the toxins from a co-conspirator in the United States and agreed to complete the export to North Korea once the toxins were delivered to the Netherlands from the United States. BIS alleged that, contrary to Section 742.2 of the Regulations, no Department of Commerce license was obtained for the export from the Untied States to North Korea. (Charge 1).

The Charging Letter filed by BIS also alleged that, in or about July 2002, Muttreja solicited a violation of the Regulations by ordering toxins, including Aflatoxin (M1, P1, Q1) and Staphyloccocal Enterotoxin (A and B), items subject to the Regulations and classified under export control classification number (''ECCN'') 1C351, from a co-conspirator in the United States and agreeing to complete the export of the toxins to North Korea. BIS also alleged that, contrary to Section 742.2 of the Regulations, no Department of Commerce license was obtained for the export from the United States to North Korea. (Charge 2).

[1] The charged violations occurred in 2000 through 2002. The Regulations governing the violations at issue are found in the 2000 through 2002 versions of the Code of Federal Regulations (15 CFR parts 730–774 (2000–2002)). The 2006 Regulations establish the procedures that apply to this matter.

[2] From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which was extended by successive Presidential Notices, the last of which was August 3, 2000 (3 CFR 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701–06 (2000)) (''IEEPA''). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 CFR 2001 Comp. 783 (2002)), as extended by the Notice of August 2, 2005 (70 FR 45,273 (August 5, 2005)), has continued the Regulations in effect under IEEPA.

Section 766.3(b)(1) of the Regulations provides that notice of the issuance of a charging letter shall be served on a respondent by mailing a copy by registered or certified mail addressed to the respondent at the respondent's last known address. In accordance with the Regulations, on November 22, 2005, BIS mailed the notice of issuance of a charging letter by registered mail to Muttreja at his last known address: MUTCO International, Kelenberweg 37 1101, EX Amsterdam, Netherlands. BIS has submitted evidence that establishes that this Charging Letter was served in accordance with Section 766.3 of the Regulations and that BIS received the signed return receipt on January 18, 2006.

Section 766.6(a) of the Regulations provides, in pertinent part, that ''[t]he respondent must answer the charging letter within 30 days after being served with notice of issuance of the charging letter'' initiating the administrative enforcement proceeding. To date, Muttreja has not filed an answer to the Charging Letter.

Pursuant to the default procedures set forth in Section 766.7 of the Regulations, the undersigned finds the facts to be as alleged in the Charging Letter, and hereby determines that those facts establish that Muttreja committed one violation of Section 764.2(d), and one violation of Section 764.2(c) of the Regulations.

Section 764.3 of the Regulations sets forth the sanctions BIS may seek for violations of the Regulations. The applicable sanctions are: (i) A monetary penalty, (ii) suspension from practice before the Bureau of Industry and Security, and (iii) a denial of export privileges under the Regulations. *See* 15 CFR 764.3 (2006). Because Muttreja solicited the export of toxins, items controlled by BIS for Anti-Terrorism reasons for export to North Korea, BIS requests that the undersigned recommends to the Under Secretary of Commerce for Industry and Security [3] that Muttreja's export privileges be denied for six years.

BIS has suggested these sanctions because Muttreja's role in conspiring to export toxins to North Korea, as well as his role in ordering toxins for export to North Korea, represents a significant potential harm to the essential national interests protected by U.S. export controls.[4] BIS has noted that the items involved in the attempted export in this case involved Aflatoxins (M1, PI, Q1) and Staphyloccocal Enterotoxins (A and B). These items are controlled by BIS for Anti-Terrorism reasons. BIS asserted that Muttreja's role in conspiring and soliciting the export of these items for delivery to North Korea—a country that the United States Government designated as a state sponsor of international terrorism—represents significant harm to the national interests protected by U.S. export controls.[5] Furthermore, BIS believes that the imposition of a six-year denial order is appropriate in this case since BIS may face difficulties in collecting a monetary penalty, as Muttreja is not located in the United States. Finally, BIS believes that the recommended denial order is particularly appropriate in this case, since Muttreja has failed to respond to the Charging Letter filed by BIS. In light of these circumstances, BIS believes that the denial of Muttreja's export privileges for six years is an appropriate sanction.

On this basis, the undersigned concurs with BIS and recommends that the Under Secretary enter an Order denying Muttreja's export privileges for a period of six years. Such a denial order is consistent with penalties imposed in past cases under the Regulations involving shipments to countries designated as ''Terrorist Supporting Countries.'' [6] *See In the Matter of Petrom GmbH International Trade*, 70 FR 32,743 (June 6, 2005) (affirming the recommendations of the Administrative Law Judge that a twenty year denial order and a civil monetary sanction of $143,000 were appropriate where knowing violations involved a shipment of EAR99 items to Iran); *In the Matters of Yaudat Mustafa Talyi a.k.a. Yaudat Mustafa a.k.a. Joseph Talyi*, 69 FR 77,177 (December 27, 2004) (affirming the ALJ's recommendations that a twenty year denial order and maximum civil penalty of $11,000 per violation were appropriate where an individual exported oil field parts to Libya without authorization, in violation of a BIS order temporarily denying his export privileges and with knowledge that a violation would occur; and solicited a violation of the Regulations by ordering oil field parts from a U.S. manufacturer without authorization and with knowledge that a violation would occur); *In the Matter of Arian Transportvermittlungs. GmbH*, 69 FR 28,120 (May 18, 2004) (affirming the recommendation of the Administrative Law Judge that a ten year denial order was appropriate where knowing violations involved a shipment of a controlled item to Iran); *In the Matter of Jabal Damavand General Trading Company*, 67 FR 32,009 (May 13, 2002) (affirming the recommendation of the Administrative Law Judge that a ten year denial order was appropriate where knowing violations involved shipments of EAR99 items to Iran); *In the Matter of Adbulamir*, 68 FR 57,406 (October 3, 2003) (affirming the recommendation of the Administrative Law Judge that a twenty year denial order was appropriate where knowing violations involved shipments of EAR99 items to Iran as a part of a conspiracy to ship such items through Canada to Iran).

A six year denial of Muttreja's export privileges is warranted because Muttreja's violations, like those of the respondents in the above-cited case, involved exports made to Terrorist Supporting Countries in violation of U.S. export control laws.

The terms of the denial of export privileges against Muttreja should be consistent with the standard language used by BIS in such orders. The language is:

[REDACTED SECTION]

[REDACTED SECTION]

[REDACTED SECTION]

[REDACTED SECTION]

This Order, which constitutes the final agency action in this matter, is effective upon publication in the **Federal Register**.

Accordingly, the undersigned refers this Recommended Decision and Order to the Under Secretary of Commerce for Industry and Security for review and final action for the agency, without further notice to the respondent, as provided in Section 766.7 of the Regulations.

Within 30 days after receipt of this Recommended Decision and Order, the Under Secretary shall issue a written order affirming, modifying, or vacating the Recommended Decision and Order. *See* 15 CFR 766.22(c).

[3] Pursuant to section 13(c)(1) of the Export Administration Act and Section 766.17(b)(2) of the Regulations, in export control enforcement cases, the Administrative Law Judge makes recommended findings of fact and conclusions of law that the Under Secretary must affirm, modify or vacate. The Under Secretary's action is the final decision for the U.S. Commerce Department.

[4] *See* 15 CFR 766.1, Supp. No.1, III, A. (Stating that a denial order may be considered even in matters involving simple negligence or carelessness, if the violation(s) involves ''harm to the national security or other *essential interests protected by the export control system*,'' if the violations are of such a nature and extent that a monetary fine alone represents an insufficient penalty * * *.) (emphasis added).

[5] *See id.* (''*Designation Involved:* BIS is more likely to seek a greater monetary penalty and/or denial or export privileges * * * in cases involving: (1) exports or reexports to countries subject to anti-terrorism controls * * *.'') (emphasis in original).

[6] BIS's list of Terrorist Supporting Countries is set forth in 15 CFR part 740, Supp. No. 1, Country Group E:1.

Dated: May 24, 2006.

Joseph N. Ingolia,

Chief Administrative Law Judge.

[FR Doc. 06–5434 Filed 6–14–06; 8:45 am]

BILLING CODE 3510–33–M

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

[Docket No. 05–BIS–19]

In the Matter of: Teepad Electronic General Trading, P.O. Box #13708, Murshed Bazar, Dubai, UAE, Respondent; Decision and Order

On November 22, 2005, the Bureau of Industry and Security, U.S. Department of Commerce (''BIS''), issued a charging letter initiating this administrative enforcement proceeding against Teepad Electronic General Trading (''Teepad''). The charging letter alleged that Teepad committed five violations of the Export Administration Regulations (currently codified at 15 CFR parts 730–774 (2006)) (the ''Regulations''),[1] issued the Export Administration Act of 1979, as amended (50 U.S.C. App. §§ 2401–2420 (2000)) (the ''Act'').[2]

The charging letter alleged that Teepad conspired and acted in concert with others, known and unknown, to bring about an act that constitutes a violation of the Regulations, namely the export of telecommunications devices to Iran without the required licenses. BIS alleged that the goal of the conspiracy was to obtain telecommunications devices, including devices manufactured by a U.S. company, including an Adit 600 Chassis, FXO Channel Cards, and ABI FXO Ports (ECCN 5A991[3]), on behalf of an Iranian end-user and to export those telecommunications devices to Iran, by way of the United Arab Emirates (UAE). These items were subject to both the Regulations and the Iranian Transactions Regulations[4] of the Treasury Department's Office of Foreign Assets Control (OFAC).

The charging letter also alleged that, on or about December 17, 2001, on or about March 7, 2002, Teepad aided and/or abetted the doing of an act that was prohibited by the Regulations. Specifically, BIS alleged that Teepad forwarded telecommunications devices manufactured by a U.S. company that were subject to both the Regulations and the Iranian Transactions Regulations of OFAC through the UAE to Iran without authorization from OFAC as required by Section 746.7 of the Regulations.

Finally, the BIS charging letter alleged that in connection with the transactions occurring on or about December 17, 2001, and on or about March 7, 2002, Teepad transferred items exported from the United States with knowledge, or reason to know, that a violation of the Regulations would occur. Specifically, BIS alleged that Teepad transferred the telecommunications devices described above to Iran when Teepad knew or had reason to know that they had been exported from the United States without proper export authorization.

Section 766.3(b)(1) of the Regulations provides that notice of the issuance of a charging letter shall be served on a respondent by mailing a copy by registered or certified mail addressed to the respondent at the respondent's last known address. In accordance with the Regulations, on November 22, 2005, BIS mailed the notice of issuance of a charging letter by registered mail to Teepad. BIS submitted evidence that establishes the charging letter was received by Teepad on or about December 7, 2005.

Section 766.6(a) of the Regulations provides, in pertinent part, that ''[t]he respondent must answer the charging letter within 30 days after being served with notice of issuance of the charging letter'' initiating the administrative enforcement proceeding. Furthermore, the charging letter informed Teepad that a failure to follow this requirement would result in default.

On December 24, 2005, Teepad sent a letter to BIS's Director of the Office of Export Enforcement in which Teepad stated that it believed it was in compliance with international law. Teepad did not file this letter with the Administrative Law Judge (ALJ) Docketing Center in accordance with Section 766.6(a). I note that charging letter informed Teepad that, in accordance with the Regulations, the answer must be filed with the ALJ Docketing Center, and the letter provided the address of the Docketing Center. On March 9, 2006, Counsel for BIS notified Teepad by letter and by facsimile to the facsimile number provided by Teepad that Teepad was required to file a formal answer to the charging letter with the ALJ. In the same letter, BIS notified Teepad that it must contact the Office of Chief Counsel for Industry and Security, by March 22, 2006, if Teepad wished to enter into settlement negotiations. Teepad did not file an answer with the ALJ and did not contact the Office of Chief Counsel to discuss settlement. In the Recommended Decision and Order, the ALJ found that Teepad did not answer the charging letter in the manner required by Sections 766.5(a) and 766.6 of the Regulations.

Pursuant to the default procedures set forth in Section 766.7 of the Regulations, BIS filed a Motion for Default Order on April 11, 2006. Under Section 766.7(a) of the Regulations, ''[f]ailure of the respondent to file an answer within the time provided constitutes a waiver of the respondent's right to appear,'' and ''on BIS's motion and without further notice to the respondent, [the ALJ] shall find the facts to be as alleged in the charging letter.'' Based upon the record before him, the ALJ held Teepad in default.

On May 22, 2006, the ALJ issued a Recommended Decision and Order in which he found the facts to be as alleged in the charging letter, and determined that those facts establish that Teepad committed one violation of Section 764.2(d), two violations of Section 764.2(b), and two violations of Section 764.2(e) of the Regulations. The ALJ recommended that Teepad be denied export privileges for a period of ten years.

On May 30, 2006, Teepad submitted an e-mail to the Office of Chief Counsel for Industry and Security that Counsel for BIS has supplied to me. In that e-mail, Teepad denies all wrongdoing. For reasons stated previously in this Decision, this e-mail does not constitute a properly filed or timely response to the charges against Teepad (*See,* Sections 766.5–6 of the Regulations).

The ALJ's Recommended Decision and Order, together with the entire record in this case, has been referred to me for final action under Section 766.22 of the Regulations. I find that the record supports the ALJ's findings of fact and conclusions of law with respect to each of the above-referenced charges brought against Teepad. I also find that the penalty recommended by the ALJ is appropriate, given the nature of the violations, the importance of preventing

[1] The charged violations occurred in 2001 and 2002. The Regulations governing the violations at issue are found in the 2001 and 2002 versions of the Code of Federal Regulations (15 CFR parts 730–774 (2001–2002)).

[2] From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which was extended by successive Presidential Notices, the last of which was August 3, 2000 (3 CFR, 2000 Comp, 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701–06 (2000)) (''IEEPA''). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 CFR, 2001 Comp. 783 (2002)), as extended by the Notice of August 2, 2005 (70 FR 45,273 (August 5, 2005)), has continued the Regulations in effect under IEEPA.

[3] The term ''ECCN'' refers to Export Control Classification Number. *See* 15 CFR 772.1 (2006).

[4] 31 CFR part 560 (2006).

future unauthorized exports, and the lack of any mitigating factors. I note that Iran is a country against which the United States maintains an economic embargo because of its support for international terrorism. Although the imposition of monetary penalties is an appropriate option, I agree with the ALJ that in this case such a penalty may not be effective, given the difficulty of collecting payment against a party outside the United States.

Based on my review of the entire record, I affirm the findings of fact and conclusions of law in the ALJ's Recommended Decision and Order.

Accordingly, it is therefore ordered,

First, that, for a period of ten years from the date this Order is published in the **Federal Register**, Teepad Electronic General Trading, P.O. Box #13708, Murshed Bazar, Dubai, United Arab Emirates, and all of its successors and assigns, and, when acting for or on behalf of Teepad, its officers, representatives, agents, and employees (''Denied Person''), may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as ''item'') exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

A. Applying for, obtaining, or using any license, License Exception, or export control document;

B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or

C. Benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

Second, that no person may, directly or indirectly, do any of the following:

A. Export or reexport to or on behalf of the Denied Person any item subject to the Regulations;

B. Take any action that facilitates the acquisition or attempted acquisition by the Denied Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the Denied Person acquires or attempts to acquire such ownership, possession or control;

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the Denied Person of any item subject to the Regulations that has been exported from the United States;

D. Obtain from the Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or

E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and that is owned, possessed or controlled by the Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by the Denied Person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

Third, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to the Denied Person by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of this Order.

Fourth, that this Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

Fifth, that this Order shall be served on the Denied Person and on BIS, and shall be published in the **Federal Register**. In addition, the ALJ's Recommended Decision and Order, except for the section related to the Recommended Order, shall be published in the **Federal Register**.

This Order, which constitutes the final agency action in this matter, is effective upon publication in the **Federal Register**.

Dated: June 9, 2006.

David H. McCormick,

Under Secretary of Commerce for Industry and Security.

Department of Commerce—Bureau of Industry and Security

[Docket No.: OS–BIS–19]

In the Matter of: Teepad Electronic General Trading, P.O. Box #13708, Murshed Bazar, Dubai, UAE, Respondent; Recommended Decision and Order

On November 22, 2005, the Bureau of Industry and Security, U.S. Department of Commerce (''BIS''), issued a charging letter initiating this administrative enforcement proceeding against Teepad Electronic General Trading (''Teepad''). The Charging Letter alleged that Teepad committee five violations of the Export Administration Regulations (currently codified at 15 CFR parts 730–774 (2006)) (the ''Regulations''),[1] issued under the Export Administration Act of 1979, as amended (50 U.S.C. App. §§ 2401–2420 (2000)) (the ''Act'').[2]

Specifically, the Charging Letter alleged that Teepad conspired and acted in concert with others, known and unknown, to bring about an act that constitutes a violation of the Regulations, namely the export of telecommunications devices to Iran without the required licenses. BIS alleged that the goal of the conspiracy was to obtain telecommunications devices, including devices manufactured by a U.S. company, including an Adit 600 Chassis, FXO Channel Cards, and ABI FXO Ports (ECCN 5A991[3]), items subject to both the Regulations and the Iranian Transactions Regulations[4] of the Treasury Department's Office of Foreign Assets Control (OFAC), on behalf of an

[1] The charged violations occurred in 2001 and 2002. The Regulations governing the violations at issue are found in the 2001 and 2002 versions of the Code of Federal Regulations (15 CFR parts 730–774 (2001–2002)). The 2006 Regulations establish the procedures that apply to this matter.

[2] From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which was extended by successive Presidential Notices, the last of which was August 3, 2000 (3 CFR, 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701–06 (2000)) (''IEEPA''). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 CFR, 2001 Comp. 783 (2002)), as extended by the Notice of August 2, 2005 (70 FR 45,273 (August 5, 2005)), has continued the Regulations in effect under IEEPA.

[3] The term ''ECCN'' refers to Export Classification Number. *See* 15 CFR 772.1 (2006).

[4] 31 CFR part 560 (2006).

Iranian end-user and to export those telecommunications devices to Iran. (*Charge 1*).

The Charging Letter also alleged that, on or about December 17, 2001, and on or about March 7, 2002, Teepad aided and/or abetted the doing of an act that was prohibited by the Regulations. Specifically, BIS alleged that Teepad forwarded telecommunications devices manufactured by a U.S. company, including an Adit 600 Chassis, FXO Channel Cards, and ABI FXO Ports, items subject to both the Regulations (ECCN 5A991) and the Iranian Transactions Regulations of Treasury Department's OFAC, that had been exported from the United States, through the United Arab Emirates to Iran without authorization from OFAC as required by Section 746.7 of the Regulations. (*Charges 2 and 3*).

Finally, the BIS Charging Letter alleged that in connection with the transactions occurring on or about December 17, 2001, and on or about March 7, 2002, Teepad transferred items exported from the United States with knowledge that a violation of the Regulations would occur. Specifically, BIS alleged that Teepad transferred the telecommunications devices described above to Iran when Teepad knew or had reason to know that they had been exported from the United States, without authorization from OFAC. (*Charges 4 and 5*).

Section 766.3(b)(1) of the Regulations provides that notice of the issuance of a charging letter shall be served on a respondent by mailing a copy by registered or certified mail addressed to the respondent at the respondent's last known address. In accordance with the Regulations, on November 22, 2005, BIS mailed the notice of issuance of a charging letter by registered mail to Teepad at its last known address: Teepad Electronic General Trading, P.O. Box #13708, Murshed Bazar, Dubai, UAE. BIS submitted evidence that establishes the Charging Letter was received by Teepad on or about December 7, 2005.[5] These actions constitute service under the Regulations.

Section 766.6(a) of the Regulations provides, in pertinent part, that ''[t]he respondent must answer the charging letter within 30 days after being served with notice of issuance of the charging letter'' initiating the administrative enforcement proceeding. Furthermore, BIS informed Teepad that a failure to follow this requirement would result in default. (*Charging Letter,* at 3).

On December 24, 2005, Teepad sent a letter to BIS's Director of the Office of Export Enforcement. Teepad did not file this letter with the ALJ Docketing Center in accordance with Section 766.6(a).[6] In the letter, Teepad provided factual information and stated, inter alia, that Teepad believed it was in compliance with international law. (*Gov't Ex. 2*). On March 9, 2006, BIS notified Teepad via letter and facsimile[7] that Teepad was required to file a formal answer to the Charging Letter with the ALJ. In that same letter, BIS notified Teepad that it must contact the Office of Chief Counsel for Industry and Security, by March 22, 2006, in the event that Teepad wished to discuss settlement of this matter. (*Gov't Ex. 3*). To date, Teepad has not filed an answer with the ALJ and has not contacted the Office of Chief Counsel to discuss settlement. Accordingly, Teepad has not answered the Charging Letter in the manner required by Sections 766.5(a) and 766.6 of the Regulations.

Pursuant to the default procedures set forth in Section 766.7 of the Regulations, the undersigned finds the facts to be as alleged in the Charging Letter, and hereby determines that those facts establish that Teepad committed one violation of Section 764.2(d), two violations of Section 764.2(b), and two violations of Section 764.2(e) of the Regulations.

Section 764.3 of the Regulations sets forth the sanctions BIS may seek for violations of the Regulations. The applicable sanctions are: (i) A monetary penalty, (ii) suspension from practice before the Bureau of Industry and Security, and (iii) a denial of export privileges under the Regulations. *See* CFR 764.3 (2001–2002). Because Teepad knowingly violated the Regulations by transferring items that were subject to the Regulations with knowledge that a violation of the Regulations would occur, BIS requests that the undersigned recommends to the Under Secretary of Commerce for Industry and Security[8] that Teepad's export privileges be denied for ten years.

BIS suggested these sanctions because Teepad's knowing violation in transferring controlled telecommunications devices to Iran without prior authorization evidences a serious disregard for U.S. export control laws. Furthermore, BIS noted that Iran is a country against which the United States maintains an economic embargo because of Iran's support of international terrorism. BIS believes that the imposition of a civil monetary penalty in this case may be ineffective, given the difficulty of collecting payment against a party outside of the United States. In light of these circumstances, BIS believes that the denial of Teepad's export privileges for ten years is an appropriate sanction.

On this basis, the undersigned concurs with BIS and recommends that the Under Secretary enter an Order denying Teepad's export privileges for a period of ten years. Such a denial order is consistent with penalties imposed in past cases under the Regulations involving shipment to Iran. *See In the Matter of Petrom GmbH International Trade,* 70 FR 32,743 (June 6, 2005) (affirming the recommendations of the Administrative Law Judge that a twenty year denial order and a civil monetary sanction of $143,000 were appropriate where knowing violations involved a shipment of EAR99 items to Iran); *In the Matter of Arian Transportvermittlungs, GmbH,* 69 FR 28,120 (May 18, 2004) (affirming the recommendation of the Administrative Law Judge that a ten year denial order was appropriate where knowing violations involved a shipment of a controlled item to Iran); *In the Matter of Jabal Damavand General Trading Company,* 67 FR 32,009 (May 13, 2002) (affirming the recommendation of the Administrative Law Judge that a ten year denial order was appropriate where knowing violations involved shipment of EAR99 items to Iran); *In the Matter of Adbulamire Mahdi,* 68 FR 57,406 (October 3, 2003) (affirming the recommendation of the Administrative Law Judge that a twenty year denial order was appropriate where knowing violations involved shipments of EAR99 items to Iran as a part of a conspiracy to ship such items through Canada to Iran). A ten year denial of Teepad's export privileges is warranted because Teepad's violations, like those of the defendants in the above-cited case, were deliberate acts done is violation of U.S. export control laws.

The terms of the denial of export privileges against Teepad should be consistent with the standard language used by BIS in such orders. The language is:

[5] Government Exhibit A of the January 5, 2006 Certificate Regarding Service.

[6] The Charging Letter provided the address of the ALJ Docketing Center and specified that the answer *must* be filed in accordance with 15 CFR 766.5(a) to the ALJ Docketing Center.

[7] BIS's letter of March 9, 2006 was successfully sent to the facsimile number provided by Teepad. (*Gov't Ex. 4*).

[8] Pursuant to Section 13(c)(1) of the Export Administration Act and Section 766.17(b)(2) of the Regulations, in export control enforcement cases, the Administrative Law Judge makes recommended findings of fact and conclusions of law that the Under Secretary must affirm, modify or vacate. The Under Secretary's action is the final decision for the U.S. Commerce Department.

[Redacted Section]

[Redacted Section]

[Redacted Section]

Accordingly, the undersigned refers this Recommended Decision and Order to the Under Secretary of Commerce for Industry and Security for review and final action for the agency, without further notice to the respondent, as provided in Section 766.7 of the Regulations.

Within 30 days after receipt of this Recommended Decision and Order, the Under Secretary shall issue a written order affirming, modifying, or vacating the Recommended Decision and Order. *See* 15 CFR 766.22(c).

Dated: May 22, 2006.

Joseph N. Ingolia,

Chief Administrative Law Judge.

[FR Doc. 06–5435 Filed 6–14–06; 8:45 am]

BILLING CODE 3510–33–M

DEPARTMENT OF COMMERCE

International Trade Administration

[A–588–856, A–580–846, A–469–810]

Stainless Steel Angle From Japan, the Republic of Korea, and Spain: Final Results of Sunset Reviews and Revocation of Orders

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On April 3, 2006, the Department of Commerce (Department) initiated the sunset reviews of the antidumping duty orders on stainless steel angle from Japan, the Republic of Korea (Korea), and Spain (71 FR 16551). Because the domestic interested parties did not participate in these sunset reviews, the Department is revoking these antidumping duty orders.

EFFECTIVE DATE: May 18, 2006.

FOR FURTHER INFORMATION CONTACT: Jill Pollack or Brandon Farlander, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–4593 or (202) 482–0182, respectively.

SUPPLEMENTARY INFORMATION:

Background

On May 18, 2001, the Department issued antidumping duty orders on stainless steel angle from Japan, Korea, and Spain (66 FR 27628). On April 3, 2006, the Department initiated sunset reviews of these orders. *See Initiation of Five-year (Sunset) Reviews*, 71 FR 16551 (Apr. 3, 2006).

We did not receive a notice of intent to participate from domestic interested parties in any of these sunset reviews by the deadline date. As a result, in accordance with 19 CFR 351.218(d)(1)(iii)(A), the Department determined that no domestic interested party intends to participate in the sunset reviews, and on April 24, 2006, we notified the International Trade Commission, in writing, that we intended to issue final determinations revoking these antidumping duty orders. *See* 19 CFR 351.218(d)(1)(iii)(B)(2).

Scope of the Orders

For purposes of these orders, the term ''stainless steel angle'' includes hot–rolled, whether or not annealed or descaled, stainless steel products of equal leg length angled at 90 degrees, that are not otherwise advanced. The stainless steel angle subject to these orders is currently classifiable under subheadings 7222.40.30.20 and 7222.40.30.60 of the Harmonized Tariff Schedule of the United States (HTSUS). Specifically excluded from the scope of these orders is stainless steel angle of unequal leg length. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of these orders is dispositive.

Determination to Revoke

Pursuant to section 751(c)(3)(A) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.218(d)(1)(iii)(B)(3), if no domestic interested party files a notice of intent to participate, the Department shall, within 90 days after the initiation of the review, issue a final determination revoking the order. Because the domestic interested parties did not file a notice of intent to participate in these sunset reviews, the Department finds that no domestic interested party is participating in these sunset reviews. Therefore, consistent with 19 CFR 351.222(i)(1)(i) and section 751(c)(3) of the Act, we are revoking these antidumping duty orders. The effective date of revocation is May 18, 2006, the fifth anniversary of the date the Department published these antidumping duty orders. *See* 19 CFR 351.222(i)(2)(i).

Effective Date of Revocation

Pursuant to section 751(c)(3)(A) of the Act and 19 CFR 351.222(i)(2)(i), the Department will instruct U.S. Customs and Border Protection to terminate the suspension of liquidation of the merchandise subject to these orders entered, or withdrawn from warehouse, on or after May 18, 2006. Entries of subject merchandise prior to the effective date of revocation will continue to be subject to suspension of liquidation and antidumping duty deposit requirements. The Department will complete any pending administrative reviews of these orders and will conduct administrative reviews of subject merchandise entered prior to the effective date of revocation in response to appropriately filed requests for review.

These five-year (sunset) reviews and notice are in accordance with sections 751(c) and 777(i)(1) of the Act.

Dated: June 9, 2006.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E6–9367 Filed 6–14–06; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[A–428–830]

Notice of Extension of Final Results of Antidumping Duty Administrative Review: Stainless Steel Bar from Germany

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: June 15, 2006.

FOR FURTHER INFORMATION CONTACT: Brandon Farlander or Natalie Kempkey, at (202) 482–0182 or (202) 482–1698, respectively; AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On February 3, 2006, the Department of Commerce (''the Department'') published the preliminary results of the administrative review of the antidumping order on stainless steel bar from Germany for the period March 1, 2004, through February 28, 2005 (*See Stainless Steel Bar from Germany: Preliminary Results of Antidumping Administrative Review*, 71 FR 5811 (February 3, 2006) (''*Preliminary Results*'')). On May 11, 2006, the Department published its first extension of the time limit for the final results of this administrative review (*See Notice of Extension of Final Results of Antidumping Duty Administrative Review: Stainless Steel Bar from Germany*, 71 FR 27465 (May 11, 2006)).

The current deadline for the final results of this review is July 3, 2006.

Extension of Time Limit for Final Results of Review

Section 751(a)(3)(A) of the Tariff Act of 1930, as amended (''the Act''), requires the Department to issue (1) the preliminary results of a review within 245 days after the last day of the month in which occurs the anniversary of the date of publication of an order or finding for which a review is requested, and (2) the final results within 120 days after the date on which the preliminary results are published. However, if it is not practicable to complete the review within that time period, section 751(a)(3)(A) of the Act allows the Department to extend the time limit for the preliminary results to a maximum of 365 days and the final results to a maximum of 180 days (or 300 days if the Department does not extend the time limit for the preliminary results) from the date of the publication of the preliminary results. *See* 19 CFR 351.213(h)(2).

We determine that it is not practicable to complete the final results of this review within the extended time limits. Due to the complexity of issues present in this administrative review, such as BGH's claim of a downward adjustment to normal value for home market commissions and the Department's upward adjustment to BGH's cost of manufacture, the Department needs additional time to address these items and evaluate the issues more thoroughly. Therefore, we are extending the deadline for the final results of this review by 14 days. Accordingly, the final results will be issued no later than July 17, 2006.

This extension is in accordance with section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2).

Dated: June 9, 2006.

Stephen J. Claeys,

Deputy Assistant Secretary for Import Administration.

[FR Doc. E6–9368 Filed 6–14–06; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

Exemption of Foreign Air Carriers From Excise Taxes; Discontinuance of Exemption; Republic of Bolivia

AGENCY: International Trade Administration, U.S. Department of Commerce.

ACTION: Notification to the Secretary of Treasury by the Secretary of Commerce, or his designee, of the discontinuance of the existing exemption for aircraft registered in the Republic of Bolivia from certain internal revenue taxes on the purchase of supplies in the United States for such aircraft in connection with their international commercial operations.

SUMMARY: Notice is hereby given that the Department of Commerce has determined that the Government of Bolivia has discontinued allowing substantially reciprocal tax exemptions to aircraft of U.S. registry in connection with international commercial operations similar to those exemptions currently granted to aircraft of Bolivian registry by the United States. The Department reached this determination after a review conducted pursuant to Section 4221 of the Internal Revenue Code, as amended (26 U.S.C. 4221).

The above-cited statute provides exceptions for aircraft of foreign registry from payment of certain internal revenue taxes on the purchase of supplies in the United States for such aircraft in connection with their international commercial operations. These exemptions apply upon a finding by the Secretary of Commerce, or his designee, and communicated to the Department of the Treasury, that such country allows, or will allow, ''substantially reciprocal privileges'' to aircraft of U.S. registry with respect to purchases of such supplies in that country. If a foreign country discontinues the allowance of such substantially reciprocal exemption, the exemption allowed by the United States will not apply after the Secretary of the Treasury is notified by the Secretary of Commerce, or his designee, of the discontinuance.

Interested parties were invited in a **Federal Register** Notice dated June 30, 2005, to submit their views, comments and supporting documentation in writing concerning this matter to the U.S. Department of Commerce. The Department then conducted its review. Those desiring additional information contact Mr. Eugene Alford, Office of Service Industries, Room 1104, U.S. Department of Commerce, Washington, DC 20230, or telephone 202–482–5071.

Dated: June 9, 2006.

Albert A. Frink,

Assistant Secretary for Manufacturing and Services.

[FR Doc. E6–9335 Filed 6–14–06; 8:45 am]

BILLING CODE 3510–DR–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Availability of Seats for the Gulf of the Farallones National Marine Sanctuary Advisory Council

AGENCY: National Marine Sanctuary Program (NMSP), National Ocean Service (NOS), National Oceanic and Atmospheric Administration, Department of Commerce (DOC).

ACTION: Notice and request for applications.

SUMMARY: The Gulf of the Farallones National Marine Sanctuary (GFNMS or Sanctuary) is seeking applicants for the following seats on its Sanctuary Advisory Council (Advisory Council):

At-Large for San Francisco/San Mateo Counties (alternate).

Education (primary and alternate).

Maritime Activities/Recreational (primary and alternate).

Research (primary and alternate).

Applicants are chosen based upon their particular expertise and experience in relation to the seat for which they are applying; community and professional affiliations; philosophy regarding the protection and management of marine resources; and possibly the length of residence in the area affected by the Sanctuary. Applicants who are chosen as members should expect to serve either a two- or three-year term, pursuant to the Advisory Council's Charter.

DATES: Applications are due by August 15, 2006.

ADDRESSES: Application kits may be obtained from Gulf of the Farallones National Marine Sanctuary, Building 201 Fort Mason, San Francisco, CA 94950, (415) 561–6622, and over the Internet at: *http://farallones.noaa.gov/manage/sac.html.* Completed applications should be sent to the above mailing address.

FOR FURTHER INFORMATION CONTACT: Gulf of the Farallones National Marine Sanctuary, Building 201 Fort Mason, San Francisco, CA 94950, (415) 561–6622.

SUPPLEMENTARY INFORMATION: The Gulf of the Farallones National Marine Sanctuary (GFNMS) was established in 1981 to protect the near shore waters of the California Coast north and west of San Francisco, and the offshore Farallon Islands. The sanctuary includes nursery and spawning grounds for commercially important species, over 33 species of marine mammals, and 15 species of breeding seabirds. The Farallon Islands

themselves contain the largest concentration of breeding seabirds in the contiguous United States. Key habitats include coastal beaches, rocky shores, mud and tidal flats, salt marsh, estuaries, and pelagic waters.

Additionally, the area within the Monterey Bay National Marine Sanctuary (MBNMS) north of the San Mateo/Santa Cruz county boundary is administered by the GFNMS. The legal boundaries of each sanctuary remain as is. The GFNMS is responsible for developing and managing most sanctuary programs within this area, with the exception that the MBNMS is responsible for the Water Quality Protection Program.

The GFNMS Advisory Council was originally chartered in 2001, with seven voting members. It has recently been expanded to 12 voting members. The primary focus of the Council is to advise the Sanctuary Manager regarding the implementation of the sanctuary management plan, in conjunction with the contiguous Monterey Bay and Cordell Bank National Marine Sanctuaries.

Authority: 16 U.S.C. Sections 1431, *et seq.*

(Federal Domestic Assistance Catalog Number 11.429 Marine Sanctuary Program)

Dated: June 5, 2006.

Daniel J. Basta,

Director, National Marine Sanctuary Program, National Oceanic and Atmospheric Administration.

[FR Doc. 06–5422 Filed 6–14–06; 8:45 am]

BILLING CODE 3510–NK–M

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Maritime Museum Seat Vacancy for the Monitor National Marine Sanctuary Advisory Council

AGENCY: National Marine Sanctuary Program (NMSP), National Ocean Service (NOS), National Oceanic and Atmospheric Administration, Department of Commerce (DOC).

ACTION: Notice and request for applications.

SUMMARY: The *Monitor* National Marine Sanctuary (MNMS or Sanctuary) is seeking applicants for the Maritime Museum seat on its Sanctuary Advisory Council (Council).

Applicants are chosen based upon their particular expertise and experience in relation to the seat for which they are applying; community and professional affiliations; philosophy regarding the protection and management of marine resources; and possibly the length of residence in the area affected by the Sanctuary. Applicants who are chosen as members should expect to serve 2-year terms, pursuant to the Council's Charter.

DATES: Applications are due by June 30, 2006.

ADDRESSES: Application kits may be obtained from: Krista Trono, *Monitor* National Marine Sanctuary, 100 Museum Drive, Newport News, VA 23602. Completed applications should be sent to the same address.

FOR FURTHER INFORMATION CONTACT: Krista Trono, Communications Coordinator, *Monitor* National Marine Sanctuary, 100 Museum Drive Newport News, VA 23602. (757) 591–7328, Fax: (757) 591–7353, *Krista.Trono@noaa.gov.*

SUPPLEMENTARY INFORMATION: The MNMS Advisory Council was established in 2005 and representation currently consists of eleven members, including four government agency representatives and seven members from the general public. The Council functions in an advisory capacity to the Sanctuary Superintendent. The Council works in concert with the Sanctuary Superintendent by keeping him or her informed about issues of concern throughout the Sanctuary, offering recommendations on specific issues, and aiding the Manager in achieving the goals of the Sanctuary program. Specifically, the Council's objectives are to provide advice on: (1) Protecting cultural resources, and identifying and evaluating emergent or critical issues involving Sanctuary use or resources; (2) Identifying and realizing the Sanctuary's research objectives; (3) Identifying and realizing educational opportunities to increase the public knowledge and stewardship of the Sanctuary environment; and (4) Assisting to develop an informed constituency to increase awareness and understanding of the purpose and value of the Sanctuary and the National Marine Sanctuary Program.

Authority: 16 U.S.C. Sections 1431, *et seq.*

(Federal Domestic Assistance Catalog Number 11.429 Marine Sanctuary Program)

Dated: June 5, 2006.

Daniel J. Basta,

Director, National Marine Sanctuary Program, National Oceanic and Atmospheric Administration.

[FR Doc. 06–5421 Filed 6–14–06; 8:45 am]

BILLING CODE 3510–NK–M

PATENT AND TRADEMARK OFFICE

Requirements for Patent Applications Containing Nucleotide Sequence and/or Amino Acid Sequence Disclosures

ACTION: Proposed collection; comment request.

SUMMARY: The United States Patent and Trademark Office (USPTO), as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on the continuing information collection, as required by the Paperwork Reduction Act of 1995, Public Law 104–13 (44 U.S.C. 3506(c)(2)(A)).

DATES: Written comments must be submitted on or before August 14, 2006.

ADDRESSES: You may submit comments by any of the following methods:

E-mail: *Susan.Brown@uspto.gov*. Include ''0651–0024 comment'' in the subject line of the message.

Fax: 571–273–0112, marked to the attention of Susan Brown.

Mail: Susan K. Brown, Records Officer, Office of the Chief Information Officer, Architecture, Engineering and Technical Services, Data Architecture and Services Division, U.S. Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313–1450.

Federal e-Rulemaking Portal: *http://www.regulations.gov*.

FOR FURTHER INFORMATION CONTACT: Requests for additional information should be directed to Robert J. Spar, Director, Office of Patent Legal Administration, U.S. Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313–1450; by telephone at 571–272–7700; or by e-mail at *Bob.Spar@uspto.gov*.

I. Abstract

Patent applications that contain nucleotide and/or amino acid sequence disclosures must include a copy of the sequence listing in accordance with the requirements in 37 CFR 1.821–1.825. The rules of practice require applicants to submit these sequence listings in a standard international format that is consistent with World Intellectual Property Organization (WIPO) Standard ST.25 (1998). Applicants may submit sequence listings for both U.S. and international patent applications.

The USPTO uses the sequence listings during the examination process to determine the patentability of the associated patent application. Sequence listings are also disclosed as part of the published patent application or issued patent. Sequence listings that are extremely long (files larger than 600K or

approximately 300 printed pages) are published only in electronic form and are available to the public on the USPTO sequence data Web page.

The USPTO recognizes that the submission of massive paper versions of extremely long sequence listings would place a significant burden on applicants and the USPTO, while also being of minimal utility for examination purposes. Consequently, applicants may submit the sequence listing required by 37 CFR 1.821(c) on paper or compact disc (CD). Applicants may also file sequence listings for U.S. applications electronically using the Electronic Filing System (EFS) software developed by the USPTO for secure transmission of patent applications and related documents over the Internet. Applicants may use EFS to file a sequence listing electronically with a patent application or subsequent to a previously filed application.

Under 37 CFR 1.821(e)-(f), applicants must also submit a copy of the sequence listing in ''computer readable form'' (CRF) with a statement indicating that the CRF copy of the sequence listing is identical to the paper or CD copy required by 1.821(c). If an applicant later submits an amendment to the paper or CD copy of the sequence listing, the applicant must also submit a new CRF copy of the amended listing. Applicants may submit the CRF copy of the sequence listing to the USPTO on CD or other acceptable media as provided in 37 CFR 1.824. Sequence listings that are submitted electronically using EFS do not require a separate CRF copy.

This information collection contains the sequence listings that are submitted with biotechnology patent applications. Information pertaining to the filing of the initial patent application itself is collected under OMB Control Number 0651–0032, and international applications submitted under the Patent Cooperation Treaty (PCT) are covered under OMB Control Number 0651–0021. Customers may use a checkbox on Form PTO/SB/05 Utility Patent Application Transmittal, which is covered under OMB Control Number 0651–0032, to indicate the submission of a sequence listing for a U.S. patent application. The USPTO also provides a sample format for the transmittal documentation that must be submitted with a sequence listing on CD for an international patent application. Applicants who submit sequence listings using EFS must complete the electronic transmittal forms included within the submission software.

II. Method of Collection

By mail, hand delivery, or electronically to the USPTO.

III. Data

OMB Number: 0651–0024.

Form Number(s): None.

Type of Review: Revision of a currently approved collection.

Affected Public: Individuals or households; businesses or other for-profits; not-for-profit institutions; farms; the Federal Government; and state, local or tribal governments.

Estimated Number of Respondents: 15,382 responses per year.

Estimated Time per Response: The USPTO estimates that it will take the public approximately ten minutes (0.17 hours) to one hour and 20 minutes (1.33 hours) to gather the necessary information, prepare the sequence listing, and submit it to the USPTO, depending on whether the listing is submitted on paper, on CD, or electronically.

Estimated Total Annual Respondent Burden Hours: 17,297 hours per year.

Estimated Total Annual Respondent Cost Burden: $1,556,730 per year. The USPTO expects that the information in this collection will be prepared by paraprofessionals at an estimated rate of $90 per hour. Therefore, the USPTO estimates that the respondent cost burden for this collection will be approximately $1,556,730 per year.

Item	Estimated time for response	Estimated annual responses	Estimated annual burden hours
Sequence Listing in Application (paper)	1 hour and 20 minutes	11,512	15,311
Sequence Listing in Application (CD)	1 hour	1,600	1,600
Electronic Sequence Listing in Application (EFS)	10 minutes	2,270	386
Total		15,382	17,297

Estimated Total Annual Non-hour Respondent Cost Burden: $4,285,658 per year. There are no maintenance costs associated with this collection. The USPTO provides free software for creating and validating the format of the sequence listings prior to submission. However, this collection does have annual (non-hour) costs in the form of filing fees, capital start-up costs, recordkeeping costs, and postage costs.

There is no separate filing fee for submitting a sequence listing as part of a U.S. patent application, but there is a filing fee of $4,800 for submitting a sequence listing in electronic form (on CD) as part of an international PCT application. The USPTO estimates that approximately 200 of the 1,600 CD sequence listings submitted per year will be for international applications, for a total of $960,000 per year. While there is no additional fee for a sequence listing filed on paper in an international application, the basic international filing fee only covers the first 30 pages of the application. As a result, there is a $12 fee per page that is added to the international filing fee for each page over 30 pages. The average length of a paper sequence listing in an international application is 150 pages, which would carry an additional fee of $1,800 if the international application were already at least 30 pages long without the listing. The USPTO estimates that approximately 1,560 of the 11,512 paper sequence listings submitted per year will be for international applications, for a total of $2,808,000 per year. Therefore, this collection has $3,768,000 per year in filing fees that may be associated with paper and CD sequence listings for international applications.

Under 37 CFR 1.16(s) and 1.492(j), both U.S. and international patent applications that include lengthy paper sequence listings may be subject to an application size fee. For applications with paper sequences listings that exceed 100 pages, the application size fee is $250 (or $125 for small entities) for each additional 50 pages or fraction thereof. The USPTO estimates that approximately 400 applications with long paper sequence listings will incur an average application size fee of $750, and approximately 310 applications with long paper listings from small entities will incur an average application size fee of $375, for a total of $416,250 per year. Therefore, this

collection has a total of $4,184,250 in filing fees per year.

There are capital start-up costs associated with submitting sequence listings and CRF copies to the USPTO on CD. Applicants who submit sequence listings on CD must submit two copies of the CD (or three copies for international applications) along with a transmittal letter stating that the copies are identical. This process requires additional supplies, including blank recordable CD media and padded envelopes for shipping. The USPTO estimates that the cost of these supplies will be approximately $3 per CD submission and that it will receive approximately 1,600 CD submissions per year, for a total of $4,800. In addition, customers who submit sequence listings on paper or CD must also submit a separate CRF copy of the listing, which may be submitted on CD. The USPTO estimates that it will receive approximately 13,112 CRF copies for paper and CD sequence listings at an estimated cost of $2 per copy, for a total of $26,224. Therefore, this collection has total capital start-up costs of $31,024 per year associated with submitting sequence listings and CRF copies on CD.

Applicants who submit sequence listings on CD may also incur recordkeeping costs. The USPTO advises applicants to retain a back-up copy of CD submissions and associated documentation for their records. The USPTO estimates that it will take applicants five minutes to produce a back-up CD copy and two minutes to print copies of documentation, for a total of seven minutes (0.12 hours) to make a back-up copy of the CD submission. The USPTO estimates that approximately 1,600 CD submissions will be received per year, for a total of 192 hours for making back-up CD copies. The USPTO expects that these back-up copies will be prepared by paraprofessionals at an estimated rate of $90 per hour, for a total recordkeeping cost of $17,280 per year.

Customers may incur postage costs when submitting a sequence listing to the USPTO by mail. Mailed submissions may include the sequence listing on either paper or CD, the CRF copy of the listing on CD, and a transmittal letter containing the required identifying information. The USPTO estimates that the average postage cost for a paper or CD sequence listing submission will be $4.05 and that 13,112 sequence listings will be mailed to the USPTO per year, for a total postage cost of $53,104 per year.

The total non-hour respondent cost burden for this collection in the form of filing fees, capital start-up costs, recordkeeping costs, and postage costs is estimated to be $4,285,658 per year.

IV. Request for Comments

Comments are invited on: (a) Whether the proposed 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 (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, e.g., the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized or included in the request for OMB approval of this information collection; they also will become a matter of public record.

Dated: June 9, 2006.

Susan K. Brown,

Records Officer, USPTO, Office of the Chief Information Officer, Architecture, Engineering and Technical Services, Data Architecture and Services Division.

[FR Doc. E6–9343 Filed 6–14–06; 8:45 am]

BILLING CODE 3510–16–P

DEPARTMENT OF EDUCATION

Submission for OMB Review; Comment Request

AGENCY: Department of Education.

SUMMARY: The IC Clearance Official, Regulatory Information Management Services, Office of Management invites comments on the submission for OMB review as required by the Paperwork Reduction Act of 1995.

DATES: Interested persons are invited to submit comments on or before July 17, 2006.

ADDRESSES: Written comments should be addressed to the Office of Information and Regulatory Affairs, Attention: Rachel Potter, Desk Officer, Department of Education, Office of Management and Budget, 725 17th Street, NW., Room 10222, New Executive Office Building, Washington, DC 20503 or faxed to (202) 395–6974.

SUPPLEMENTARY INFORMATION: Section 3506 of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35) requires that the Office of Management and Budget (OMB) provide interested Federal agencies and the public an early opportunity to comment on information collection requests. OMB may amend or waive the requirement for public consultation to the extent that public participation in the approval process would defeat the purpose of the information collection, violate State or Federal law, or substantially interfere with any agency's ability to perform its statutory obligations. The IC Clearance Official, Regulatory Information Management Services, Office of Management, publishes that notice containing proposed information collection requests prior to submission of these requests to OMB. Each proposed information collection, grouped by office, contains the following: (1) Type of review requested, e.g. new, revision, extension, existing or reinstatement; (2) Title; (3) Summary of the collection; (4) Description of the need for, and proposed use of, the information; (5) Respondents and frequency of collection; and (6) Reporting and/or Recordkeeping burden. OMB invites public comment.

Dated: June 7, 2006.

Angela C. Arrington,

IC Clearance Official, Regulatory Information Management Services, Office of Management.

Office of English Language Acquisitions

Type of Review: Revision.

Title: Title III Biennial Report Required of State Education Agencies Regarding Activities Under the NCLB Act of 2001.

Frequency: Biennially.

Affected Public: State, Local, or Tribal Gov't, SEAs or LEAs.

Reporting and Recordkeeping Hour Burden:

Responses: 52.

Burden Hours: 156.

Abstract: State Directors of Title III of the No Child Left Behind (Elementary and Secondary Education) Act—Language Instruction for Limited English Proficient and Immigrant students—are required to transmit their State Formula Grant Biennial Evaluation Report to the Secretary of Education every two years. The Department uses the information collected for the Secretary's Biennial Report to Congress and for the determination of State Title III accountability.

Requests for copies of the information collection submission for OMB review may be accessed from *http://edicsweb.ed.gov*, by selecting the ''Browse Pending Collections'' link and by clicking on link number 3024. When you access the information collection, click on ''Download Attachments '' to view. Written requests for information should be addressed to U.S. Department of Education, 400 Maryland Avenue,

SW., Potomac Center, 9th Floor, Washington, DC 20202–4700. Requests may also be electronically mailed to *ICDocketMgr@ed.gov* or faxed to 202–245–6623. Please specify the complete title of the information collection when making your request.

Comments regarding burden and/or the collection activity requirements should be electronically mailed to *ICDocketMgr@ed.gov*. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1–800–877–8339.

[FR Doc. E6–9193 Filed 6–14–06; 8:45 am]

BILLING CODE 4000–01–P

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OAR–2006–0482; FRL–8183–9]

Agency Information Collection Activities; Proposed Collection; Comment Request; EPA–ICR No. 1774.03, OMB Control No. 2060–0350

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act (PRA) (44 U.S.C. 3501 *et seq.*), this document announces that EPA is planning to submit a request to renew an existing approved Information Collection Request (ICR) to the Office of Management and Budget (OMB). This ICR is scheduled to expire on September 30, 2006. Before submitting the ICR to OMB for review and approval, EPA is soliciting comments on specific aspects of the proposed information collection as described below.

DATES: Comments must be submitted on or before August 14, 2006.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA–HQ–2006–0482 by one of the following methods:

- *http://www.regulations.gov:* Follow the on-line instructions for submitting comments.
- E-mail: *a-and-r-Docket@epa.gov*.
- Fax: 202–566–1741
- Mail: Environmental Protection Agency, EPA Docket Center (EPA/DC), Mailcode 6102T, Attention Docket ID No. OAR, 1200 Pennsylvania Avenue, NW., Washington, DC 20460
- Hand Delivery: Public Reading Room, Room B102, EPA West Building, 1301 Constitution Avenue, NW., Washington, DC.

Such deliveries are only accepted during the Docket's normal hours of operation, and special arrangements should be made for deliveries of boxed information.

Instructions: Direct your comments to Docket ID No. EPA–HQ–OAR–2006–0482. EPA's policy is that all comments received will be included in the public docket without change and may be made available online at *http://www.regulations.gov*, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through *www.regulations.gov* or e-mail. The *http://www.regulations.gov* Web site is an ''anonymous access'' system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through *http://www.regulations.gov* your e-mail address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD–ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses.

FOR FURTHER INFORMATION CONTACT: Karen Thundiyil, Environmental Protection Agency, Stratospheric Protection Division, Office of Atmospheric Programs, MC 6205J, 1200 Pennsylvania Ave., NW., Washington, DC 20460; telephone number: (202) 343.9464; fax number: (202) 343.2363; e-mail address: *Thundiyil.Karen@epa.gov*.

SUPPLEMENTARY INFORMATION:

How Can I Access the Docket and/or Submit Comments?

EPA has established a public docket for this ICR under Docket ID No. EPA–HQ–2006–0482, which is available for online viewing at *http://www.regulations.gov*, or in person viewing at the Air and Radiation Docket in the EPA Docket Center (EPA/DC), EPA West, Room B102, 1301 Constitution Ave., NW., Washington, DC. The EPA/DC Public Reading Room is open from 8 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is 202–566–1744, and the telephone number for the Air and Radiation Docket is 202–566–1742.

Use *http://www.regulations.gov* to obtain a copy of the draft collection of information, submit or view public comments, access the index listing of the contents of the docket, and to access those documents in the public docket that are available electronically. Once in the system, select ''search,'' then key in the docket ID number identified in this document.

What Information Is EPA Particularly Interested In?

Pursuant to section 3506(c)(2)(A) of the PRA, EPA specifically solicits comments and information to enable it to:

(i) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the Agency, including whether the information will have practical utility;

(ii) Evaluate the accuracy of the Agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(iii) Enhance the quality, utility, and clarity of the information to be collected; and

(iv) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of responses. In particular, EPA is requesting comments from very small businesses (those that employ less than 25) on examples of specific additional efforts that EPA could make to reduce the paperwork burden for very small businesses affected by this collection.

What Should I Consider When I Prepare My Comments for EPA?

You may find the following suggestions helpful for preparing your comments:

1. Explain your views as clearly as possible and provide specific examples.
2. Describe any assumptions that you used.
3. Provide copies of any technical information and/or data you used that support your views.
4. If you estimate potential burden or costs, explain how you arrived at the estimate that you provide.
5. Offer alternative ways to improve the collection activity.

6. Make sure to submit your comments by the deadline identified under **DATES.**

7. To ensure proper receipt by EPA, be sure to identify the docket ID number assigned to this action in the subject line on the first page of your response. You may also provide the name, date, and **Federal Register** citation.

What Information Collection Activity or ICR Does This Apply to?

[Docket ID No. EPA–HQ–OAR–2006–0482]

Affected entities: Entities potentially affected by this action are new and used car dealers, gas service stations, top and body repair shops, general automotive repair shops, automotive repair shops not elsewhere classified, including air conditioning and radiator specialty shops.

Title: Information Collection Activities Associated with EPA's Mobile Air Conditioner Retrofitting Program.

ICR numbers: EPA ICR No. 1774.03, OMB Control No. 2060–0350.

ICR status: This ICR is currently scheduled to expire on September 30, 2006. An Agency may not conduct or sponsor, and a person is not required to respond to, a collection of information, unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations in Title 40 of the CFR, after appearing in the **Federal Register** when approved, are listed in 40 CFR part 9, are displayed either by publication in the **Federal Register** or by other appropriate means, such as on the related collection instrument or form, if applicable. The display of OMB control numbers in certain EPA regulations is consolidated in 40 CFR part 9.

Abstract: EPA's Significant New Alternatives Policy (SNAP) program implements section 612 of the 1990 Clean Air Act Amendments which authorized the Agency to establish regulatory requirements to insure that ozone depleting substances would be replaced by alternatives that reduce overall risks to human health and the environment, and to promote an expedited transition to safe substitutes. To promote this transition, the Act specified that EPA establish an information clearinghouse of available alternatives, and coordinate with other Federal agencies and the public on research, procurement practices, and information and technology transfers.

Since the program's inception in 1994, SNAP has reviewed over 400 new chemicals and alternative manufacturing processes for a wide range of consumer, industrial, space exploration, and national security applications. Roughly 90% of alternatives submitted to EPA for review have been listed as acceptable for a specific use, typically with some condition or limit to minimize risks to human health and the environment.

Regulation promulgated under SNAP requires that mobile air conditioners (MAC) retrofitted to use a SNAP substitute refrigerant include basic information on a label to be affixed to the air conditioner. The label includes the name of the substitute refrigerant, when and by whom the retrofit was performed, environmental and safety information about the substitute refrigerant, and other information. This information is needed so that subsequent technicians working on the MAC system will be able to service the equipment properly, decreasing the likelihood of significant refrigerant cross-contamination and potential failure of air conditioning systems and recovery/recycling equipment.

Burden Statement: The annual public reporting and recordkeeping burden for this collection of information is estimated to average 5 minutes per response. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements which have subsequently changed; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information.

The ICR provides a detailed explanation of the Agency's estimate. This estimate is based on the Agency's 2003 estimate. The Agency welcomes comments from the public that describe and document how the reporting and recordkeeping burden has changed since 2003. The 2003 estimate is summarized here:

Estimated total number of potential respondents: 87,000.

Frequency of response: Once per and upon retrofit of a motor vehicle air conditioner.

Estimated total annual burden hours: 83,333 hours.

Estimated total annual costs: $5,933,333, which includes $100,000 annualized capital or O&M costs and $5,833,333 labor costs.

In 2003, the U.S. Department of Labor statistics indicated there were 168,630 automotive body and related repairers (Standard Occupation Classification [SOC] System Code Number 49–3021) and 701,150 automotive service technicians and mechanics (SOC Code Number 49–3023) in the U.S. EPA estimated that 87,000 of them, or approximately 10% of the total, would be responsible for retrofitting the estimated 3,000,000 MACs over the three-year term of the previous ICR.

In 2003, EPA estimated the time to complete and apply the label at 5 minutes per MAC, making the total burden 250,000 hours (83,333 hours and 20 minutes per year). At an estimated average labor rate of $70 per hour, the overall cost associated with the burden hours is $17,500,000 ($5,833,333.33 per year). The cost for designing, typesetting, printing and distributing 3,000,000 labels is estimated at $0.10 per label to be $300,000 ($100,000 per year). Adding the labor and capital costs together yields a total cost burden of $17,800,000 ($5,933,333.33 per year).

The Agency welcomes public comment on the number of CFC–12 MACs that will undergo a retrofit, the number of MAC service technicians performing such service, the average labor rate of MAC service technicians from 2006 to 2009 and any other relevant information.

Are There Changes in the Estimates From the Last Approval?

This estimate is the same estimate used in 2003. The Agency requests public comment on how the number of estimated total respondent burden has changed since 2003. EPA expects that there will be a smaller burden in 2006 because fewer CFC–12 mobile air conditioners will be retrofitted.

What Is the Next Step in the Process for This ICR?

EPA will consider the comments received and amend the ICR as appropriate. The final ICR package will then be submitted to OMB for review and approval pursuant to 5 CFR 1320.12. At that time, EPA will issue another **Federal Register** notice pursuant to 5 CFR 1320.5(a)(1)(iv) to announce the submission of the ICR to OMB and the opportunity to submit additional comments to OMB. If you have any questions about this ICR or the approval process, please contact the technical person listed under **FOR FURTHER INFORMATION CONTACT.**

Dated: June 5, 2006.

Brian J. McLean,

Director, Office of Atmospheric Programs.

[FR Doc. E6–9316 Filed 6–14–06; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

[FRL–8184–2]

Gulf of Mexico Program Office Funding Opportunity

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice; announcement of funding opportunity.

SUMMARY: An estimated amount of $3,000,000 for ten to fifty cooperative agreements may be awarded under this announcement to eligible applicants for projects that improve the health of the Gulf of Mexico by addressing improved water quality and public health, priority coastal habitat protection/recovery, more effective coastal environmental education, improved habitat identification/characterization data and decision support systems, and strategic nutrient reductions. Projects must involve stakeholders and focus on support and implementation of the Gulf of Mexico Alliance *Governors' Action Plan for Healthy and Resilient Coasts.*

DATES: Deadline for Submissions is 6 p.m., Central Time, July 11, 2006.

ADDRESSES: Submissions should be sent electronically to *GMP.Proposals@epa.gov* or through with the *http://www.grants.gov*. Electronic messages must use the subject line: GMP Proposal Submission.

FOR FURTHER INFORMATION CONTACT: Esther Coblentz, Gulf of Mexico Program Office, at (228) 688–1281 or *coblentz.esther@epa.gov*.

SUPPLEMENTARY INFORMATION:

Overview Information

Federal Agency Name: U.S. Environmental Protection Agency, Gulf of Mexico Program Office.

Funding Opportunity Title: Gulf of Mexico Alliance Regional Partnership Projects.

Announcement Type: Initial Announcement.

Funding Opportunity Number: EPA–GM–2006–1.

Catalog of Federal Domestic Assistance (CFDA) Number: 66.475—Gulf of Mexico Program *http://www.cfda.gov*.

Dates: The deadline for submissions is July 11, 2006, 6 p.m. CST. Proposals must be submitted by electronic mail. For those applicants who lack the technical capability to apply either by e-mail to *GMP.proposals@epa.gov* or through *http://www.grants.gov*, please contact Esther Coblentz at (228–688–1281) and/or *coblentz.esther@epa.gov* for alternative submission methods. All Proposals must be received by EPA or through grants.gov by the closing date and will not be accepted after that date. For further information, see Section IV.

Funding Opportunity Description: An estimated amount of up to $3,000,000 for between approximately ten to fifty cooperative agreements may be awarded under this announcement to eligible applicants for projects that improve the health of the Gulf of Mexico by addressing improved water quality and public health, priority coastal habitat protection/recovery, more effective coastal environmental education, improved habitat identification/characterization data and decision support systems, and strategic nutrient reductions. Projects must actively involve stakeholders and focus on support and implementation of the Gulf of Mexico Alliance *Governors' Action Plan for Healthy and Resilient Coasts*.

I. Funding Opportunity Description

Background

The EPA Gulf of Mexico Program's (GMP) mission is to protect, restore, and enhance the coastal and marine waters of the Gulf and its natural habitats; to sustain living resources; to protect human health and the food supply; and to ensure the long-term use of the Gulf shores, beaches, and waters. To carry out the GMP mission, we must continue to develop and maintain a partnership of State and Federal agencies, local governments, academia, regional business and industry, agricultural and environmental organizations, and individual citizens and communities that effectively addresses the complex ecological problems that cross State, Federal, and international jurisdictions and boundaries.

Project Summary

EPA is issuing this Request for Proposals to strengthen and support the Gulf of Mexico Alliance Regional Partnership. The President's U.S. Ocean Action Plan released in December 2004 highlighted the Gulf of Mexico Alliance, a partnership formed by the five Gulf State Governors. The President called for increased integration of resources, knowledge and expertise to make the collaboration of the Gulf Alliance a success. See *http://www.gulfofmexicoalliance.org*. Thirteen Federal agencies formed a Federal Workgroup, with EPA and the National Oceanic and Atmospheric Administration (NOAA) as co-leads, committed to supporting the Alliance. The Gulf of Mexico Program is the lead for EPA.

The Alliance released the *Governors' Action Plan for Healthy and Resilient Coasts* on March 28, 2006. This *Action Plan* is intended to be a dynamic starting point for effective regional collaboration and addresses specific issues and projects which will result in a healthier Gulf of Mexico ecosystem and economy with a vision toward healthy and resilient coasts and communities in the Gulf of Mexico.

The *Plan* sets out a strategy with eleven actions addressing specific projects/activities that will deliver significant on-the-ground results to achieve the environmental outcomes of improved water quality for healthy beaches and shellfish beds; restored/protected coastal habitats; increased awareness/stewardship of the Gulf of Mexico; improved management of Gulf habitats; and reduced nutrient inputs to sustain productive Gulf aquatic ecosystems. These eleven actions are listed in this announcement under the following topic areas: Water Quality, Wetland and Coastal Restoration, Environmental Education, Identification and Characterization of Gulf Habitats, and Reducing Nutrient Inputs. The Gulf of Mexico Program is announcing the availability of funding to address the activities in the *Action Plan*. For more information on the *Governors' Action Plan* go to *http://www.dep.state.fl.us/gulf/plan.htm*.

Each of the Actions listed below includes a description of some of the expected outputs of projects addressing that Action and projects/activities for that Action. Applicant proposals must address one or more of the Actions listed under the topics below. Proposals may address actions under different topic areas, and more than one action may be addressed in the same proposal.

Water Quality

Action 1 (Harmful Algal Blooms): Establish a cooperative binational coastal observing and decision support system in the Gulf of Mexico for the advanced detection and forecasting of red tide (*K. brevis*) and for notifying public health managers. Educate the public to help reduce the human health, natural resource and economic impacts of bloom events.

Activities:

- Conduct an investigation of advanced technologies for rapid field screening and enhanced real-time

remote sensing, platform sensing, and autonomous sensing of HABs.

• Conduct a study to evaluate and compare the multiple methods of HAB detection technologies under development for *K. brevis* against microscopic identification methods.

• Conduct studies, in collaboration with state and Federal partners throughout the region, to assess the public health, natural resources, and socioeconomic risks and impacts from HABs.

• Collaborate with existing Gulf State and Gulf Alliance programs to develop a strategic outreach plan to inform and educate the public about HABs and management actions taken to protect public health and to expand educational and outreach methods used to inform the public about HABs and their impacts.

• Serve as Project Manager to facilitate actions to support the expansion of Harmful Algal Blooms Observing System (HABSOS) to Veracruz, Mexico; to initiate and coordinate two workshops with local, state, and Federal expert scientists to implement a curriculum and training program for personnel in HAB field sampling and microscopic identification methods and to demonstrate toxin-detection methods; to provide training to Mexican personnel in sampling, identification, and enumeration and guide and assist Mexican personnel in establishing a sampling program for detection of *K. brevis* and other HAB species; and to provide status reports and accomplishments.

• Coordinate with Gulf partners and GCOOS (Gulf Coast Ocean Observing System) *http://ocean.tamu.edu/GCOOS/gcoos.htm* to support the expansion and pilot of the Harmful Algal Blooms Observing System to Veracruz, Mexico, with the operation of 2 meteorological stations off the coast of Veracruz, Mexico, and to integrate and standardize the efforts with those in SW Texas and South Florida. (See *http://www.epa.gov/gmpo/habpage.html*).

Outputs:

• Improve the current Harmful Algal Bloom (HAB) forecasting system off the Southwest Florida coast to better identify the onset of blooms and better predict the transport of blooms.

• Develop a satellite detection, forecasting, and internet-based notification capability for *K. brevis* off the southern coast of Texas.

• Develop a satellite detection and internet-based notification capability for *K. brevis* off the coast of the Mexican Gulf State of Veracruz.

Outcome:

• The environmental outcome to be accomplished from each of the above activities is to improve water quality to achieve healthy beaches and shellfish beds.

Action 2 (Bacterial Source Tracking): Ensure safe bathing beaches by advancing a practical, field-ready standardized bacterial source tracking method(s) to determine coastal waters with public health impairment and to identify the priority sources of bacterial pollution to remediate.

Activities:

• Conduct a ''State of the Gulf'' workshop on pathogen indicators in recreational marine waters, epidemiological correlations, and bacterial source tracking research, with an endpoint of selecting the site and designing the study and the parameters for evaluation.

• Conduct a comprehensive field evaluation of current bacterial source tracking capabilities.

• Conduct a workshop to evaluate the field evaluation results and select two methods for use in the pilot studies; select the pilot study areas.

• Pilot test the two preferred bacterial source tracking methodologies in five Gulf estuaries (with varying environmental conditions). Evaluate bacterial sources responsible for the contamination of shellfish growing waters in each of the five pilots.

• Conduct a final workshop to evaluate the results of pilot studies and prepare a final report.

• Train state and local personnel in specific bacterial source tracking methods. Assist the states in preparing and supporting strategies for the effective implementation of these effects Gulf-wide.

Outputs:

• Conduct a peer-reviewed field evaluation of current bacterial source tracking capabilities in an estuarine recreational area, and select two methodologies for intensive field testing/validation.

• Implement pilot testing of these two methods in five Gulf of Mexico estuaries with varying environmental conditions (preferably one location in each Gulf state).

Outcome:

• The environmental outcome to be accomplished from each of the above activities is to improve water quality to achieve healthy beaches and shellfish beds.

Action 3 (Data Collection): Maximize the efficiency and utility of water quality monitoring efforts for local managers by coordinating and standardizing state and federal water quality data collection activities in the Gulf region.

Activities:

• Host an annual Gulf of Mexico Forum for Environmental Monitoring to promote coordination of water quality monitoring by state, local, and federal agencies as proposed by the *Governors' Action Plan.*

• Develop accountability tools and accreditation standards for laboratories performing analyses included in Gulf-wide monitoring databases.

• Facilitate the selection of a pilot parameter for monitoring coordination and standardization by state and federal water quality agencies and GCOOS (leverage possible linkage to National Water Quality Monitoring Council regional pilot activities).

Outputs:

• Implement a regional pilot effort to coordinate and standardize state and federal water quality data collection activities in the Gulf region for one or more nutrient parameter(s) and/or one or more pathogens.

Outcome:

• The environmental outcome to be accomplished from each of the above activities is to improve water quality to achieve healthy beaches and shellfish beds.

Wetland and Coastal and Restoration

Action 1 (Restoration Coordination): Convene a Gulf of Mexico Alliance Regional Restoration Coordination Team, where Gulf States, federal agencies and other private sector partners can work together to identify regional priority sites for conservation and restoration and more successfully conserve and restore vital coastal habitat and wetlands.

Activities:

• Host workshops of the Gulf of Mexico Alliance Regional Restoration Coordination Team to determine Gulf-wide issues, inventory current restoration successes, and identify priority sites for restoration.

• Host a Gulf of Mexico interstate workshop on the importance of freshwater inflows to maintaining estuarine health including wetlands.

• Using the Gulf of Mexico Alliance Regional Restoration Coordination Team, propose possible resolutions for Federal/state environmental compliance issues that affect habitat restoration and conservation efforts, such as essential fish habitat (EFH), Endangered Species Act requirements, and Clean Water Act (e.g., Total Maximum Daily Loads).

• Devise a strategy to streamline certain Federal permitting requirements for wetland restoration.

• Identify administrative and legal processes in granting agencies that may

either facilitate or impede wetland restoration and conservation project planning and implementation.

• Further develop public-private partnerships, such as the Corporate Wetlands Restoration Partnership, in all five Gulf States and incentives that support landowner conservation to increase funding opportunities for restoration. Ensure state and local governments are well-informed about partnership and incentive programs.

• Develop a Gulf Regional Sediment Management Master Plan to enable more effective use of dredged material, such as sand, to protect and restore important and vulnerable resources and habitats. Involve state, local, and Federal representatives in the planning process.

Outputs:

• Establish a Gulf of Mexico Alliance Regional Restoration Coordination Team.

• Through the Restoration Coordination Team, hold a series of meetings between Federal agencies and Gulf States to review existing regulatory, funding, and policy frameworks, and identify mechanisms that help facilitate or impede wetland conservation and restoration efforts.

• Hold a workshop on importance of freshwater inflows.

• Expand the Corporate Wetlands Restoration Partnership

• Develop a Gulf Regional Sediment Management Master Plan to enable more effective use of dredged material.

Outcome:

• The environmental outcome to be accomplished from each of the above activities is to restore/protect coastal habitats and increase wetlands.

Action 2 (Increase Scientific Understanding): Increase the Gulf States' scientific understanding of the implications and risks of localized sea level rise, storm surge and subsidence through development of tools that integrate these processes, such as integrated models.

Activities:

• Enhance the coast-wide network of elevation benchmarks, including the Continuously Operating Reference System (CORS), to deliver subsidence rates accurate to 1 millimeter per year.

• Obtain information on projected relative sea level rise, subsidence, and storm vulnerability to help prioritize conservation projects, including restoration, enhancement, and acquisition.

• Develop and apply aquatic ecosystem models to forecast the habitat structure and succession following hurricane disturbance and changes in ecological functions and services that impact vital socioeconomic aspects of coastal systems.

Outputs:

• Develop a prototype decision-support tool that allows Gulf resource managers to integrate storm surge, sea level rise, and subsidence information for at least one pilot area on the Gulf Coast and the use of the tool in determining water quality impacts.

• Develop a pilot Community Resiliency Index for Gulf coastal communities.

Outcome:

• The environmental outcome to be accomplished from each of the above activities is to restore/protect coastal habitats and increase wetlands.

Environmental Education

Action 1 (Awareness and Stewardship): Build awareness and stewardship ethics among Gulf citizens by coordinating education and outreach activities across the Gulf States to increase access to materials and programs that address Gulf of Mexico Alliance priority issues. Translate, communicate and disseminate relevant scientific data and information to the public, including students, educators, resource managers, local decision-makers and the business community.

Activities:

• Serve as a Gulf of Mexico Alliance Network Coordinator for a term of at least 3 years, who will serve as staff to the Network, facilitate Alliance communications, and coordinate regional education and outreach activities.

• Coordinate a planning workshop of the newly established Network at the Rookery Bay National Estuarine Research Reserve (NERR), Naples, Florida, (*http://www.rookerybay.org*) to review priority goals, actions and funding needs in Gulf coast education and outreach, and build an effective communications strategy for the Alliance. The workshop will culminate in the formulation of a strategic plan that will guide the initial activities of the Network.

Establish a Coastal Ecosystem Learning Center (CELC) in each of the five Gulf States and in one Mexican State that borders the Gulf. *http://www.coastalamerica.gov*.

• Develop and host a pilot program to engage underrepresented and underserved communities in Gulf stewardship activities related to the Gulf of Mexico Alliance strategic priorities.

• Design and host a Web site to support education and outreach efforts of the Network, including a electronic clearinghouse to disseminate effective Gulf coast related educational information and materials via the Internet.

Outputs:

• Convene a binational Gulf of Mexico Alliance Environmental Education and Outreach Network, with dedicated staff, to (1) coordinate educational and outreach activities that address Alliance priority issues, and (2) establish effective methods to disseminate materials and programs throughout Gulf coastal communities.

• Coordinate with the existing Coastal Ecosystem Learning Center networks as they are expanded to each of the five U.S. Gulf States and the Mexican Gulf State of Veracruz. See *http://www.coastalamerica.gov.*

• Develop an environmental education pilot program targeted towards under-represented and under-served communities in the Gulf region.

Outcome:

• The environmental outcome to be accomplished from each of the above activities is to increase awareness/stewardship among Gulf residents to establish the link between the health of the Gulf and quality of life of residents.

Action 2 (Environmental Awareness): Promote an environmentally literate citizenry who understands the relevance of the Gulf of Mexico watersheds and coasts to the quality of their everyday lives and to the economic vitality of the region and the nation. Increase environmental stewardship in the practices and activities of Gulf coast local governments and businesses.

Activities:

• Design and conduct a strategic public awareness campaign that will encourage Gulf stewardship and coastal hazard identification and prevention.

• Coordinate funding sources to sustain the public awareness campaign in the short-term (within 36 months) and long-term (after 36 months).

Outputs:

• Develop and implement a comprehensive, 36-month (minimum) public awareness campaign to promote stewardship messages associated with the other four Alliance priority issues and community hurricane preparedness.

Outcome:

• The environmental outcome to be accomplished from each of the above activities is to increase awareness/stewardship among Gulf residents to establish the link between the health of the Gulf and quality of life of residents.

Identification and Characterization of Gulf Aquatic Habitats

Action 1 (Identify and Assess Gulf Habitats): Identify and assess the location, extent, variation and condition of priority coastal, estuarine, nearshore

and offshore Gulf habitats and establish a baseline information and mapping system. The system will provide comprehensive access to uniform, quality-assured coastal habitat observations in the Gulf region by developing an Internet-accessible, geospatial database of local, state, and Federal data sources.

Activities:

• Coordinate Federal and state collection of information and complete an inventory of existing habitat data and initiate a gap analysis. This inventory will identify available data and associated metadata. The inventory will have both a regional and local scope and will focus on mapping and restoration projects. Products will include: (a) User Needs Assessment; (b) Inventory of Gulf of Mexico Habitat Data; and (c) Assessment of Priority Gulf of Mexico Habitat Data Needs.

• Establish the Federal Data Management Group (FDMG), a team to work with state, local, and Federal entities to identify specific requirements for a regional data management platform and portal.

• Establish a standard metadata format to streamline metadata development and maintenance at the state, local, and Federal level.

• Establish a data management platform and portal that will provide access and delivery of existing state, local, and Federal data.

• Provide training on data management equipment to Gulf state agencies.

• Provide GIS and metadata training to state and local resource managers in the five Gulf States.

Output:

• Produce a prototype Web portal to provide public access to and delivery of current and historic state, Federal, and local Gulf of Mexico habitat data, with the initial focus on sea grass beds. Users will be able to search a digital library for habitat information by keyword or geographic location, preview geospatial data, and download selected data products. The portal will also demonstrate the feasibility of building a distributed system that will enable users to request and retrieve data directly from the agencies holding the original data.

Outcome:

• The environmental outcome to be accomplished from each of the above activities is to sustain the quality of Gulf habitats.

Reducing Nutrient Inputs

Action 1 (Nutrient Criteria): Establish a regional coordination venue to coordinate knowledge, resources and tools for the development of nutrient criteria in Gulf coastal ecosystems.

Activities:

• Convene the Coordination Team and a technical conference to synthesize the state of knowledge regarding nutrient levels and develop a plan for regional coordination.

• Use information gained from the Northern Gulf Estuarine Pilot Project to identify one or more estuaries to apply the methods and lessons learned from the Northern Gulf Estuarine Pilot Project. Establish and implement a regional communications plan. At the direction of the State lead(s), facilitate the identification of at least three targeted estuaries (one in each of the northern Gulf States) for trial application of the lessons learned through the course of this study.

• Identify and coordinate federal, state, and local monitoring efforts and data management systems to support development of nutrient criteria.

• Present a comprehensive assessment of Gulf nutrient monitoring program needs to the National Water Quality Design Team.

• Inventory modeling needs to deal with nutrient issues under permitting, TMDL development, and nutrient criteria development.

• Develop a library/database of marine and estuarine species for site specific D.O. criteria development.

Output:

• Establish a Gulf of Mexico Alliance Nutrient Criteria Coordination Team of state and federal representatives to meet the needs of the Gulf States through improved coordination among existing local, state, regional, and national nutrient reduction programs.

Outcome:

• The environmental outcome to be accomplished from each of the above activities is to reduce nutrients in Gulf waters to achieve healthy and resilient coastal ecosystems.

Action 2 (Nutrient Prevention and Reduction): During recovery and rebuilding efforts in the Gulf region, apply innovative practices and technologies to restore fishing and recreational uses in key coastal watersheds impaired by excessive nutrient inputs.

Activities:

• Identify key coastal watersheds with significant nutrient impacts, sensitive waters, and a high likelihood of successful restoration of fishing and recreational uses.

• Identify communities conducting infrastructure rebuilding activities where nutrient reduction can be achieved through improved infrastructure planning and design.

• Identify and prioritize implementation and coordination opportunities for existing Federal, state, and local programs in key coastal watersheds and communities conducting infrastructure rebuilding activities.

• Provide technical assistance to interested local governments to improve infrastructure planning and design.

• Evaluate the effectiveness of nutrient reduction activities in key coastal watersheds and rebuilding communities and develop techniques to improve effectiveness.

• Map communities served by advanced wastewater treatment systems to help develop strategies for remediation activities.

Output:

• Perform a study on nutrient prevention and reduction activities in Gulf communities improving or rebuilding infrastructure.

Outcome:

• The environmental outcome to be accomplished from each of the above activities is to reduce nutrients in Gulf waters to achieve healthy and resilient coastal ecosystems.

Action 3 (Hypoxia): Coordinate among the Gulf States to develop a unified position shared by all Gulf States to advocate actions—by all 31 states in the Mississippi River Watershed—to reduce Gulf hypoxia.

Activities:

• Assist in the completion of a comprehensive assessment of the Gulf Hypoxia Action Plan.

• Provide Gulf States information on point and non-point source pollution in the Mississippi River Basin and the ecological and economic impacts of the Gulf of Mexico Hypoxic Zone on natural resources such as fish and shellfish.

• Establish effective Mississippi River Basin-wide agricultural partnerships to better facilitate strategic voluntary nutrient reductions.

Output:

• Develop and represent a consistent five Gulf State position on the need to reduce Gulf hypoxia, in venues such as the Mississippi River/Gulf of Mexico Watershed Nutrient Task Force.

Outcome:

• The environmental outcome to be accomplished from each of the above activities is to reduce nutrients in Gulf waters to achieve healthy and resilient coastal ecosystems and reduce the size of the hypoxic zone.

Alignment to EPA's Strategic Plan

Successful proposals must have clear and measurable environmental results directly related to EPA's Strategic Plan. Awards resulting from this

announcement must relate to Goal 4: Healthy Communities and Ecosystems—Protect, sustain or restore the health of people, communities, and ecosystems using integrated and comprehensive approaches and partnerships; Objective 4.3: Ecosystems—Protect, sustain, and restore the health of critical natural habitats and ecosystems; and Subobjective 4.3.5: Improve the Health of the Gulf of Mexico. For more information on EPA's Strategic Plan go to: *http://epa.gov/ocfopage/plan/plan.htm.*

Measuring Environmental Results

Pursuant to EPA Order 5700.7, ''*Environmental Results under EPA Assistance Agreements,*'' EPA requires that all grant recipients adequately address environmental outputs and outcomes. Outputs and outcomes differ both in their nature and in how they are measured. Applicants must discuss environmental outputs and outcomes in their proposed workplan.

1. *Outputs:* The term ''output'' means an environmental activity, effort, and/or associated work products related to an environmental goal and objective, that will be produced or provided over a period of time or by a specified date. Outputs may be quantitative or qualitative but must be measurable during an assistance agreement funding period.

Expected *outputs* from the projects funded under this announcement are listed with each of the Actions identified above.

2. *Outcomes:* The term ''outcome'' means the result, effect or consequence that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective. Outcomes may be environmental, behavioral, health-related or programmatic in nature, but must be quantitative. They may not necessarily be achievable within an assistance agreement funding period.

Statutory Authority

All proposals submitted will be reviewed for eligibility under section 104(b)(3) of the Clean Water Act. Assistance Agreements are authorized under this statutory authority to conduct and promote the coordination and acceleration of research, investigations, experiments, training, demonstrations, surveys, and studies relating to the causes, effects, extent, prevention, reduction, and elimination of pollution. The term ''pollution'' means the man-made or man-induced alteration of the chemical, physical, biological, and radiological integrity of water.

II. Award Information

Funding Amounts and Number of Awards

Under this funding opportunity, EPA expects to award an estimated $3,000,000 depending on availability of funds and the evaluation and quality of proposals. An estimated ten to fifty projects are expected to be awarded.

EPA reserves the right to make no awards under this announcement or make fewer than anticipated. EPA also reserves the right to offer partial funding of a proposal by funding discrete activities, portions, or phases of the proposed project. If EPA decides to partially fund the proposed project, it will do so in a manner that does not prejudice any applicants or affect the basis upon which the proposed project, or portion thereof, was evaluated and selected, and that maintains the integrity of the competition and the selection/evaluation process.

EPA reserves the right to make additional awards under this announcement consistent with Agency policy, if additional funding becomes available. Any additional selections for awards will be made no later than 4 months after the original selection decisions.

The period of performance for awards under this announcement is from 0.5 years to three years.

Type of Award

Successful applicants will be issued a cooperative agreement. Cooperative agreements require substantial EPA involvement with the recipient in the form of programmatic oversight and review and comment on all agreement activities and products. When a cooperative agreement is awarded, EPA's involvement in carrying out the work with the applicant will be described in a selection letter and identified in the terms and conditions of the award document. In general, cooperative agreements awarded will be one-time awards and recipients should use the funds within the period of performance (from 0.5 years to three years).

III. Eligibility Information

Eligible Applicants

State and local governments, interstate agencies, tribes, colleges and universities, individuals, and other public or nonprofit organizations. EPA will require nonprofit organizations selected for funding to provide verification of their nonprofit status prior to the grant award.

Threshold Eligibility Criteria

Applicant proposals must meet all of the following threshold eligibility criteria by the time of proposal submission. Proposals that fail to meet all of these criteria will not be considered for funding. Applicants deemed ineligible for funding consideration as a result of the threshold eligibility review will be notified within 15 calendar days of the ineligibility determination.

1. *Proposed projects must be consistent with the Clean Water Act section 104(b)(3) authority.* All proposals submitted will be reviewed for eligibility under section 104(b)(3) of the Clean Water Act (CWA). Water Quality Cooperative Agreements are authorized under this statutory authority to conduct and promote the coordination and acceleration of research, investigations, experiments, training, demonstrations, surveys, and studies relating to the causes, effects, extent, prevention, reduction, and elimination of pollution. The term ''pollution'' means the man-made or man-induced alteration of the chemical, physical, biological, and radiological integrity of water. Projects that implement ''Best Management Practices'' or any type of construction activities must qualify as a demonstration project under CWA section 104(b)(3). A demonstration project must involve new or experimental technologies, methods, or approaches, where the results of the project will be disseminated so that others can benefit from the knowledge gained in the demonstration project. A project that is accomplished through the performance of routine, traditional, or established practices, or a project that is simply intended to carry out a task rather than transfer information or advance the state of knowledge is not a demonstration.

2. *Ineligible Activities:* Applicants must adhere closely to the types of projects authorized for funding under CWA § 104(b)(3) in developing proposals. Unauthorized project types will be disqualified. Types of projects that are ineligible for funding are routine construction projects, except to a limited degree to demonstrate innovation, prevention, or removal of pollution; land acquisition; or projects that are largely general education/outreach or conferences unless they meet a clear need to accomplish a public purpose and are not for the direct benefit of EPA.

3. Proposals must address one or more of the Actions identified in Section I or they will be rejected. Proposals may address actions under different topic areas, and more than one action may be addressed in the same proposal.

4. Proposals must substantially comply with the proposal submission instructions and requirements set forth in Section IV of this announcement or they will be rejected.

In addition, proposals must be received by EPA or through *http://www.grants.gov* on or before the solicitation closing date published in Section IV of this announcement. Proposals received after the published closing date will be returned to the sender without further consideration.

Matching Requirements

There is no matching requirement; however, the extent of partnerships and leveraged funding will be considered by reviewers during the evaluation process. (See Section V).

Matching funds are considered to be cooperative agreement funds and may be used for reasonable and necessary expenses of carrying out the project described in the Final Project Workplan. Any restrictions on the use of grant funds, including project budget periods, also apply to the use of matching funds. All project expenditures, including both the Federal and nonfederal share, are subject to Federal regulations governing the use of Federal funds. Other Federal money cannot be used as match unless authorized by the statute governing the award of the other Federal funds. Reductions to the amount of the match after a proposal is selected for funding may result in loss of funding.

IV. Application and Submission Information

A. Content and Format of Project Proposals

- Follow the proposal format and instructions provided below.
- Use only Microsoft Word or Adobe Acrobat for electronic submissions.
- Use only one method to submit your proposal.

Examples from Previous Years.

When developing project submissions, you may look at types of successful projects from previous years, available at *http://www.epa.gov/gmpo.*

B. Submission Dates and Times

- Regardless of mode of submission, proposal packages must be received by EPA at *GMP.proposals@epa.gov* or through *http://www.grants.gov* by July 11, 2006, 6 p.m. CST. Proposals received after this time will be disqualified.
- Use an e-mail return receipt for verification of receipt if you want to confirm delivery.

C. Proposal Submission Instructions

Applicants are encouraged to apply electronically via e-mail or online using the Grants.gov Web site with an electronic signature—please only use one method. For those applicants who lack the technical capability to apply either by e-mail or through Grants.gov, please contact Esther Coblentz (228–688–1281) and/or *coblentz.esther@epa.gov* for alternative submission methods.

1. Instructions for E-Mail Submissions

Proposals must be e-mailed to *GMP.proposals@epa.gov*. The title of the e-mail should read ''GMP Proposal Submission''. The proposal should be *one* attached file prepared as described in Section IV.E. Please do not zip the attached file—it will not be accepted. If you do not receive an email confirmation within five business days, please call Esther Coblentz at 228–688–1281.

2. Instructions for Submissions Using Grants.Gov

With Grants.Gov, you will be able to submit your entire proposal package on line with no hard copy or computer disks. Please be sure to view the additional instructions that are available for download on Grants.gov for this announcement and which are included below. If you have any technical difficulties while applying electronically, please refer to *http://www.grants.gov/CustomerSupport* or call the toll free Contact Center at 1–800–518–4726 or Esther Coblentz at 228–688–1281 or *coblentz.esther@epa.gov.*

If you wish to apply electronically via Grants.gov, the electronic submission of your proposal package must be made by an official representative of your institution who is registered with Grants.gov and authorized to sign applications for Federal assistance. For more information, go to *http://www.grants.gov* and click on ''Get Started,'' and then click on ''For AORs'' (Authorized Organization Representative) on the left side of the page.

Note that the registration process may take a week or longer to complete. If your organization is not currently registered with Grants.gov, please encourage your office to designate an AOR and ask that individual to begin the registration process as soon as possible.

To begin the application process, go to *http://www.Grants.Gov* and click on ''Apply for Grants.'' Following the online instructions, download PureEdge Viewer software and enter the Funding Opportunity Number, EPA—GM–2006–1, in the space provided to retrieve the application package. Then complete and submit the application package as indicated. You may also be able to access the application package by clicking on the button ''How To Apply'' at the top right of the synopsis page for this announcement on *http://www.grants.gov* (to find the synopsis page go to *http://www.grants.gov* and click on the ''Find Grant Opportunities'' button on the top of the page and then to go EPA opportunities).

Be sure to download and read the instructions *and* the application package at the Grants.Gov Web site.

Proposal Submission Deadline: Your organization's AOR must submit your complete proposal electronically to EPA through Grants.gov (*http://www.grants.gov*) no later than (insert date).

Proposal Materials.

The following forms and documents are required to be submitted by applicants using grants.gov under this announcement:

I. *Standard Form (SF) 424, Application for Federal Assistance.* Complete the form. There are no attachments. Please be sure to include organization fax number and email address in Block 5 of the Standard Form SF 424.

Please note that the organizational Dun and Bradstreet (D&B) Data Universal Number System (DUNS) number must be included on the SF–424. Organizations may obtain a DUNS number at no cost by calling the toll-free DUNS number request line at 1–866–705–5711.

II. Proposal Workplan.

Prepare as described in Section IV. E. of this announcement.

The proposal workplan must be readable in PDF or MS Word for Windows and consolidated into a single file.

Submission Instructions

Documents I and II listed under Proposal Materials above should appear in the ''Mandatory Documents'' box on the Grants.gov Grant Application Package page. For document I, click on the appropriate form and then click ''Open Form'' below the box. The fields that must be completed will be highlighted in yellow. Optional fields and completed fields will be displayed in white. If you enter an invalid response or incomplete information in a

field, you will receive an error message. When you have finished filling out each form, click ''Save.'' When you return to the electronic Grant Application Package page, click on the form you just completed, and then click on the box that says, ''Move Form to Submission List.'' This action will move the document over to the box that says, ''Mandatory Completed Documents for Submission.''

For document II, you will need to attach electronic files. Prepare your proposal workplan as described in Section IV.E. of the announcement and save the document to your computer as an MS Word or PDF file. When you are ready to attach your proposal workplan to the application package, click on ''Project Narrative Attachment Form,'' and open the form. Click ''Add Mandatory Project Narrative File,'' and then attach it (previously saved to your computer) using the browse window that appears. You may then click ''View Mandatory Project Narrative File'' to view it. Enter a brief descriptive title of your project in the space beside ''Mandatory Project Narrative File Filename;'' the filename should be no more than 40 characters long. If there are other attachments that you would like to submit to accompany your proposal, you may click ''Add Optional Project Narrative File'' and proceed as before. When you have finished attaching the necessary documents, click ''Close Form.'' When you return to the ''Grant Application Package'' page, select the ''Project Narrative Attachment Form'' and click ''Move Form to Submission List.'' The form should now appear in the box that says, ''Mandatory Completed Documents for Submission.''

Once you have finished filling out all of the forms/attachments and they appear in one of the ''Completed Documents for Submission'' boxes, click the ''Save'' button that appears at the top of the Web page. It is suggested that you save the document a second time, using a different name, since this will make it easier to submit an amended package later if necessary. Please use the following format when saving your file: ''Applicant Name—FY 06—Assoc Prog Supp—1st Submission'' or ''Applicant Name—FY 06 Assoc Prog Supp—Back-up Submission.'' If it becomes necessary to submit an amended package at a later date, then the name of the 2nd submission should be changed to ''Applicant Name—FY 06 Assoc Prog Supp—2nd Submission.''

Once your application package has been completed and saved, send it to your AOR for submission to U.S. EPA through Grants.gov. Please advise your AOR to close all other software programs before attempting to submit the application package through Grants.gov.

In the ''Application Filing Name'' box, your AOR should enter your organization's name (abbreviate where possible), the fiscal year (e.g., FY 06), and the grant category (e.g., Assoc Prog Supp). The filing name should not exceed 40 characters. From the ''Grant Application Package'' page, your AOR may submit the application package by clicking the ''Submit'' button that appears at the top of the page. The AOR will then be asked to verify the agency and funding opportunity number for which the application package is being submitted. If problems are encountered during the submission process, the AOR should reboot his/her computer before trying to submit the application package again. [It may be necessary to turn off the computer (not just restart it) before attempting to submit the package again.] If the AOR continues to experience submission problems, he/she may contact Grants.gov for assistance by phone at 1–800–518–4726 or e-mail at *support@grants.gov* or contact Esther Coblentz at (228) 688–1281 and/or e-mail at *coblentz.esther@epa.gov.*

Application packages submitted thru grants.gov will be time/date stamped electronically. If you have not received a confirmation of receipt from EPA (not from *support@grant.gov*) within 30 days of the application deadline, please send an e-mail to *coblentz.esther@epa.gov.* Failure to do so may result in your application not being reviewed.

If you have never used Grants.Gov before, here are some tips. Most organizations have found Grants.Gov to be a user friendly system. The most frequent concern has occurred when an organization has delayed obtaining the unique electronic signature to the last minute.

Register for your electronic signature early! An electronic signature requires three levels of authorization before you can submit on line. You need to decide who will be the AOR, the caretaker of the electronic signature for your organization. At a university the Chief Grant Official generally signs all of the electronic grants for the entire institution. If all goes well, this process takes about a week, but some organizations have encountered internal and external delays; therefore the registration process can take longer.

Remember, you cannot submit your application online until your organization has e-authentication credentials. Here are the basic steps:

1. Obtain a *Certified* DUNS Number. You must first have a certified, unique Dun and Bradstreet Universal Data Numbering System (DUNS) number. Some organizations may have more than one DUNS number registered. Only one can be certified. This can lead to unanticipated delays.

2. Central Contractor Registry and Credential Provider Registration. Once you have your unique, approved DUNS number, you need to register with the Central Contractor Registry.

3. Grants.Gov Electronic Signature Authorization. Once steps A and B are complete, you will then need to contact Grants.Gov. The Authorized Organization Representative (AOR) will be assigned a password that will enable him or her to sign the Grants.Gov applications electronically. The AOR must be an individual who is able to make legally binding commitments for the applicant organization. Organizations may designate more than one AOR.

Be sure to download and read the instructions *and* the application at the Grants.Gov Web site.

D. DUNS Number

All applicants applying for funding, including renewal funding, must have a Dun and Bradstreet Universal Data Numbering System (DUNS) number. Applicants who do not already have a DUNS number may find instructions for obtaining one at the following Web site: *http://www.Grants.Gov/GetStarted.* A DUNS number may also be obtained by calling 1–866–705–5711.

Confidentiality

In accordance with 40 CFR 2.203, applicants may claim all or a portion of their application/proposal as confidential business information. EPA will evaluate confidentiality claims in accordance with 40 CFR part 2. Applicants must clearly mark applications/proposals or portions of applications/proposals they claim as confidential. If no claim of confidentiality is made, EPA is not required to make the inquiry to the applicant otherwise required by 40 CFR 2.204(c)(2) prior to disclosure.

Other Considerations

The funds associated with this announcement require Executive Order (E.O.) 12372, Intergovernmental Review of Federal Programs, review. E.O. 12372 structures the Federal government's system of consultation with states and local governments on its decisions involving grants, other forms of financial assistance, and direct development. Under E.O. 12372, states, in consultation with their local governments, design their own review process and select the Federal financial

assistance and direct development activities they wish to review. If selected for funding, the recipient of the Federal assistance agreement will be required to send a copy of their application and proposal to the appropriate State Clearinghouse Office for an intergovernmental review, if applicable. (See: *http://www.whitehouse.gov/omb/grants/spoc.html*).

E. Proposal/Workplan Format

The proposal/workplan should include the following information:

Applicant Information

Applicant Information: Business Mailing and Contact information, including email address. DUNS number if Applicant Organization has one.

Type of Organization: State or local government, interstate agency, tribe, college or university, individual, or other public or nonprofit organizations.

Project Summary Information

Project Title.

Project Manager: Identify who will serve as the principal party responsible for accomplishing the activities.

Topic: Identify the Actions/Activities described in Section I of the announcement that the proposed project will address.

Brief Project Description: Summarize the project. Do not use acronyms.

Total Project Cost: Specify total amount requested from EPA, as well as any resources or funding from any other sources that are contributing support.

Duration: Specify project period of performance, from 0.5 years up to 3 years.

Geographic Applicability

Applicable Geographic Location: If applicable, geographic locations which would be most impacted by this project, include the Hydrologic Unit Code (HUC) for the Project location. HUCs can be found on EPA's Surf Your Watershed Web site at *http://www.epa.gov/surf/locate/index.cfm.*

Project Location: As applicable, enter City, County, and State(s).

Problem, Work, Results

Problem Statement: Describe the issue that will be addressed and its relevance to the Gulf of Mexico, particularly to the needs and priorities in the Gulf of Mexico Alliance *Governors' Action Plan* and EPA's *Strategic Plan,* Sub-objective 4.3.5 (Improve the Health of the Gulf of Mexico Ecosystem). Describe how the project will address one or more of the activities that are listed under the 11 Actions under the priority topic categories: Water Quality, Wetland and Coastal Restoration, Environmental Education, Identification and Characterization of Gulf Habitats, and Reducing Nutrient Inputs. These projects/activities will be considered for funding. Projects must actively involve stakeholders and focus on long-term partnership goals, integration of resources, knowledge and expertise.

Proposed Work: Describe what will be done and how. Many of the criteria in Section V should be addressed here.

Environmental Results: Describe anticipated environmental outputs and outcomes and their linkages to the problem statement. (See Outcomes/Outputs described in Section 1 and Environmental Results Order 5700.7 at: *http://www.epa.gov/ogd/grants/award/5700.7.pdf*). Specify affected pollutants, industry sectors, economic impacts, habitats, and/or species as applicable for the topic, and proposed progress toward delisting, toward restoration of beneficial use impairments, toward reducing nitrogen loading, etc.

Environmental Results Past Performance: Submit a list of federally funded assistance agreements that your organization performed within the last three years (no more than 5, and preferably EPA agreements) and describe how you documented and/or reported on whether you were making progress towards achieving the expected results (e.g., outputs and outcomes) under those agreements. If you were not making progress, please indicate whether, and how, you documented why not. In evaluating applicants under this factor in Section V, EPA will consider the information provided b y the applicant and may also consider other relevant information from other sources, including information from EPA files and from current and prior Federal agency grantors (e.g., to verify and/or supplement the information provided by the applicant). If you have no relevant or available past performance reporting history, please indicate this in the proposal, and you will receive a neutral score for this factor under Section V.

Programmatic Capability: Submit a list of federally funded assistance agreements similar in size, scope and relevance to the proposed project that your organization performed within the last three years (no more than 5, and preferably EPA agreements) and describe (i) whether, and how, you were able to successfully complete and manage those agreements and (ii) your history of meeting the reporting requirements under those agreements including submitting acceptable final technical reports. In evaluating applicants under these factors in Section V, EPA will consider the information provided by the applicant and may also consider relevant information from other sources, including information from EPA files and from current and prior Federal agency grantors (e.g., to verify and/or supplement the information provided by the applicant). If you do not have any relevant or available past performance or reporting information, please indicate this in the proposal and you will receive a neutral score for these factors under Section V.

In addition, provide information on your organizational experience and plan for timely and successfully achieving the objectives of the proposed project, and your staff expertise/qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project.

Tracking and Measuring Environmental Results: Describe your plan for tracking, measuring, and reporting progress toward achieving the expected project outputs and outcomes, including those identified in Section I. The applicant must describe the ability to specify and measure the expected environmental outcomes/outputs and performance measures to be accomplished as a result of the project. See Environmental Results Order 5700.7 at *http://www.epa.gov/ogd/grants/award/5700.7.pdf.*

Project Milestones

Milestones: Specify milestones and/or final products and projected due dates, including Project Start and End.

Education

Education/Outreach Component: Identify whether project includes an education/outreach component. If applicable, describe the target audience and how that group would be impacted by the project.

Collaboration

Collaboration/Partnerships: Describe plans and status of collaboration and partnerships amongst the public, private, and independent sectors.

Project Budget

Budget: Specify how the total of EPA funds and Applicant funds will be used for the following: personnel/salaries, fringe benefits, travel, equipment, supplies, contract costs, and other costs. Include narrative descriptions for costs you identify as ''contract'' or ''other''. You may include a separate line for indirect costs if your organization has in place (or will negotiate) an ''indirect

cost rate.'' Budget should represent the project total and the total which would be requested from EPA for the project's duration. Funding is not assured for subsequent years for any project.

Leveraging Funding

Other Funding: If others are expected to contribute funds to your Project, list Name(s) of providers, amount provided, and commitments made by each. Describe how the applicant will obtain the leveraged resources and what role EPA funding will play in the overall project.

Other Information

To the extent not otherwise addressed above, include information addressing the threshold eligibility criteria in Section III and ranking criteria in Section V.

V. Application Review Information

Criteria

Each eligible proposal that meets all of the threshold eligibility criteria in Section III will be evaluated according to the criteria set forth below. Applicants should directly and explicitly address these criteria as part of their proposal submittal. Each proposal will be rated under a points system with a total of 100 points possible.

1. Relevance/Rationale: (15 points)

a. Importance and/or relevance and applicability of the proposed approach to the *Gulf of Mexico Alliance Governors' Action Plan* and the level of support for long-term goals and implementation actions. (5 points).

b. Whether there is intrinsic value in the proposed work and/or relevance to the *Governors' Action Plan* and activities. (5 points).

c. Likelihood that the approach proposed will make substantial progress toward strategies leading to improving the health of the Gulf of Mexico and achieving one or more of the environmental outcomes as identified in the announcement. (5 points).

2. Scientific/Professional Merit: (15 points)

Extent to which the proposed approach is technically sound and/or innovative; whether the proposed methods, approaches, and concepts are appropriate and; whether there are clear goals and objectives.

3. Programmatic Capability: (15 points)

Under this criterion, applicants will be evaluated based on their ability to successfully complete and manage the proposed project taking into account the following factors: (i) Its past performance in successfully completing and managing federally funded assistance agreements similar in size, scope, and relevance to the proposed project performed within the last 3 years, (ii) its history of meeting reporting requirements under federally funded assistance agreements similar in size, scope, and relevance to the proposed project performed within the last 3 years and submitting acceptable final technical reports under those agreements, (iii) its organizational experience and plan for timely and successfully achieving the objectives of the proposed project, and (iv) its staff expertise/qualifications, staff knowledge, and resources or the ability to obtain them, to successfully achieve the goals of the proposed project.

Note: In evaluating applicants under this criterion, the Agency will consider the information provided by the applicant and may also consider relevant information from other sources including agency files and prior/current grantors (e.g., to verify and/or supplement the information supplied by the applicant). Applicants with no relevant or available past performance or reporting history (items i and ii above), will receive a neutral score for those elements of this criterion.

4. Environmental Results Past Performance: (10 points)

Applicants will be evaluated based on the extent and quality to which they adequately documented and/or reported on their progress towards achieving the expected results (e.g., outcomes and outputs) under Federal agency assistance agreements performed within the last three years, and if such progress was not being made whether the applicant adequately documented and/or reported why not.

Note: In evaluating applicants under this factor, EPA will consider the information provided by the applicant and may also consider relevant information from other sources including agency files and prior/current grantors (e.g., to verify and/or supplement the information supplied by the applicant). Applicants with no relevant or available past performance reporting history will receive a neutral score for this factor.

5. Environmental Results—Measurable or Quantifiable Outputs and Outcomes: (10 points)

Includes the degree to which the applicant has provided an evaluative component to the project as requested in Section I, Measuring Environmental Results, in addition to how the applicant's progress and success in achieving the project outputs and outcomes including those identified in Section I will be measured and tracked.

6. Budget (10 points)

The reasonableness and appropriateness of the proposed budget for the level of work proposed and with the expected benefits to be achieved.

7. Collaboration/Partnerships: (15 points)

The quality of proposed partnerships, including the degree of broad participation within the network of Gulf of Mexico programs, organizations, State and Federal agencies and workgroups, etc., and demonstration of significant partnering that results in outreach and education. Applications will also be evaluated on whether they provide a partnership with a focused and effective education and outreach strategy regarding the long-term commitment to the proposed objectives of the *Action Plan.*

8. Leveraged Resources: (10 points)

Under this criteria, applicants will be evaluated based on the extent they demonstrate (i) how they will coordinate the use of EPA funding with other Federal and/or non Federal sources of funds to leverage additional resources to carry out the proposed project(s) and/or (ii) that EPA funding will compliment activities relevant to the proposed project(s) carried out by the applicant with other sources of funds or resources. Applicants may use their own funds or other resources for a voluntary match or cost share if the standards at 40 CFR 30.23 or 40 CFR 31.24, as applicable, are met. Only eligible and allowable costs may be used for matches or cost shares. Other Federal grants may not be used as matches or cost shares without specific statutory authority (e.g. HUD's Community Development Block Grants).

Review and Selection Process

The evaluation and selection process will include the following steps:

Steps

1. Screening for threshold eligibility by the Gulf of Mexico Program Office.
2. Review and score eligible proposals against the Section V criteria (Reviewers/Panel)
3. Panel to rank all eligible proposals according to total score.
4. Panel identifies proposals for funding consideration based on the review.
5. The Approval Official makes the final funding recommendations based on the review panel rankings and may also consider project diversity and

programmatic balance/priorities in making the recommendations.

6. Announce selections.

7. Contact selected applicants and request a completed grant application and final workplan.

8. Final Applications/Workplans reviewed and submitted for Funding Award.

EPA employees as well as GMP reviewers and/or panel members who intend to serve as reviewers and score project proposals will be required to sign a Conflict of Interest Disclosure Form and will not be able to serve as a reviewer if they have a personal, familial, or financial or any other type of conflict of interest with any applicant that cannot be mitigated. If an individual has a conflict of interest with respect to a proposal, then they cannot review any proposals under this competition.

The Director of the Gulf of Mexico Program is the Approval Official who will make the final selection recommendations.

Anticipated Announcement Date

GMPO will post a list of all proposals selected for funding on or about August 31, 2006. The list will be posted at the following site: *http://www.epa.gov/gmpo.* All applicants, including those who are not selected for funding will be notified within 15 days by e-mail and postal mail.

VI. Award Administration Information

Award Notices

EPA has 60 days to issue an award following receipt of the complete, fundable Application Package. Final funding decisions are based upon the Application Packages.

Pre-award Review for Administrative Capability

Non-profit applicants that are recommended for funding will be subject to pre-award administrative capability reviews consistent with paragraphs 8.b, 8.c, and 9.d of EPA Order 5700.8 *http://www.epa.gov/ogd/grants/award/5700_8.pdf* and may be required to fill out an ''Administrative Capability'' form.

In accordance with Executive Order 12579, organizations that have been debarred or suspended from a program by any federal agency will not be eligible to receive an award or subaward through this solicitation.

Administrative and Reporting Requirements

The successful applicant will be required to adhere to the Federal grants requirements, particularly those found in applicable OMB circulars on Cost Principles (A–21, A–87, or A–122), Administrative Requirements (A–102 or 110), and Audit Requirements (A–133) available from *http://www.whitehouse.gov/omb/grants/.* This includes government-wide requirements pertaining to accounting standards, lobbying, minority or woman business enterprise, publication, meetings, construction, and disposition of property. EPA regulations governing assistance programs and recipients are codified in Title 40 of the Code of Federal Regulations. Those requirements, GMPO-specific requirements currently in effect, and the application materials that will be needed by applicants ultimately selected in this process can be found at *http://www.epa.gov/gmpo.* The successful Federal applicant will be required to comply with the OMB Circular and appropriate sections of Title 40 of the Code of Federal Regulations determined applicable by GMPO. This determination will be embodied in the terms and conditions of an interagency agreement.

Dispute Resolution Process

Assistance agreement competition-related disputes involving any applicant, including Federal applicants, will be resolved in accordance with the dispute resolution procedures published in 70 FR (**Federal Register**) 3629, 3630 (January 26, 2005) which can be found at *http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/05-1371.htm.* Copies of these procedures may also be requested by contacting *coblentz.esther@epa.gov.*

Other Requirements

Please note that this is not a complete list of all regulations and policies that govern these funds. Our Grants Management Office Web site at *http://www.epa.gov/region4/grants/regulations.html* identifies other grant regulations that apply.

VII. Agency Contact

FOR FURTHER INFORMATION CONTACT: Esther Coblentz, *Coblentz.esther@epa.gov,* Phone: 228–688–1281.

In accordance with EPA's Assistance Agreement Competition Policy (EPA Order 5700.5A1), EPA staff will not meet with individual applicants to discuss draft proposals, provide informal comments on draft proposals, or provide advice to applicants on how to respond to ranking criteria. Applicants are responsible for the contents of their applications/proposals. However, EPA will respond to questions in writing from individual applicants regarding threshold eligibility criteria, administrative issues related to the submission of the proposal, and requests for clarification about the announcement.

VIII. Other information

Funding amounts are estimates of the maximum amount expected to be available for FY 2006–2007, based on our best available information. These amounts are subject to change without further notification, based on the amount of federal funds actually appropriated and allocated for these programs.

Although an Application for Federal Assistance (Standard Form 424 and attachments) is not required when the proposal is submitted, we encourage you to review our grant application package at *http://www.epa.gov/gmpo* to become familiar with the information and certifications that will be required if your proposal is selected for funding.

Dated: June 8, 2006.

Gloria D. Car,

Deputy Director, Gulf of Mexico Program Office.

[FR Doc. E6–9362 Filed 6–14–06; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

[EPA–HQ–OPPT–2006–0344; FRL–8060–1]

Pollution Prevention Information Network Grants; Request for Applications

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: Under the authority of the Pollution Prevention Act of 1990, EPA anticipates that approximately $700,000 will be available to support grants to States in Fiscal Year (FY) 2006 for programs to promote the use of successful pollution prevention techniques by businesses and technical assistance providers. This grant program seeks to increase access to pollution prevention information and ensure this information is available to all facilities, businesses, or technical assistance providers. Federal funds must be matched dollar for dollar in this grant program. The maximum cost of an application is $240,000 with $120,000 from Federal funding.

DATES: Applications must be received on or before July 31, 2006.

FOR FURTHER INFORMATION CONTACT: Beth Anderson, Pollution Prevention Division (7409M), Office of Pollution Prevention and Toxics, Environmental Protection Agency, 1200 Pennsylvania Ave., NW., Washington, DC 20460–0001; telephone number: (202) 564–8833; fax number: (202) 564–8899; e-mail address: *anderson.beth@epa.gov*.

SUPPLEMENTARY INFORMATION:

I. General Information

A. Does This Action Apply to Me?

This action is directed to States, State entities (colleges and universities), Tribes, and Intertribal Consortia. This notice may, however, be of interest to local governments, private universities, private nonprofit entities, private businesses, and individuals who are not eligible for this grant program. If you have any questions regarding the applicability of this action to a particular entity, consult the person listed under **FOR FURTHER INFORMATION CONTACT**.

B. How Can I Get Copies of This Document and Other Related Information?

1. *Docket*. EPA has established a docket for this action under docket identification (ID) number EPA–HQ–OPPT–2006–0344; FRL–8060–1. Publicly available docket materials are available electronically at *http://www.regulations.gov* or in hard copy at the OPPT Docket in the EPA Docket Center (EPA/DC), EPA West, Rm. B102, 1301 Constitution Ave., NW., Washington, DC. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Public Reading Room is (202) 566–1744, and the telephone number for the OPPT Docket is (202) 566–0280.

2. *Electronic access*. You may access this **Federal Register** document electronically through the EPA Internet under the ''**Federal Register**'' listings at *http://www.epa.gov/fedrgstr*.

II. Overview

The following listing provides certain key information concerning the application opportunity.

- *Federal agency name*: Environmental Protection Agency.
- *Funding opportunity title*: Pollution Prevention Information Network Grants.
- *Funding opportunity number*: EPA–OPPT–06–15.
- *Announcement type*: Request for applications.
- *Catalog of Federal Domestic Assistance (CFDA) number*: 66.708.
- *Dates*: Applications must be received on or before July 31, 2006.

The full text of the grant announcement, along with detailed information, is available on the Agency's Web site at *http://www.epa.gov/opptintr/p2home/grants/index.htm*. The full text of the grant announcement includes specific information regarding purpose and scope, activities to be funded, eligibility requirements, application and submission information, and application review information.

List of Subjects

Environmental protection, Grant programs-environmental protection, Pollution prevention.

Dated: June 7, 2006.

Susan B. Hazen,

Acting Assistant Administrator, Office of Prevention, Pesticides and Toxic Substances.

[FR Doc. E6–9361 Filed 6–14–06; 8:45 am]

BILLING CODE 6560–50–S

EXPORT-IMPORT BANK

[Public Notice 88]

Agency Information Collection Activities: Submission for OMB Review; Comment Request

AGENCY: Export Import Bank of the U.S.

ACTION: Notice and request for comments.

SUMMARY: The Export-Import Bank, as a part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal Agencies to comment on the proposed information collection, as required by the Paperwork Reduction Act of 1995. Our customers will be able to submit this form on paper or electronically. The form has been updated in the following ways:

- The application now accommodates requests for Finance Lease Guarantee coverage. Information on Lessees and Lessors is requested in those circumstances.
- The application accommodates requests for Foreign Dealer Insurance policies. A separate one-page attachment (Attachment IV) is required when the applicant requests this coverage.
- The format has been changed so that it accords with the on-line version of the form which will be made available later in 2006. Formatting changes include:

—The names of the applicant and broker have been moved up to the first item.
—Section 1 has been relabeled ''General Questions'' instead of ''Financing Type Requested''.
—Requests for Special Coverages have been moved up in front of the Participants section.

- Information about a new participant, the agent, is now requested. Gathering this information helps Ex-Im Bank evaluate the creditworthiness of the transaction.
- Legal certifications have been updated.

Additional changes since we published the form in the **Federal Register** on April 7, 2006:

- Section 8 D. ''Commitment Fee/Facility Fee Agreement (Guarantees and Credit Guarantee Facilities only)'' has been added. This section was omitted in error from the previous submission but is currently asked on the existing version of the medium-term application form currently approved by OMB and posted on Ex-Im Bank's Web site. It does not represent a new question for customers.
- Attachment VI, Form of Fee letter has been added. This attachment provides a template fee letter that needs to be filled out and signed by the borrower in the following circumstances:

—The application is for a guarantee or a credit guarantee facility;
—The applicant is the guaranteed lender or the exporter, and
—The applicant is signing the application but the borrower is committing to pay the commitment or facility fee.

This is not a new letter but a more clear presentation of an existing requirement.

DATES: Written comments should be received on or before July 17, 2006 to be assured of consideration.

ADDRESSES: Please direct all comments to David Rostker, Office of Management and Budget, Office of Information And Regulatory Affairs, NEOB, Room 10202, Washington, DC 20503, (202) 395–5897. Direct requests for additional information to Angela Beckham, Export-Import Bank of the U.S., 811 Vermont Avenue, NW., Washington, DC 20571, (800) 565–3946, extension 3418. For copies of the proposed form, please direct your request to Solomon Bush, Export-Import Bank of the U.S., 811 Vermont Avenue, NW., Washington, DC 20571, (800) 565–3946, extension 3353. A copy of the form is posted on our Web site at: *http://www.exim.gov/pub/pdf/eib03-02_prop.pdf*.

SUPPLEMENTARY INFORMATION:

Title and Form Number: Application for Medium-term Insurance or Guarantee, EIB–03–02.

OMB Number: 3048–0014.

Type of Review: Regular.

Need and Use: The information requested enables the applicant to provide Ex-Im Bank with the information necessary to obtain legislatively required assurance of repayment and fulfills other statutory requirements.

Affected Public: The form affects entities involved in the export of U.S. goods and services.

Estimated Annual Respondents: 800.

Estimated Time per Respondent: 1.5 hours.

Estimated Annual Burden: 1200 hours.

Frequency of Reporting or Use: As needed, each time an applicant seeks medium-term insurance or guarantee.

Dated: June 8, 2006.

Solomon Bush,

Agency Clearance Officer.

[FR Doc. 06–5376 Filed 6–14–06; 8:45 am]

BILLING CODE 6690–01–M

FARM CREDIT ADMINISTRATION

Privacy Act of 1974; Altering a System of Records

AGENCY: Farm Credit Administration.

ACTION: Notice of altering a system of records maintained on individuals; request for comments.

SUMMARY: Pursuant to the provisions of the Privacy Act of 1974, as amended (5 U.S.C. 552a), notice is hereby given that the Farm Credit Administration (FCA) is publishing an amended system notice pertaining to personnel security files. The system notice provides information on the existence and character of the system of records. This amended system notice reflects minor changes in the Agency's organization and filing, and clearly identifies the record sources for this system of records.

DATES: Written comments should be received by July 17, 2006. This notice will become effective without further publication on July 31, 2006, unless modified by a subsequent notice to incorporate comments received from the public.

ADDRESSES: Mail written comments to Robert Taylor, Privacy Act Officer, Farm Credit Administration, McLean, Virginia 22102–5090. You may send comments by e-mail to *taylorr@fca.gov*. Copies of all communications received will be available for examination by interested parties in the offices of the FCA.

FOR FURTHER INFORMATION CONTACT:

Robert Taylor, Privacy Act Officer, Farm Credit Administration, McLean, Virginia 22102–5090, (703) 883–4129, TTY (703) 883–4020,

or

Jane Virga, Senior Counsel, Office of General Counsel, Farm Credit Administration, McLean, Virginia 22102–5090, (703) 883–4071, TTY (703) 883–4020.

SUPPLEMENTARY INFORMATION: This publication satisfies the requirement of the Privacy Act of 1974 that an agency publish a system notice in the **Federal Register** when there is a revision, change, or addition to the system of records. The FCA did not file a System Report with Congress and the Office of Management and Budget because the changes were minor. There were no significant changes to this system of records. The amended system notice reflects minor changes in the Agency's organization and filing, and clearly identifies the record sources for this system of records.

The amended system of records is: FCA–9, Personnel Security Files. The notice is published in its entirety below.

FCA–9

SYSTEM NAME:

Personnel Security Files—FCA.

SECURITY CLASSIFICATION:

None.

SYSTEM LOCATION:

Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102–5090.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Current and former FCA employees.

CATEGORIES OF RECORDS IN THE SYSTEM:

This system contains case files compiled during background investigations of employees in sensitive positions. It may include: (a) Security forms (*e.g.*, SF 85P, Questionnaire for Public Trust Positions); (b) investigative reports that may include a credit check, a check of police records, and interviews with neighbors, former supervisors, and coworkers; (c) a determination of suitability for employment or for a security clearance by FCA's security officer; and (d) issuance of clearance statement.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

12 U.S.C. 2243, 2252; Executive orders 10450 and 10577.

PURPOSE(S):

We use information in this system of records to determine suitability for employment and to issue a clearance.

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

See the ''General Statement of Routine Uses.''

DISCLOSURE TO CONSUMER REPORTING AGENCIES:

None.

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

STORAGE:

We maintain records in file folders.

RETRIEVABILITY:

We retrieve records by name.

SAFEGUARDS:

We maintain records in a locked safe in an area that is secured after business hours. Only the Personnel Security Officer and Alternate Personnel Security Officer have access to the records.

RETENTION AND DISPOSAL:

Files are retained in accordance with the National Archives and Records Administration General Records Schedule requirements for personnel security records.

SYSTEM MANAGER(S) AND ADDRESS:

Personnel Security Officer, Office of Management Services, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102–5090.

NOTIFICATION PROCEDURE:

Address inquiries about this system of records to: Privacy Act Officer, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102–5090.

RECORD ACCESS PROCEDURES:

To obtain a record, contact: Privacy Act Officer, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102–5090, as provided in 12 CFR part 603.

CONTESTING RECORD PROCEDURES:

Direct requests for amendments to a record to: Privacy Act Officer, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102–5090, as provided in 12 CFR part 603.

RECORD SOURCE CATEGORIES:

Information in this system of records comes from: (a) The individual to whom the record applies; (b) Office of Personnel Management's investigative files maintained by the Investigations Service: (c) employment information

maintained by the FCA; and (d) external and internal investigative inquiries by Federal law enforcement agencies.

EXEMPTIONS CLAIMED FOR THE SYSTEM:

Information in this system of records about a confidential source's identity is subject to a specific exemption, 5 U.S.C. 552a(k)(5), to ensure accurate information on employment suitability.

Dated: June 7, 2006.

Roland E. Smith,

Secretary, Farm Credit Administration Board.

[FR Doc. E6–9356 Filed 6–14–06; 8:45 am]

BILLING CODE 6705–01–P

FEDERAL ELECTION COMMISSION

Notice of Sunshine Act Meeting

DATE AND TIME: Tuesday, June 20, 2006 at 10 a.m.

PLACE: 999 E Street, NW., Washington, DC.

STATUS: This meeting will be closed to the public.

ITEMS TO BE DISCUSSED:

Compliance matters pursuant to 2 U.S.C. 437g.

Audits conducted pursuant to 2 U.S.C. 437g, 438(b), and Title 26, U.S.C.

Matters concerning participation in civil actions or proceedings or arbitration.

Internal personnel rules and procedures or matters affecting a particular employee.

DATE AND TIME: Thursday, June 22, 2006 at 10 a.m.

PLACE: 999 E Street, NW., Washington, DC (Ninth Floor).

STATUS: This meeting will be open to the public.

ITEMS TO BE DISCUSSED:

Correction and Approval of Minutes.

Advisory Opinion 2006–10: EchoStar Satellite LLC, by counsel, Robert F. Bauer and Caroline P. Goodson.

Advisory Opinion 2006–14: National Restaurant Association PAC, by counsel, Carol A. Laham and D. Mark Renaud.

Advisory Opinion 2006–17: Berkeley Electric Cooperative, Inc. and its separate segregated fund, the Berkeley Electric Cooperative, Inc. Political Action Committee, by Michael Kearney, Treasurer.

Advisory Opinion 2006–18: Representative Kay Granger and the Kay Granger Campaign Fund, by counsel, Jan Witold Baran.

Routine Administrative Matters.

FOR FURTHER INFORMATION CONTACT: Mr. Robert Biersack, Press Officer. Telephone: (202) 694–1220.

Mary W. Dove,

Secretary of the Commission.

[FR Doc. 06–5462 Filed 6–13–06; 11:39 am]

BILLING CODE 6715–01–M

FEDERAL MARITIME COMMISSION

Notice of Agreement Filed

The Commission hereby gives notice of the filing of the following agreement under the Shipping Act of 1984. Interested parties may submit comments on an agreement to the Secretary, Federal Maritime Commission, Washington, DC 20573, within ten days of the date this notice appears in the **Federal Register**. Copies of agreements are available through the Commission's Office of Agreements (202–523–5793 or *tradeanalysis@fmc.gov*).

Agreement No.: 011654–015.

Title: Middle East Indian Subcontinent Discussion Agreement.

Parties: A.P. Moller-Maersk A/S; China Shipping Navigation Co., Ltd. d/b/a Indotrans; CMA CGM S.A.; Hapag-Lloyd Container Linie GmbH; MacAndrews & Company Limited; The National Shipping Company of Saudi Arabia; and United Arab Shipping Company (S.A.G.).

Filing Party: Wayne R. Rohde, Esq.; Sher & Blackwell LLP; 1850 M Street, NW.; Suite 900; Washington, DC 20036.

Synopsis: The amendment substitutes Hapag-Lloyd for Contship Containerlines as a party to the agreement. The parties request expedited review of the amendment.

By Order of the Federal Maritime Commission.

Dated: June 12, 2006.

Bryant L. VanBrakle,

Secretary.

[FR Doc. E6–9360 Filed 6–14–06; 8:45 am]

BILLING CODE 6730–01–P

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center Web site at *http://www.ffiec.gov/nic/*.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than July 10, 2006.

A. Federal Reserve Bank of Minneapolis (Jacqueline G. King, Community Affairs Officer) 90 Hennepin Avenue, Minneapolis, Minnesota 55480-0291:

1. State Bank of Hawley ESOP, Hawley, Minnesota; to acquire 46 percent of the voting shares of Bankshares of Hawley, Inc., Hawley, Minnesota, and thereby indirectly acquire voting shares of State Bank of Hawley, Hawley, Minnesota.

B. Federal Reserve Bank of Kansas City (Donna J. Ward, Assistant Vice President) 925 Grand Avenue, Kansas City, Missouri 64198-0001:

1. Chickasaw Banc Holding Company, Oklahoma City, Oklahoma; to acquire 100 percent of the voting shares of AllNations Bancorporation, Inc., Calumet, Oklahoma, and thereby indirectly acquire voting shares of AllNations Bank, Calumet, Oklahoma.

2. Spearville Bancshares, Inc., Spearville, Kansas; to become a bank holding company by acquiring 100 percent of the voting shares of First National Bank of Spearville, Spearville, Kansas.

Board of Governors of the Federal Reserve System, June 12, 2006.

Robert deV. Frierson,

Deputy Secretary of the Board.

[FR Doc. E6–9357 Filed 6–14–06; 8:45 am]

BILLING CODE 6210–01–S

FEDERAL RESERVE SYSTEM

Consumer Advisory Council; Solicitation of Nominations for Membership

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice.

SUMMARY: The Board is inviting the public to nominate qualified individuals for appointment to its Consumer Advisory Council, whose membership represents interests of consumers, communities, and the financial services industry. New members will be selected for three-year terms that will begin in January 2007. The Board expects to announce the selection of new members in early January.

DATES: Nominations must be received by August 25, 2006. Nominations not received by August 25 May not be considered.

ADDRESSES: Nominations must include a résumé for each nominee. Electronic nominations are preferred. The appropriate form can be accessed at: *http://www.federalreserve.gov/forms/cacnominationform.cfm.* If electronic submission is not feasible, the nominations can be mailed (not sent by facsimile) to Sheila Maith, Assistant Director and Community Affairs Officer, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

FOR FURTHER INFORMATION CONTACT: Kyan Bishop, Secretary of the Council, Division of Consumer and Community Affairs, (202) 452–6470, Board of Governors of the Federal Reserve System, Washington, DC 20551.

SUPPLEMENTARY INFORMATION: The Consumer Advisory Council was established in 1976 at the direction of the Congress to advise the Federal Reserve Board on the exercise of its duties under the Consumer Credit Protection Act and on other consumer-related matters. The Council by law represents the interests both of consumers and of the financial services industry (15 U.S.C. 1691(b)). Under the Rules of Organization and Procedure of the Consumer Advisory Council (12 CFR 267.3), members serve three-year terms that are staggered to provide the Council with continuity.

New members will be selected for terms beginning January 1, 2007, to replace members whose terms expire in December 2006. The Board expects to announce its appointment of new members in early January. Nomination letters should include:

- A résumé;
- Information about past and present positions held by the nominee, dates, and description of responsibilities;
- A description of special knowledge, interests, or experience related to community reinvestment, consumer protection regulations, consumer credit, or other consumer financial services;
- Full name, title, organization name, organization description for both the nominee and the nominator;
- Current address, telephone and fax numbers for both the nominee and the nominator; and
- Positions held in community organizations, and on councils and boards.

Individuals may nominate themselves.

The Board is interested in candidates who have familiarity with consumer financial services, community reinvestment, and consumer protection regulations, and who are willing to express their views. Candidates do not have to be experts on all levels of consumer financial services or community reinvestment, but they should possess some basic knowledge of the area. They must be able and willing to make the necessary time commitment to participate in conference calls, and prepare for and attend meetings three times a year (usually for two days, including committee meetings). The meetings are held at the Board's offices in Washington, DC. The Board pays travel expenses, lodging, and a nominal honorarium.

In making the appointments, the Board will seek to complement the background of continuing Council members in terms of affiliation and geographic representation, and to ensure the representation of women and minority groups. The Board may consider prior years' nominees and does not limit consideration to individuals nominated by the public when making its selection.

Council members whose terms end as of December 31, 2006, are:

Dennis L. Algiere, Senior Vice President, Compliance and Community Affairs, The Washington Trust Company, Westerly, Rhode Island

Sheila Canavan, Law Office of Sheila Canavan, Moab, Utah

Anne Diedrick, Senior Vice President, JPMorgan Chase Bank, New York, New York

Hattie B. Dorsey, President and Chief Executive Officer, Atlanta Neighborhood Development Partnership, Atlanta, Georgia

Bruce B. Morgan, Chairman, President and Chief Executive Officer, Valley State Bank, Roeland Park, Kansas

Mary Jane Seebach, Managing Director, Public Affairs, Countrywide Financial Corporation, Calabasas, California

Paul J. Springman, Chief Marketing Officer, Equifax, Atlanta, Georgia

Forrest F. Stanley, Senior Vice President and Deputy General Counsel, KeyBank National Association, Cleveland, Ohio

Lori R. Swanson, Solicitor General, Office of the Minnesota Attorney General, St. Paul, Minnesota

Council members whose terms continue through 2006 and 2007 are:

Stella Adams, Executive Director, North Carolina Fair Housing Center, Durham, North Carolina

Faith Anderson, Vice President—Legal & Compliance and General Counsel, American Airlines Federal Credit Union, Fort Worth, Texas

Dorothy Bridges, Chief Executive Officer and President, Franklin National Bank of Minneapolis, Minneapolis, Minnesota

Tony T. Brown, President and Chief Executive Officer, Uptown Consortium, Inc., Cincinnati, Ohio

Carolyn Carter, Attorney, National Consumer Law Center, Boston, Massachusetts

Michael Cook, Vice President and Assistant Treasurer, Wal-Mart Stores, Inc., Bentonville, Arkansas

Donald S. Currie, Executive Director, Community Development Corporation of Brownsville, Brownsville, Texas

Kurt Eggert, Associate Professor of Law and Director of Clinical Legal Education, Chapman University School of Law, Orange, California

Deborah Hickok, Vice President, MoneyGram Payment Systems, Inc., Ooltewah, Tennessee

Sarah Ludwig, Director, Neighborhood Economic Development Advocacy Project, New York, New York

Mark K. Metz, Senior Vice President and Deputy General Counsel, Wachovia Corporation, Charlotte, North Carolina

Lance Morgan, President, Ho-Chunk, Incorporated, Winnebago Tribe of Nebraska, Winnebago, Nebraska

Joshua Peirez, Senior Vice President and Associate General Counsel, MasterCard International, Purchase, New York

Anna McDonald Rentschler, BSA/AML Officer, Central Bancompany, Jefferson City, Missouri

Faith Arnold Schwartz, Senior Vice President, Government, Housing and Industry, Option One Mortgage Corporation, Washington, District of Columbia

Edward Sivak, Director of Policy and Evaluation, Enterprise Corporation of the Delta, Jackson, Mississippi

Lisa Sodeika, Senior Vice President—Corporate Affairs, HSBC North America Holdings Inc., Prospect Heights, Illinois

Anselmo Villarreal, Executive Director, LaCasa de Esperanza, Inc., Waukesha, Wisconsin

Alan White, Supervising Attorney, Community Legal Services, Philadelphia, Pennsylvania

Marva E. Williams, Senior Vice President, Woodstock Institute, Chicago, Illinois

Board of Governors of the Federal Reserve System, June 12, 2006.

Jennifer J. Johnson,

Secretary of the Board.

[FR Doc. E6–9336 Filed 6–14–06; 8:45 am]

BILLING CODE 6210–01–P

FEDERAL TRADE COMMISSION

[File No. 052 3158]

Take-Two Interactive Software, Inc. and Rockstar Games, Inc.; Analysis of Proposed Consent Order To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of Federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before July 10, 2006.

ADDRESSES: Interested parties are invited to submit written comments. Comments should refer to ''Take-Two Interactive Software, Inc., *et al.*, File No. 052 3158,'' to facilitate the organization of comments. A comment filed in paper form should include this reference both in the text and on the envelope, and should be mailed or delivered to the following address: Federal Trade Commission/Office of the Secretary, Room 135–H (Annex N), 600 Pennsylvania Avenue, NW., Washington, DC 20580. Comments containing confidential material must be filed in paper form, must be clearly labeled ''Confidential,'' and must comply with Commission Rule 4.9(c). 16 CFR 4.9(c) (2005).[1] The FTC is requesting that any comment filed in paper form be sent by courier or overnight service, if possible, because U.S. postal mail in the Washington area and at the Commission is subject to delay due to heightened security precautions. Comments that do not contain any nonpublic information may instead be filed in electronic form as part of or as an attachment to email messages directed to the following e-mail box: *https://secure.commentworks.com/ftc-taketwo/.*

The FTC Act and other laws the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. All timely and responsive public comments, whether filed in paper or electronic form, will be considered by the Commission, and will be available to the public on the FTC Web site, to the extent practicable, at *http://www.ftc.gov.* As a matter of discretion, the FTC makes every effort to remove home contact information for individuals from the public comments it receives before placing those comments on the FTC Web site. More information, including routine uses permitted by the Privacy Act, may be found in the FTC's privacy policy, at *http://www.ftc.gov/ftc/privacy.htm.*

FOR FURTHER INFORMATION CONTACT: Richard F. Kelly (202/326–3304) or Keith R. Fentonmiller (202/326–2775), Bureau of Consumer Protection, 600 Pennsylvania Avenue, NW., Washington, DC 20580.

SUPPLEMENTARY INFORMATION: Pursuant to section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46(f), and § 2.34 of the Commission Rules of Practice, 16 CFR 2.34, notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of thirty (30) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for June 8, 2006), on the World Wide Web, at *http://www.ftc.gov/os/2006/0/index.htm.* A paper copy can be obtained from the FTC Public Reference Room, Room 130–H, 600 Pennsylvania Avenue, NW., Washington, DC 20580, either in person or by calling (202) 326–2222.

Public comments are invited, and may be filed with the Commission in either paper or electronic form. All comments should be filed as prescribed in the **ADDRESSES** section above, and must be received on or before the date specified in the **DATES** section.

Analysis of Agreement Containing Consent Order To Aid Public Comment

The Federal Trade Commission has accepted, subject to final approval, an agreement containing a consent order from Take-Two Interactive Software, Inc. and Rockstar Games, Inc. (''the companies''). The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement or make final the agreement's proposed order.

This matter involves alleged deceptive representations in advertising and on product packaging concerning the content in the video game *Grand Theft Auto: San Andreas (''San Andreas'')*. In September 2004, the companies submitted materials to the Entertainment Software Rating Board (''ESRB'') for the purpose of obtaining a rating for the PlayStation 2 version of *San Andreas.* The companies did not inform the ESRB about the existence of an interactive sex mini-game that was embedded in the game's computer code, but was inaccessible during normal game play. Nor did the companies tell the ESRB that the game disc contained data files (unused in game play) for female skins, which, if accessed, render the female characters partially or completely nude. However, the ESRB's published requirements in effect at that time did not state that game companies were required to disclose unused skins in the game software or content in the game code that was inaccessible and unplayable without modifying the code. Based on the companies' submission, the ESRB assigned *San Andreas* a M (Mature 17+) rating and content descriptors for Blood and Gore, Intense Violence, Strong Language, Strong Sexual Content, and Use of Drugs. The companies released the Playstation 2 version of *San Andreas* in October 2004.

On June 7, 2005, the companies released versions of San Andreas playable on PCs and the Xbox console. The PC and Xbox game discs also contained the same code for the sex mini-game and the nude skins. As with the PlayStation 2 version, the companies did not disclose the existence of the disabled sex mini-game or the nude skins on the PC and Xbox game discs. The ESRB rated the PC and Xbox versions of the game M (Mature

[1] The comment must be accompanied by an explicit request for confidential treatment, including the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. The request will be granted or denied by the Commission's General Counsel, consistent with applicable law and the public interest. *See* Commission Rule 4.9(c), 16 CFR 4.9(c).

17+) and assigned the same content descriptors previously assigned to the PlayStation 2 version.

The ESRB rating information appeared in print, television, and retailer advertisements for *Grand Theft Auto: San Andreas*, and on game packaging, for all three versions of the game. Among other things, the companies made the following claims about the game: ''MATURE 17+ * * * M * * *'' and ''CONTENT RATED BY ESRB.'' None of the advertising mentioned that the game contained nudity.

On June 9, 2005—two days after the release of the PC version of the game—game enthusiasts posted a program on the Internet, which, when downloaded and installed on a user's PC, enables the sex mini-game code. This program was dubbed ''Hot Coffee.'' A subsequent version of the program imported nude skins resident on the game disc onto several of the female characters. PlayStation 2 and Xbox players eventually were able to access the mini-game by physically modifying or adding a hardware accessory to their game console, installing special software, and inputting cheat codes developed by third parties.

On July 20, 2005, the ESRB revoked the existing rating for the game as a result of, among other things, viewing *Grand Theft Auto: San Andreas* as modified by the Hot Coffee program and the widespread availability of that program. The companies entered into an agreement with the ESRB that provided that they would not contest a change in rating for the game from M (Mature 17+) to AO (Adults Only 18+) with an additional content descriptor for nudity. The companies also agreed to re-label or recall all existing inventory, and to make available to consumers a downloadable patch rendering the Hot Coffee content inoperable. In response, most retailers decided not to sell the re-labeled AO version of the game. In September 2005, the companies released a second M-rated version of San Andreas without the Hot Coffee content.

According to the FTC complaint, the companies represented, expressly or by implication, that the ESRB had rated the content of the original versions of *Grand Theft Auto: San Andreas* M (Mature 17+) and that the ESRB had assigned the following content descriptors as part of the ESRB rating: Blood and Gore, Intense Violence, Strong Language, Strong Sexual Content, and Use of Drugs. The complaint alleges that the companies did not disclose to consumers that the game discs contained unused, but potentially viewable, nude female skins and disabled, but potentially playable, software code for a sexually explicit mini-game that the ESRB had not rated. The presence on the game discs of this unrated content that might change, and, in fact, did change, the rating of the game to AO (Adults Only 18+) with an additional content descriptor for nudity, would have been material to many consumers, particularly parents, in their purchase, rental, or use of the product. The complaint alleges that the companies' failure to disclose these facts, in light of the representation made, was and is a deceptive practice.

The proposed consent order contains provisions designed to prevent the companies from engaging in similar acts and practices in the future. Part I of the consent order requires the companies, in connection with the advertising, sale, or distribution of any electronic game, to disclose, clearly and prominently, on product packaging and in any promotion or advertisement for an electronic game, content relevant to the rating, unless that content has been disclosed sufficiently in prior submissions to the rating authority. Part I also prohibits the companies from misrepresenting the rating or content descriptors for an electronic game, and requires the companies to establish and implement, and thereafter maintain, a comprehensive system reasonably designed to ensure that all content in an electronic game is considered and reviewed by the companies in preparing submissions to a rating authority. Finally, Part I of the order states that nothing in the order shall constitute a waiver of the companies' right to assert that any of their conduct is or was protected by the First Amendment to the United States Constitution or any analogous provision of a State constitution, except that the companies nonetheless acknowledge their obligations to comply with the order.

Parts II through V of the consent order require the companies to keep copies of relevant advertisements and promotional materials, to provide copies of the order to certain of their personnel, to notify the Commission of changes in corporate structure, and to file compliance reports with the Commission. Part VI provides that the order will terminate after twenty (20) years under certain circumstances.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. E6–9359 Filed 6–14–06; 8:45 am]

BILLING CODE 6750–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[60Day–06–0601]

Proposed Data Collections Submitted for Public Comment and Recommendations

In compliance with the requirement of section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995 for opportunity for public comment on proposed data collection projects, the Centers for Disease Control and Prevention (CDC) will publish periodic summaries of proposed projects. To request more information on the proposed projects or to obtain a copy of the data collection plans and instruments, call 404–639–5960 and send comments to Seleda Perryman, CDC Assistant Reports Clearance Officer, 1600 Clifton Road, MS–D74, Atlanta, GA 30333 or send an e-mail to *omb@cdc.gov*.

Comments are invited on: (a) Whether the proposed 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 proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (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. Written comments should be received within 60 days of this notice.

Proposed Project

The National Tobacco Control Program (NTCP) Chronicle Progress Reporting System—Revision—(OMB No. 0920–0601) National Center for Chronic Disease Prevention and Health Promotion (NCCDPHP), Centers for Disease Control and Prevention (CDC).

Background and Brief Description

Tobacco use is the single most preventable cause of death and disease in the United States and most people begin using tobacco in early adolescence. Annually, tobacco use

causes more than 430,000 deaths in the nation, costing approximately $50–70 billion in medical expenses alone. The Centers for Disease Control and Prevention's (CDC) Office on Smoking and Health (OSH) provides funding to state and territory health departments to develop, implement and evaluate comprehensive Tobacco Control Programs (TCPs) based on CDC guidelines provided in *Best Practices for Comprehensive Tobacco Control Programs—August 1999* (Atlanta, GA., HHS) and *Key Outcome Indicators for Evaluating Comprehensive Tobacco Control Programs—May 2005* (Atlanta, GA., HHS). TCPs are population-based public health programs that are designed to implement and evaluate public health prevention and control strategies, such as: (1) Reduce disease, disability and death related to tobacco use, and (2) reach those communities most impacted by the burden of tobacco use (e.g., racial/ethnic populations, rural dwellers, the economically disadvantaged, etc.). Support for these programs is the cornerstone of OSH's strategy for reducing the burden of tobacco use throughout the nation.

Funding recipients are required to submit progress reports twice yearly to CDC. These reports are used by both the Procurement and Grants Office (PGO) and OSH managers and project officers for the following purposes: To monitor program compliance; assess relative value and anticipated efficacy of proposed future efforts; identify training and technical assistance needs; monitor compliance with cooperative agreement requirements; evaluate the progress made in achieving national and program-specific goals; and respond to inquiries regarding program activities and effectiveness. Cooperative Agreement recipients submit this information, along with annual action plans with associated budgets, to CDC/OSH through the on-line system known as the Chronicle.

Using a standardized format based on OSH's program framework, the Chronicle enables grantees to describe their CDC-funded program activities, expected outcomes, and report on progress. By collecting and housing this information within a searchable database, OSH can draw upon the state-provided information to effectively fulfill its cooperative agreement obligations. Namely to monitor, evaluate and compare individual programs, provide technical assistance to increase the efficacy of state-driven initiatives, and to assess and report aggregate information regarding the overall effectiveness of the National Tobacco Control Program (NTCP). The NTCP Chronicle is complementary to the Grants.Gov electronic grant submission process by facilitating development of the key elements for inclusion in addressing Federal cooperative agreement requirements, thus helping to insure effective evidence and science-based program planning and development efforts of state public health departments.

The NTCP Chronicle supports OSH's broader mission of reducing the burden of tobacco use by enabling OSH staff to more effectively identify the strengths and weaknesses of individual TCPs; to identify the strength of national movement toward reaching the goals specified in *Healthy People 2010;* and to disseminate information related to successful public health interventions implemented by these organizations to prevent and control the burden of tobacco use. State use of the electronic system is voluntary.

The program is requesting a revision of a currently approved data collection. The revised content includes modifications to some of the Progress Report assessment questions, a reduction in the number of fields a cooperative agreement recipient is required to respond to, and a recalculation to provide a more realistic burden estimate of the amount of time required to complete the Progress Report. There is no cost to the respondents other than their time.

ESTIMATED ANNUALIZED BURDEN HOURS

Respondents	Number of respondents	Number of responses per respondent	Average burden per response (in hrs.)	Total burden hours
All States and DC	51	2	8	816

Dated: June 9, 2006.

Joan F. Karr,

Acting Reports Clearance Officer, Centers for Disease Control and Prevention.

[FR Doc. E6–9337 Filed 6–14–06; 8:45 am]

BILLING CODE 4163–18–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

Agency Recordkeeping/Reporting Requirement Under Emergency Review by the Office of Management and Budget (OMB); Retraction

ACTION: Notice of retraction.

SUMMARY: The Administration for Children and Families published a notice in the **Federal Register** on June 6, 2006, requesting comments on reporting requirements contained in the Interim Final Rule for the Reauthorization of the Temporary Assistance for Needy Families Program. As the subject rule has not yet been published, the Administration for Children and Families is retracting the notice.

FOR FURTHER INFORMATION CONTACT: Robert Sargis, Reports Clearance Officer, 202–690–7275, *rsargis@acf.hhs.gov.*

Dated: June 12, 2006.

Robert Sargis,

Reports Clearance Officer.

[FR Doc. 06–5436 Filed 6–14–06; 8:45 am]

BILLING CODE 4184–01–M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

Submission for OMB Review; Comment Request

Title: 45 CFR 1309 Head Start Facilities Purchase, Major Renovation and Construction.

OMB No.: 0970–0193.

Description: The Head Start Bureau is proposing to renew, without changes, 45 CFR part 1309. This rule contains the administrative requirements for Head Start and Early Head Start grantees who apply for funding to purchase, renovate, or construct Head Start program facilities. The rule ensures that grantees use standard business practices when acquiring real property and that Federal

interest is preserved in properties acquired with public funds. The rule further ensures compliance with all other Federal statutes applicable to the expenditure of Federal funds when acquiring real property.

Respondents: Head Start and Early Head Start grantees and delegate agencies.

ANNUAL BURDEN ESTIMATES

Instrument	Number of respondents	Number of responses per respondent	Average burden hours per response	Total burden hours
Regulation	200	1	41	8,200.

Estimated Total Annual Burden Hours: 8,200

Additional Information: Copies of the proposed collection may be obtained by writing to the Administration for Children and Families, Office of Administration, Office of Information Services, 370 L'Enfant Promenade, SW., Washington, DC 20447, Attn: ACF Reports Clearance Officer. All requests should be identified by the title of the information collection. E-mail address: *infocollection@acf.hhs.gov.*

OMB Comment: OMB is required to make a decision concerning the collection of information between 30 and 60 days after publication of this document in the **Federal Register.** Therefore, a comment is best assured of having its full effect if OMB receives it within 30 days of publication. Written comments and recommendations for the proposed information collection should be sent directly to the following: Office of Management and Budget, Paperwork Reduction Project, Attn: Desk Officer for ACF, E-mail address: *Katherine_T._Astrich@omb.eop.gov.*

Dated: June 8, 2006.

Robert Sargis,

Reports Clearance Officer.

[FR Doc. 06–5437 Filed 6–14–06; 8:45 am]

BILLING CODE 4184–01–M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. 2006F–0225]

Georgia-Pacific Resins, Inc.; Filing of Food Additive Petition

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is announcing that Georgia-Pacific Resins, Inc., has filed a petition proposing that the food additive regulations be amended to provide for the safe use of glycerol ester of tall oil rosin to adjust the density of citrus oils used in the preparation of beverages and to provide for the use of steam stripping as a purification method for producing glycerol ester of wood rosin, gum rosin, or tall oil rosin.

FOR FURTHER INFORMATION CONTACT: Clarence W. Murray III, Center for Food Safety and Applied Nutrition (HFS–265), Food and Drug Administration, 5100 Paint Branch Pkwy., College Park, MD 20740–3835, 301–436–1311.

SUPPLEMENTARY INFORMATION: Under the Federal Food, Drug, and Cosmetic Act (sec. 409(b)(5) (21 U.S.C. 348(b)(5))), notice is given that a food additive petition (FAP 6A4765) has been filed by Georgia-Pacific Resins, Inc., P.O. Box 105734, Atlanta, GA 30348. The petition proposes to amend the food additive regulations in § 172.735 *Glycerol ester of wood or gum rosin* (21 CFR 172.735) to provide for the following: (1) The safe use of glycerol ester of tall oil rosin to adjust the density of citrus oils used in the preparation of beverages; and (2) the use of steam stripping as a purification method for producing glycerol ester of wood rosin, gum rosin, or tall oil rosin.

The agency has determined under 21 CFR 25.32(k) that this action is of a type that does not individually or cumulatively have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

Dated: May 24, 2006.

Laura M. Tarantino,

Director, Office of Food Additive Safety, Center for Food Safety and Applied Nutrition.

[FR Doc. E6–9319 Filed 6–14–06; 8:45 am]

BILLING CODE 4160–01–S

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. 2005D–0200]

International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Final Guidance for Industry on ''Specifications: Test Procedures and Acceptance Criteria for New Biotechnological/Biological Veterinary Medicinal Products;'' Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA) is announcing the availability of a guidance document for industry (#177) entitled ''Specifications: Test Procedures and Acceptance Criteria for New Biotechnological/Biological Veterinary Medicinal Products'' (VICH GL40). This guidance has been developed for veterinary use by the International Cooperation on Harmonization of Technical Requirements for Registration of Veterinary Medicinal Products (VICH). This VICH guidance document provides general principles through recommendations on the setting and justification, to the extent possible, of a uniform set of international specifications for biotechnological and biological products to support new marketing applications.

DATES: Submit written or electronic comments at any time.

ADDRESSES: Submit written requests for single copies of the guidance to the Communications Staff (HFV–12), Center for Veterinary Medicine (CVM), Food and Drug Administration, 7519 Standish Pl., Rockville, MD 20855. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the guidance document.

Submit written comments on the guidance to the Division of Dockets Management (HFA–305), Food and Drug Administration, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852. Submit electronic comments to *http://www.fda.gov/dockets/ecomments*. Comments should be identified with the full title of the guidance and the docket number found in brackets in the heading of this document.

FOR FURTHER INFORMATION CONTACT: Dennis Bensley, Center for Veterinary Medicine (HFV–143), Food and Drug Administration, 7500 Standish Pl., Rockville, MD 20855, 301–827–6956, e-mail: *dennis.bensley@fda.hhs.gov*.

SUPPLEMENTARY INFORMATION:

I. Background

In recent years, many important initiatives have been undertaken by regulatory authorities and industry associations to promote the international harmonization of regulatory requirements. FDA has participated in efforts to enhance harmonization and has expressed its commitment to seek scientifically based harmonized technical procedures for the development of pharmaceutical products. One of the goals of harmonization is to identify and then reduce differences in technical requirements for drug development among regulatory agencies in different countries.

FDA has actively participated in the International Conference on Harmonization of Technical Requirements for Approval of Pharmaceuticals for Human Use for several years to develop harmonized technical requirements for the approval of human pharmaceutical and biological products among the European Union, Japan, and the United States. The VICH is a parallel initiative for veterinary medicinal products. The VICH is concerned with developing harmonized technical requirements for the approval of veterinary medicinal products in the European Union, Japan, and the United States, and includes input from both regulatory and industry representatives.

The VICH Steering Committee is composed of member representatives from the European Commission, European Medicines Evaluation Agency, European Federation of Animal Health, Committee on Veterinary Medicinal Products, the U.S. FDA, the U.S. Department of Agriculture, the Animal Health Institute, the Japanese Veterinary Pharmaceutical Association, the Japanese Association of Veterinary Biologics, and the Japanese Ministry of Agriculture, Forestry and Fisheries.

Four observers are eligible to participate in the VICH Steering Committee: One representative from the government of Australia/New Zealand, one representative from the industry in Australia/New Zealand, one representative from the government of Canada, and one representative from the industry of Canada. The VICH Secretariat, which coordinates the preparation of documentation, is provided by the International Federation for Animal Health (IFAH). An IFAH representative also participates in the VICH Steering Committee meetings.

II. Guidance on Biotechnological/Biological Veterinary Medicinal Products

In the **Federal Register** of May 27, 2005 (70 FR 30763), FDA published the notice of availability of the VICH draft guidance, giving interested persons until June 27, 2005, to submit comments. No comments were received. At a meeting held on November 2005, the VICH Steering Committee endorsed the final guidance for industry, (VICH GL–40).

This VICH guidance document provides general principles through recommendations on the setting and justification, to the extent possible, of a uniform set of international specifications for biotechnological and biological products to support new marketing applications. The recommendations in this document apply to products composed of well-characterized proteins and polypeptides, and their derivatives which are isolated from tissues, body fluids, cell cultures, or produced using recombinant deoxyribonucleic acid (r-DNA) technology. Thus, the document covers the generation and submission of specifications for products such as cytokines, growth hormones and growth factors, insulins, and monoclonal antibodies. This document does not cover antibiotics, heparins, vitamins, cell metabolites, DNA products, allergenic extracts, vaccines, cells, whole blood, and cellular blood components.

III. Paperwork Reduction Act of 1995

This guidance document refers to previously approved collections of information found in FDA regulations. These collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520). The collections of information in 21 CFR 514.1 have been approved under OMB Control No. 0910–0032 (expiration date 12/31/2007).

IV. Significance of Guidance

This document, developed under the VICH process, has been revised to conform to FDA's good guidance practices regulation (21 CFR 10.115). For example, the document has been designated ''guidance'' rather than ''guideline.'' In addition, guidance documents must not include mandatory language such as ''shall,'' ''must,'' ''require,'' or ''requirement,'' unless FDA is using these words to describe a statutory or regulatory requirement.

The VICH guidance (#177) is consistent with the agency's current thinking on the Biotechnological/Biological Veterinary Medicinal Products. This guidance does not create or confer any rights for or on any person and will not operate to bind FDA or the public. An alternative method may be used as long as it satisfies the requirements of applicable statutes and regulations.

V. Comments

As with all of FDA's guidances, the public is encouraged to submit written or electronic comments pertinent to this guidance. FDA will periodically review the comments in the docket and, where appropriate, will amend the guidance. The agency will notify the public of any such amendments through a notice in the **Federal Register**.

Interested persons may submit to the Division of Dockets Management (see **ADDRESSES**) written or electronic comments regarding this document. Submit a single copy of electronic comments or two paper copies of any mailed comments, except that individuals may submit one paper copy. Comments are to be identified with the docket number found in brackets in the heading of this document. Received comments may be seen in the Division of Dockets Management between 9 a.m. and 4 p.m., Monday through Friday.

VI. Electronic Access

Copies of the guidance document entitled ''Specifications: Test Procedures and Acceptance Criteria for New Biotechnological/Biological Veterinary Medicinal Products'' (VICH GL40) may be obtained on the Internet from the CVM home page at *http://www.fda.gov/cvm*.

Dated: June 6, 2006.

Jeffrey Shuren,

Assistant Commissioner for Policy.

[FR Doc. E6–9324 Filed 6–14–06; 8:45 am]

BILLING CODE 4160–01–S

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. 2005D–0199]

International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; Final Guidance for Industry on ''Specifications: Test Procedures and Acceptance Criteria for New Veterinary Drug Substances and New Medicinal Products: Chemical Substances;'' Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA) is announcing the availability of a guidance document for industry (#176) entitled ''Specifications: Test Procedures and Acceptance Criteria for New Veterinary Drug Substances and New Medicinal Products: Chemical Substances'' (VICH GL–39). This guidance has been developed for veterinary use by the International Cooperation on Harmonization of Technical Requirements for Registration of Veterinary Medicinal Products (VICH). This VICH guidance document is intended to assist to the extent possible, in the establishment of a single set of recommended global specifications for new veterinary drug substances and medicinal products. It provides guidance through recommendations on the setting and justification of acceptance criteria and the selection of test procedures for new veterinary drug substances of synthetic chemical origin, and new medicinal products produced from them, which have not been registered previously in the United States, the European Union, or Japan.

DATES: Submit written or electronic comments at any time.

ADDRESSES: Submit written requests for single copies of the guidance to the Communications Staff (HFV–12), Center for Veterinary Medicine (CVM), Food and Drug Administration, 7519 Standish Pl., Rockville, MD 20855. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the guidance document.

Submit written comments on the guidance to the Division of Dockets Management (HFA–305), Food and Drug Administration, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852. Submit electronic comments to *http://www.fda.gov/dockets/ecomments*. Comments should be identified with the full title of the guidance and the docket number found in brackets in the heading of this document.

FOR FURTHER INFORMATION CONTACT: Dennis Bensley, Center for Veterinary Medicine (HFV–143), Food and Drug Administration, 7500 Standish Pl., Rockville, MD 20855, 301–827–6956, e-mail: *dennis.bensley@fda.hhs.gov*.

SUPPLEMENTARY INFORMATION:

I. Background

In recent years, many important initiatives have been undertaken by regulatory authorities and industry associations to promote the international harmonization of regulatory requirements. FDA has participated in efforts to enhance harmonization and has expressed its commitment to seek scientifically based harmonized technical procedures for the development of pharmaceutical products. One of the goals of harmonization is to identify and then reduce differences in technical requirements for drug development among regulatory agencies in different countries.

FDA has actively participated in the International Conference on Harmonization of Technical Requirements for Approval of Pharmaceuticals for Human Use for several years to develop harmonized technical requirements for the approval of human pharmaceutical and biological products among the European Union, Japan, and the United States. The VICH is a parallel initiative for veterinary medicinal products. The VICH is concerned with developing harmonized technical requirements for the approval of veterinary medicinal products in the European Union, Japan, and the United States, and includes input from both regulatory and industry representatives.

The VICH Steering Committee is composed of member representatives from the European Commission, European Medicines Evaluation Agency, European Federation of Animal Health, Committee on Veterinary Medicinal Products, the U.S. FDA, the U.S. Department of Agriculture, the Animal Health Institute, the Japanese Veterinary Pharmaceutical Association, the Japanese Association of Veterinary Biologics, and the Japanese Ministry of Agriculture, Forestry and Fisheries.

Four observers are eligible to participate in the VICH Steering Committee: One representative from the government of Australia/New Zealand, one representative from the industry in Australia/New Zealand, one representative from the government of Canada, and one representative from the industry of Canada. The VICH Secretariat, which coordinates the preparation of documentation, is provided by the International Federation for Animal Health (IFAH). An IFAH representative also participates in the VICH Steering Committee meetings.

II. Guidance on Chemical Substance

In the **Federal Register** of May 27, 2005 (70 FR 30761), FDA published the notice of availability of the VICH draft guidance, giving interested persons until June 27, 2005, to submit comments. No comments were received. At a meeting held on November 2005, the VICH Steering Committee endorsed the final guidance for industry, (VICH GL–39). This VICH guidance addresses specifications, i.e., those tests, procedures, and acceptance criteria which play a major role in assuring the quality of the new veterinary drug substance and medicinal product at release and during shelf life.

III. Paperwork Reduction Act of 1995

This guidance document refers to previously approved collections of information found in FDA regulations. These collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520). The collections of information in 21 CFR 514.1 have been approved under OMB Control No. 0910–0032 (expiration date 12/31/2007).

IV. Significance of Guidance

This document, developed under the VICH process, has been revised to conform to FDA's good guidance practices regulation (21 CFR 10.115). For example, the document has been designated ''guidance'' rather than ''guideline.'' In addition, guidance documents must not include mandatory language such as ''shall,'' ''must,'' ''require,'' or ''requirement,'' unless FDA is using these words to describe a statutory or regulatory requirement.

The VICH guidance (#176) is consistent with the agency's current thinking on the new veterinary drug substances and medicinal products. This guidance does not create or confer any rights for or on any person and will not operate to bind FDA or the public. An alternative method may be used as long as it satisfies the requirements of applicable statutes and regulations.

V. Comments

As with all of FDA's guidances, the public is encouraged to submit written or electronic comments pertinent to this guidance. FDA will periodically review the comments in the docket and, where appropriate, will amend the guidance. The agency will notify the public of any such amendments through a notice in the **Federal Register**.

Interested persons may submit to the Division of Dockets Management (see **ADDRESSES**) written or electronic comments regarding this document. Submit a single copy of electronic comments or two paper copies of any mailed comments, except that individuals may submit one paper copy. Comments are to be identified with the docket number found in brackets in the heading of this document. Received comments may be seen in the Division of Dockets Management between 9 a.m. and 4 p.m., Monday through Friday

VI. Electronic Access

Copies of the guidance document entitled ''Specifications: Test Procedures and Acceptance Criteria for New Veterinary Drug Substances and New Medicinal Products: Chemical Substances (VICH GL–39) may be obtained on the Internet from the CVM home page at *http://www.fda.gov/cvm*.

Dated: June 6, 2006.

Jeffrey Shuren,

Assistant Commissioner for Policy.

[FR Doc. E6–9327 Filed 6–14–06; 8:45 am]

BILLING CODE 4160–01–S

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Indian Health Service

Privacy Act System of Records—Medical Staff Credentials and Privileges Records

AGENCY: Indian Health Service (IHS), HHS.

ACTION: Amendment of one altered Privacy Act system of records.

SUMMARY: Pursuant to the provisions of the Privacy Act of 1974, as amended, 5 U.S.C. 552a(e)(4), the IHS has amended and is publishing the proposed alteration of a system of records, System No. 09–17–0003, ''Medical Staff Credentials and Privileges Records.'' The amended and altered system of records makes only one administrative revision as necessary.

DATES: The amended and altered system, which incorporates no public comments received following the initial publication, shall become effective June 15, 2006.

FOR FURTHER INFORMATION: Contact Stephen Heath, MD, IHS Risk Management Consultant, Albuquerque Indian Health Center, 801 Vassar Drive, NE., Albuquerque, New Mexico 87106 or via the Internet at *Stephen.Heath@ihs.qov.*

SUPPLEMENTARY INFORMATION: As required by the Privacy Act of 1974, as amended, 5 U.S.C. 552a(e)(4), this document sets forth the amendment of the proposed alteration of a system of records maintained by the IHS, following the initial publication in the **Federal Register** at 71 FR 16320 on March 31, 2006. The purpose of altering System No. 09–17–0003, ''Medical Staff Credentials and Privileges Records,'' is to enable IHS to reflect current program changes, technology changes, statutory and implementation changes. During the comment period, IHS received no comments from the public. The revision or modification of the IHS addresses in Appendix 1 is necessary to this system of records as administrative changes. In Appendix 1, the address for the Elko Service Unit, Newe Medical Clinic under the Phoenix Area IHS was removed as this facility is no longer under the control of the IHS.

This Notice meets the requirement to notify the public that the IHS is amending the proposed changes in the IHS system of records by incorporating the administratie change following the initial publication at 71 FR 16320, March 31, 2006. With this notification, this system of records is effective June 15, 2006.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

09–17–0003

SYSTEM NAME:

Indian Health Service Medical Staff Credentials and Privileges Records, HHS/IHS/OCPS.

SECURITY CLASSIFICATION:

None.

SYSTEM LOCATION:

Each Indian Health Service (IHS) Area Office and each IHS Service Unit (Appendix 1). Records may also be located at hospitals and offices of health care providers who are under contract with IHS. A current list of contractor sites is available by writing to the appropriate System Manager (Area or Service Unit Director) at the address shown in Appendix I.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Prospective, current and former IHS medical staff members. The term IHS medical staff includes fully licensed individuals permitted by law to provide patient care services independently and without concurrent professional direction or supervision, within the scope of his/her license and in accordance with individually granted clinical privileges. The IHS medical staff includes physicians (M.D. and D.O.) and dentists and may include other health care practitioners such as psychologists, optometrists, podiatrists, audiologists, and, in some states, certified nurse midwives. Types of assignment categories of current and former IHS medical staff members include the following:

Provisional—Those new members of the medical staff who are serving a required initial probationary period, as specified in the local medical staff bylaws. During this time, their qualifications for membership on the active or courtesy IHS medical staff are assessed.

Active—Those members who are Federal employees and/or spend at least fifty percent of their professional time providing patient care related services in the facility.

Temporary—Those members who provide services on a short-term basis or have applied for active medical staff membership and are awaiting a full credential review.

Courtesy or Associate—Those members who generally provide services on a periodic or episodic basis (*e.g.,* consultants for specialty clinics).

CATEGORIES OF RECORDS IN THE SYSTEM:

Contains name, Social Security number, IHS medical staff membership and privileges applications and associated forms, employment data, liability insurance coverage, credentialing history of licensed health professionals, personal, educational, and demographic background information, professional performance information consisting of continuing education, performance awards, and adverse or disciplinary actions, and evaluations and approvals completed by IHS medical staff reviewers.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Federal Records Act (44 U.S.C. 2901), Privacy Act of 1974, as amended (5 U.S.C. 552a), Indian Self Determination and Education and Assistance Act (25 U.S.C. 450), Snyder Act (25 U.S.C. 13), Indian Health Care Improvement Act (25 U.S.C. 1601 *et seq.*), Indian Health

Service Transfer Act (42 U.S.C. 2001–2004).

PURPOSE(S):

The purposes of this system are:

1. To ensure that IHS medical staff members are qualified, competent and capable of delivering quality health services consistent with those of the medical community at large and that they are granted privileges commensurate with their training and competence and with the ability of the facility to provide adequate support equipment, services, and staff.

2. To inform health care practitioner(s) and staff of health care facilities, state or county health professional societies or licensing boards to whom the subject individual may apply for clinical privileges, membership or licensure, of the subject individual's professional competence, character and ethical qualifications. This may include information regarding drug or alcohol abuse or dependency. Within the Department such releases may be made to personnel staffs of DHHS Regional Offices.

3. To provide adverse health care practice information to the National Practitioner Data Bank-Healthcare Integrity and Protection Data Bank (NPDB–HIPDB) established under Title IV of Pub. L. 99–660, the Health Care Quality Improvement Act of 1986, as amended, and Section 221(a) of Pub. L. 104–191, the Heath Insurance Portability and Accountability Act of 1996. The purpose of such a release is to provide information concerning a current or former IHS medical staff member whose professional health care activity failed to conform to generally accepted standards of professional medical practice.

4. To provide health care practice information concerning current or former members of the IHS medical staff with Commissioned Corps status to the Division of Commissioned Personnel, U.S. Public Health Service, so that an informed decision may be made concerning the promotion, retention, or reassignment of the subject individual.

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

1. Records may be disclosed to organizations authorized to conduct evaluation studies concerning the delivery of health care services by the IHS (e.g., Joint Commission on the Accreditation of Healthcare Organizations) .

2. IHS may disclose records consisting of name, Social Security number, employment history and any professional qualification information concerning medical staff membership and privileges, professional competence, clinical judgment and personal character to a state or local government health professional licensing board, to the Federation of State Medical Boards, to the NPDB–HIPDB, and/or to a similar entity which has the authority to maintain records concerning the issuance, retention or revocation of licenses or registrations necessary to practice a health professional occupation or specialty. The purpose of this disclosure is to inform medical profession licensing boards and appropriate entities about the health care practices of a current, terminated, resigned, or retired IHS medical staff member whose professional health care activity significantly failed to conform to generally accepted standards of professional medical practice. This will be done within the guidelines for notice, hearing, and review as delineated in the medical staff bylaws for the IHS facility and/or within other HHS or IHS regulations or policies.

3. IHS may disclose biographic data and information supplied by potential applicants to (a) references listed on the IHS medical staff and/or privileges application and associated forms for the purpose of evaluating the applicant's professional qualifications, experience, and suitability, and (b) a state or local government health profession licensing board, to a health-related professional organization, to the Federation of State Medical Boards, and to the NPDB–HIPDB or a similar entity for the purpose of verifying that all claimed background and employment data are valid and all claimed credentials are current and in good standing.

4. Records may be disclosed to other Federal agencies (including the Office of Personnel Management for subject individuals applying for or maintaining Civil Service appointments), to state and local governmental agencies, and to organizations in the private sector to which the subject individual applies for clinical privileges, membership or licensure for the purpose of documenting the qualifications and competency of the subject individual to provide health services in his/her health profession based on the individual's professional performance while employed by the IHS.

5. The Department may disclose information from this system of records to the Department of Justice, or to a court or other tribunal, when (a) HHS, or any component thereof, or (b) any HHS employee in his or her official capacity; or (c) any HHS employee in his or her individual capacity where the Department of Justice (or HHS, where it is authorized to do so) has agreed to represent the employee; or (d) the United States or any agency thereof where HHS determines that the litigation is likely to affect HHS or any of its components, is a party to litigation or has an interest in such litigation, and HHS determines that the use of such records by the Department of Justice, the court or other tribunal is relevant and necessary to the litigation and would help in the effective representation of the governmental party, provided, however, that in each case, HHS determines that such disclosure is compatible with the purpose for which the records were collected.

6. Records may be disclosed to a congressional office from the record of an individual in response to a verified inquiry from the congressional office made at the written request of that individual.

7. In the event that a system of records maintained by the IHS to carry out its functions indicates a violation or potential violation of law, whether civil, criminal, or regulatory in nature, and whether arising by general statute or particular program statute, or by regulation, rule or order issued pursuant thereto, the relevant records in the system of records may be referred to the appropriate agency, whether Federal, state, or local, charged with enforcing or implementing the statute or rule, regulation or order issued pursuant thereto.

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

STORAGE:

File folders and computer-based or electronic files.

RETRIEVABILITY:

Indexed and retrieved by name, Social Security number, and any other identifying numbers necessary to establish the identity of an individual whose record is maintained in the system of records.

SAFEGUARDS:

1. *Authorized Users:* Access is limited to authorized personnel for use in the performance of their official duties. Authorized personnel include: Physician Recruitment and other Health Professions Branch Staff and Area Governing Board Members at IHS Area Offices, and Service Unit Directors, Clinical Directors and members of the Credentials and Privilege Committee of each IHS Service Unit. At each location where records in this system will be

maintained, a list of personnel or categories of personnel having an official need-to-know has been developed and is maintained.

2. *Physical Safeguards:* Records are kept in locked metal filing cabinets or in locked desk drawers in secured rooms at all times when not actually in use during working hours and at all times during non-working hours. Record storage areas, including file cabinets and desks, are not left unattended or unlocked during office hours, including lunch hours. Computer-based or electronic records are password protected security and any additional internal security for database (linked or unlinked).

3. *Procedural Safeguards:* Persons who have an official need-to-know are entrusted with records from this system of records and are instructed to safeguard the confidentiality of these records and to destroy all copies or to return such records when the need to know has expired. Instructions include the statutory penalties for noncompliance. Proper charge-out procedures are followed for the removal of records from the area in which they are maintained. Before an employee who will control disclosure of records can work with the records (*i.e.*, employees who report to the system manager) the system manager or designee ensures that the employee has received training in the safeguards applicable to the records and is aware of the actions to take to restrict disclosure. When copying records for authorized purposes, care is taken to ensure that any imperfect pages are not left in the reproduction room where they can be read but are destroyed or obliterated.

4. *Implementation Guidelines:* DHHS Chapter 45–13 and supplementary Chapter PHS.hf:45–13 of the General Administration Manual; DHHS, ''Automated Information Systems Security Program Handbook,'' as amended; DHHS IRM Policy HHS–IRM–2000–0005, ''IRM Policy for IT Security for Remove Access; OMB Circular A–130 ''Management of Federal Information Resources''; and E-Government Act of 2002 (Pub. L. 107–347, 44 U.S.C. Ch 36).

RETENTION AND DISPOSAL:

Records are maintained by IHS for at least ten years after the individual's termination of employment or association with IHS. Records of unsuccessful applicants for medical staff membership will be retained for three years after his/her rejection. After these periods of retention expire, records are destroyed by shredding or burning.

SYSTEM MANAGER(S) AND ADDRESS:

See Appendix 1.

Policy Coordinating Official: Director, Office of Clinical and Preventive Services, IHS, 801 Thompson Avenue, Suite 300, Rockville, Maryland 20852. The IHS Clinical Directors at all IHS Service Units listed in Appendix 1 are System Managers. IHS medical staff credentials and privileges files are stored at these locations. Other addresses listed in Appendix 1 are locations at which all or parts of these records may also be stored (Physician Recruiter at IHS Area Offices). Post Office Box designations appearing in Appendix 1 should be specified when making requests by mail.

NOTIFICATION PROCEDURE:

Requests must be made to the appropriate System Manager (Clinical Director for the appropriate Service Unit) listed in Appendix 1.

Requests by mail: Requests for information and/or access to records received by mail must contain information providing the identity of the writer and a reasonable description of the record desired. Written requests must contain, at a minimum, the name, signature, Social Security number, and address of the requester, and for unsuccessful applicants the date when the application was submitted, and for current or former IHS health care providers the dates and locations of service. We may request additional identification when we hold records for different persons with the same name or where an apparent discrepancy exists between information contained in the record and that provided by the individual requesting access to the record.

Other names used: Where an individual is seeking to obtain information about himself/herself which may be retrieved by a different name than his/her current name, he/she shall be required to produce evidence to verify that he/she is the person whose record he/she seeks.

Requests in person: A subject individual who appears in person at a specific location (where he or she currently works or formerly worked) seeking access or disclosure of records contained in this system of records relating to him/her shall provide the information described in ''Requests by mail'' (above) and at least one piece of tangible identification such as a driver's license or passport.

Requests by telephone: Since positive identification of the caller cannot be established, telephone requests are not honored.

RECORD ACCESS PROCEDURES:

Same as Notification Procedure: Requesters should also provide a reasonable description of the record being sought. Requesters may also request an accounting of disclosures that have been made of their records, if any.

Contesting record procedures: Write to the appropriate Service Unit Clinical Director at the address specified in Appendix 1 and reasonably identify the record, specify the information being contested, and state the corrective action sought, and the reasons for requesting the correction, along with supporting information to show how the record is inaccurate, incomplete, untimely, or irrelevant.

RECORD SOURCE CATEGORIES:

Subject individual, IRS health care personnel, references supplied by the subject individual, professional societies or associations, specialty boards, colleges and universities attended by the subject individual, former employers, health facilities or health providers with which the subject individual was associated, liability insurance carriers, organizations providing cardiopulmonary resuscitation (CPR) training to the subject individual, state and local health and health care licensing or certifying organizations, and organizations which serve as repositories of information on health care professionals.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

None.

Appendix 1: System Managers and IRS Locations Under Their Jurisdiction Where Records Are Maintained

Director, Aberdeen Area Indian Health Service, Room 309, Federal Building, 115 Fourth Avenue, SE., Aberdeen, South Dakota 57401.

Director, Cheyenne River Service Unit, Eagle Butte Indian Hospital, P.O. Box 1012, Eagle Butte, South Dakota 57625.

Director, Crow Creek Service Unit, Ft. Thompson Indian Health Center, P.O. Box 200, Ft. Thompson, South Dakota 57339.

Director, Fort Berthold Service Unit, Fort Berthold Indian Health Center, P.O. Box 400, New Town, North Dakota 58763.

Director, Carl T. Curtis Health Center, P.O. Box 250, Macy, Nebraska 68039.

Director, Fort Totten Service Unit, Fort Totten Indian Health Center, P.O. Box 200, Fort Totten, Norh Dakota 58335.

Director, Kyle Indian Health Center, P.O. Box 540, Kyle, South Dakota 57752.

Director, Lower Brule Indian Health Center, P.O. Box 191, Lower Brule, South Dakota 57548.

Director, McLaughlin Indian Health Center, P.O. Box 879, McLaughlin, South Dakota 57642.
Director, Omaha-Winnebago Service Unit, Winnebago Indian Hospital, Winnebago, Nebraska 68071.
Director, Pine Ridge Service Unit, Pine Ridge Indian Hospital, Pine Ridge, South Dakota 57770.
Director, Rapid City Service Unit, Rapid City Indian Hospital, 3200 Canyon Lake Drive, Rapid City, South Dakota 57701.
Director, Rosebud Service Unit, Rosebud Indian Hospital, Rosebud, South Dakota 57570.
Director, Sisseton-Wahpeton Service Unit, Sisseton Indian, Hospital, P.O. Box 189, Sisseton, South Dakota 57262.
Director, Standing Rock Service Unit, Fort Yates Indian Hospital, P.O. Box J, Fort Yates, North Dakota 58538.
Director, Trenton-Williston Indian Health Center, P.O. Box 210, Trenton, Noth Dakota 58853.
Director, Turtle Mountain Service Unit, Belcourt Indian Hospital, P.O. Box 160, Belcourt, North Dakot 58316.
Director, Wanblee Indian Health Center, 100 Cinic Drive, Wanblee, South Dakota 57577.
Director, Yankton-Wagner Service Unit, Wagner Indian Hospital, 110 Washington Street, Wagner, Sout Dakota 57380.
Director, Youth Regional Treatment Center, P.O. Box #68, Mobridge, South Dakota 57601.
Director, Sac & Fox Health Center, 307 Meskwaki Road, Tama, Iowa 52339.
Director, Santee Health Center, 425 Frazier Avenue, Main Street #2, Niobrara, Nebraska 68760.
Director, Alaska Area Native Health Service, 4141 Ambassador Drive, Suite 300, Anchorage, Alaska 99508–5928.
Director, Albuquerque Area Health Service, 5300 Homestead Road, NE., Albuquerque, New Mexico 87110.
Director, Acoma-Canoncito-Laguna Service Unit, Acoma-Canoncito-Laguna Indian Hospital, P.O. Box 130, San Fidel, New Mexico 87049.
Director, To-Hajille Health Center, P.O. Box 3528, Canoncito, New Mexico 87026.
Director, New Sunrise Treatment Center, P.O. Box 219, San Fidel, New Mexico 87049.
Director, Albuquerque Service Unit, Albuquerque Indian Hospital, 801 Vassar Drive, NE., Albuquerque, New Mexico 87049.
Director, Albuquerque Indian Dental Clinic, P.0. Box 67830, Albuquerque, New Mexico 87193.
Director, Alamo Navajo Health Center, P.O. Box 907, Magdalena, New Mexico 87825.
Director, Jemez PHS Health Center, P.O. Box 279, Jemez, New Mexico 87024.
Director, Santa Ana PHS Health Center, P.O. Box 37, Bernalillo, New Mexico 87004.
Director, Sandia PHS Health Center, P.O. Box 6008, Bernalillo, New Mexico 87004.
Director, Zia PHS Health Center, 155 Capital Square, Zia, New Mexico 87053.
Director, Santa Fe Service Unit, Santa Fe Indian Hospital, 1700 Cerrillos Road, Santa Fe, New Mexico 87501.
Director, Santa Clara Health Center, RR5, Box 446, Espanola, New Mexico 87532.
Director, San Felipe Health Center, P.O. Box 4344, San Felipe, New Mexico 87001.
Director, Cochiti Health Center, P.O. Box 105, 255 Cochiti Street, Cochiti, New Mexico 87072.
Director, Santo Domingo Health Center, P.O. Box 340, Santo Domingo, New Mexico 87052.
Director, Southern Colorado-Ute Service Unit, P.O. Box 778, Ignacio, Colorado 81137.
Director, Ignacio Indian Health Center, P.O. Box 889, Ignacio, Colorado 81137.
Director, Towaoc Ute Health Center, Towaoc, Colorado 81334.
Director, Jicarilla Indian Health Center, P.O. Box 187, Dulce, New Mexico 87528.
Director, Mescalero Service Unit, Mescalero Indian Hospital, P.O. Box 210, Mescalero, New Mexico 88340.
Director, Taos/Picuris Indian Health Center, P.O. Box 1956, 1090 Goat Springs Road, Taos, New Mexico 87571.
Director, Zuni Service Unit, Zuni Indian Hospital, Zuni, New Mexico 87327.
Director, Pine Hill Health Center, P.O. Box 310, Pine Hill, New Mexico 87357.
Director, Bemidji Area Indian Health Service, 522 Minnesota Avenue, NW., Bemidji, Minnesota 56601.
Director, Red Lake Service Unit, PHS Indian Hospital, Highway 1, Red Lake, Minnesota 56671.
Director, Leech Lake Service Unit, PHS Indian Hospital, 425 7th Street, NW., Cass Lake, Minnesota 56633.
Director, White Earth Service Unit, PHS Indian Hospital, P.O. Box 358, White Earth, Minnesota 56591.
Director, Billings Area Indian Health Service, P.O. Box 36600, 2900 4th Avenue North, Billings, Montana 59101.
Director, Blackfeet Service Unit, Browning Indian Hospital, P.O. Box 760, Browning, Montana 59417.
Director, Heart Butte PHS Indian Health Clinic, Heart Butte, Montana 59448.
Director, Crow Service Unit, Crow Indian Hospital, Crow Agency, Montana 59022.
Director, Lodge Grass PHS Indian Health Center, Lodge Grass, Montana 59090.
Director, Pryor PHS Indian Health Clinic, P.O. Box 9, Pryor, Montana 59066.
Director, Fort Peck Service Unit, Poplar Indian Hospital, Poplar, Montana 59255.
Director, Fort Belknap Service Unit, Harlem Indian Hospital, Harlem, Montana 59526.
Director, Hays PHS Indian Health Clinic, Hays, Montana 59526.
Director, Northern Cheyenne Service Unit, Lame Dear Indian Health Center, Lame Deer, Montana 59043.
Director, Wind River Service Unit, Fort Washakie Indian Health Center, Fort Washakie, Wyoming 82514.
Director, Arapahoe Indian Health Center, Arapahoe, Wyoming 82510.
Director, Chief Redstone Indian Health Center, Wolf Point, Montana 59201.
Director, California Area Indian Health Service, John E. Moss Federal Building, 650 Capitol Mall, Suite 7–100, Sacramento, California 95814.
Director, Nashville Area Indian Health Service, 711 Stewarts Ferry Pike, Nashville, Tennessee 37214–2634.
Director, Catawba PHS Indian Nation of South Carolina, P.O. Box 188, Catawba, South Carolina 29704.
Director, Unity Regional Youth Treatment Center, P.O. Box C–201, Cherokee, North Carolina 28719.
Director, Navajo Area Indian Health Service, P.O. Box 9020, Highway 264, Window Rock, Arizona 86515–9020.
Director, Chinle Service Unit, Chinle Comprehensive Health Care Facility, PO Drawer PH, Chinle, Arizona 86503.
Director, Tsaile Health Center, P.O. Box 467, Navajo Routes 64 & 12, Tsaile, Arizona 86556.
Director, Rock Point Field Clinic, c/o Tasaile Health Center, P.O. Box 647, Tsaile, Arizona 86557.
Director, Pinon Health Station, Pinon, Arizona 86510.
Director, Crownpoint Service Unit, Crownpoint Comprehensive Health Care Facility, P.O. Box 358, Crownpoint, New Mexico 87313.
Director, Pueblo Pintado Health Station, c/o Crownpoint Comprehensive Health Care Facility, P.O. Box 358, Crownpoint, New Mexico 87313.
Director, Fort Defiance Service Unit, Fort Defiance Indian Hospital, P.O. Box 649, Intersection of Navajo Routes N12 & N7, Fort Defiance, Arizona 86515.
Director, Nahata Dziil Health Center, P.O. Box 125, Sanders, Arizona 86512.
Director, Gallup Service Unit, Gallup Indian Medical Center, P.O. Box 1337, Nizhoni Boulevard, Gallup, New, Mexico 87305.
Director, Tohatchi Indian Health Center, P.O. Box 142, Tohatchi, New Mexico 87325.
Director, Ft. Wingate Health Station, c/o Gallup Indian Medical Center, P.O. Box 1337, Gallup, New Mexico 87305.
Director, Kayenta Service Unit, Kayenta Indian Health Center, P.O. Box 368, Kayenta, Arizona 86033.
Director, Inscription House Health Center, P.O. Box 7397, Shonto, Arizona 86054.
Director, Dennehotso Clinic, c/o Kayenta Health Center, P.O. Box 368, Kayenta, Arizona 86033.
Director, Shiprock Service Unit, Northern Navajo Medical Center, P.O. Box 160, U.S. Hwy 491 North, Shiprock, New Mexico 87420.
Director, Dzilth-Na-O-Dith-Hle Indian Health Center, 6 Road 7586, Bloomfield, New Mexico 87413.
Director, Teecnospos Health Center, P.O. Box 103, N5114 BIA School Road, Teecnospos, Arizona 86514.
Director, Sanostee Health Station, c/o Northern Navajo Medical Center, P.O. Box 160, Shiprock, New Mexico 87420.
Director, Toadlena Health Station, c/o Northen Navajo Medical Center, P.O. Box 160, Shiprock, New Mexico 87420.
Director, Teen Life Center, c/o Northern Navajo Medical Center, P.O. Box 160, Shiprock, New Mexico 87420.
Director, Oklahoma City Area Indian Health Service, Five Corporation Plaza, 3625 NW. 56th Street, Oklahoma City, Oklahoma 73112.
Director, Claremore Service Unit, Claremore Comprehensive Indian Health Facility, West Will Rogers Boulvard and Moore; Claremore, Oklahoma 74017.

Director, Clinton Service Unit, Clinton Indian Hospital, Route 1, Box 3060, Clinton, Oklahoma 73601–9303.
Director, El Reno PHS Indian Health Clinic, 1631A E. Highway 66, El Reno, Oklahoma 73036.
Director, Watonga Indian Health Center, Route 1, Box 34–A, Watonga, Oklahoma 73772.
Director, Haskell Service Unit, PHS Indian Health Center, 2415 Massachusetts Avenue, Lawrence, Kansas 66044.
Director, Lawton Service Unit, Lawton Indian Hospital, 1515 Lawrie Tatum Road, Lawton, Oklahoma 73501.
Director, Anadarko Indian Health Center, P.O. Box 828, Anadarko, Oklahoma 73005.
Director, Carnegie Indian Health Center, P.O. Box 1120, Carnegie, Oklahoma 73150.
Director, Holton Service Unit, PHS Indian Health Center, 100 West 6th Street, Holton, Kansas 66436.
Director, Pawnee Service Unit, Pawnee Indian Service Center, RR2, Box 1, Pawnee, Oklahoma 74058–9247.
Director, Pawhuska Indian Health Center, 715 Grandview, Pawhuska, Oklahoma 74056.
Director, Tahlequah Service Unit, W. W. Hastings Indian Hospital, 100 S. Bliss, Tahlequah, Oklahoma 74464.
Director, Wewoka Indian Health Center, P.O. Box 1475, Wewoka, Oklahoma 74884.
Director, Phoenix Area Indian Health Service, Two Renaissance Square, 40 North Central Avenue, Phoenix, Arizona 85004.
Director, Colorado River Service Unit, Chemehuevi Indian Health Clinic, P.O. Box 1858, Havasu Landing, California 92363.
Director, Colorado River Service Unit, Havasupai Indian Health Station, P.O. Box 129, Supai, Arizona 86435.
Director, Colorado River Service Unit, Parker Indian Health Center, 12033 Agency Road, Parker, Arizona 85344.
Director, Colorado River Service Unit, Peach Springs Indian Health Center, P.O. Box 190, Peach Springs, Arizona 86434.
Director, Colorado River Service Unit, Sherman Indian High School, 9010 Magnolia Avenue, Riverside, California 92503.
Director, Elko Service Unit, Southern Bands Health Center, 515 Shoshone Circle, Elko, Nevada 89801.
Director, Fort Yuma Service Unit, Fort Yuma Indian Hospital, P.O. Box 1368, Fort Yuma, Arizona 85366.
Director, Kearns Canyon Service Unit, Hopi Health Care Center, P.O. Box 4000, Polacca, Arizona 86042
Director, Phoenix Service Unit, Phoenix Indian Medical Center, 4212 North 16th Street, Phoenix, Arizqna 85016.
Director, Phoenix Service Unit, Salt River Health Center, 10005 East Osborn Road, Scottsdale, Arizona 85256.
Director, San Carlos Service Unit, Bylas Indian Health Center, P.O Box 208, Bylas, Arizona 85550.
Director, San Carlos Service Unit, San Carlos Indian Hospital, P.O. Box 208, San Carlos, Arizona 85550.
Director, Schurz Service Unit, Schurz Service Unit Administration, Drawer A, Schurz, Nevada 89427.
Director, Fort McDermitt Clinic, P.O. Box 315, McDermitt, Nevada 89421.
Director, Unitah and Ouray Service Unit, Fort Duchesne Indian Health Center, P.O. Box 160, Fort Duchesne, Utah 84026.
Director, Whiteriver Service Unit, Cibecue Health Center, P.O. Box 37, Cibecue, Arizona 85941.
Director, Whiteriver Service Unit, Whiteriver Indian Hospital, P.O. Box 860, Whiteriver, Arizona 85941.
Director, Desert Vision Youth Wellness Center/RTC, P.O. Box 458, Sacaton, AZ 85247.
Director, Portland Area Indian Health Service, Room 476, Federal Building, 1220 Southwest Third Avenue, Portland, Oregon 97204–2829.
Director, Colville Service Unit, Colville Indian Health Center, P.O. Box 71-Agency Campus, Nespelem, Washington 99155.
Director, Fort Hall Service Unit, Not-Tsoo Gah-Nee Health Center, P.O. Box 717, Fort Hall, Idaho 83203.
Director, Neah Bay Service Unit, Sophie Trettevick Indian Health Center, P.O. Box 410, Neah Bay, Washington 98357.
Director, Warm Springs Service Unit, Warm Springs Indian Health Center, P.O. Box 1209, Warm Springs, Oregon 97761.
Director, Wellpinit Service Unit, David C. Wynecoop Memorial Clinic, P.O. Box 357, Wellpinit, Washington 99040.
Director, Western Oregon Service Unit, Chemawa Indian Health Center, 3750 Chemawa Road, NE, Salem, Oregon 97305–1198.
Director, Yakama Service Unit, Yakama Indian Health Center, 401 Buster Road, Toppenish, Washington 98948.
Director, Tucson Area Indian Health Service, 7900 South ''J'' Stock Road, Tucson, Arizona 85746–9352.
Director, Pascua Yaqui Service Unit, Division of Public Health, 7900 South ''J'' Stock Road, Tucson, Arizona 85746.
Director, San Xavier Indian Health Center, 7900 South ''J'' Stock Road, Tucson, Arizona 85746.
Director, Sells Service Unit, Santa Rosa Indian Health Center, HC01, Box 8700, Sells, Arizona 85634.
Director, Sells Service Unit, Sells Indian Hospital, P.O. Box 548, Sells, Arizona 85634.
Director, Sells Service Unit, West Side Health Station, P.O. Box 548, Sells, Arizona 85634.

Dated: June 8, 2006.

Robert G. McSwain,

Deputy Director, Indian Health Service.

[FR Doc. 06–5410 Filed 6–14–06; 8:45 am]

BILLING CODE 4165–16–M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of Inspector General

Program Exclusions: May 2006

AGENCY: Office of Inspector General, HHS.

ACTION: Notice of program exclusions.

During the month of May 2006, the HHS Office of Inspector General imposed exclusions in the cases set forth below. When an exclusions is imposed, no program payment is made to anyone for any items or services (other than an emergency item or service not provided in a hospital emergency room) furnished, ordered or prescribed by an excluded party under the Medicare, Medicaid, and all Federal Health Care programs. In addition, no program payment is made to any business or facility, e.g., a hospital, that submits bills for payment for items or services provided by an excluded party. Program beneficiaries remain free to decide for themselves whether they will continue to use the services of an excluded party even though no program payments will be made for items and services provided by that excluded party. The exclusions have national effect and also apply to all Executive Branch procurement and non-procurement programs and activities.

Subject name, address	Effective date
PROGRAM-RELATED CONVICTIONS	
ABAD, SIMON NATIONAL CITY, CA	6/20/2006
ADAMOS, NITA NATIONAL CITY, CA	6/20/2006
AFLLEJE, JOAQUIN NATIONAL CITY, CA	6/20/2006
ALLEMAN, MONICA DUSON, LA	6/20/2006
ARAKELIAN, FARANZIM 1DUBLIN, CA	6/20/2006
AVILES, DEISY HIALEAH, FL	6/20/2006
BAINS, MAHARAJ INDIANAPOLIS, IN	6/20/2006
BARRETT, JAMES SPARTANBURG, SC	6/20/2006
BELLE, DEBBIE CLEVELAND, OH	6/20/2006
BENITEZ, MARIA PHILADELPHIA, PA	6/20/2006
BLEDSOE, DERRICK MEMPHIS, TN	6/20/2006
BOYD, CYRUS MORGANTOWN, WV	6/20/2006
BROUSSARD, MARK BEAUMONT, TX	6/20/2006
BUTLER, PAMELA BUNKIE, LA	6/20/2006
CAMACHO, MARJORIE BROOKLYN, NY	6/20/2006
CAPOTE, JOSE MIAMI, FL	6/20/2006
CASTRO, ALFREDO NATIONAL CITY, CA	9/8/2006
CASTRO, AMPARO NATIONAL CITY, CA	6/20/2006
COQUIA, SERGIO SAN DIEGO, CA	6/20/2006
COQUIA, TARCELA SAN DIEGO, CA	6/20/2006
CORDERO, PATRIA	7/8/2006

Subject name, address	Effective date
FOSTER CITY, CA	
CRUTCHFIELD, JONATHAN ... DOUGLAS, GA	6/20/2006
CRUZ, HETTY ... LORAIN, OH	6/20/2006
DE LOS SANTOS, LYDIA ... NATIONAL CITY, CA	6/20/2006
DELMONTE, DIGNA ... SPRING VALLEY, CA	6/20/2006
ELLICOTT, RUSSELL ... AUGUSTA, GA	6/20/2006
ELMORE, TONYA ... HORN LAKE, MS	6/20/2006
ESTRELLA, NESTOR ... NORTH HILLS, CA	6/20/2006
EUGENCIO, PRUDENCIO ... NATIONAL CITY, CA	6/20/2006
FLORES, SERAFIN ... LONG BEACH, CA	6/20/2006
FOX, HAROLD ... MIAMI, FL	6/20/2006
GAELENS, DEBRA ... ROCHESTER, NY	6/20/2006
GARTMOND, CINDY ... ATLANTA, GA	6/20/2006
GERMAIN, MICHELLE ... FREEPORT, NY	6/20/2006
GERMAIN, PHILIP ... FREEPORT, NY	6/20/2006
GONZALEZ–PINA, FREDESVINDA ... HIALEAH, FL	6/20/2006
HIDALGO, ALMA ... ROSWELL, GA	6/20/2006
HOWARD, BARBARA ... LONOKE, AR	6/20/2006
HUBBARD, DEBRA ... PORTLAND, OR	6/20/2006
HUSSAIN, ABUL ... CAMP HILL, PA	6/20/2006
JAVIER, ELARDE ...	6/20/2006
FOSTER CITY, CA ...	7/8/2003
JIMENEZ, HENRY ... DORAL, FL	6/20/2006
JOHNSON, ELIZABETH ... ALDERSON, WV	6/20/2006
JONES, RUBYLENE ... HOUSTON, TX	6/20/2006
JONES, SYLVIA ... WASHINGTON, DC	6/20/2006
LAGMAY, MANUEL ... MILLERSVILLE, MD	1/26/2006
LAVARRO, FRANCIS ... LOS ANGELES, CA	6/20/2006
MACAULAY, REUBEN ... DALLAS, TX	6/20/2006
MARTINEZ, LAZARO ... MIAMI, FL	6/20/2006
MARTINEZ, SYLVIA ... NATIONAL CITY, CA	6/20/2006
MCRAE, ORITA ... ORLANDO, FL	6/20/2006
MIRANDA, VIRGILIO ... MIAMI, FL	6/20/2006
NARRAMORE, JAMES ... JENKINS, KY	6/20/2006
NELSON, CATHERINE ... MARINA DEL REY, CA	6/20/2006
OKON, JOHN ... OTISVILLE, NY	6/20/2006
OKUDA, JUNE ... SEATTLE, WA	6/20/2006
PADRIGO, RAFAEL ... SAN DIEGO, CA	6/20/2006
PARIS, ALIN ... TROUTDALE, OR	6/20/2006
PARIS, MARIA ... TROUTDALE, OR	6/20/2006
POEPKE, RHONDA ... LUFKIN, TX	6/20/2006
PORTER, MELISSA ... SPARTANBURG, SC	6/20/2006
PUQUIZ, RODRIGO ... NATIONAL CITY, CA	6/20/2006
RAMIREZ, RUPERTA ... SAN DIEGO, CA	6/20/2006
ROSS–PEREZ, CHERYL ... HAMMOND, IN	6/20/2006
ROXAS, FELIPE ... NATIONAL CITY, CA	6/20/2006
SIMIZON, TAMMY ... NEWARK, NY	6/20/2006
SIMPSON, PATRICIA ... OMAK, WA	6/20/2006
STANFORD, DARREN ... ASHLAND, KY	6/20/2006
TANEJA, RAJIV ... YOUNGSTOWN, OH	6/20/2006
TRAN, HOANG–TRANG ... VISALIA, CA	6/20/2006
WITT, DON ... MESA, AZ	6/20/2006
WITT, LISE ... MESA, AZ	6/20/2006
FELONY CONVICTION FOR HEALTH CARE FRAUD	
ALAS, ANN ... BRONX, NY	6/20/2006
BOWERS, CLARKE ... VILLANOVA, PA	6/20/2006
CLARKE–ROACH, BERNADETTE ... PORT ST LUCIE, FL	6/20/2006
COLUCCI, THOMAS ... MASSAPEQUA, NY	6/20/2006
COOPER, LARHONDA ... QUINCY, FL	6/20/2006
GERSONIA, RAYE ... CANANDAIGUA, NY	6/20/2006
GIBSON, RICHARD ... SEATTLE, WA	6/20/2006
KLUGE, LINDA ... LAKE GENEVA, WI	6/20/2006
MODZELEWSKI, DONAL ... DEER PARK, NY	6/20/2006D
OCHOA, VICTOR ... GUNNISON, CO	6/20/2006
OLEVNIK, JOHN ... JACKSONVILLE, FL	6/20/2006
RAYNE, KEITH ... SANFORD, FL	6/20/2006
REAGAN, MARSHA ... PURCELL, OK	6/20/2006
SCARBERRY, MAUREEN ... LIVE OAK, CA	6/20/2006
SEIBERS, JAMES ... NASHVILLE, TN	6/20/2006
VESTAL, ROBERT ... JACKSONVILLE, FL	6/20/2006
WHITE, LAWRENCE ... OTISVILLE, NY	6/20/2006
FELONY CONTROL SUBSTANCE CONVICTION	
BROWDER, CARL ... DAYTON, TN	6/20/2006
BURGER, NANCY ... LIBERTY HILL, TX	6/20/2006
DALL, HOWARD ... BLUE BELL, PA	6/20/2006
GARTSIDE, JENNIFER ... SAVANNAH, GA	6/20/2006
HALL, DEBORAH ... TULSA, OK	6/20/2006
HASSELL, AMY ... LAPORTE, TX	6/20/2006
KEELEN, SUSAN ... STOCKTON, NJ	6/20/2006
KELLY, MAUREEN ... HOLIDAY, FL	6/20/2006
LATOUR, TODD ... CINCINNATI, OH	6/20/2006
MANION, EARL ... ORANGE PARK, FL	6/20/2006
MASTERFIELD, LAURA ... RIVERSIDE, CA	6/20/2006
OBI, OLIVER ... DULUTH, MN	6/20/2006
SINGH, PARAMJIT ... ST CLAIRSVILLE, OH	6/20/2006
SOLIS, ARMANDO ... MIAMI, FL	6/20/2006
PATIENT ABUSE/NEGLECT CONVICTIONS	
AUSTIN, DOROTHY ... LIMA, OH	6/20/2006
BERNARDEZ, LEOPOLDO ... EVERETT, WA	6/20/2006
BRINER, BABETTE ... LAKE WORTH, FL	6/20/2006
BROWN, SAM ... JONESBORO, AR	6/20/2006
CALDWELL, SAM ... FRESNO, CA	6/20/2006
COMPO, CATHERINE ... PORT LEYDEN, NY	6/20/2006
COUSE, PEGGY ... ROCKVILLE, IN	6/20/2006
CUNNINGHAM, TIFFANY ... LUBBOCK, TX	6/20/2006
DALEY, SUSAN ... YARMOUTH, ME	6/20/2006
DARLING, AMY ... UNION GROVE, WI	6/20/2006
GENDRICH, JASON ... WAUKESHA, WI	6/20/2006
GRANTHAM, JOSEPH ... CONWAY, AR	6/20/2006
GULLO, LISA ... WEST SENECA, NY	6/20/2006
GURUNYAN, TEREZA ... LOS ANGELES, CA	6/20/2006
HAHN, JAMES ... OKLAHOMA CITY, OK	6/20/2006
HARRIS, SUSAN ... FORT WORTH, TX	6/20/2006
HARTSFIELD, CHRISTY ... MARIANNA, FL	6/20/2006
HAYES, SHERYL ... FORT ATKINSON, WI	6/20/2006
HOWE, ANITA ...	6/20/2006

Subject name, address	Effective date
WASHINGTON COURT-HOUSE, OH	
HUGHES, JERRY MUSKOGEE, OK	6/20/2006
HUGHES, RAYMOND AIRWAY HEIGHTS, WA	6/20/2006
IBEH, CYRIACUS LAUREL, MD	6/20/2006
JOHNSON, EDWARD MOBILE, AL	6/20/2006
KAPHERR, JAMES DALTON, GA	6/20/2006
KARAMITROS, DENNIS MARION, IA	6/20/2006
KERBO, SHERRIE OKLAHOMA CITY, OK	6/20/2006
KROEHLER, BRITTANY LE SUEUR, MN	6/20/2006
LATA, ROSHNI BAKERSFIELD, CA	6/20/2006
LEDFORD, REBECCA GOOD THUNDER, MN	6/20/2006
LINDSEY, JAYMI COWETA, OK	6/20/2006
NORDINE, GAYLORD W DES MOINES, IA	6/20/2006
POOLE, MILTON TEMPLE HILLS, MD	6/20/2006
SADANG, FELOIDA EWA BEACH, HI	6/20/2006
SIMS, DARNELL CLEVELAND, OH	6/20/2006
STONE, NANCY ANNAPOLIS, MD	6/20/2006
USSERY, KATHERINE OKLAHOMA CITY, OK	6/20/2006
WAIT, BERT SHELTON, WA	6/20/2006
WATSON, CASSANDRA ST PETERSBURG, FL	6/20/2006
WHEELER, KAMARY TUTTLE, OK	6/20/2006
WHELAN, LAUREL FRESNO, CA	6/20/2006
WILLIAMS, LATRICE ST PETERSBURG, FL	6/20/2006
WITTENAUER, HELEN JEFFERSONVILLE, IN	6/20/2006
WOMACK, JOHNNY AMITE, LA	6/20/2006
YOUNG, WILLIAM ABERDEEN, WA	6/20/2006
CONVICTION FOR HEALTH CARE FRAUD	
MCCANTS, ALEATHA HAINES CITY, FL	6/20/2006
LICENSE REVOCATION/SUSPENSION/SURRENDERED	
ADAIR, JAMES ALTAMONTE SPRINGS, FL	6/20/2006
ADAMS, MARY ST PETERSBURG, FL	6/20/2006
ADAMS, RICHARD PLATTSBURGH, NY	6/20/2006
ADKINS, STEPHANIE VIRGIE, KY	6/20/2006
ALGARIN, FIDEL DOTHAN, AL	6/20/2006
ALIM, ALBERT BRONX, NY	6/20/2006
ALLEN, TERRIA KILGORE, TX	6/20/2006
ALVARADO, MICHELLE GLENDALE, AZ	6/20/2006
ANASTASIOW, MARY NEW YORK, NY	6/20/2006
ARMSTRONG, THOMAS PUEBLO, CO	6/20/2006
ASHIKIS, MARTHA VIRGINIA BEACH, VA	6/20/2006
BALA, ROBERT-JOSEPH GAINESVILLE, FL	6/20/2006
BEAUGRAND, CHRISTINE PALM HARBOR, FL	6/20/2006
BEGAY, EARL PHOENIX, AZ	6/20/2006
BENJAMIN, MARY PHOENIX, AZ	6/20/2006
BHASIN, SUNIL SAN BERNARDINO, CA	6/20/2006
BIGGS, LISA CHINO VALLEY, AZ	6/20/2006
BLOOM, BILLIE CANYON COUNTRY, CA	6/20/2006
BOLDS, DAN PALM CITY, FL	6/20/2006
BOSTOCK, ROBERT GILROY, CA	6/20/2006
BOYD, SAMUEL NASHVILLE, TN	6/20/2006
BRAUN, ROBERT LOS ANGELES, CA	6/20/2006
BRAWN, PETER KEY WEST, FL	6/20/2006
BRISTOL, FELICIA BROOKSVILLE, FL	6/20/2006
BRODERSON, JOE LEXINGTON, KY	6/20/2006
BROKOP, KATHLEEN PHOENIX, AZ	6/20/2006
BROOKS, MICHAEL PHOENIX, AZ	6/20/2006
BROWN, LISA JACKSON, MS	6/20/2006
BUDGE, JENNIFER MONTICELLO, UT	6/20/2006
BUELL, TYLER LAFAYETTE, LA	6/20/2006
BURFORD, JAMI FAYETTEVILLE, NC	6/20/2006
BURKE, DAVID NORCROSS, GA	6/20/2006
BUTLER, ZELDA WINTER HAVEN, FL	6/20/2006
CARROLL, EILEEN ORANGE, CA	6/20/2006
CARROLL, JANET JONESBORO, AR	6/20/2006
CARTER, WILLIAM PETERSBURG, VA	6/20/2006
CLARK, AMANDA MONTICELLO, MS	6/20/2006
CLARKE, MARIE LAUDERDALE LAKES, FL	6/20/2006
CLEVELAND, CHARLES RIDGELAND, MS	6/20/2006
COLE, SONYA DEKALB, MS	6/20/2006
COLORADO, NICOLAS TAMPA, FL	6/20/2006
COLTON, JANICE PLANTATION, FL	6/20/2006
COLVER, MONETTE LOS ANGELES, CA	6/20/2006
COLVILLE, JENNIFER SCHENECTADY, NY	6/20/2006
COULON, MARILYN SCOTTSDALE, AZ	6/20/2006
COWSERT, ANTHONY SOUTH BEND, IN	6/20/2006
CRANNEY, TRACY MINDEN, NV	6/20/2006
CRAWLEY, CINDY LOUISVILLE, MS	6/20/2006
CURTIS, MARLA TEMPLE, TX	6/20/2006
DAVIES, GLADYS TALLAHASSEE, FL	6/20/2006
DEGREENIA, MELISSA WEST BURKE, VT	6/20/2006
DELUCA, PAMELA WARMINSTER, PA	6/20/2006
DENT, AMY LITTLEFIELD, TX	6/20/2006
DIXON, CHAD CAVE CREEK, AZ	6/20/2006
DOMINGUEZ, ANDREWLEY YUMA, AZ	6/20/2006
DOVE, DANA VERNON HILLS, IL	6/20/2006
DUREN, RUTH PORT ST LUCIE, FL	6/20/2006
FEDERROLL, SUSAN CROWNSVILLE, MD	6/20/2006
FERMANIS, DEBRA HAMPTON, VA	6/20/2006
FORD, PATRICIA BRUSH, CO	6/20/2006
FOSS, MARY ST PETERSBURG, FL	6/20/2006
FOWLER, REBECKA RENTON, WA	6/20/2006
FULLER, ANNE HENDERSON, KY	6/20/2006
GARCIA, JOHN OREGON HOUSE, CA	6/20/2006
GILLET, DONNA AURORA, CO	6/20/2006
GILLIAM, LAURIE CARROLLTON, AL	6/20/2006
GRAHAM, LISA DENVER, CO	6/20/2006
GRAY, SCOTT GLENDALE, AZ	6/20/2006
HALEY, BRIAN MEMPHIS, TN	6/20/2006
HANKS, GARY PHOENIX, AZ	6/20/2006
HANSEN, BEVERLY OCEAN RIDGE, FL	6/20/2006
HARRIS, DEBORAH PHOENIX, AZ	6/20/2006
HAWK, CONNIE BENSALEM, PA	6/20/2006
HELTON, KELLY BOCA RATON, FL	6/20/2006
HERRINGTON, CATHERINE PANAMA CITY, FL	6/20/2006
HIGHTOWER, KIMBERLY SUNRISE, FL	6/20/2006
HOBBS, SHEILA LOUISBURG, NC	6/20/2006
HOLBROOKS, RONETTA ROCKHOUSE, KY	6/20/2006
HOLM, MICHAEL NORTH LAS VEGAS, NM	6/20/2006
HOPKINS, HOLLY PORTAGE, IN	6/20/2006
HUDSON, CHARLES	6/20/2006

Subject name, address	Effective date
SIGNAL MOUNTAIN, TN	
JACKSON, THERESSA	6/20/2006
SCOTTSVILLE, TX	
JAMESON, FRED	6/20/2006
PHOENIX, AZ	
JEAN-LOUIS	6/20/2006
HOOVER, BRONX, NY	
JEWETT, RONALD	6/20/2006
LAS VEGAS, NV	
JOHNSON, SHARON	6/20/2006
QUITMAN, MS	
JONES, ARKISHA	6/20/2006
LAKELAND, FL	
JOYNER, BRADLEY	6/20/2006
BOWLING GREEN, KY	
JURGENSEN, SANDRA	6/20/2006
PINELLAS PARK, FL	
KALANI, WAYNE	6/20/2006
HENDERSON, NV	
KENNEDY, JEFFREY	6/20/2006
CHATTANOOGA, TN	
KING, ISABEL	6/20/2006
BULLHEAD CITY, AZ	
KOENIG, MARK	6/20/2006
FLORENCE, MS	
KOHLER, LISA	6/20/2006
LAKELAND, FL	
KOSICH, MARTIN	6/20/2006
CATSKILL, NY	
KRUGER, CHERYL	6/20/2006
SALT LAKE CITY, UT	
KUBICSEK, KATHY	6/20/2006
PHOENIX, AZ	
KUNERT, RACHEL	6/20/2006
DENVER, CO	
KUSMIERZ, PAULA	6/20/2006
NORTHRIDGE, CA	
LAIGO, LORRAINE	6/20/2006
PITTSBURG, CA	
LANCASTER, SHAWNA	6/20/2006
SOMERSET, KY	
LANE, ALISA	6/20/2006
MONTICELLO, AR	
LARKIN, TINA	6/20/2006
LONG BEACH, CA	
LARSON, SPICIE	6/20/2006
TUCSON, AZ	
LATNER-BROWN, SUSAN	6/20/2006
MIDDLEBURG, FL	
LAWTON, POLLY	6/20/2006
CORINTH, MS	
LAYTON, AMANDA	6/20/2006
ST PETERSBURG, FL	
LOGAN, AMY	6/20/2006
TULSA, OK	
LONDON, HOWARD	6/20/2006
MIAMI, FL	
LONGO, WILLIAM	6/20/2006
PINESVILLE, LA	
LOVE, TINIYA	6/20/2006
PALMETTO, FL	
LOYA, LEANA	6/20/2006
TUCSON, AZ	
LUNDY, WAYNE	6/20/2006
COLUMBUS, GA	
LUNN, JUDY	6/20/2006
PEORIA, AZ	
MAAS, LORI	6/20/2006
RALEIGH, MS	
MADDOX MARTINEZ, SHAUNA	6/20/2006
GEORGETOWN, TX	
MALLORY, CINDY	6/20/2006
OLMSTEAD, KY	
MANKIN, TINA	6/20/2006
COLUMBUS, IN	
MARJERRISON, VALERIE	6/20/2006
ELLENSBURG, WA	
MARSH, MICHAEL	6/20/2006
PANJACHEL SOLOLA CA, XX	
MATHIS, PAMELA	6/20/2006
TISHOMINGO, MS	
MAY, MICKEY	6/20/2006
PHOENIX, AZ	
MCCAFFITY, LAURETTA	6/20/2006
HAVENLOCK, NC	
MCGOWAN, DONNA	6/20/2006
PROVIDENCE, RI	
MCGRAW, JOHN	6/20/2006
VENICE, FL	
MCGUIRE, BRADFORD	6/20/2006
GULF BREEZE, FL	
MCLAUCHLAN, MELISSA	6/20/2006
OLALLA, WA	
MCLAUGHLIN, KERRY	6/20/2006
WOBURN, MA	
MCPHERSON, LEIGH	6/20/2006
LEXINGTON, KY	
MCQUEEN, VIRGINIA	6/20/2006
JONESBOROUGH, TN	
MEDINA, JOEY	6/20/2006
HENDERSON, NV	
MERRELL, STUART	6/20/2006
SALT LAKE CITY, UT	
MESSINA, MADELYN	6/20/2006
MOBILE, AL	
MILLER, GLENN	6/20/2006
ANTA MONICA, CA	
MILLER, LISA	6/20/2006
CORNWELLS HGHTS, PA	
MISHLER, MONTE	6/20/2006
PENSACOLA, FL	
MITCHELL, VINCENT	6/20/2006
PHOENIX, AZ	
MOORE, PAULA	6/20/2006
MORGANTON, NC	
MORGAN, RUSSELL	6/20/2006
PLAINFIELD, IL	
MUGGLI, ROBERT	6/20/2006
LAKESIDE, AZ	
NICHOLAS, BARBARA	6/20/2006
HOUSTON, TX	
NNP, INC,	6/20/2006
HONOLULU, HI	
NOEL, KELVIN	6/20/2006
LOS ANGELES, CA	
NORBERTO, ALBINO	6/20/2006
JENSEN BEACH, FL	
NUWER, APRIL	6/20/2006
FT MYERS, FL	
NYGREN, MARCUS	6/20/2006
BOCA RATON, FL	
O'KEEFE, JOAN	6/20/2006
ANAHEIM, CA	
OSBORNE, PATRICIA	6/20/2006
NEW BEDFORD, MA	
OWENS, NINA	6/20/2006
CROSSVILLE, TN	
PARKER, REBECCA	6/20/2006
CLAYVILLE, RI	
PARTIN, CHARLES	6/20/2006
PUEBLO, CO	
PERCIVAL, ERIN	6/20/2006
LEHIGH ACRES, FL	
PEREL, MICHAEL	6/20/2006
GOURA HILLS, CA	
PERRY, MICHELLE	6/20/2006
GLENDALE, AZ	
PESCIOTTA, BARBARA	6/20/2006
TOMS RIVER, NJ	
PHILLIPS, RACHEL	6/20/2006
GAFFNEY, SC	
PHOLERIC, JOHN	6/20/2006
HERNDON, VA	
PIERANGELINO, KAREN	6/20/2006
VIRGINIA BEACH, VA	
PIERRE, ALETE	6/20/2006
W PALM BEACH, FL	
PLATE, SANDRA	6/20/2006
PRESCOTT VALLEY, AZ	
PLATZEK, BRUCE	6/20/2006
JENSEN BEACH, FL	
PLUMMER, STEPHANIE	6/20/2006
MIDWEST CITY, OK	
PRIOR, SANDRA	6/20/2006
ST PETERSBURG, FL	
PULIZZI, MICHAEL	6/20/2006
S WILLIAMSPORT, PA	
QUEENER, SHARON	6/20/2006
JACKSBORO, TN	
QUESENBERRY, LOWELL	6/20/2006
WAKEFIELD, VA	
QUINN, JOHN	6/20/2006
GLEN ROCK, NJ	
QUINONEZ, ALEXANDER	6/20/2006
TUCSON, AZ	
RAINES, MARION	6/20/2006
CLEVELAND, MS	
RATLIFF, APRIL	6/20/2006
SEVIERVILLE, TN	
RAY, VALINDA	6/20/2006
RUSSELLTON, PA	
RAYMOND, DIXIE	6/20/2006
OKEECHOBEE, FL	
RICH, KELLY	6/20/2006
AVONDALE, AZ	
RICKABAUGH, DONALD	6/20/2006
NEWPORT BEACH, CA	
RIVAS, MARITZA	6/20/2006
POMONA, CA	
RODGERS, MARY	6/20/2006
CLARKSDALE, MS	
ROGERS, DANA	6/20/2006
BLOOMFIELD, KY	
ROSE, TIMOTHY	6/20/2006
ROANOKE RAPIDS, NC	
ROSENTHAL, BERTRAM	6/20/2006
ENCINO, CA	
ROSS, CASEY	6/20/2006
TACOMA, WA	
RUTH, DANIEL	6/20/2006
OAK ISLAND, NC	
RYAN, DONALD	6/20/2006
STOCKTON, CA	
SALAMI, MOHAMMAD	6/20/2006
HOMESTEAD, FL	
SANCHEZ, RICHARD	6/20/2006
LAKE WORTH, FL	
SCHLAUCH, SUZANNE	6/20/2006
TUCSON, AZ	
SCHLITT, MARY	6/20/2006
VERO BEACH, FL	
SCHLUETER, MARY	6/20/2006
FT COLLINS, CO	
SERNEELS, RUTH	6/20/2006
PINEVILLE, KY	
SHADLE, KAREN	6/20/2006
OAKLAND, CA	
SHERRY, KENNETH	6/20/2006

Subject name, address	Effective date
PRESCOTT VALLEY, AZ	
SHETLER, TERRY SARASOTA, FL	6/20/2006
SHIELDS, FRANK KIRKLAND, WA	6/20/2006
SIMBECK, HEATHER SOUTH BEND, IN	6/20/2006
SINNOTT, KAREN POLK CITY, FL	6/20/2006
SKINNER, MOLLY FLORENCE, KY	6/20/2006
SLATER, DARLENE SURPRISE, AZ	6/20/2006
SMITH, CHERYL ROBBINS, NC	6/20/2006
SMITH, MARSHALENE PFLUGERVILLE, TX	6/20/2006
SNYDER, GEOFFREY LEWISVILLE, OH	6/20/2006
SOFIA MASSAGE STUDIO ST PETERSBURG, FL	6/20/2006
SOLIMAN, HODA TORRANCE, CA	6/20/2006
ST JOHN, MICHELLE TAMPA, FL	6/20/2006
STEPHENSON, FLORA HARTSELLE, AL	6/20/2006
STERLING, HARLEY ORANGE, CA	6/20/2006
SUFFRIDGE, SHERRY ROGERSVILLE, TN	6/20/2006
SWAFFORD, JESSE PHOENIX, AZ	6/20/2006
TASCHMAN, MARSHALL CORAL SPRINGS, FL	6/20/2006
TAYLOR, TIANN CLINTON, NJ	6/20/2006
THOMAS, PATRICE CARROLLTOWN, PA	6/20/2006
THOMAS, SANDRA KING WILLIAM, VA	6/20/2006
TURCHIARO, MICHELLE TAMPA, FL	6/20/2006
VALENTIN, VICTOR PERRIS, CA	6/20/2006
WAGNER, JILL SCOTTSDALE, AZ	6/20/2006
WALDRUP, KELLIE ARDEN, NC	6/20/2006
WARREN, LA'SHONDA COLORADO SPRINGS, CO	6/20/2006
WEBSTER, AGNES WEST TERRE HAUTE, IN	6/20/2006
WEEMS, KAREN TUMWATER, WA	6/20/2006
WELCH, BARBARA TEMPE, AZ	6/20/2006
WHITING, MICHAL LOVELOCK, NV	6/20/2006
WITTORF, MICHAEL MORGANTOWN, PA	6/20/2006
WORTHAM, CATHERINE LATONIA, KY	6/20/2006
YOUNG, CONNIE LAKE WACCAMAW, NC	6/20/2006
ZAKY, WASSIM HUNTINGTON PARK, CA	6/20/2006
ZUCKERMAN, ALLAN LOS ANGELES, CA	6/20/2006
FRAUD/KICKBACKS/PROHIBITED ACTS/ SETTLEMENT AGREEMENTS	
HEALTH FORCE ONE WASHINGTON, DC	1/26/2006
INTERNATIONAL HEALTH CARE SVCS, INC WASHINGTON, DC	1/26/2006
TINNIN, LOUIS BRUCETON MILLS, WV	3/27/2006
OWNED/CONTROLLED BY CONVICTED/ ENTITIES	
ADVANCED MEDICAL SUPPLIERS, INC HAMMOND, IN	6/20/2006
CAROLINE STREET CLINIC, INC KEY WEST, FL	6/20/2006
COMPREHENSIVE HEALTH PROFESSIONAL REHAB CORP MIAMI, FL	6/20/2006
FREDESVINDA M GONZALEZ-PINA, MD, PA HIALEAH, FL	6/20/2006
GAMBLE-MCKEE PARTNERSHIP, LLC SHREVEPORT, LA	6/20/2006
GUEST CARE MANAGEMENT OF TEXAS LLC SHREVEPORT, LA	6/20/2006
MAROUDAS CHIROPRACTIC CLINIC GILROY, CA	6/20/2006
MARSHALL G TASCMAN, MD, PA STUART, FL	6/20/2006
NATIONAL MEDICAL SYSTEM & SUPPLIES, INC MIAMI, FL	6/20/2006
PENNACLE REHAB SERVICES OF FLORIDA, INC MIAMI, FL	6/20/2006
STROHBACH CHIROPRACTIC, INC FONTANA, CA	6/20/2006
TKO PHARMACY WASILLA, AK	6/20/2006
DEFAULT ON HEAL LOAN	
ALLEN, DAVID CORTE MADERA, CA	6/20/2006
GLICKMAN, HAGIT SAN FRANCISCO, CA	6/20/2006
ILIOU, CLAUDE PUNTA GORDA, FL	6/20/2006
JONES, JAMES COLLEGEVILLE, PA	6/20/2006
KOCHA, PAUL W HOLLYWOOD, CA	6/20/2006
MCGHEE, MICHAEL SAN JOSE, CA	6/20/2006
MOON, LARRY GILROY, CA	6/20/2006
PEOPLES, DOUGLAS PETERSBURG, VA	6/20/2006
PRINS, LESLIE ALAMEDA, CA	6/20/2006
SLOAN, SCOT ORLANDO, FL	6/20/2006
SPAULDING, KARLA SAN FRANCISCO, CA	6/20/2006

Dated: June 7, 2006.

Maureen R. Byer,

Director, Exclusions Staff, Office of Inspector General.

[FR Doc. E6–9339 Filed 6–14–06; 8:45 am]

BILLING CODE 4152–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Substance Abuse and Mental Health Services Administration (SAMHSA)

Notice of a Meeting

Pursuant to Public Law 92–463, notice is hereby given of a meeting of the Substance Abuse and Mental Health Services Administration (SAMHSA) National Advisory Council in June 2006.

The SAMHSA Council will meet in an open session on June 29 from 9 a.m. to 3:30 p.m. The meeting will include a report from the SAMHSA Administrator, a presentation on SAMHSA's international activities, and an update on SAMHSA's Access to Recovery (ATR) program. In addition, the recipient of a SAMHSA ATR grant will describe his State's approach to implementing the program.

Attendance by the public will be limited to the space available. Public comments are welcome. Please communicate with the individual listed as contact below to make arrangements to comment or to request special accommodations for persons with disabilities.

Substantive program information, a summary of the meeting, and a roster of Council members may be obtained after the meeting by contacting Ms. Toian Vaughn (see contact information below) or by accessing the SAMHSA Council Web site at *http://www.samhsa.gov/council.* The transcript for the meeting will also be available on the SAMHSA Council Web site within 3 weeks after the meeting.

Committee Name: SAMHSA National Advisory Council.

Date/Time: Thursday, June 29, 2006, 9 a.m. to 3:30 p.m. (Open).

Place: 1 Choke Cherry Road, Sugar Loaf and Seneca Conference Rooms, Rockville, Maryland 20857.

Contact: Ms. Toian Vaughn, Executive Secretary, SAMHSA National Advisory Council and SAMHSA Committee Management Officer, 1 Choke Cherry Road, Room 8–1089, Rockville,

Maryland 20857. Telephone: (240) 276–2307; FAX: (240) 276–2220. E-mail: *toian.vaughn@samhsa.hhs.gov.*

Dated: June 8, 2006.

Toian Vaughn,

Executive Secretary, SAMHSA National Advisory Council and SAMHSA Committee Management Officer.

[FR Doc. E6–9341 Filed 6–14–06; 8:45 am]

BILLING CODE 4162–20–P

DEPARTMENT OF HOMELAND SECURITY

Bureau of Customs and Border Protection

Proposed Collection; Comment Request; Application for Identification/Smart Card

AGENCY: Bureau of Customs and Border Protection (CBP), Department of Homeland Security.

ACTION: Notice and request for comments.

SUMMARY: As part of its continuing effort to reduce paperwork and respondent burden, CBP invites the general public and other Federal agencies to comment on an information collection requirement concerning the Application for Identification/Smart Card. This request for comment is being made pursuant to the Paperwork Reduction Act of 1995 (Pub. L. 104–13; 44 U.S.C. 3505(c)(2)). CBP is proposing that this information collection be extended with no change to the burden hours. This document is published to obtain comments form the public and affected agencies. This proposed information collection was previously published in the **Federal Register** (71 FR 12385) on March 10, 2006, allowing for a 60-day comment period. This notice allows for an additional 30 days for public comments. This process is conducted in accordance with 5 CFR 1320.10.

DATES: Written comments should be received on or before July 17, 2006, to be assured of consideration.

ADDRESSES: Direct all written comments to Bureau of Customs and Border Protection, Information Services Group, Attn.: Tracey Denning, 1300 Pennsylvania Avenue, NW., Room 3.2C, Washington, DC 20229.

FOR FURTHER INFORMATION CONTACT: Written comments and/or suggestions regarding the items contained in this notice, especially the estimated public burden and associated response time, should be directed to the Office of Management and Budget Desk Officer at *Nathan.Lesser@omb.eop.gov.*

SUPPLEMENTARY INFORMATION: CBP invites the general public and other Federal agencies to comment on proposed and/or continuing information collections pursuant to the Paperwork Reduction Act of 1995 (Pub. L. 104–13; 44 U.S.C. 3505(c)(2)). The comments should address: (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 estimates of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden including the use of automated collection techniques or the use of other forms of information technology; and (e) estimates of capital or start-up costs and costs of operations, maintenance, and purchase of services to provide information. The comments that are submitted will be summarized and included in the CBP request for Office of Management and Budget (OMB) approval. All comments will become a matter of public record. In this document CBP is soliciting comments concerning the following information collection:

Title: Application for Identification/Smart Card.

OMB Number: 1651–0008.

Form Number: CBP Form-3078.

Abstract: CBP Form 3078 is used by licensed Cartmen, Lightermen, Warehousemen, brokerage firms, foreign trade zones, container station operators, their employees, and employees requiring access to CBP secure areas to apply for an identification card so that they may legally handle merchandise which is in CBP custody.

Current Actions: There are no changes to the information collection. This submission is being submitted to extend the expiration date.

Type of Review: Extension (without change).

Affected Public: Business or other for-profit institutions.

Estimated Number of Responses: 46,050.

Estimated Time Per Respondent: 13 minutes.

Estimated Total Annual Burden Hours: 9,962.

Estimated Total Annualized Cost on the Public: N/A.

Requests for additional information should be directed to Bureau of Customs and Border Protection, Attn.: Tracey Denning, 1300 Pennsylvania Avenue NW., Room 3.2C, Washington, DC 20229, Tel. (202) 344–1429.

Dated: June 6, 2006.

Tracey Denning,

Agency Clearance Officer, Information Services Group.

[FR Doc. E6–9159 Filed 6–14–06; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

Secret Service

Notice of Proposed Information Collection

SUMMARY: The U.S. Department of Homeland Security, Office of the Chief Information Officer, invites comments on the proposed information collection request as required by the Paperwork Reduction Act of 1995. Currently, the U.S. Secret Service, within the U.S. Department of Homeland Security is soliciting comments concerning the SSF 3237, Contractor Personnel Access Application Form.

DATES: Interested persons are invited to submit comments on or before August 14, 2006.

ADDRESSES: Direct all written comments to United States Secret Service, Security Clearance Division, Attn: ATSAIC Lawrence Tucker, Clearance and Access Branch, 950 H St., NW., Washington, DC 20223, Suite 3800, 202/406–5830 (*lawrence.tucker@usss.dhs.gov*). Individuals who use a telecommunications device for the deaf (TDD) may either call the Federal Information Relay Service (FIRS) at 1–800–877–8339 or call directly (TTY) 202–406–5390.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the form(s) and instructions should be directed to: United States Secret Service, Security Clearance Division, Attn: ATSAIC Lawrence Tucker, Clearance and Access Branch, 950 H St., NW., Washington, DC 20223, Suite 3800, 202/406–5979. Telephone number: (202) 406–5830. (*lawrence.tucker@usss.dhs.gov*).

SUPPLEMENTARY INFORMATION: Section 3506 of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35) requires each Federal agency to provide interested Federal agencies and the public an early opportunity to comment on information collection requests. The notice for this proposed information collection contains the following: (1) The name of the component of the U.S. Department of Homeland Security; (2) Type of review requested, e.g., new, revision, extension, existing or reinstatement; (3) OMB Control

Number, if applicable; (4) Title; (5) Summary of the collection; (6) Description of the need for, and proposed use of, the information; (7) Respondents and frequency of collection; and (8) Reporting and/or Recordkeeping burden.

The Department of Homeland Security invites public comment.

The Department of Homeland Security is especially interested in public comment addressing the following issues: (1) Is this collection necessary to the proper functions of the Department, including whether the information will have practical utility; (2) is the estimate of burden for this information collection accurate; (3) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (4) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology.

Abstract: Respondents are all Secret Service contractor personnel requiring access to Secret Service controlled facilities in performance of their contractual duties. These contractors, if approved for access, will require escorted, unescorted, and staff-like access to Secret Service controlled facilities. Responses to questions on the SSF 3237 yield information necessary for the adjudication of eligibility for facility access.

United States Secret Service

Title: Contractor Personnel Access Application.

OMB Number: 1620–0002.

Form Number: SSF 3237.

Frequency: Occasionally.

Type of Review: Extension of a currently approved collection.

Affected Public: Individuals or Households/Business.

Estimated Number of Respondents: 5000.

Estimated Time per Respondent: 15 minutes.

Estimated Total Annual Burden Hours: 1250 hours.

Estimated Total Burden Cost (capital/startup): None.

Total Burden Cost (operating/maintaining): None.

Comments submitted in response to this comment request will be summarized and/or included in the request for Office of Management and Budget approval of the information collection request; they will also become a matter of public record.

Dated: June 9, 2006.

Sharon Johnson,

Chief—Policy Analysis and Organizational Development Branch, U.S. Secret Service, U.S. Department of Homeland Security.

[FR Doc. E6–9325 Filed 6–14–06; 8:45 am]

BILLING CODE 4810–42–P

DEPARTMENT OF HOMELAND SECURITY

Secret Service

Notice of Proposed Information Collection

SUMMARY: The U.S. Department of Homeland Security, Office of the Chief Information Officer, invites comments on the proposed information collection request as required by the Paperwork Reduction Act of 1995. Currently, the U.S. Secret Service, within the U.S. Department of Homeland Security is soliciting comments concerning the SSF 86A, Supplemental Investigative Data.

DATES: Interested persons are invited to submit comments on or before August 14, 2006.

ADDRESSES: Direct all written comments to United States Secret Service, Security Clearance Division, Attn: Althea Washington, Personnel Security Branch, 950 H St., NW., Washington, DC 20373–5824, Suite 3800, 202/406–5830. Individuals who use a telecommunications device for the deaf (TDD) may either call the Federal Information Relay Service (FIRS) at 1–800–877–8339 or call directly (TTY) 202–406–5390.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the form(s) and instructions should be directed to: United States Secret Service, Security Clearance Division, Attn: Robin DeProspero-Philpot, Security Clearance Division, 950 H Street, NW., Washington, DC 20373–5824. Telephone number: (202) 406–5830.

SUPPLEMENTARY INFORMATION: Section 3506 of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35) requires each Federal agency to provide interested Federal agencies and the public an early opportunity to comment on information collection requests. The notice for this proposed information collection contains the following: (1) The name of the component of the U.S. Department of Homeland Security; (2) Type of review requested, *e.g.* new, revision, extension, existing or reinstatement; (3) OMB Control Number, if applicable; (4) Title; (5) Summary of the collection; (6) Description of the need for, and proposed use of, the information; (7) Respondents and frequency of collection; and (8) Reporting and/or Recordkeeping burden. The Department of Homeland Security invites public comment.

The Department of Homeland Security is especially interested in public comment addressing the following issues: (1) Is this collection necessary to the proper functions of the Department, including whether the information will have practical utility; (2) is the estimate of burden for this information collection accurate; (3) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (4) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology.

Abstract: Respondents are all Secret Service applicants. These applicants, if approved for hire, will require a Top Secret Clearance, and possible SCI Access. Responses to questions on the SSF 86A yields information necessary for the adjudication for eligibility of the clearance, as well as ensuring that the applicant meets all internal agency requirements.

United States Secret Service

Title: Supplemental Investigative Data.

OMB Control Number: 1620–0001.

Form Number: SSF 86A.

Frequency: Occasionally.

Type of Review: Extension of a currently approved collection.

Affected Public: Individuals.

Reporting and Recordkeeping Hour Burden:

Responses: 10,000.

Burden Hours: 30,000.

Dated: June 9, 2006.

Sharon Johnson,

Branch Chief—Policy Analysis and Organizational Development Branch, U.S. Secret Service, U.S. Department of Homeland Security.

[FR Doc. E6–9326 Filed 6–14–06; 8:45 am]

BILLING CODE 4810–42–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Citizenship and Immigration Services

[CIS No. 2382–06; DHS Docket No. USCIS–2006–0005]

RIN 1615–ZA34

Extension of the Designation of Temporary Protected Status for El Salvador; Automatic Extension of Employment Authorization Documentation for El Salvadorian TPS Beneficiaries

AGENCY: U.S. Citizenship and Immigration Services, Department of Homeland Security.

ACTION: Notice.

SUMMARY: Prior to a recent determination by the Secretary of Homeland Security, the designation for El Salvador of Temporary Protected Status (TPS) was set to expire on September 9, 2006. This Notice alerts the public that TPS for El Salvador has been extended for 12 months, until September 9, 2007, and sets forth procedures for nationals of El Salvador (or aliens having no nationality who last habitually resided in El Salvador) with TPS to re-register and to apply for an extension of their Employment Authorization Documents (EADs) for the additional 12-month period. Re-registration is limited to persons who registered under the initial designation (which was announced on March 9, 2001) or who ''late initial registered'' and also timely re-registered under each subsequent extension of the designation. In accordance with the original designation, eligible aliens must also have maintained continuous physical presence in the United States since March 9, 2001, and continuous residence in the United States since February 13, 2001. Certain nationals of El Salvador (or aliens having no nationality who last habitually resided in El Salvador) who have not previously applied for TPS may be eligible to apply under the late initial registration provisions.

Given the large number of Salvadorans affected by this Notice, the Department of Homeland Security (DHS) recognizes that many re-registrants may not receive an extension sticker or new EAD until after their current EADs expire on September 9, 2006. Accordingly, this Notice automatically extends the validity of EADs issued under the TPS designation of El Salvador for 6 months until March 9, 2007, and explains how TPS beneficiaries and their employers may determine which EADs are automatically extended.

DATES: *Effective Dates:* The extension of TPS for El Salvador is effective September 9, 2006, and will remain in effect until September 9, 2007. The 60-day re-registration period begins on July 3, 2006, and will remain in effect until September 1, 2006. To facilitate processing of their applications, applicants are strongly encouraged to file as soon as possible after the start of the 60-day re-registration period of July 3, 2006.

FOR FURTHER INFORMATION CONTACT: Jonathan Crawford, Status and Family Branch, Service Center Operations, U.S. Citizenship and Immigration Services, Department of Homeland Security, 111 Massachusetts Avenue, NW., 3rd Floor, Washington, DC 20529, telephone (202) 272–8350. This is not a toll free number.

SUPPLEMENTARY INFORMATION:

Abbreviations and Terms Used in This Document

Act—Immigration and Nationality Act
ASC—USCIS Application Support Center
DHS—Department of Homeland Security
DOS—Department of State
EAD—Employment Authorization Document
Secretary—Secretary of Homeland Security
TPS—Temporary Protected Status
USCIS—U.S. Citizenship and Immigration Services

What authority does the Secretary of Homeland Security have to extend the designation of TPS for El Salvador?

Under section 244 of the Immigration and Nationality Act (Act), 8 U.S.C. 1254a, the Secretary of Homeland Security, after consultation with appropriate agencies of the Government, is authorized to designate a foreign state (or part thereof) for TPS. 8 U.S.C. 1254a(b)(1). The Secretary of Homeland Security may then grant TPS to eligible nationals of that foreign state (or aliens having no nationality who last habitually resided in that state). 8 U.S.C. 1254a(a)(1)(A).

At least 60 days before the expiration of the TPS designation, or any extension thereof, the Secretary, after consultations with appropriate agencies of the Government must review the conditions in a foreign state designated for TPS to determine whether the conditions for a TPS designation continue to be met and, if so, the length of an extension of the TPS designation. 8 U.S.C. 1254a(b)(3)(A). If the Secretary determines that the foreign state no longer meets the conditions for the TPS designation, he must terminate the designation. 8 U.S.C. 1254a(b)(3)(B).

Why did the Secretary of Homeland Security decide to extend the TPS designation for El Salvador?

On March 19, 2001, a Notice was published in the **Federal Register**, at 66 FR 14214, designating El Salvador for TPS due to the devastation caused by a series of severe earthquakes. Subsequent to that date, the Attorney General, and the Secretary of Homeland Security have extended TPS for El Salvador three times, determining in each instance that the conditions warranting the designation continued to be met. 67 FR 46000, 68 FR 42071, 70 FR 1450. To notify individuals of the current extension, the Secretary published a Notice in the **Federal Register** on January 5, 2005, at 70 FR 1450. That extension became effective on March 9, 2005, and is due to end on September 9, 2006.

Since the date of the current extension, DHS and the Department of State (DOS) have continued to review conditions in El Salvador. In particular, the Secretary of Homeland Security considered whether there continues to be a substantial disruption in living conditions in El Salvador and whether El Salvador is unable, temporarily, to adequately handle the return of its nationals, as is required for TPS designations based on environmental disasters. 8 U.S.C. 1254a(b)(1)(B)(i–iii).

DOS notes that the conditions that initially gave rise to the designation of TPS for El Salvador continue to exist. (''DOS Recommendation, February 2006''). The Government of El Salvador remains engaged in earthquake reconstruction activities with USAID assistance. *Id.* Despite USAID's 170 million dollar disaster reconstruction program, reconstruction projects remain incomplete and the U.S. embassy in El Salvador, in a reporting cable to Washington on February 7, 2006, estimated that the programs will not be completed in less than 24 months. *Id.* According to research conducted by the USCIS Office of Refugee, Asylum, and International Operations Report of January 2006 (''ORAIO Report''), significant parts of the programs funded by other international donors were still being carried out or were soon to be underway. Construction in the housing and health sectors were the main programs still pending as of January 2006. *Id.*

According to El Salvador's Vice Ministry of Housing, only 46 percent of the total number of houses destroyed or damaged had been reconstructed or repaired as of January 2006. *Id.* Housing programs funded by the European Union and the Inter-American

Development Bank were still underway, with the target dates for completion set for 2006 and 2007, respectively. *Id.* Moreover, as of January 2006, reconstruction of the country's seven main hospitals were still pending, awaiting the completion of engineering designs and bidding procedures. The target date for the completion of the hospitals is now set at 2007. *Id.*

The incomplete reconstruction programs translate into a continued deficit in low-cost housing and a lack of access to hospital-based healthcare services for many communities. (DOS Recommendation). Moreover, El Salvador has not been able to fully recover, in part due to the 2005 eruption of the Santa Ana volcano that was immediately followed by mudslides and flooding caused by Hurricane Stan. *Id.*

Based upon this review, the Secretary of Homeland Security, after consultation with appropriate Government agencies, determined that the conditions that prompted designation of El Salvador for TPS continue to be met. See 8 U.S.C. 1254a(b)(3)(A) (describing procedures for periodic review of TPS designations). There continues to be a substantial, but temporary, disruption in living conditions in El Salvador as the result of an environmental disaster, and El Salvador continues to be unable, temporarily, to handle adequately the return of its nationals. See 8 U.S.C. 1254a(b)(1)(B) (describing conditions that justify TPS designation). On the basis of these findings, the Secretary concludes that the TPS designation for El Salvador should be extended for an additional 12-month period. See 8 U.S.C. 1254a(b)(3)(C) (providing the Secretary of Homeland Security with discretion to determine the length of an extension).

If I currently have benefits through the designation of El Salvador for TPS, do I need to re-register for TPS?

Yes. If you already have received TPS benefits through the designation of El Salvador for TPS, your benefits will expire on September 9, 2006. Accordingly, individual TPS beneficiaries must comply with the re-registration requirements described below in order to maintain TPS benefits through September 9, 2007. TPS benefits include temporary protection against removal from the United States, as well as employment authorization, during the TPS designation period. 8 U.S.C. 1254a(a)(1) and 1254a(f). Failure to re-register without good cause will result in the withdrawal of your temporary protected status and possibly your removal from the United States. 8 U.S.C. 1254a(c)(3)(C).

If I am currently registered for TPS or have a pending application for TPS, how do I re-register to renew my benefits for the duration of the extension period?

All persons previously granted TPS under the designation of El Salvador who would like to maintain such status and those whose applications remain pending but who wish to renew their benefits must re-register by filing the following:

(1) Form I–821, Application for Temporary Protected Status, without fee;

(2) Form I–765, Application for Employment Authorization (see the chart below to determine whether you must submit the one hundred and eighty dollar ($180) filing fee with Form I–765), or a fee waiver request;

(3) A biometric services fee of seventy dollars ($70) if you are 14 years of age or older, or if you are under 14 and requesting an Employment Authorization Document (EAD). The biometric services fee will not be waived. 8 CFR 103.2(e)(4)(i), (iii); and

(4) A photocopy of the front and back of your EAD if you received an EAD during the most recent registration period.

You do not need to submit photographs with your TPS application because a photograph will be taken, if needed, when you appear at an ASC for collection of biometrics. All TPS re-registration applications submitted without the required fees will be returned to the applicant.

What edition of the Form I–821 should be submitted?

Form I–821 has been revised. Only the Form I–821 with revision dates of November 5, 2004 or October 26, 2005, will be accepted. The bottom of each page of the revised form reads, ''Form I–821 (Rev. 11/05/04)N'' or ''Form I–821 (Rev. 10/26/05)Y.'' Submissions of older versions of Form I–821 will be rejected. You may obtain immigration forms on the Web at *http://uscis.gov* or by calling USCIS forms hotline at 1–800–870–3676.

Who must submit the $180 filing fee for the Form I–765, Application for Employment Authorization?

If	Then
You are applying for an extension of your EAD valid until September 30, 2007, regardless of your age.	You must complete and file the Form I–765, Application for Employment Authorization, with the $180 fee.
You are not requesting an extension of your EAD	You must complete and file Form I–765 (for data-gathering purposes only) with no fee.
You are applying for a TPS-related EAD under the late initial registration provisions and are under age 14 or over age 65.	You must complete and file Form I–765 (for data-gathering purposes only) with no fee.
You are applying for an extension of your EAD and are requesting a fee waiver.	You must complete and file: (1) Form I–765 and (2) a fee waiver request and affidavit (and any other supporting information) in accordance with 8 CFR 244.20.

Who must submit the $70 biometric services fee?

The $70 biometric services fee must be submitted by all aliens 14 years of age and older who: (1) Have previously been granted TPS and are now re-registering for TPS; (2) have an initial application for TPS currently pending, have an EAD bearing the notification ''C–19'' on the face of the card under ''Category'' or ''274a.12(c)(19)'' on the face of the card under ''Provision of Law,'' and wish to renew temporary treatment benefits; or (3) are applying for TPS under the late initial registration provisions. In addition, any alien, including one who is under the age of 14, choosing to apply for a new EAD or an extension of an EAD must submit the $70 biometric services fee. This biometric services fee will not be waived. 8 CFR 103.2(e)(4)(i), (iii).

When should an applicant submit his or her application for TPS?

Applications must be filed during the 60 day re-registration period from July 3, 2006, to September 1, 2006. Applicants are strongly encouraged to file the application as soon as possible after the start of the 60-day re-registration period.

Where should an applicant submit his or her application for TPS?

To facilitate efficient processing, USCIS has designated two post office (P.O.) boxes with the Chicago Lockbox for the filing of TPS applications. Certain applications for TPS re-registration may also be E-Filed as well. The type of TPS filing the applicant has to submit will determine the P.O. Box where the application must be submitted. See below for instructions. Please note that applications should not be filed with a USCIS Service Center or District Office. Failure to file your application properly may result in the delay of the processing of your application.

Category 1: Applications for re-registration that do not require the submission of additional documentation or a renewal of temporary treatment benefits must either be E-Filed (see below) or filed at this address: U.S. Citizenship and Immigration Services, P.O. Box 8635, Chicago, IL 60680–8635. Or, for non-United States Postal Service (USPS) deliveries: U.S. Citizenship and Immigration Services, Attn: TPS—El Salvador, 427 S. LaSalle—3rd Floor, Chicago, IL 60605.

E-Filing Your Application: If your application falls into Category 1 you are strongly encouraged to E-File your application. During the re-registration period from July 3, 2006, to September 1, 2006, aliens re-registering for TPS under this designation may file the Forms I–821 and I–765, and associated fees electronically by using E-Filing at the USCIS Internet site, *http://www.uscis.gov*. In order to properly re-register using E-Filing, aliens must begin the E-Filing process by completing Form I–821 online. After the Form I–821 is completed, the system will then link the alien to Form I–765.

Aliens re-registering for TPS after September 1, 2006, and/or whose application falls into Category 2 explained below may not E-File and must send their application materials to the USCIS Chicago Lockbox at the address listed below.

Category 2: Aliens who are filing applications for re-registration that require the submission of supporting documentation or are filing for the first time as a late initial registrant must use the address listed below and these types of applications may not be E-Filed. Applications for re-registration require the submission of supporting documentation under the following circumstances:

(A) If one or more of the questions listed in Part 4, Question 2 of Form I–821 apply to the alien, then the submission of an explanation, on a separate sheet(s) of paper, and/or additional documentation must be provided.

(B) If the alien was granted TPS by an Immigration Judge or the Board of Immigration Appeals, then the alien must include evidence of the grant of TPS (such as an order from the Executive Office for Immigration Review (EOIR)) with his or her application package.

Aliens who are filing a re-registration application that requires the submission of additional documentation or are filing for the first time as a late initial registrant must file at the P.O. Box listed below: U.S. Citizenship and Immigration Services, P.O. Box 8670, Chicago, IL 60680–8670. Or, for non-United States Postal Service (USPS) deliveries: U.S. Citizenship and Immigration Services, Attn: TPS—El Salvador—[EOIR/Additional Documents] *or* [Late Initial Registrant], 427 S. LaSalle—3rd Floor, Chicago, IL 60605.

Note: Please make sure to use either EOIR/Additional Documents or Late Initial Registrant on the ''Attn:'' line, after El Salvador, above.

Are certain aliens ineligible for TPS?

Yes. There are certain criminal and terrorism-related inadmissibility grounds that render an alien ineligible for TPS. 8 U.S.C. 1254a(c)(2)(A)(iii). Further, aliens who have been convicted of any felony or two or more misdemeanors committed in the United States are ineligible for TPS under section 244(c)(2)(B)(i) of the Act, 8 U.S.C. 1254a(c)(2)(B)(i), as are aliens described in the bars to asylum in section 208(b)(2)(A) of the Act, 8 U.S.C. 1158(b)(2)(A), 8 U.S.C. 1254a(c)(2)(B)(ii). Aliens should also note that an individual granted TPS will have his/her TPS withdrawn if the alien is not in fact eligible for TPS, if an alien fails to timely re-register for TPS without good cause, or if the alien fails to maintain continuous physical presence in the United States. 8 U.S.C. 1254a(c)(3)(A)–(C).

Who is eligible to receive an automatic extension of his or her EAD from September 9, 2006 to March 9, 2007?

To receive an automatic extension of his or her EAD, an individual must be a national of El Salvador (or an alien having no nationality who last habitually resided in El Salvador) who has applied for and received an EAD under the TPS designation of El Salvador and who has not had TPS withdrawn or denied. This automatic extension is limited to EADs issued on Form I–766, Employment Authorization Document, bearing an expiration date of September 9, 2006. The EAD must also be a Form I–766 bearing the notation ''A–12'' or ''C–19'' on the face of the card under ''Category''.

If I am currently registered for TPS under the designation of El Salvador and am re-registering for TPS, how do I receive an extension of my EAD after the 6 months granted by the automatic extension?

As a TPS re-registrant you will receive a notice in the mail with instructions to appear at an ASC for biometrics collection. When you report to the ASC, you must bring your receipt notice for your re-registration application, ASC appointment notice, and current EAD. When you appear at an ASC for biometrics collection, USCIS will either affix a sticker to your current EAD extending the validity of the card through the end of September 2007 or advise you that your case requires further resolution. If your case requires further resolution, USCIS will contact you in writing to explain what additional information, if any, is necessary to resolve your case. If those issues are resolved and your re-registration application is approved, you will receive a new EAD in the mail with an expiration date of September 30, 2007.

Because the extension stickers include only the month and year, rather than a specific date, all EADs extended by sticker or issued anew pursuant to this extension of the TPS designation for El Salvador will be valid through September 30, 2007.

Will I receive a new EAD in the mail if I am given an extension sticker at the ASC?

No. Because the sticker affixed to your card at the ASC will extend the validity of your current EAD through September 30, 2007, there will be no need for you to obtain additional employment authorization documentation during the remainder of this extension of the designation of El Salvador for TPS.

If I am not eligible to receive a sticker extending my EAD, can I receive an interim EAD at my local USCIS Office?

No. USCIS will not be issuing interim EADs to TPS applicants or re-registrants at local Offices.

How may employers determine whether an EAD has been automatically extended for 6 months through March 9, 2007, and is therefore acceptable for completion of the Form I–9?

For purposes of verifying identity and employment eligibility or re-verifying employment eligibility on the Form I–9 until March 9, 2007, employers of Salvadoran TPS beneficiaries whose EADs have been automatically extended by this Notice must accept the EAD if presented. An EAD (Form I–766) that has been automatically extended for 6 months by this Notice to March 9, 2007, will actually contain an expiration date of September 9, 2006, and must be a Form I–766 bearing the notation ''A–12'' or ''C–19'' on the face of the card under ''Category.'' The automatic extension is valid for 6 months. New EADs or extension stickers showing the March 9, 2007 expiration date of the 6-month auto-extension will not be issued. In the alternative to the aforementioned options, any legally acceptable documentation or combination of documents listed in List A, List B, or List C of the Form I–9 may be presented as proof of identity and employment eligibility; it is the choice of the employee.

Employers should not request proof of Salvadoran citizenship. Employers presented with an EAD that has been extended pursuant to this **Federal Register** Notice, if it appears to be genuine and appears to relate to the employee, should accept the EAD as a valid ''List A'' document and should not ask for additional Form I–9 documentation. This action by the Secretary of Homeland Security through this **Federal Register** Notice does not affect the right of an employee to present any legally acceptable document as proof of identity and eligibility for employment.

Employers are reminded that the laws prohibiting unfair immigration-related employment practices remain in full force. For questions, employers may call the USCIS Office of Business Liaison Employer Hotline at 1–800–357–2099 to speak to a USCIS representative. Also, employers may call the U.S. Department of Justice Office of Special Counsel for Immigration Related Unfair Employment Practices (OSC) Employer Hotline at 1–800–255–8155 or 1–800–362–2735 (TDD). Employees or applicants may call the OSC Employee Hotline at 1–800–255–7688 or 1–800–237–2515 (TDD) for information regarding the automatic extension. Additional information is available on the OSC Web site at *http://www.usdoj.gov/crt/osc/index.html.*

How may employers determine an employee's eligibility for employment once the automatic extension has expired, between March 9, 2007, and the end of the work authorization on September 30, 2007?

Salvadorans with TPS status will possess either an EAD with an expiration date of September 30, 2007, or an EAD with an expiration date of September 9, 2006 and a sticker affixed to it extending the validity of the EAD through September 2007. In either case, the EAD will be a Form I–766 bearing the notation ''A–12'' or ''C–19'' on the face of the card under ''Category.'' Either of these EADs must be accepted for the purpose of verifying identity and/or employment authorization. Employers are reminded that the laws prohibiting unfair immigration-related employment practices remain in full force, as described above.

What documents may a qualified individual show to his or her employer as proof of employment authorization and identity when completing Form I–9, Employment Eligibility Verification?

During the first 6 months of this extension of the TPS designation for El Salvador, employees may submit the following to their employer for completion of the Form I–9 at the time of hire or re-verification. Qualified individuals who have received a 6-month extension of their EADs by virtue of this **Federal Register** Notice may present a TPS-based EAD to their employer, as described in above as proof of identity and employment authorization until March 9, 2007 (see section ''How may employers determine an employee's eligibility for employment once the automatic extension has expired, between, March 9, 2007, and the end of the TPS extension on September 9, 2007?''). To minimize confusion over this extension at the time of hire or re-verification, qualified individuals may also present a copy of this **Federal Register** Notice regarding the automatic extension of employment authorization documentation to March 9, 2007.

Qualified individuals will either receive a sticker affixed to his or her current EAD, which extends the validity period of their EAD through the end of September 2007 or a new EAD valid through September 30, 2007. Either an EAD with the extension sticker or a newly issued EAD may be presented as evidence of employment authorization.

In the alternative to the aforementioned options, any legally acceptable document or combination of documents listed in List A, List B, or List C of the Form I–9 may be presented as proof of identity and employment eligibility; it is the choice of the employee.

Does TPS lead to lawful permanent residence?

No. TPS is a temporary benefit that does not lead to lawful permanent residence or by itself confer any other immigration status. 8 U.S.C. 1254a(e), (f)(1), (h). When a country's designation for TPS is terminated, TPS beneficiaries will maintain the same immigration status they held prior to TPS (unless that status has since expired or been terminated), or any other status they may have acquired while registered for TPS. Accordingly, if an alien held no lawful immigration status prior to being granted TPS and did not obtain any other status while registered for TPS, he or she will revert to unlawful status upon the termination of the TPS designation. Once the Secretary determines that a TPS designation should be terminated, aliens who had TPS under that designation are expected to plan for their departure from the United States and may wish to apply for immigration benefits for which they may be eligible.

May I apply for another immigration benefit while registered for TPS?

Yes. Registration for TPS does not prevent you from applying for another non-immigrant status, from filing for adjustment of status based on an immigrant petition, or from applying for any other immigration benefit or protection. 8 U.S.C. 1254a(a)(5). For the purposes of change of status and adjustment of status, an alien is considered as being in, and maintaining, lawful status as a nonimmigrant during the period in which the alien is granted TPS. 8 U.S.C. 1254a(f)(4).

How does an application for TPS affect my application for asylum or other immigration benefits?

An application for TPS does not affect an application for asylum or any other immigration benefit. Denial of an application for asylum or any other immigration benefit does not affect an applicant's TPS eligibility, although the grounds for denying one form of relief may also be grounds for denying TPS. For example, a person who has been convicted of a particularly serious crime is not eligible for asylum or TPS. 8 U.S.C. 1158(b)(2)(A)(ii); 8 U.S.C. 1254a(c)(2)(B)(ii).

Does this extension allow nationals of El Salvador (or aliens having no nationality who last habitually resided in El Salvador) who entered the United States after February 13, 2001, to file for TPS?

No. This is a Notice of an extension of TPS, not a Notice of re-designation of TPS for El Salvador. An extension of TPS does not change the required dates of continuous residence or continuous physical presence in the United States. This extension does not expand TPS availability to those beyond the current TPS eligibility requirements of El Salvador. To be eligible for benefits under this extension, nationals of El Salvador (or aliens having no nationality who last habitually resided in El Salvador) must have continuously resided in the United States since February 13, 2001, and been continuously physically present in the United States since March 9, 2001, the date of the most recent designation of TPS for El Salvador.

What is late initial registration?

Some persons may be eligible for late initial registration under 8 U.S.C. 1254a(c)(1)(A)(iv) and 8 CFR 244.2(f)(2) and (g). In order to be eligible for late initial registration an applicant must:

(1) Be a national of El Salvador (or alien who has no nationality and who last habitually resided in El Salvador);

(2) Have continuously resided in the United States since February 13, 2001;

(3) Have been continuously physically present in the United States since March 9, 2001; and

(4) Be both admissible as an immigrant, except as provided under section 244(c)(2)(A) of the Act, and not ineligible under section 244(c)(2)(B) of the Act.

Additionally, the applicant must be able to demonstrate that during the initial registration period (from March 9, 2001 to September 9, 2002), he or she:

(1) Was a nonimmigrant or had been granted voluntary departure status or any relief from removal;

(2) Had an application for change of status, adjustment of status, asylum, voluntary departure, or any relief from removal or change of status pending or subject to further review or appeal;

(3) Was a parolee or had a pending request for reparole; or

(4) Is the spouse or child of an alien currently eligible to be a TPS registrant.

An applicant for late initial registration must file an application for late registration no later than 60 days after the expiration or termination of the conditions described above. 8 CFR 244.2(g). All late initial registration applications for TPS, pursuant to the TPS designation of El Salvador, should be submitted to the aforementioned Lockbox address in Chicago, Illinois listed under Category 2.

What happens when this extension of TPS expires on September 9, 2007?

At least 60 days before this extension of TPS designation of El Salvador expires on September 9, 2007, the Secretary of Homeland Security, after consultation with appropriate agencies of the Government, will review conditions in El Salvador and determine whether the conditions for TPS designation continue to be met at that time, or whether the TPS designation should be terminated. 8 U.S.C. 1254a(b)(3). Notice of that determination, including the basis for the determination, will be published in the **Federal Register**.

Notice of extension of designation of TPS for El Salvador.

By the authority vested in DHS under sections 244(b)(1)(B), (b)(3)(A), and (b)(3)(C) of the Act, DHS has determined, after consultation with the appropriate Government agencies, that the conditions that prompted designation of El Salvador for TPS continue to be met. Accordingly, DHS orders as follows:

(1) The designation of El Salvador under section 244(b)(1)(B) of the Act is extended for an additional 12-month period from September 9, 2006, to September 9, 2007. 8 U.S.C. 1254a(b)(3)(C).

(2) There are approximately 225,000 nationals of El Salvador (or aliens having no nationality who last habitually resided in El Salvador) who have been granted TPS and who may be eligible for re-registration.

(3) To maintain TPS, a national of El Salvador (or an alien having no nationality who last habitually resided in El Salvador) who was granted TPS during the initial designation period and the subsequent extensions of this designation, or who was granted TPS during late initial registration, must re-register for TPS during the 60-day re-registration period from July 3, 2006, to September 1, 2006.

(4) To re-register, aliens must follow the aforementioned filing procedures set forth in this Notice.

(5) At least 60 days before this extension ends on September 9, 2007, the Secretary of Homeland Security, after consultation with appropriate agencies of the Government, will review the designation of El Salvador for TPS and determine whether the conditions for designation continue to be met. 8 U.S.C. 1254a(b)(3)(A). Notice of that determination, including the basis for the determination, will be published in the **Federal Register**. *Id.*

(6) Information concerning the extension of designation of El Salvador for TPS will be available at local USCIS offices upon publication of this Notice and on the USCIS Web site at *http://www.uscis.gov.*

Dated: May 17, 2006.

Michael Chertoff,

Secretary.

[FR Doc. 06–5443 Filed 6–13–06; 9:21 am]

BILLING CODE 4410–10–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–5037–N–36]

Budget-Based Rent Increase

AGENCY: Office of the Chief Information Officer, HUD.

ACTION: Notice.

SUMMARY: The proposed information collection requirement described below has been submitted to the Office of Management and Budget (OMB) for review, as required by the Paperwork Reduction Act. The Department is soliciting public comments on the subject proposal.

Owners of certain cooperative and subsidized rental projects are required to submit a Budget Worksheet when requesting rent increases. HUD Field Office's review and evaluate the amount and reasonableness of the requested increase.

DATES: *Comments Due Date:* July 17, 2006.

ADDRESSES: Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name and/or OMB approval Number (2502–0324) and should be sent to: HUD Desk Officer, Office of Management and Budget, New Executive Office Building, Washington, DC 20503; fax: 202–395–6974.

FOR FURTHER INFORMATION CONTACT: Lillian Deitzer, Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410; e-mail Lillian Deitzer at *Lillian_L_Deitzer@HUD.gov* or telephone (202) 708–2374. This is not a toll-free number. Copies of available documents submitted to OMB may be obtained from Ms. Deitzer or from HUD's Web site at *http://www5.hud.gov:63001/po/i/icbts/collectionsearch.cfm.*

SUPPLEMENTARY INFORMATION: This notice informs the public that the Department of Housing and Urban Development has submitted to OMB a request for approval of the Information collection described below. This notice is soliciting comments from members of the public and affecting agencies concerning the proposed collection of information to: (1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information; (3) Enhance the quality, utility, and clarity of the information to be collected; and (4) Minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of responses.

This notice also lists the following information:

Title of Proposal: Budget-Based Rent Increase.

OMB Approval Number: 2502–0324.

Form Numbers: HUD–92547–A.

Description of the Need for the Information and Its Proposed Use: Owners of certain cooperative and subsidized rental projects are required to submit a Budget Worksheet when requesting rent increases. HUD Field Office's reviews and evaluate the amount and reasonableness of the requested increases.

Frequency of Submission: On occasion.

	Number of respondents	Annual responses	×	Hours per response	=	Burden hours
Reporting Burden	14,493	14,493		5		72,466

Total Estimated Burden Hours: 72,466.

Status: Extension of a currently approved collection.

Authority: Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. 35, as amended.

Dated: June 9, 2006.

Lillian L. Deitzer,

Departmental Paperwork Reduction Act Officer, Office of the Chief Information Officer.

[FR Doc. E6–9320 Filed 6–14–06; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–5037–N–35]

Request for Acceptance of Changes in Approved Drawings and Specifications

AGENCY: Office of the Chief Information Officer, HUD.

ACTION: Notice.

SUMMARY: The proposed information collection requirement described below has been submitted to the Office of Management and Budget (OMB) for review, as required by the Paperwork Reduction Act. The Department is soliciting public comments on the subject proposal.

Builders request approval for changes to accepted drawings and specifications of proposed construction properties as required by homebuyers, or determined by the builder to increase market appeal. Builders submit the forms to lenders, who review them and submit them to HUD for approval.

DATES: *Comments Due Date:* July 17, 2006.

ADDRESSES: Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name and/or OMB approval Number (2502–0117) and should be sent to: HUD Desk Officer, Office of Management and Budget, New Executive Office Building, Washington, DC 20503; fax: 202–395–6974.

FOR FURTHER INFORMATION CONTACT: Lillian Deitzer, Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410; e-mail Lillian Deitzer at *Lillian_L_Deitzer@HUD.gov* or telephone (202) 708–2374. This is not a toll-free number. Copies of available documents submitted to OMB may be obtained from Ms. Deitzer or from HUD's Web site at *http://www5.hud.gov:63001/po/i/icbts/collectionsearch.cfm.*

SUPPLEMENTARY INFORMATION: This notice informs the public that the Department of Housing and Urban Development has submitted to OMB a request for approval of the Information collection described below. This notice is soliciting comments from members of the public and affecting agencies concerning the proposed collection of information to: (1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information; (3) Enhance the quality, utility, and clarity of the information to be collected; and (4) Minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of responses.

This notice also lists the following information:

Title of Proposal: Request for Acceptance of Changes in Approved Drawings and Specifications.

OMB Approval Number: 2502–0117.

Form Numbers: HUD–92577.

Description of the Need for the Information and Its Proposed Use: Builders request approval for changes to accepted drawings and specifications of proposed construction properties as required by homebuyers, or determined by the builder to increase market appeal. Builders submit the forms to lenders, who review them and submit them to HUD for approval.

Frequency of Submission: On occassion.

	Number of respondents	Annual responses	×	Hours per response	=	Burden hours
Reporting Burden	10,000	10,000		0.5		5,000

Total Estimated Burden Hours: 5,000.

Status: Extension of a currently approved collection.

Authority: Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. 35, as amended.

Dated: June 8, 2006.

Lillian L. Deitzer,

Departmental Paperwork Reduction Act Officer, Office of the Chief Information Officer.

[FR Doc. E6–9322 Filed 6–14–06; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[MT–060–01–1020–PG]

Notice of Public Meeting; Central Montana Resource Advisory Council

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of public meeting.

SUMMARY: In accordance with the Federal Land Policy and Management Act and the Federal Advisory Committee Act of 1972, the U.S. Department of the Interior, Bureau of Land Management (BLM) Central Montana Resource Advisory Council (RAC) will meet as indicated below.

DATES: The meeting will be held July 12 & 13, 2006, at the Cottonwood Inn, in Glasgow, Montana.

The July 12 session will begin at 8 a.m. and consist of a field trip to public lands in the Glasgow area.

This tour is scheduled to adjourn at 5 p.m.

The July 13 meeting will begin at 8 a.m. with a 30-minute public comment period.

This meeting is scheduled to adjourn at 3 p.m.

SUPPLEMENTARY INFORMATION: This 15-member council advises the Secretary of the Interior on a variety of management issues associated with public land management in Montana. At this meeting the council will discuss/act upon:

The minutes of their proceeding meeting;

A discussion of the American Prairie Foundation project;

A briefing concerning the upcoming Malta Resource Management Plan;

A review of Revised Statute—2477,

An update about the Bowdoin Gas Field;

A discussion of proposed revisions to grazing regulations;

A briefing about transportation planning; and

Administrative details.

All RAC meetings are open to the public. The public may present written comments to the RAC. Each formal RAC meeting will also have time allocated for hearing public comments. Depending on the number of persons wishing to comment and time available, the time for individual oral comments may be limited.

FOR FURTHER INFORMATON CONTACT: June Bailey, Lewistown Field Manager, Lewistown Field Office, P.O. Box 1160, Lewistown, Montana 59457 or at 406–538–1900.

Dated: June 8, 2006.

June Bailey,

Lewistown Field Manager.

[FR Doc. E6–9340 Filed 6–14–06; 8:45 am]

BILLING CODE 4310–$$–P

DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

California Bay-Delta Public Advisory Committee Public Meeting

AGENCY: Bureau of Reclamation, Interior.

ACTION: Notice of meeting.

SUMMARY: In accordance with the Federal Advisory Committee Act, the California Bay-Delta Public Advisory Committee (Committee) will meet on July 13, 2006. The agenda for the Committee meeting will include discussions with State and Federal agency representatives on the 10-Year Action Plan, Subcommittee structure, the Bay-Delta Conservation Plan and its relationship to the Delta Regional Ecosystem Restoration Plan, the Delta Vision, end of Stage 1 decisions, and recommendations on implementing agency Program Plans.

DATES: The meeting will be held on Thursday, July 13, 2006, from 9 a.m. to 4 p.m. If reasonable accommodation is needed due to a disability, please contact Colleen Kirtlan at (916) 445–5511 or TDD (800) 735–2929 at least 1 week prior to the meeting.

ADDRESSES: These meetings will be held at the John E. Moss Federal Building located at 650 Capitol Mall, 5th Floor, Sacramento, California.

FOR FURTHER INFORMATION CONTACT: Diane Buzzard, U.S. Bureau of Reclamation, at 916–978–5022 or Julie Alvis, California Bay-Delta Authority, at 916–445–5551.

SUPPLEMENTARY INFORMATION: The Committee was established to provide advice and recommendations to the Secretary of the Interior on implementation of the CALFED Bay-Delta Program. The Committee makes recommendations on annual priorities, integration of the eleven Program elements, and overall balancing of the four Program objectives of ecosystem restoration, water quality, levee system integrity, and water supply reliability. The Program is a consortium of State and Federal agencies with the mission to develop and implement a long-term comprehensive plan that will restore ecological health and improve water management for beneficial uses of the San Francisco/Sacramento and San Joaquin Bay Delta.

Committee agendas and meeting materials will be available prior to all meetings on the California Bay-Delta Authority Web site at *http://calwater.ca.gov* and at the meetings. These meetings are open to the public. Oral comments will be accepted from members of the public at each meeting and will be limited to 3–5 minutes.

(Authority: The Committee was established pursuant to the Department of the Interior's authority to implement the Water Supply,Rreliability, and Environmental Improvement Act, Pub. L. 108–361; the Fish and Wildlife Coordination Act, 16 U.S.C. 661 et seq.; the Endangered Species Act, 16 U.S.C. 1531 et seq.; and the Reclamation Act of 1902, 43 U.S.C. 391 et seq., and the acts amendatory thereof or supplementary thereto, all collectively referred to as the Federal Reclamation laws, and in particular, the Central Valley Project Improvement Act, 34 U.S.C. 3401.)

Dated: June 6, 2006.

Allan Oto,

Special Projects Officer, Mid-Pacific Region, U.S. Bureau of Reclamation.

[FR Doc. 06–5431 Filed 6–14–06; 8:45 am]

BILLING CODE 4310–MN–M

INTERNATIONAL TRADE COMMISSION

[Investigation No. 332–476]

Advice Concerning the Addition of Certain Pharmaceutical Products and Chemical Intermediates to the Pharmaceutical Appendix to the Harmonized Tariff Schedule of the United States

AGENCY: United States International Trade Commission.

ACTION: Institution of investigation.

DATES: *Effective Date:* June 12, 2006.

SUMMARY: Following receipt of a request on May 25, 2006, from the United States Trade Representative (USTR), the Commission instituted Investigation No. 332–476, *Advice Concerning the Addition of Certain Pharmaceutical*

Products and Chemical Intermediates to the Pharmaceutical Appendix to the Harmonized Tariff Schedule of the United States, under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)).

FOR FURTHER INFORMATION CONTACT: Information specific to these investigations may be obtained from Philip Stone, Project Leader (202–205–3424; *philip.stone@usitc.gov*), Office of Industries, United States International Trade Commission, Washington, DC, 20436. For information on the legal aspects of these investigations, contact William Gearhart of the Office of the General Counsel (202–205–3091; *william.gearhart@usitc.gov*). General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*).

Background: As one part of the market access tariff results of the Uruguay Round negotiations, the United States and 21 other countries agreed to reciprocal elimination of duties on certain pharmaceutical products and chemical intermediates used primarily for the production of pharmaceuticals. In the Uruguay Round Agreement Act (URAA), Congress authorized the President to grant duty-free treatment to new pharmaceutical products and chemical intermediates. One of the requirements set out in the URAA is that the President ''obtain advice regarding the proposed action'' from the Commission. Pursuant to section 115 of the URAA and section 332(g) of the Tariff Act of 1930, the USTR requests that the Commission provide advice in the form of additional information on the pharmaceutical products and chemical intermediates currently under consideration. The USTR specifically requests (1) a summary description of the products contained in the existing Pharmaceutical Appendix and the modifications made to that Appendix; (2) an explanation of the relationship between the various elements in the Appendix and the Harmonized Tariff Schedule of the United States; and (3) an estimate of the current U.S. imports and, where possible, current U.S. exports of the products included in the existing Pharmaceutical Appendix and the proposed additions to the Appendix.

A list of the proposed additions to the Pharmaceutical Appendix is available on the Commission's Web site at *http://www.usitc.gov/ind_econ_ana/combined_tables_pharma_332.pdf.* The Commission expects to provide its report to the USTR by September 1, 2006.

Written Submissions: The Commission does not plan to hold a public hearing in connection with preparation of this report. However, interested parties are invited to submit written statements containing pertinent data such as levels of exports and imports for the items included in this investigation. All submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street, SW., Washington, DC 20436, and should be received no later than 5:15 p.m. EDT on June 21, 2006. All written submissions must conform with the provisions of section 201.8 of the Commission's

Rules of Practice and Procedure (19 CFR 201.8). Section 201.8 of the rules requires that a signed original (or a copy designated as an original) and fourteen (14) copies of each document be filed. In the event that confidential treatment of the document is requested, at least four (4) additional copies must be filed, in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). The Commission's rules do not authorize filing submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the rules (see Handbook for Electronic Filing Procedures, *http://www.usitc.gov/secretary/fed_reg_notices/rules/documents/handbook_on_electronic_filing.pdf*).

Any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the Commission's *Rules of Practice and Procedure* (19 CFR 201.6). Section 201.6 of the rules requires that the cover of the document and the individual pages be clearly marked as to whether they are the ''confidential'' or ''nonconfidential'' version, and that the confidential business information be clearly identified by means of brackets. All written submissions, except for confidential business information, will be made available in the Office of the Secretary to the Commission for inspection by interested parties.

In his request letter, the USTR stated that he intends to make the Commission's report available to the public in its entirety, and asked that the Commission not include any confidential business or national security confidential information in the report. The report that the Commission sends to the USTR will not contain any such information. Any confidential business information received by the Commission in this investigation and used in preparing the report will not be published in a manner that would reveal the operations of the firm supplying the information.

The public record for these investigations may be viewed on the Commission's electronic docket (EDIS) at *http://www.usitc.gov/secretary/edis.htm.* Hearing-impaired individuals are advised that information on this matter can be obtained by contacting our TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000.

By order of the Commission.

Issued: June 13, 2006.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E6–9455 Filed 6–14–06; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993—ASTM International—Standards

Notice is hereby given that, on May 24, 2006, pursuant to Section 6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* (''the Act''), ASTM International—Standards (''ASTM'') has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing additions or changes to its standards development activities. The notifications were filed for the purpose of extending the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances. Specifically, ASTM has provided an updated list of current, ongoing ASTM standards activities originating between February 2006 and May 2006, designated as Work Items. A complete listing of ASTM Work Items, along with a brief description of each, is available at *http://www.astm.org.*

On September 15, 2004, ASTM filed its original notification pursuant to Section 6(a) of the Act. The Department of Justice published a notice in the **Federal Register** pursuant to Section 6(b) of the Act on November 10, 2004 (69 FR 65226).

The last notification was filed with the Department on February 17, 2006. A notice was published in the **Federal Register** pursuant to Section 6(b) of the Act on April 12, 2006 (71 FR 18769).

For additional information, please contact: Thomas B. O'Brien, Jr., General Counsel, at ASTM International, 100 Barr Harbor Drive, West Conshohocken, PA 19428, telephone 610–832–9597, e-mail address *tobrien@astm.org.*

Dorothy B. Fountain,

Deputy Director of Operations, Antitrust Division.

[FR Doc. 06–5413 Filed 6–14–06; 8:45 am]

BILLING CODE 4410–11–M

DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to The National Cooperative Research and Production Act of 1993—Open DeviceNet Vendor Association, Inc.

Notice is hereby given that, on May 31, 2006, pursuant to Section 6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* (''the Act''), Open DeviceNet Vendor Association, Inc. (''ODVA'') has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing changes in its membership. The notifications were filed for the purpose of extending the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances. Specifically, ITT Industries, Inc., White Plains, NY; Northwire, Inc., Osceola, WI; Moog, Inc., East Aurora, NY; RFID, Inc., Aurora, CO; AGM Electronics, Inc., Tucson, AZ; N-Tron Corporation, Mobile, AL; Seiko Epson, Nagano-kon, Japan; ARCX, Inc., Toronto, Ontario, Canada; Bird Electronic Corporation, Solon, OH; EIM Controls, Inc., Missouri City, TX; ifak systems GmbH, Magdeburg, Germany; Rockwell Automation, Inc., Milwaukee, WI; ProSoft Technology, Bakersfield, CA; Baldor Electric, Fort Smith, AR; AquaSensors, LLC, Menomonee Falls, WI; and Toyogiken Co., Ltd., Nagano, Japan have been added as parties to this venture.

Also, Danaher Motion/Kollmorgen, Radford, VA; DVT Corporation, Duluth, GA; Flexible Machine Controls, Wendywood, South Africa; Intelligent Motion Systems, Marlborough, CT; MKS Instruments, CIT Group, Austin, TX; NSK Precision Co., Ltd., Kanagawa, Japan; Scientific Technologies, Inc., Freemont, CA; Shanghai Aton Electric Co., Ltd., Shanghai, People's Republic of China; Wind River Systems, Inc., Alameda, CA; and Power-IO, Naperville, IL have withdrawn as parties to this venture. Also, Beckhoff Industrie Elektronik has changed its name to Beckhoff Automation GmbH, Nurnberg, Germany.

No other changes have been made in either the membership or planned activity of the group research project. Membership in this group research project remains open, and ODVA intends to file additional written notification disclosing all changes in membership.

On June 21, 1995, ODVA filed its original notification pursuant to Section 6(a) of the Act. The Department of Justice published a notice in the **Federal Register** pursuant to Section 6(b) of the Act on February 15, 1996 (61 FR 6039).

The last notification was filed with the Department on February 10, 2006. A notice was published in the **Federal Register** pursuant to Section 6(b) of the Act on March 7, 2006 (71 FR 11453).

Dorothy B. Fountain,

Deputy Director of Operations, Antitrust Division.

[FR Doc. 06–5414 Filed 6–14–06; 8:45 am]

BILLING CODE 4410–11–M

OVERSEAS PRIVATE INVESTMENT CORPORATION

Submission for OMB Review

AGENCY: Overseas Private Investment Corporation (OPIC).

ACTION: Request for comments.

SUMMARY: Under the provision of the Paperwork Reduction Act (44 U.S.C. chapter 35), agencies are required to publish a Notice in the **Federal Register** notifying the public, that the Agency is preparing an information collection request for OMB review, approval, and request public review and comment on the submission. Comments are being solicited on the need for the information; the accuracy of the Agency's burden estimate; the quality, practical utility and clarity of the information to be collected; and ways to minimize the reporting burden, including automated collection techniques by use of other forms of technology. The proposed form under review is summarized below.

DATES: Comments must be received by July 17, 2006.

ADDRESSES: Copies of the subject form and the request for review prepared for submission to OMB may be obtained from the Agency submitting officer. Comments on the form should be submitted to the Agency Submitting Officer.

FOR FURTHER INFORMATION CONTACT: OPIC Agency Submitting Officer: Essie S. Bryant, Records Management Officer, Overseas Private Investment Corporation, 1100 New York Avenue, NW., Washington, DC 20527; 202–336–8563.

OMB Contact: Office of Information and Regulatory Affairs, U.S. Office of Information and Regulator Affairs, Office of Management and Budget, Attention: Mr. David Rostker, 725 17th Street, Room 10102, NW., Washington, DC 20503; (202) 395–3897.

Summary Form Under Review

Type of Request: Renewal/Revision.

Title: Expedited Screening Questionnaire On-Lending Transactions.

Form Number: OPIC–168 (a & b).

Frequency of Use: Once per investor per project.

Type of Respondents: Business or other institution (except farms); individuals.

Description of Affected Public: U.S. companies or citizens investing overseas.

Reporting Hours: 4.0 hours per project.

Number of Responses: 300 per year.

Federal Cost: $17,000 per year.

Authority for Information Collection: Sections 231, 234(a), 239(d), and 240A of the Foreign Assistance Act of 1961, as amended.

Abstract (Needs and Uses): The application is the principal document used by OPIC to determine the investor's and the project's eligibility for debt financing, assess the environmental impact and developmental effects of the project, measure the economic effects for the U.S. and the host country's economy, and collect information for underwriting analysis.

Dated: June 8, 2006.

Eli Landy,

Senior Counsel for Administrative Law, Department of Legal Affairs.

[FR Doc. 06–5433 Filed 6–14–06; 8:45 am]

BILLING CODE 3210–01–M

PENSION BENEFIT GUARANTY CORPORATION

Required Interest Rate Assumption for Determining Variable-Rate Premium for Single-Employer Plans; Interest Assumptions for Multiemployer Plan Valuations Following Mass Withdrawal

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Notice of interest rates and assumptions.

SUMMARY: This notice informs the public of the interest rates and assumptions to

be used under certain Pension Benefit Guaranty Corporation regulations. These rates and assumptions are published elsewhere (or can be derived from rates published elsewhere), but are collected and published in this notice for the convenience of the public. Interest rates are also published on the PBGC's Web site (*http://www.pbgc.gov*).

DATES: The required interest rate for determining the variable-rate premium under part 4006 applies to premium payment years beginning in June 2006. The interest assumptions for performing multiemployer plan valuations following mass withdrawal under part 4281 apply to valuation dates occurring in July 2006.

FOR FURTHER INFORMATION CONTACT: Catherine B. Klion, Attorney, Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202–326–4024. (TTY/TDD users may call the Federal relay service toll-free at 1–800–877–8339 and ask to be connected to 202–326–4024.)

SUPPLEMENTARY INFORMATION:

Variable-Rate Premiums

Section 4006(a)(3)(E)(iii)(II) of the Employee Retirement Income Security Act of 1974 (ERISA) and § 4006.4(b)(1) of the PBGC's regulation on Premium Rates (29 CFR part 4006) prescribe use of an assumed interest rate (the ''required interest rate'') in determining a single-employer plan's variable-rate premium. The required interest rate is the ''applicable percentage'' (currently 85 percent) of the annual yield on 30-year Treasury securities for the month preceding the beginning of the plan year for which premiums are being paid (the ''premium payment year''). The required interest rate to be used in determining variable-rate premiums for premium payment years beginning in June 2006 is 4.42 percent (*i.e.*, 85 percent of the 5.20 percent Treasury Securities Rate for May 2006).

The Pension Funding Equity Act of 2004 (''PFEA'')—under which the required interest rate is 85 percent of the annual rate of interest determined by the Secretary of the Treasury on amounts invested conservatively in long-term investment grade corporate bonds for the month preceding the beginning of the plan year for which premiums are being paid—applies only for premium payment years beginning in 2004 or 2005. Congress is considering legislation that would extend the PFEA rate for one more year. If legislation that changes the rules for determining the required interest rate for plan years beginning in June 2006 is adopted, the PBGC will promptly publish a **Federal Register** notice with the new rate.

The following table lists the required interest rates to be used in determining variable-rate premiums for premium payment years beginning between July 2005 and June 2006.

For premium payment years beginning in:	The required interest rate is:
July 2005	4.47
August 2005	4.56
September 2005	4.61
October 2005	4.62
November 2005	4.83
December 2005	4.91
January 2006	3.95
February 2006	3.90
March 2006	3.89
April 2006	4.02
May 2006	4.30
June 2005	4.42

Multiemployer Plan Valuations Following Mass Withdrawal

The PBGC's regulation on Duties of Plan Sponsor Following Mass Withdrawal (29 CFR part 4281) prescribes the use of interest assumptions under the PBGC's regulation on Allocation of Assets in Single-Employer Plans (29 CFR part 4044). The interest assumptions applicable to valuation dates in June 2006 under part 4044 are contained in an amendment to part 4044 published elsewhere in today's **Federal Register**. Tables showing the assumptions applicable to prior periods are codified in appendix B to 29 CFR part 4044.

Issued in Washington, DC, on this 8th day of June 2006.

Vincent K. Snowbarger,

Acting Executive Director, Pension Benefit Guaranty Corporation.

[FR Doc. E6–9346 Filed 6–14–06; 8:45 am]

BILLING CODE 7709–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53956; File No. SR–Amex–2006–55]

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Odd-Lots in Nasdaq Securities

June 7, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] notice is hereby given that on May 25, 2006, the American Stock Exchange LLC (''Amex'' or ''Exchange'') submitted to the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by Amex. Amex filed the proposed rule change as a ''non-controversial'' rule change pursuant to Section 19(b)(3)(A) of the Act [3] and Rule 19b–4(f)(6) thereunder,[4] which renders it effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Amex proposes to extend for an additional twelve-month period ending June 30, 2007, the Exchange's pilot program for odd-lot execution procedures for Nasdaq securities traded on the Exchange pursuant to unlisted trading privileges. There is no proposed new rule text. Amex is making no changes to the pilot program as it currently operates, other than extending it through June 30, 2007.[5]

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, Amex included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. Amex has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Commission approved, and the Exchange implemented, a pilot program for odd-lot order [6] executions in Nasdaq securities transacted on the Exchange pursuant to unlisted trading privileges.[7]

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A).

[4] 17 CFR 240.19b–4(f)(6).

[5] Telephone conversation between Sudhir Bhattacharyya, Assistant General Counsel, and Mia Zur, Special Counsel, Division of Market Regulation, Commission, on June 7, 2006.

[6] An odd-lot order is an order for less than 100 shares.

[7] *See* Commentary .05 of Amex Rule 205, which describes the manner of executing odd-lot orders in general, and which for Nasdaq securities, references

The pilot program was originally approved on August 2, 2002, for a six-month period, was most recently extended on December 30, 2005, and is due to expire on June 30, 2006.[8] Accordingly, as a result of the numerous prior extensions and the Exchange's intention to continue the pilot program, the Exchange currently proposes a twelve-month extension.

Under the Exchange's current pilot program, after the opening of trading in Nasdaq securities, odd-lot market orders and executable odd-lot limit orders are executed at the qualified national best bid or offer[9] at the time the order is received at the trading post or through Amex Order File. Odd-lot market orders and executable odd-lot limit orders entered before the opening of trading in Nasdaq securities are executed at the price of the first round-lot or part of round-lot transaction on the Exchange. Non-executable limit orders, stop orders, stop limit orders, orders filled after the close, and non-regular way traders are executed in accordance with Amex Rules 205 A(2), A(3), A(4), C(1), and C(2), respectively. Orders to buy or sell ''at the close'' are filled at the price of the closing round-lot sale on the Exchange. In a locked market condition, odd-lot market orders and executable odd-lot limit orders are executed at the locked market price. In a crossed market condition, odd-lot market orders are executed at the mean of the bid and offer prices when the displayed national best bid is higher than the displayed national best offer by $.05 or less. When the displayed national best bid is higher than the displayed national best offer by more than $.05, odd-odd market orders are executed when the crossed market condition no longer exits. In addition, in a crossed market conditio, executable odd-lot limit orders are executed at the crossed market bid price (in the case of an order to sell) or at the crossed market offer price (in the case of an order to buy). For example, if the bid and offer are 20.10 and 20.00, respectively, an executable odd-lot sell limit order priced at 20.10 or less will be executed at 20.10 and an executable odd-lot buy limit order priced at 20.00 or higher will be executed at 20.00.

The Exchange believes that the existing odd-lot execution procedures have operated efficiently. Furthermore, the Exchange has received no complaints from members or the public regarding odd-lot executions. Therefore, the Exchange seeks an extension to the pilot program for an additional twelve-month period ending June 30, 2007, which will provide the Exchange time to assess further enhancements to the odd-lot execution procedures.

2. Statutory Basis

Amex believes that the proposed rule change is consistent with Section 6(b) of the Act,[10] in general, and furthers the objectives of Section 6(b)(5) of the Act,[11] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principle of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, to protect investors and the public interest, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

B. Self-Regulatory Organization's Statement on Burden on Competition

Amex does not believes that the proposed rule change will impose any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) does not become operative for 30 days from the date of filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act[12] and Rule 19b–4(f)(6) thereunder.[13] As required by Rule 19b–4(f)(6)(iii), Amex provided the Commission with written notice of its intent to file the proposed rule change at least five business days prior to filing the proposal with the Commission or such shorter period as designated by the Commission.

At any time within 60 days of the filing of such proposal rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment from (*http://www.sec.gov/rules/sro.shtml*); or
- Send an e-mail to *rule-comment@sec.gov*. Please include File Number SR–Amex–2006–55 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–Amex–2006–55. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's

Amex Rule 118(j), specifically describing the Exchange's odd-lot execution procedures for Nasdaq securities.

[8] The pilot program originally approved on August 2, 2002, was subsequently extended on July 14 and December 24, 2003; June 14 and December 27, 2004; July 6 and January 13, 2006. *See* Securities Exchange Act Release Nos. 46304 (August 2, 2002), 67 FR 51903 (August 9, 2002); 48174 (July 14, 2003), 68 FR 43409 (July 22, 2003); 48995 (December 24, 2003); 68 FR 75670 (December 31, 2003); 49855 (June 14, 2004), 69 FR 35399 (June 24, 2004); 50934 (December 27, 2004), 70 FR 412 (January 4, 2005); 51975 (July 6, 2005), 70 FR 40409 (July 13, 2005); and 53116 (January 13, 2006), 71 FR (January 23, 2006).

[9] In Amex Rule 118(j), the qualified national best bid and offer for a Nasdaq security means the highest bid and lowest offer, respectively, disseminated (A) by the Exchange or (B) by another market center participating in the Plan; provided, however, that the bid and offer in another such market center will be considered in determining the qualified national best bid or offer in a stock only if (i) the quotation conforms to the requirements of Amex Rule 127, (ii) the quotation does not result in a locked or crossed market, (iii) the market center is not experiencing operational or system problems with respect to the dissemination of quotation information, and (iv) the bid or offer is ''firm,'' that is, members o the market center dissemination the bid of offer are not relieved of their obligations with respect to such bid of offer under paragraph (c)(2) of Rule 602 of Regulation NMS pursuant to the ''unusual market'' exception of paragraph (a)(3) of Rule 602 of Regulation NMS.

[10] 15 U.S.C. 78f(b).

[11] 15 U.S.C. 78f(b)(5).

[12] 15 U.S.C. 78s(b)(3)(A).

[13] 17 CFR 240.19b–4(f)(6).

Internet Web site (*http://www.sec.gov/rules/sro.html*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will be available for inspection and copying at the principal office of the Amex. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–Amex–2006–55 and should be submitted on or before July 6, 2006.

For the Commission, by the Division of Market Regulations, pursuant to delegated authority.[14]

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. 06–5418 Filed 6–14–06; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53949; File No. SR–CHX–2006–04]

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing of a Proposed Rule Change and Amendment Nos. 1 and 2 Thereto Relating to the Transfer of Securities Among Co-Specialists Within a Specialist Firm

June 6, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 8, 2006, the Chicago Stock Exchange, Inc. (''CHX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II and III below, which Items have been prepared by the CHX. On May 3, 2006, CHX filed Amendment No. 1 to the proposed rule change.[3] On May 22, 2006, CHX filed Amendment No. 2 to the proposed rule change.[4] The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested parties.

Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The CHX proposes to amend its rules to permit the transfer of securities to different co-specialists within a specialist firm. Below is the text of the proposed rule change, as amended. Proposed new language is in *italics;*[5] proposed deletions are in [brackets].

ARTICLE XXX

Specialists

Registration and Appointment

RULE 1. No Participant shall act as a specialist or co-specialist on the Exchange in any security unless registered as such in the particular security. *Except for the intrafirm transfers of registration permitted by Section I.2 of Interpretation and Policy .01 of this Rule,* [R]registration *as either a specialist or co-specialist* shall be subject to the approval of the Exchange.

* * * * *

An applicant for initial registration as a co-specialist shall, or as otherwise may be determined by the Committee on Specialist Assignment and Evaluation be required to serve for a period of six months in the capacity of relief specialist under continuous supervision of a registered co-specialist. No application for co-specialist in a particular issue will be considered by the Committee on Specialist Assignment and Evaluation (*and no intrafirm transfer permitted by Section I.2 of Interpretation and Policy .01 of this Rule may be made*) prior to the time that the individual has satisfied these training requirements.

* * * * *

Unless required by [Subject to] the provisions of Article XXX, Rule 8 *or when permitted by Section I.2 of Interpretation and Policy .01 of this Rule*, a specialist, co-specialist or relief specialist shall not relinquish their positions until permission to do so is received from the Committee on Specialist Assignment and Evaluation.

* * * Interpretations and Policies:

.01 COMMITTEE ON SPECIALIST ASSIGNMENT AND EVALUATION

ASSIGNMENT FUNCTION

I. EVENTS LEADING TO ASSIGNMENT PROCEEDINGS

* * * * *

1. No change.

2. Specialist Request. Any specialist unit and co-specialist may ask to be deregistered in one or more of its assigned securities, and the Committee on Specialist Assignment and Evaluation (the Committee) will hear all such requests. The Committee will initiate a reassignment proceeding if it believes that such action is called for. The Committee may initiate a reassignment proceeding on the basis that if the merits of the request are not established the security must be retained by the registered specialist if no other unit appears to be able to make a better market or if no other unit applies.

* * * * *

Exception, Intrafirm transfers that meet the criteria below do not require the submission of an application or the approval of the Committee and will not result in a proceeding by the Committee to reassign the security to another co-specialist or specialist firm.

Because a specialist unit is responsible both financially and as a regulatory matter for the activities of its co-specialists, a specialist unit might, from time to time, determine that the responsibility for trading one or more securities should be transferred from one co-specialist to another within the same specialist unit. Without seeking prior Committee approval, a specialist unit may transfer the responsibility for trading securities among the co-specialists associated with its firm, so long as (1) the specialist unit immediately notifies the Exchange, in the manner required by the Exchange, of each such transfer; and (2) when such a transfer is made within six months of an initial assignment of the security to the specialist unit, the specialist unit must inform the Exchange, in writing, of its reasons for making the change. Each such transfer by the specialist unit

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[14] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] In Amendment No. 1, the Exchange revised the rule text of the proposed rule change to clarify the application of the proposal to intrafirm transfers and revised the purpose section to discuss the proposed provision requiring the specialist unit to accurately represent its plans in the specialist application regarding designating a particular co-specialist to trade a security.

[4] In Amendment No. 2, the Exchange revised the rule text of the proposed rule change to clarify the impact of a intrafirm transfer on the deregistration and registration of individual co-specialists within a specialist firm and made non-substantive changes to the proposed rule text. The proposed rule text set forth in Amendment No. 2 superceded and replaced the rule text set forth in the initial filing and Amendment No. 1 in its entirety.

[5] The Exchange inadvertently failed to designate the phrase ''as either a specialist or co-specialist'' in the first paragraph of CHX Rule 1 as proposed new text. For clarity, the new text has been underlined herein. The Exchange has committed to file an amendment reflecting the fact that this phrase is new text prior to Commission approval of the proposed rule change.

effectively deregisters a co-specialist in the securities that the co-specialist no longer trades and registers another co-specialist in any newly-assigned securities.

[Without limiting the foregoing, the Committee will generally approve a co-specialist's request for deregistration in any security for the purpose of having the security assigned to another co-specialist in the same specialist unit only under the following conditions:]

[(a) For any security awarded to such co-specialist in competition, a period of at least two years must have elapsed from the date of the original assignment. Alternatively, if the specialist unit agrees to have the security posted, a period of at least one year (but less than two years) must have elapsed from the date of the original assignment.]

[(b) For any security awarded to such co-specialist without competition, no minimum time period is required.]

3. No change.

4. Split-Up and/or Merger of Specialist Units.

(a) No change.

(b) When a security is to be assigned or reassigned, specialists, not co-specialists, apply for registration. Article XXX, Rule 1.01.II. In applying for registration in a particular stock, however, a specialist must indicate the individual co-specialist who will trade the stock. Article XXX, Rule 1.01.III. Therefore, although the Committee assigns a stock to a specialist unit, not to the co-specialist, and the specialist is responsible both financially and as a regulatory matter for the activities of its co-specialists, it is the trading activities of the co-specialist that are the basis for the Committee's evaluations. Thus, a specialist and co-specialist are jointly responsible for each assignment and, *with the exception of an intrafirm transfer permitted by Section I.2 of Interpretation and Policy .01 of this Rule,* a withdrawal of either party may require a new posting if circumstances warrant.

(c) Because the specialist is financially responsible for the activities of its co-specialists, a co-specialist may act as such only with the concurrence of the specialist. If, at any time, a specialist no longer wants a co-specialist to trade for it, the specialist—subject to the Committee's approval—may terminate the relationship. Similarly, a co-specialist—again subject to the Committee's approval—may terminate his relationship with a specialist. *With the exception of an intrafirm transfer permitted by Section I.2 of Interpretation and Policy .01 of this Rule, either of the decisions described above are subject tot he Committee's approval. When the Committee assesses a situation involving the split-up or merger of specialist units,* [Among the factors] the Committee may consider *a number of factors, including* [are]:

1. Co-specialist performance.

2. Specialist capital generally.

3. Specialist capital made available to the particular co-specialist.

4. Length of association between specialist and co-specialist.

5. Length of time that the co-specialist has traded the security.

6[5]. Whether the co-specialist has a proprietary interest in the trading profits or losses derived from the stock.

7[6]. Whether the specialist or co-specialist wishes to continue trading the security.

8[7]. Performance of the proposed new co-specialist.

9[8]. Financial capacity of the co-specialist's new specialist unit.

Based on its consideration of these and any other relevant factors, the Committee will decide whether to (i) leave a security with the specialist, (ii) permit the co-specialist to take the security with him, or (iii) require a new posting. In the event of a posting, the existing specialist or co-specialist will be permitted to reapply for the stock. A decision to permit the specialist or co-specialist to retain the security may be made conditionally based on the performance of the new co-specialist or specialist.

As noted above, intrafirm transfers that meet the criteria set out in Section I.2 of Interpretation and Policy .01 of this Rule do not require the approval of the Committee and will not result in a proceeding by the Committee to reassign the security to another co-specialist or specialist firm.

5.–8. No change.

II. ASSIGNMENT PROCEDURES

* * * * *

The assignment procedures set out in this Section II do not apply to the intrafirm transfers permitted by Section I.2 of Interpretation and Policy .01 of this Rule. Intrafirm transfers that meet the criteria set out in Section I.2 of Interpretation and Policy .01 of this Rule do not require the submission of an application or the approval of the Committee.

In assigning specialists, co-specialists, relief specialists and odd-lot dealers, the Committee may act through a Subcommittee of not less than three of its members, at least one of whom shall not be affiliated with a broker/dealer. Where emergency circumstances require the expedited assignments of one or more specialists, co-specialists, relief specialists or odd-lot dealers, and a Subcommittee is unable to be convened, the chairman, or a member of the Committee designated by the chairman, may make such temporary assignment as he deems necessary, pending a final determination by a Subcommittee or the full Committee. Any proposal or agreement between or among specialists, co-specialists, relief specialists or odd-lot dealers, to exchange existing assignments, shall be submitted in writing to the Subcommittee for its consideration and, if not disapproved by the Subcommittee within 30 days of the date of submission, shall become effective as written.

1. Applications. In applying, a specialist unit should state the reasons why it believes the stock should be assigned to it. A standard application form is available from the Exchange and should be used for this purpose. Except as otherwise provided in paragraph 6, below, the application must, at a minimum, include the name and background of the co-specialist who will normally be trading the security and his ability and experience relative to the issue being applied for. *It is important that the application accurately represent the specialist unit's plans as to the co-specialist who will trade the security.* Also, if any special or unique characteristics of the security have been identified by the Committee, such as unusually high capital requirements or institutional participation making trading difficult, the applicant should specifically note and comment on its ability to deal with the special characteristics.

* * * * *

III. GUIDELINES FOR ASSIGNMENT OF ISSUES TO CO-SPECIALISTS

The guidelines set out in this Section III apply to the assignment of securities by the Committee. These guidelines do not apply to the intrafirm transfers permitted by Section I.2 of Interpretation and Policy .01 of this Rule. Intrafirm transfers that meet the criteria set out in Section I.2 of Interpretation and Policy .01 of this Rule do not require the submission of an application or the approval of the Committee.

* * * * *

3. Because the Committee considers the demonstrated ability and experience of the co-specialist designated by the specialist unit when applying for the assignment of a security, it is important that the specialist unit accurately represent its plans for having that particular co-specialist trade the

security. A specialist unit must not designate a co-specialist with relatively strong demonstrated ability and experience when applying for a security and then immediately transfer the security to a co-specialist with less demonstrated ability and experience without good cause for making the change.

* * * * *

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the CHX included statements concerning the purpose of, and basis for, the proposed rule change, as amended, and discussed any comments it received regarding the proposal, as amended. The text of these statements may be examined at the places specified in Item IV below. The CHX has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Under the Exchange's current rules relating to the assignment of securities to specialist firms, the Committee on Specialist Assignment and Evaluation (''CSAE'') assigns each security to a specialist firm and this firm is responsible both financially and as a regulatory matter for the trading of the security.[6] At the same time, however, when a specialist firm applies to trade a security, it must identify the co-specialist that will trade the security and the CSAE will review the co-specialist's trading performance in making its assignment decision.[7] As an overall matter, the specialist firm and the individual co-specialist are jointly responsible for each assigned security and the decision by either the firm or the individual trader to deregister in a security could result in the posting of the security for re-assignment.[8]

Several specialist firms have expressed interest in being able to transfer assigned securities among co-specialists within each firm. These types of transfers might be used, for example, when a particular security becomes more active than originally envisioned and could be better handled by a more experienced trader. Under the existing rules relating to the assignment of securities, however, intrafirm transfers are not particularly favored. In fact, the Exchange's rules typically require the co-specialist to whom a security was assigned in competition to keep the assigned stock for a period of two years.[9]

Through this submission, the Exchange seeks to amend its rules to permit the transfer of securities among co-specialists within a firm, without seeking prior Committee approval, so long as: (1) The specialist unit immediately notifies the Exchange of such transfer; and (2) when such a transfer is made within six months of an initial assignment of the security to the specialist unit, the specialist unit provides written notification to the Exchange of the transfer decision and of its reasons for making the change.[10] Each intrafirm transfer by the specialist unit effectively deregisters a co-specialist in the securities that the co-specialist no longer trades and registers another co-specialist in any newly-assigned securities.[11] The Exchange believes that these changes will permit a specialist firm to have an appropriate amount of flexibility to respond to a variety of issues, including changes in the volatility of a particular security and the co-specialist's ability to trade assigned securities.[12]

Under the Exchange's existing rules, when the CSAE makes a decision to assign a particular security, the CSAE considers the qualifications of the specialist unit and the co-specialist's demonstrated ability and experience. Because the CSAE bases its decision, in part, on a co-specialist 's qualifications, it is important that a specialist firm accurately represent i ts plans for having a particular co-specialist trade a security. A specialist unit must not designate a co-specialist with relatively strong demonstrated ability and experience when applying for a security and then immediately transfer the security to a co-specialist with less demonstrated ability and experience without good cause for making the change.

2. Statutory Basis

The Exchange believes that the proposed rule change, as amended, is consistent with Section 6(b)(5) of the Act[13] in that it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest by permitting specialist firms to respond to various issues that may arise by transferring securities among co-specialists within the firm.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change, as amended, will impose any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

No written comments were solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

A. By order approve such proposed rule change, as amended; or

B. Institute proceedings to determine whether the proposed rule change, as amended, should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an e-mail to *rule-comments@sec.gov.* Please include File Number SR–CHX–2006–04 on the subject line.

[6] *See* Article XXX, Rule 1, Interpretation and Policy .01, Section II, Introductory paragraphs; and Section I.4.

[7] *See* Article XXX, Rule 1, Interpretation and Policy .01, Sections II and III.

[8] *See* Article XXX, Rule 1, Interpretation and Policy .01, Section I.4. Telephone conversation between Ellen Neely, President and General Counsel, CHX and David Michehl, Special Counsel, Division of Market Regulation, Commission on May 26, 2006.

[9] *See* Article XXX, Rule 1, Interpretation and Policy .01, Section I.2. Securities assigned without competition may be transferred without a waiting period, but these transfers must be approved by the CSAE.

[10] *See supra* note 4.

[11] *Id.*

[12] The Exchange represents that these proposed rules are similar to provisions that are in place at the New York Stock Exchange. *See* NYSE Rule 103B, Section IV.

[13] 15 U.S.C. 78f(b)(4).

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–CHX–2006–04. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect tot he proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the CHX. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–CHX–2006–04 and should be submitted on or before July 6, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[14]

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. 06–5417 Filed 6–14–05; 8:45 am]

BILLING CODE 8010–01–M

[14] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53954; File No. SR–ISE–2006–29]

Self-Regulatory Organization; International Securities Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Fee Waiver Extensions

June 7, 2006.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on May 26, 2006, the International Securities Exchange, Inc. (''ISE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II and III below, which Items have been prepared by the ISE. The ISE has designated this proposal as one establishing or changing a due, fee, or other charge imposed by a self-regulatory organization pursuant to section 19(b)(3)(A)(ii) of the Act[3] and Rule 19b–4(f)(2) thereunder,[4] which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The ISE proposes to amend its Schedule of Fees to extend two fee waivers. The text of the proposed rule change is available at the Exchange, at the Exchange's Web site (*http://www.iseoptions.com/legal/proposed_rule_changes.asp*) and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

In its filing with the Commission, the ISE included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposal. The text of these statements may be examined at the places specified in item IV below. The Exchange has prepared summaries, set forth in Section A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

1. Purpose

The purpose of this proposed rule change is to extend two fee waivers. First the Exchange currently waives most customer transaction fees, with such waiver scheduled to expire on June 30, 2006.[5] To remain competitive in the market place, the Exchange proposes to extend this waiver through June 30, 2007.

Second, the Exchange proposes to extend a fee waiver regarding its ''CLICK terminal,'' which is the front-end order-entry terminal we provide to members. Currently, the Exchange waives software license and maintenance fees, as well as Session/API fees (based on member log-ins), for a member's second and subsequent CLICK terminals. This waiver also is scheduled to expire on June 30, 2006.[6] The Exchange believes that this waiver program encourages firms to install and use multiple CLICKs and the Exchange proposes to extend this waiver for an additional year. The Exchange recently rolled out a new front-end order-entry terminal, PrecISE Trade, which will eventually replace all existing CLICK terminals.[7] Once all of the CLICK terminals are phased-out, the ISE will submit a proposed rule change to remove CLICK fees from its fee schedule.

2. Statutory Basis

The Exchange states that the basis under the Act for this proposed rule change is the requirement under section 6(b)(4)[8] that an exchange have an equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities. In particular, these fees would extend current waivers, thus effectively maintaining low fees.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange states that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing proposed rule change has become effective pursuant to section

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(ii).

[4] 17 CFR 240.19b–4(f)(2).

[5] *See* Exchange Act Release No. 34–51775 (June 2, 2005), 70 FR 33569 (June 8, 2005).

[6] *See id.*

[7] *See* Exchange Act Release No. 34–53788 (May 11, 2006), 71 FR 28728 (May 17, 2006).

[8] 15 U.S.C. 78f(b)(4).

19(b)(3)(A)(ii) of the Act,[9] and paragraph (f)(2) of Rule 19b–4 thereunder[10] because it establishes or changes a due, fee, or other charge among its members. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an e-mail to *rule-comments@sec.gov*. Please include File Number SR–ISE–2006–29 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–ISE–2006–29. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the ISE. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–ISE–2006–29 and should be submitted on or before July 6, 2006.

For the Commission, by the Division of Market Regulations, pursuant to delegated authority.[11]

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. 06–5420 Filed 6–14–06; 8:45 am]

BILLING CODE 8010–01–M

[9] 15 U.S.C. 78s(b)(3)(A)(ii).

[10] 17 CFR 240.19b–4(f)(2).

[11] 17 CFR 200.30(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53947; File No. SR–MSRB–2006–04]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendment to Rule A–11, on Indemnification of Members and Employees

June 6, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] Rule 19b–4 thereunder,[2] notice is hereby given that on May 25, 2006, the Municipal Securities Rulemaking Board (''MSRB'' or ''Board''), filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') the proposed rule change as described in Items, I, II and III below, which Items have been prepared by the MSRB. The MSRB has filed the proposal pursuant to Section 19(b)(3)(A)(iii) of the Act,[3] and Rule 19b–4(f)(3) thereunder,[4] which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The MSRB is filing with the Commission a proposed rule change consisting of an amendment to Rule A–11, on indemnification of members and employees, to delete the entire rule language. The text of the proposed rule change is available on the MSRB's Web site (*http://www.msrb.org*), at the MSRB's principal office, and at the Commission's Public Reference Room.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(iii).

[4] 17 CFR 240.19b–4(f)(3).

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the place specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Rule A–11, on Indemnification of members and employees, states that each member and employee of the MSRB shall be indemnified and held harmless against all liabilities and related expenses incurred in connection with the performance of his or her official duties, provided that such member or employee has acted, or omitted to act, in good faith and within the scope of his or her authority. The MSRB recently approved expanding the indemnification provisions for Board members and employees. Because the language of the expanded provisions was broader than the indemnification provided under Virginia law, where the MSRB is incorporated as a nonstock corporation, the expanded provisions needed to be included in the MSRB's Articles of Incorporation in order to be effective. The SEC recently approved a proposed rule change consisting of the MSRB's Restated Articles of Incorporation and By-Laws, which included the expanded indemnification provisions in the Restated Articles of Incorporation.[5] Thus, the proposed rule change removes the indemnification provisions from Rule A–11 (and By-Law Article 11).[6]

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(I) of the Act,[7] which

[5] *See* Securities Exchange Act Release No. 53804 (May 15, 2006), 71 FR 29194 (May 19, 2006).

[6] The MSRB stated in its filing of the Restated Articles of Incorporation and By-Laws that, once the MSRB obtains approval for the Restated Articles of Incorporation by the Commonwealth of Virginia, the MSRB would file with the SEC to delete Rule A–11 (and B-Law Article 11) for immediate effectiveness. *See* File No. SR–MSRB–2006–02, Securities Exchange Act Release No. 53616 (April 7, 2006), 71 FR 19571 (April 14, 2006).

[7] 15 U.S.C. 78o–4(b)(2)(I).

authorizes the MSRB to adopt rules that provide for the operation and administration of the MSRB. The MSRB believes that the proposed rule change is consistent with this provision because it is concerned solely with the operation and administration of the MSRB.

B. Self-Regulatory Organization's Statement on Burden on Competition

The MSRB does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act since it only applies to the operation and administration of the MSRB.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [8] and Rule 19b–4(f)(3) thereunder [9] because it is concerned solely with the administration of the MSRB. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.[10]

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml);* or
- Send an e-mail to *rule-comments@sec.gov.* Please include File Number SR–MSRB–2006–04 on the subject line:

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–MSRB–2006–04. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site *(http://www.sec.gov/rules/sro.shtml).* Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the MSRB. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–MSRB–2006–04 and should be submitted on or before July 6, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[11]

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. 06–5416 Filed 6–14–06; 8:45 am]

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[8] 15 U.S.C. 78s(b)(3)(A).

[9] 17 CFR 240.19b–4(f)(3).

[10] *See* Section 19(b)(3)(C) of the Act, 15 U.S.C. 78s(b)(3)(c).

[11] 17 CFR 200.30–(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53961; File No. SR–MSRB–2005–11]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Approving Proposed Rule Change and Amendment Nos. 1 and 2 Thereto Relating to Definition of Solicitation Under MSRB Rules G–37 and G–38

June 8, 2006.

On June 10, 2005, the Municipal Securities Rulemaking Board (''MSRB'' or ''Board''), filed with the Securities and Exchange Commission (''SEC'' or ''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] a proposed rule change consisting of an interpretive notice relating to the definition of solicitation for purposes of MSRB Rules G–37 and G–38. On December 7, 2005, the MSRB filed Amendment No. 1 to the proposed rule change.[3] The proposed rule change, incorporating Amendment No. 1 (the ''original proposed rule change''), was published for comment in the **Federal Register** on December 20, 2005.[4] The Commission received one comment letter regarding the proposal.[5] On March 17, 2006, the MSRB filed Amendment No. 2 to the proposed rule change in response to comments on the original proposed rule change.[6] The proposed rule change, incorporating Amendment No. 2, was published for comment in the **Federal Register** on May 5, 2006.[7] The Commission received no comment letters on the proposed rule change as amended by Amendment No. 2. This order approves the proposed rule change as amended by Amendment Nos. 1 and 2.

The proposed rule change makes clear that the central element in determining whether a communication is a solicitation is whether the communication occurs with the purpose of obtaining or retaining municipal securities business. In addition, the proposed rule change consolidates the MSRB's guidance on the definition of solicitation for purposes of Rules G–37 and G–38.

The Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] Amendment No. 1 clarifies that the central element in determining whether a communication is a solicitation is whether the communication occurs with the purpose of obtaining or retaining municipal securities business, and makes certain other changes.

[4] *See* Securities Exchange Act Release No. 52948 (December 13, 2005), 70 FR 75514 (December 20, 2005) (the ''Commission's Original Notice'').

[5] *See* letter to Jonathan G. Katz, Secretary, Commission, from Leslie M. Norwood, Vice President and Assistant General Counsel, The Bond Market Association, dated January 10, 2006.

[6] Amendment No. 2 deletes the footnote in the original proposed rule change referencing guidance on the meaning of solicitation under Rule G–37 previously provided in certain Question and Answer interpretations (the ''Rule G–37 solicitation Qs&As'') and instead inserts the substantive language of such Qs&As into the text of the solicitation guidance provided in proposed rule change. The MSRB filed a companion proposed rule change (*see* File No. SR–MSRB–2006–01) to withdraw the Rule G–37 solicitation Qs&As and the former Rule G–38 Question and Answer interpretations relating to consultants.

[7] *See* Securities Exchange Act Release No. 53747 (May 1, 2006), 71 FR 26575 (May 5, 2006).

thereunder applicable to the MSRB[8] and, in particular, the requirements of Section 15B(b)(2)(C) of the Act and the rules and regulations thereunder.[9] Section 15B(b)(2)(C) of the Act requires, among other things, that the MSRB's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.[10] In particular, the Commission finds that the proposed rule change will help dealers understand their obligations under MSRB rules designed to maintain standards of fair practice and professionalism, thereby helping to maintain public trust and confidence in the integrity of the municipal securities market.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[11] that the proposed rule change (SR–MSRB–2005–11), as amended, be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[12]

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. E6–9347 Filed 6–14–06; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53959, File No. SR–MSRB–2006–03]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Approving Proposed Rule Change Consisting of Interpretive Guidance on Customer Protection Obligations of Brokers, Dealers and Municipal Securities Dealers Relating to the Marketing of 529 College Savings Plans

June 8, 2006.

On March 31, 2006, the Municipal Securities Rulemaking Board (''MSRB'' or ''Board''), filed with the Securities and Exchange Commission (''SEC'' or ''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] a proposed rule change consisting of interpretive guidance on customer protection obligations of brokers, dealers and municipal securities dealers (''dealers'') relating to the marketing of 529 college savings plans. The proposed rule change was published for comment in the **Federal Register** on May 2, 2006.[3] The Commission received six comment letters regarding the proposal.[4] On June 1, 2006, the MSRB filed a response to the comment letters.[5] This order approves the proposed rule change.

The proposed rule change consists of interpretive guidance on customer protection obligations of dealers relating to the marketing of 529 college savings plans. The MSRB proposed an effective date for the proposed rule change of 60 calendar days after Commission approval. A full description of the proposal is contained in the Commission's Notice.

CSF, ICI, FSI and SIA supported the proposed rule change. Mr. Traynor's comment letter requested clarity concerning the meaning of the proposed rule change, stating that the proposal was 34 pages long. The MSRB noted in its response that the Commission's Notice in the **Federal Register**[6] contains a two-page brief summary of the proposed rule change in Section II.A.1, and that the remainder of the notice consists of information required to be included in the notice under the MSRB's regulatory obligations established by the Commission, including an extensive discussion of the comments received on earlier draft versions of the proposed rule change that, among other things, explains the rationale for the MSRB's rulemaking determinations. In addition, the MSRB stated that it provides comprehensive information on the regulatory duties of dealers in connection with the marketing of 529 college savings plans and other information useful to investors on its Web site at *http://www.msrb.org/msrb1/mfs*, and that any member of the public seeking an explanation of the proposal or any existing MSRB rule should not hesitate to contact MSRB staff at (703) 797–6600.

NASAA's comment letter expressed support for the efforts made by the MSRB to strengthen the marketing rules and disclosure requirements in connection with the offer and sale of 529 plans. Nonetheless, NASAA said they were concerned that certain key disclosure obligations set forth in earlier drafts of the MSRB's guidance[7] were omitted from the proposed rule change. NASAA more specifically stated that they believe removing the comparative suitability analysis requirement and alleviating a broker-dealer's obligation to provide specific information regarding home state 529 plan benefits will have a detrimental effect on customers.

The MSRB's Response Letter states that the MSRB noted in its filing the potential adverse impact of the comparative suitability and specific home state disclosure proposals as an important factor in its approval of the disclosure and suitability language included in the proposed rule change. The MSRB stated that the comparative suitability and home state disclosure proposals from the 2005 Notice would have imposed unprecedented new obligations on dealers to become sufficiently knowledgeable about many or potentially all investment options available in the 529 college savings plan market (including a large number of 529 college savings plans that the dealer does not offer) in order to provide accurate disclosures and to arrive at appropriate conclusions in connection with a comparative suitability analysis. The MSRB stated that some state plans expressed objections over a provision that would require dealers that do not market their plans to make disclosures about such plans. The MSRB also noted a number of press reports detailing the negative impact of the comparative suitability proposal and anecdotal

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[8] In approving this rule the Commission notes that it has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

[9] 15 U.S.C. 78o–4(b)(2)(C).

[10] *Id.*

[11] 15 U.S.C. 78s(b)(2).

[12] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 53715 (April 25, 2006), 71 FR 25867 (May 2, 2006) (the ''Commission's Notice'').

[4] *See* letter from David J. Pearlman, Chairman, College Savings Foundation (''CSF''), dated April 24, 2006; letter from Frank Traynor, dated April 28, 2006; letter from Patricia D. Struck, President, North American Securities Administrators Association, Inc. (''NASAA''), dated May 22, 2006; letter from Tamara K. Salmon, Senior Associate Counsel, Investment Company Institute (''ICI''), dated May 22, 2006; letter from Dale E. Brown, Executive Director & CEO, Financial Services Institute (''FSI''), dated May 23, 2006; and letter from Elizabeth Varley, Vice President and Director of Retirement Policy, and Michael D. Udoff, Vice President, Associate General Counsel and Secretary, Securities Industry Association (''SIA''), dated May 31, 2006.

[5] *See* letter from Ernesto A. Lanza, Senior Associate General Counsel, MSRB, to Martha M. Haines, Chief, Office of Municipal Securities, Commission, dated June 1, 2006 (''MSRB's Response Letter''). The MSRB's Response Letter does not address SIA's comment letter because the Commission received SIA's comment letter after the comment period for the filing had closed.

[6] *See supra* note 3.

[7] *See* MSRB Notice 2005–28 (May 19, 2005) (the ''2005 Notice'').

evidence that some dealers had been withdrawing from, or considering limiting their offerings in, the 529 college savings market at least in part due to the proposal in the 2005 Notice. Further, the MSRB stated that, as noted in the filing, there is a potential for over-emphasizing the importance of a particular state's beneficial state tax treatment of an investment in its 529 college savings plan.

NASAA's comment letter also stated that while they are encouraged by the point-of-sale disclosures outlined in the Commission's Notice, they believe that these disclosures would better serve the interests of investors if they were provided in a more effective and timely manner. NASAA questioned the effectiveness of providing the out-of-state plan disclosures at the time of the transaction. NASAA stated that they believe the out-of-state disclosures should be made well before the trade to achieve maximum effectiveness, and that the mechanism for this disclosure should be more specific and concrete.

The proposal provides that the out-of-state disclosure obligation may be met if the disclosure appears in the program disclosure document, so long as the program disclosure document has been delivered to the customer at or prior to the time of trade and the disclosure appears in the program disclosure document in a manner that is reasonably likely to be noted by an investor. NASAA stated that it is left open to question whether or not customers will, in fact, take note of these disclosures. NASAA recommended that broker-dealers be required to make a disclosure separate from the plan document before their disclosure obligations are deemed fulfilled.

The MSRB's Response Letter stated that with respect to the manner and timing of the proposed time-of-trade disclosures to customers, the MSRB believes that it has achieved an appropriate balance that ensures that the required disclosures are made in a timely and balanced manner without potentially over-emphasizing the home state tax element as compared to the other numerous items of important information provided to customers. The MSRB stated that it continues to monitor the Commission's proposed point-of-sale disclosure obligations in connection with mutual fund, variable annuity and 529 college savings plan sales under proposed Exchange Act Rule 15c2–3, which under certain circumstances could provide for the making of disclosures at a time prior to the time-of-trade. The MSRB stated that it has taken NASAA's suggestions in this regard under advisement pending final action by the SEC on proposed Rule 15c2–3.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB [8] and, in particular, the requirements of Section 15B(b)(2)(C) of the Act and the rules and regulations thereunder.[9] Section 15B(b)(2)(C) of the Act requires, among other things, that the MSRB's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.[10] In particular, the Commission finds that the proposed rule change is consistent with the Act because it will further investor protection by strengthening and clarifying dealers' customer protection obligations relating to the marketing of 529 college savings plans, including but not limited to the duty to provide important disclosures to customers investing in out-of-state 529 college savings plans relating to state tax treatment and other benefits and to undertake active suitability analyses for recommended transactions based on appropriately weighted factors.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[11] that the proposed rule change (SR–MSRB–2006–03) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[12]

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. E6–9352 Filed 6–14–06; 8:45 am]

BILLING CODE 8010–01–P

[8] In approving this rule the Commission notes that it has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

[9] 15 U.S.C. 78o–4(b)(2)(C).

[10] *Id.*

[11] 15 U.S.C. 78s(b)(2).

[12] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53960, File No. SR–MSRB–2006–01]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Approving Proposed Rule Change and Amendment No. 1 Relating to Withdrawal of Obsolete Question-and-Answer Interpretive Guidance Under Former Rule G–38, on Consultants, and Certain Question-and-Answer Interpretive Guidance Relating to the Definition of ''Solicitation'' Under Rule G–37, on Political Contributions and Prohibitions on Municipal Securities Business

June 8, 2006.

On March 28, 2006, the Municipal Securities Rulemaking Board (''MSRB'' or ''Board''), filed with the Securities and Exchange Commission (''SEC'' or ''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] a proposed rule change to delete obsolete Question-and-Answer (''Q&A'') interpretive guidance under former Rule G–38, on consultants, and certain Q&A interpretive guidance relating to the definition of ''solicitation'' under Rule G–37, on political contributions and prohibitions on municipal securities business. On April 20, 2006, the MSRB filed Amendment No. 1 to the proposed rule change.[3] The proposed rule change was published for comment in the **Federal Register** on May 5, 2006.[4] The Commission received no comment letters regarding the proposal.

The proposed rule change deletes obsolete Q&A interpretive guidance under former Rule G–38, on consultants, and certain Q&A interpretive guidance relating to the definition of ''solicitation'' under Rule G–37. On August 29, 2005, new Rule G–38, on solicitation of municipal securities business, became effective, superseding former Rule G–38 on consultants.[5] The MSRB had previously published a number of Q&A interpretations on the former rule, none of which continue to apply to new Rule G–38 since the consultant provisions to which they relate are no longer in effect.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] Amendment No. 1 deletes one additional Q&A providing interpretive guidance under Rule G–37 and former Rule G–38.

[4] *See* Securities Exchange Act Release No. 53746 (May 1, 2006), 71 FR 26577 (May 5, 2006).

[5] Securities Exchange Act Release No. 52278 (August 17, 2005); 70 FR 49342 (August 23, 2005).

Accordingly, the MSRB is deleting all obsolete Rule G–38 Qs&As.

The MSRB filed a related proposed rule change [6] relating to the definition of solicitation under MSRB Rules G–37 and G–38 (the ''companion proposed rule change''). The companion proposed rule change inserts the substantive language of the Rule G–37 solicitation Qs&As deleted in this proposal into the text of the solicitation guidance provided in the companion proposed rule change. Accordingly, the proposed rule change and the companion proposed rule change consolidate the MSRB's guidance on the definition of solicitation for purposes of Rules G–37 and G–38.

The Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB [7] and, in particular, the requirements of Section 15B(b)(2)(C) of the Act [8] and the rules and regulations thereunder. Section 15B(b)(2)(C) of the Act requires, among other things, that the MSRB's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.[9] In particular, the Commission finds that the proposed rule change will help dealers understand their obligations under MSRB rules designed to maintain standards of fair practice and professionalism, thereby helping to maintain public trust and confidence in the integrity of the municipal securities market.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[10] that the proposed rule change (SR–MSRB–2006–01), as amended, be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[11]

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. E6–9353 Filed 6–14–06; 8:45 am]

BILLING CODE 8010–01–P

[6] *See* File No. SR–MSRB–2005–11.

[7] In approving this rule the Commission notes that it has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

[8] 15 U.S.C. 78o–4(b)(2)(C).

[9] *Id.*

[10] 15 U.S.C. 78s(b)(2).

[11] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53964; File No. SR–NASDAQ–2006–005]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing of Proposed Rule Change and Amendment Nos. 1 and 2 Thereto To Modify Nasdaq's Delisting Procedures To Conform to Recent Amendments To Commission Rules Regarding Removal From Listing and Withdrawal From Registration

June 8, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] notice is hereby given that on April 4, 2006, The NASDAQ Stock Market LLC (''Nasdaq''), filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by Nasdaq. On May 5, 2006, Nasdaq filed Amendment No. 1 to the proposal.[3] On May 17, 2006, Nasdaq filed Amendment No. 2 to the proposal.[4] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change

Nasdaq proposes to modify Nasdaq's delisting procedures to comply with Rule 12d2–2 under the Act,[5] which became effective on April 24, 2006.

Nasdaq would implement the proposed rule change upon the later of its approval or the date Nasdaq begins to operate as a national securities exchange.

The text of the proposed rule change is below. Proposed new language is in *italics;* proposed deletions are in brackets.[6]

Rules of The NASDAQ Stock Market LLC

* * * * *

[4480.] *4380.* Termination Procedure

(a) Failure to maintain compliance with the *applicable* provisions of [Rules 4350, 4450, or 4360] *the Rule 4300, 4400 and 4500 Series* will result in the termination of an issue's listing unless an exception is granted as provided in the Rule 4800 Series. Termination shall become effective in accordance with the procedures set forth in the Rule 4800 Series, *including IM–4800.*

(b)

(*1*) An issuer may voluntarily terminate its listing upon [written notice to Nasdaq and application to the Commission.] *compliance with all requirements of Rule 12d2–2(c) under the Exchange Act. In part, Rule 12d2–2(c) requires that the issuer may delist by filing an application on Form 25 with the Commission, provided that the issuer: (i) Complies with all applicable laws in effect in the state in which it is incorporated and with the applicable Nasdaq Rules; (ii) provides notice to Nasdaq no fewer than 10 days before the issuer files the Form 25 with the Commission, including a statement of the material facts relating to the reasons for delisting; and (iii) contemporaneous with providing notice to Nasdaq, publishes notice of its intent to delist, along with its reasons therefore, via a press release and on its web site, if it has one. Any notice provided on the issuers web site pursuant to Rule 12d2–2(c) must remain available until the delisting has become effective. The issuer must also provide a copy of the Form 25 to Nasdaq simultaneously with its filing with the Commission. Nasdaq will provide notice on its web site of the issuer's intent to delist as required by Rule 12d2–2(c)(3).*

(2) An issuer that seeks to voluntarily delist a class of securities pursuant to Rule 4380(b)(1) that has received notice from Nasdaq, pursuant to the Rule 4800 Series or otherwise, that it fails to comply with one or more requirements for continued listing, or that is aware that it is below such continued listing requirements notwithstanding that it has not received such notice from

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] Amendment No. 1 replaced the original proposed rule change in its entirety.

[4] In Amendment No. 2, Nasdaq amended the implementation date of the proposed rule change to the later of Commission approval or the date Nasdaq begins to operate as a national securities exchange.

[5] 17 CFR 240.12d2–2.

[6] Changes are marked to the rule text that appears in the electronic manual of The NASDAQ Stock Market, LLC found at *http://www.nasdaqtrader.com.* These rules will become effective when Nasdaq fulfills certain conditions and commences operations as a national securities exchange as set forth in Securities Exchange Act Release No. 53128 (January 13, 2006), 71 FR 3550 (January 23, 2006).

Nasdaq, must disclose this fact (including the specific continued listing requirements that it is below) in: (i) its statement of all material facts relating to the reasons for withdrawal from listing provided to Nasdaq along with written notice of its determination to withdraw from listing required by Rule 12d2–2(c)(2)(ii) under the Exchange Act; and (ii) its press release and web site notice required by Rule 12d2–2(c)(2)(iii) under the Exchange Act.

* * * * *

IM–4800. Removal from Listing.

Rules 4804(e), 4806(e), 4807(f) and 4809(c) provide that Nasdaq will delist an issuer in certain circumstances, following Nasdaq's determination that the issuer no longer meets the requirements for continued listing and after the issuer has received notice of that determination and an opportunity to appeal the determination pursuant to this Rule 4800 Series. This interpretive material describes the steps Nasdaq will follow to effect such a delisting. Consistent with Exchange Act Rule 12d2–2, to effect a delisting, Nasdaq will provide public notice of its final determination to remove a security from listing by issuing a press release and posting notice on its web site. This public notice will be disseminated no fewer than 10 days before the delisting becomes effective and will remain posted until the delisting is effective. Following such public notification, Nasdaq will file an application on Form 25 with the Commission to delist the security, and will promptly provide a copy of that Form 25 to the issuer. The Form 25, and the delisting of the security, will become effective 10 days after it is filed pursuant to Exchange Act Rule 12d2–2(d)(1), unless the Commission postpones such delisting pursuant to Rule 12d2–2(d)(3).

* * * * *

4804. Written Notice of Staff Determination

(a)–(d) No change.

(e) If an issuer receives a Staff Determination (other than a Staff Determination that serves as a public reprimand letter as described in Rule 4801(k)(2)) and does not request a hearing within the period specified in Rule 4805, the securities of the issuer will be suspended and Nasdaq will *follow the procedures described in IM–4800 and* submit an application *on Form 25* to the Securities and Exchange Commission to strike the security from listing. [A copy of such application will be furnished to the issuer in accordance with Section 12 of the Act and the rules thereunder.]

4805. Request for Hearing

No change.

4806. The Listing Qualifications Panel

(a)–(d) No change.

(e) If the Panel determines to delist the issuer and the issuer does not timely request review by the Listing Council and the Listing Council does not call the matter for review *or withdraws its call for review*, Nasdaq will *follow the procedures described in IM–4800 and* submit an application *on Form 25* to the Securities and Exchange Commission to strike the security from listing. [A copy of such application will be furnished to the issuer in accordance with Section 12 of the Act and the rules thereunder.]

4807. Review by the Nasdaq Listing and Hearing Review Council

(a)–(e) No change.

(f) If the Listing Council determines to delist the issuer and the Nasdaq Board does not call the matter for review *or withdraws its call for review*, Nasdaq will *follow the procedures described in IM–4800 and* submit an application *on Form 25* to the Securities and Exchange Commission to strike the security from listing. [A copy of such application will be furnished to the issuer in accordance with Section 12 of the Act and the rules thereunder.]

4808. Reconsideration by the Listing Qualifications Panel and the Listing and Hearing Review Council

No change.

4809. Discretionary Review by Nasdaq Board

(a) A Listing Council Decision may be called for review by the Nasdaq Board solely upon the request of one or more Director not later than the next Nasdaq Board meeting that is 15 calendar days or more following the date of the Listing Council Decision. Such review shall be undertaken solely at the discretion of the Nasdaq Board and will not operate as a stay of the Listing Council Decision, unless the call for review specifies to the contrary. *At the sole discretion of the Nasdaq Board, the call for review of a Listing Council Decision may be withdrawn at any time prior to the issuance of a decision.*

(b) No change.

(c) If the Nasdaq Board conducts a discretionary review, the issuer shall be provided with a written decision that meets the requirements of Rule 4811. The Nasdaq Board may affirm, modify or reverse the Listing Council Decision and may remand the matter to the Listing Council, Listing Qualifications Panel, or staff of the Listing Department with appropriate instructions. [This] *The decision of the Nasdaq Board will take immediate effect, unless it specifies to the contrary, and* [decision] represents the final action of Nasdaq [and will take immediate effect unless it specifies to the contrary]. If the Nasdaq Board determines to delist the issuer, the securities of the issuer will be immediately suspended, unless the Nasdaq Board specifies to the contrary, and Nasdaq will *follow the procedures described in IM–4800 and* submit an application *on Form 25* to the Commission to strike the security from listing. [A copy of such application will be furnished to the issuer in accordance with Section 12 of the Act and the rules thereunder.]

[(d) If the Nasdaq Board declines to conduct a discretionary review or withdraws its call for review, the issuer shall be promptly provided with written notice that the Listing Council Decision represents the final action of Nasdaq.]

* * * * *

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, Nasdaq included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. Nasdaq has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On July 14, 2005, the Commission adopted amendments to its rules governing delisting from a national securities exchange.[7] These amendments, which became effective on April 24, 2006, modified the procedures surrounding the way an issuer voluntarily delists from a national securities exchange and the way that a national securities exchange delists an issuer for cause. As a result, Nasdaq is proposing certain changes to its rules to incorporate the requirements of Commission Rule 12d2–2.[8] Specifically, Nasdaq proposes to require public notice of Nasdaq's final determination to delist an issuer, no fewer than 10 days before the delisting becomes effective, via a press release and posting

[7] *See* Securities Exchange Act Release No. 52029 (July 14, 2005), 70 FR 42456 (July 22, 2005).

[8] 17 CFR 240.12d2–2.

on Nasdaq's Web site.[9] This notice will remain posted on the Web site until the delisting is effective. Nasdaq also proposes to clarify that it will follow these same procedures upon the withdrawal of a call for review by the Nasdaq Listing and Hearing Review Council or the Nasdaq Board, as is permitted by existing Nasdaq Rules 4807(b) and 4809(d).

In addition, Nasdaq proposes to relocate the existing requirements concerning a voluntary delisting and adopt a new requirement that an issuer must comply with the provisions of Commission Rule 12d2–2(c) [10] when it wishes to voluntarily delist and also notify Nasdaq at the same time that it files a Form 25 with the Commission to voluntarily delist. This requirement will facilitate Nasdaq's compliance with its obligation to provide notice on its Web site that the issuer has determined to withdraw its securities from listing and/or registration on Nasdaq.[11] Nasdaq also proposes to require an issuer that has received notice from Nasdaq that it fails to comply with one or more requirements for continued listing, or that otherwise is aware that it is below such continued listing requirements, to disclose this fact in certain notices required by Commission Rule 12d2–2(c).

Finally, Nasdaq proposes to remove Nasdaq Rule 4809(d) because it would be redundant.

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with Section 6 of the Act,[12] in general and with Sections 6(b)(5) of the Act,[13] in particular, because it is designed to protect investors and the public interest by following Rule 12d2–2 under the Exchange Act and provide a fair procedure for the prohibition or limitation of listing by Nasdaq.

B. Self-Regulatory Organization's Statement on Burden on Competition

Nasdaq does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

• Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or (Send an e-mail to *rule-comments@sec.gov.* Please include File Number SR–NASDAQ–2006–005 on the subject line.

Paper Comments

• Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–NASDAQ–2006–005. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NASDAQ–2006–005 and should be submitted on or before July 6, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[14]

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. E6–9349 Filed 6–14–06; 8:45 am]

BILLING CODE 8010–01–P

[9] *See* 17 CFR 240.12d2–2(b)(1). Nasdaq notes that Nasdaq Rule 4804 already requires notice to the issuer of the decision to delist the issuer's securities, and Nasdaq Rules 4805 and 4807 provide an opportunity for the issuer to appeal that decision.

[10] 17 CFR 240.12d2–2(c)

[11] 17 CFR 240.12d2–2(c)(3).

[12] 15 U.S.C. 78f(b).

[13] 15 U.S.C. 78f(b)(5).

[14] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53955; File No. SR–NASD–2006–065]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto Relating to the Establishment of an Annual Branch Office System Processing Fee and the Waiver of the Annual Branch Office System Processing Fee and the Annual Branch Office Registration Fee for One Branch Officer per Member per Year

June 7, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] notice is hereby given that on May 23, 2006, the National Association of Securities Dealers, Inc. (''NASD'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items, I, II and III below, which Items have been prepared by NASD. On May 31, 2006, NASD filed Amendment No. 1 to the proposed rule change.[3] NASD has designated this proposal as establishing or changing a due, fee, or other charge imposed by NASD pursuant to Section 19(b)(3)(A)(ii) of the

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] In Amendment No. 1, NASD made technical changes to the rule filing, including correcting certain underlining in the rule text.

Act,[4] and Rule 19b–4(f)(2) thereunder,[5] which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

NASD proposes to amend Section 4 of Schedule A to the NASD By-Laws to: (1) Establish an annual branch office system processing fee and (2) waive the annual branch office system processing fee for one branch office per member per year and, as specified in the proposed rule change, as amended, the annual branch office registration fee for one branch office per member per year. NASD intends to implement the proposed rule change, as amended, on July 3, 2006. The text of the proposed rule change, as amended, is available on NASD's Web site (*http://www.nasd.com*), at NASD's Office of the Secretary, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NASD included statement concerning the purpose of and basis for the proposed rule change, as amended, and discussed any comments it received on the proposed rule change, as amended. The text of these statements may be examined at the places specified in Item IV below. NASD has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On September 30, 2005, the SEC approved NASD's proposed Uniform Branch Office Registration Form (''Form BR''), which became effective on October 31, 2005. The Form BR replaces Schedule E of the Form BD, the New York Stock Exchange LLC (''NYSE'') Branch Office Application Form, and certain state branch office forms. The Form BR enables firms to register branch offices electronically with NASD, NYSE, and states that require branch registration or reporting via a single filing through the Central Registration Depository (''CRD®'' or ''CRD system''). Branch office registration through the CRD system creates efficiencies for firms by, among other things, making it easier for firms to register or report branch offices and to manage their ongoing registration and/or reporting responsibilities with regard to those branch offices. In addition to being able to submit a single filing to fulfill the branch office registration requirements of NASD, NYSE, and states, firms benefit from the centralized fee collection, online work queues, electronic notifications and other features available through the CRD system. Firms are also able to link their registered persons to the physical location from which they work via the Form BR, which not only aids regulators' examination efforts, but helps firms in meeting certain recordkeeping requirements.

The purpose of the branch office system processing fee is to recover the cost to NASD of developing and implementing the Form BR, as well as ongoing branch office system maintenance and enhancements. NASD staff will monitor this fee to determine whether adjustments are appropriate and will file rule changes to modify this fee, as appropriate. The fee is $20 upon the registration of a branch office and $20 annually thereafter per registered branch.

NASD proposes to begin assessing the branch office system processing fee during the third quarter of 2006 for all branch offices in existence as of July 3, 2006. NASD proposes to bill firms for all branch offices in existence as of July 3, 2006 via invoices, rather than through the CRD system. For any branch office that is registered on or after July 3, 2006, NASD proposes to assess and collect the branch office system processing fee through the CRD system at such time as the firm registers that new branch office.[6] Starting in December 2006, all firms will assessed $20 annually for each existing branch office as part of the CRD renewal program.[7]

In addition, NASD proposes to waive the annual branch office registration fee (for those NASD members who have been assessed such fee pursuant to Section 4(a)(1)(i) of Schedule A to the NASD By-Laws) and the annual branch office system processing fee (for all NASD members) for one branch office per NASD member per year. The fee waiver is prospective only, and will take effect for the year 2006 on July 3, 2006, the implementation date for this proposed rule change, as amended.[8]

NASD has filed the proposed rule change, as amended, for immediate effectiveness. The implementation date shall be July 3, 2006.

2. Statutory Basis

NASD believes that the proposed rule change, as amended, is consistent with the provisions of Section 15A(b)(5) of the Act,[9] which requires, among other things, that NASD rules provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system that NASD operates or controls. NASD believes that the proposed rule change, as amended, is designed to accomplish these ends by equitably assessing the costs of establishing and maintaining the CRD branch office registration system.

B. Self-Regulatory Organization's Statement on Burden on Competition

NASD does not believe that the proposed rule change, as amended, will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received on the proposed rule change, as amended.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change, as amended, has become effective pursuant to Section 19(b)(3)(A)(ii)[10] of the Act and paragraph (f)(2) of Rule 19b–4 thereunder,[11] in that it establishes or changes a due, fee, or other charge applicable to NASD members. NASD

[4] 15 U.S.C. 78s(b)(3)(A)(ii).

[5] 17 CFR 240.19b–4(f)(2).

[6] The CRD system will be available on July 3, 2006, for purposes of registering branch offices, but will not be available on July 4, 2006. Firms will again be able to register branch offices through the CRD system on July 5, 2006.

[7] This proposed rule change, as amended, addresses the assessment and collection of branch office system processing fees and the waiver of both the annual branch office registration fee and the annual branch office system processing fee for one branch office per member per year only with respect to NASD member firms. The manner of assessment and collection of branch office system processing fees from firms that are solely members of other self-regulatory organizations (''SROs'') that require their members to register branch offices via the Form BR (currently, only NYSE) will be addressed by such SROs.

[8] Firms that have already paid their annual $75.00 branch office fees for the year 2006 will receive a $75.00 credit for one branch office.

[9] 15 U.S.C. 78*o*–3(b)(5).

[10] 15 U.S.C. 78s(b)(3)(A)(ii).

[11] 17 CFR 240.19b–4(f)(2).

intends to implement the proposed rule change, as amended, on July 3, 2006.

At any time within 60 days of the filing of the proposed rule change, as amended, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.[12]

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an e-mail to *rule-comments@sec.gov*. Please include File Number SR–NASD–2006–065 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–NASD–2006–065. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of NASD. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NASD–2006–065 and should be submitted on or before July 6, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[13]

J. Lynn Taylor,

Assistant Secretary.

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[12] The effective date of the original proposed rule change is May 23, 2006, and the effective date of Amendment No. 1 is May 31, 2006. For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change, as amended, under Section 19(b)(3)(C) of the Act, the Commission considers the period to commence on May 31, 2006, the date on which NASD submitted Amendment No. 1. *See* 15 U.S.C. 78s(b)(3)(C).

[13] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53963, File No. SR–NSX–2006–03]

Self-Regulatory Organizations; National Stock Exchange℠; Order Approving Proposed Rule Change and Amendment Nos. 1 and 2 Thereto Relating to the Demutualization of the National Stock Exchange

June 8, 2006.

I. Introduction

On April 5, 2006, the National Stock Exchange℠ (''NSX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] a proposed rule change to effect a series of proposed changes to the Exchange's corporate structure that would allow for the demutualization of the Exchange. On April 19, 2006, the NSX submitted Amendment No. 1 to the proposed rule change.[3] On April 25, 2006, the NSX submitted Amendment No. 2 to the proposed rule change, as amended.[4] The proposed rule change, as amended, was published for comment in the **Federal Register** on May 3, 2006.[5] The Commission has received one comment on the proposal.[6] The NSX submitted a response to the comment on June 5, 2006.[7] This order approves the proposed rule change, as amended.

II. Description of Proposed Rule Change

a. Description of Demutualization Transaction

Currently, NSX is a non-stock nonprofit Ohio corporation. NSX proposes to demutualize by reorganizing as a Delaware for-profit stock corporation that would be a direct and wholly-owned subsidiary of a new Delaware for-profit stock holding company (''Holdings''). To accomplish the demutualization, NSX has established (i) two new Delaware stock for-profit corporations: Holdings, a direct and wholly-owned subsidiary of NSX, and NSX Delaware Merger Sub, Inc. (''NSX Delaware Merger Sub''), a direct and wholly-owned subsidiary of Holdings, and (ii) one transitory Ohio stock for-profit corporation, NSX Ohio Merger Sub, Inc. (''NSX Ohio Merger Sub''), also a direct and wholly-owned subsidiary of Holdings.[8]

Pursuant to an agreement and plan of merger, NSX would merge (''Merger #1'') with and into NSX Ohio Merger Sub, with NSX Ohio Merger Sub surviving the merger as an Ohio for-profit stock corporation that is a direct and wholly-owned subsidiary of Holdings. As a result of Merger #1, NSX Ohio Merger Sub will be the initial successor-in-interest to NSX. Immediately following Merger #1, pursuant to a second agreement and plan of merger, NSX Ohio Merger Sub would merge (''Merger #2'') with and into NSX Delaware Merger Sub, with NSX Delaware Merger Sub renamed National Stock Exchange, Inc. surviving the merger as a Delaware for-profit stock

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] Amendment No. 1 (''Amendment No. 1'') made revisions to the proposed: Holdings Certificate of Incorporation, Sections (b)(iii)(B) and (C); Holdings By-Laws, Article III, Sections 3.1 and 3.4; NSX By-Laws, Article III, Section 3.2(b); and NSX Rule 2.10. In addition, Amendment No. 1 added new proposed Section 3.6 to Article III of the Holdings By-Laws, requiring Holdings to take reasonable steps necessary to cause its officers, directors, and employees to consent to the applicability to them of Article III of the Holdings By-Laws. Finally, Amendment No. 1 made corresponding changes to Item 3 of Form 19b–4 and Exhibit 1 to describe the effect of the foregoing Exhibit 5 revisions and also add a description of proposed NSX Rule 2.10.

[4] Amendment No. 2 (''Amendment No. 2'') made changes to Item 3 of Form 19b–4 and Exhibit 1, which changes were incorporated into the notice; *see infra,* note 5.

[5] *See* Securities Exchange Act Release No. 53721 (April 25, 2006), 71 FR 26155 (May 3, 2006) (''Demutualization Notice'').

[6] *See* Letter from Ann Yerger, Executive Director, Council of Institutional Investors to Nancy M. Morris, Secretary, Commission, dated May 11, 2006 (''CII Letter'').

[7] *See* Letter from James C. Yong, Chief Regulatory Officer, Exchange to Nancy M. Morris, Secretary, Commission, dated June 5, 2006 (''NSX Response'').

[8] The Exchange stated that the establishment of NSX Ohio Merger Sub and the process of demutualization through two mergers (as described more fully in this document) are necessitated because under Ohio law, NSX, as an Ohio nonprofit corporation, may not merge directly with and into a foreign for-profit corporation, such as NSX Delaware Merger Sub.

corporation that is a direct and wholly-owned subsidiary of Holdings.[9]

In the Demutualization Notice, the Exchange stated that upon completion of Merger #2, NSX, the Delaware for-profit stock corporation, would be, in effect, the successor-in-interest to NSX, the current Ohio non-stock nonprofit corporation, and would assume all of the assets and liabilities of the Exchange, including, without limitation, the adherence to, and the performance of, the undertakings under the *Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 19(b) and 21C of the Securities Exchange Act of 1934, Making Findings and Imposing Sanctions,* entered by the Commission on May 19, 2005 [10] (the ''Order'').[11] NSX stated that it would continue to engage in the business of operating a national securities exchange registered under Section 6 of the Act.[12]

Presently, the members of NSX hold certificates of proprietary membership in NSX and have a right to trade on the exchange operated by NSX. On the effective date of the demutualization (the ''Effective Date''), each member of NSX would receive 1,000 shares of Holdings Class A common stock [13] for the first certificate of proprietary membership of NSX held by the member and would receive a modestly discounted number of shares of Class A common stock (determined by a formula set forth in the Merger #1 merger agreement) for each additional certificate held. If, however, the total number of Class A shares to be received by a member that would hold an equity trading permit entitling it to trading access on the Exchange after the demutualization (an ''ETP Holder''), together with any Class A shares to be received by that member's Related Persons,[14] would exceed 20% of the total number of Class A shares issued (and thus be in violation of an ownership limitation under the proposed Holdings Certificate of Incorporation [15]), that member would receive shares of Class C common stock [16] (which would generally not be entitled to the right to vote) in lieu of the shares of Class A common stock that are in excess of the 20% ownership limitation (and that the member would have received were the 20% ownership limitation not in effect under the proposed Holdings Certificate of Incorporation).

The Chicago Board Options Exchange, Incorporated (''CBOE'') owns certificates of proprietary membership in NSX but is not a member of NSX. In the demutualization, CBOE would receive shares of Holdings Class B common stock (which is generally not entitled to the right to vote) in exchange for its certificates of proprietary membership in NSX that are subject to put and call rights under a Termination of Rights Agreement between NSX and CBOE dated September 27, 2004 (the ''TORA''),[17] and would receive shares of Holdings Class A common stock in exchange for the remainder of its certificates of proprietary membership.[18] The number of Class A and Class B shares received by CBOE would be based on the discount formula set forth in the Merger #1 merger agreement.

Following the demutualization, persons and entities who have been qualified for membership under the Exchange's current Rules and, as a result, have access to the Exchange's trading facilities would separately receive NSX equity trading permits (''ETPs'') entitling them to maintain their trading access to NSX and, as noted above, would be referred to as ''ETP Holders.'' Shares of Holdings capital stock and ETPs would not be tied together. Following the demutualization, former NSX members would be able to sell the shares of Holdings capital stock they receive in connection with the demutualization, subject to the applicable restrictions in the proposed Holdings Certificate of Incorporation and Holdings By-Laws (as described more fully below), while retaining the ability to trade and operate on the Exchange pursuant to their ETPs. Any other person or entity that satisfies the regulatory requirements set forth in the NSX Rules also would be able to obtain an ETP without regard to whether such person is a stockholder of Holdings.

b. Summary of Proposed Rule Change

The proposed rule change, as amended, consists of the proposed

[9] The term ''NSX'' in this document will also refer to the Exchange as a Delaware for-profit stock corporation after the demutualization.

[10] *See* Securities Exchange Act Release No. 51714.

[11] *See* Demutualization Notice.

[12] 15 U.S.C. 78f. Following the demutualization, the Exchange stated that earnings of NSX not retained in its business may be distributed to its parent, Holdings, and Holdings would be authorized to pay dividends to the stockholders of Holdings as and when they are declared by the Board of Directors of Holdings, but subject to the limitation under the proposed NSX By-Laws that any revenues received by NSX from regulatory fees or penalties may not be used to pay dividends. *See* proposed NSX By-Laws, Section 10.4.

[13] Holdings would be authorized to issue 1,100,000 shares of common stock having a par value of $.0001 per share (of which 900,000 shares will be designated as Class A common stock, 100,000 shares will designated as Class B common stock and 100,000 shares will be designated as Class C common stock) and 100,000 shares of preferred stock having a par value of $.0001 per share. The Class A common stock would be entitled to one vote per share, absent a provision in the Holdings Certificate of Incorporation fixing or denying voting rights. Neither the Class B nor Class C common stock would be entitled to vote, unless the matter at issue would the alter the rights, preferences, privileges or limitations (other than the right to vote) of that stock, respectively, without also altering the rights, preferences, privileges and limitations of the Class A common stock in an identical manner. *See* proposed Holdings Certificate of Incorporation, Article Fourth, and proposed Holdings By-Laws, Section 4.10.

[14] Under the proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (a)(ii), ''Related Persons'' means, with respect to any Person: (A) Any ''affiliate'' of such Person (as such term is defined in Rule 12b–2 under the Act); (B) any other Person with which such first Person has any agreement, arrangement or understanding (whether or not in writing) to act together for the purpose of acquiring, voting, holding or disposing of shares of the capital stock of the Corporation; (C) in the case of a Person that is a company, corporation or similar entity, any executive officer (as defined under Rule 3b–7 under the Act) or director of such Person and, in the case of a Person that is a partnership or limited liability company, any general partner, managing member or manager of such Person, as applicable; (D) in the case of an ETP Holder, any Person that is associated with the ETP Holder (as determined using the definition of ''person associated with a member'' as defined under Section 3(a)(21) of the Act); (E) in the case of a Person that is an individual, any relative or spouse of such Person, or any relative of such spouse who has the same home as such Person or who is a director or officer of the Corporation or any of its parents or subsidiaries; (F) in the case of a Person that is an executive officer (as defined under Rule 3b–7 under the Act) or a director of a company, corporation or similar entity, such company, corporation or entity, as applicable; and (G) in the case of a Person that is a general partner, managing member or manager of a partnership or limited liability company, such partnership or limited liability company, as applicable.

[15] *See infra* subsection II.b.(1)(a)(iv).

[16] Each share of Class C common stock issued would be convertible, at the option of its holder, to one share of Class A common stock upon the satisfaction of certain notification and other requirements under the Holdings Certificate of Incorporation, but only to the extent that the conversion does not violate the limitations on ownership, transfer and voting applicable to Class A common stock under the Holdings Certificate of Incorporation, as more fully described in this document. *See* proposed Holdings Certificate of Incorporation, Article Fourth, paragraph (d).

[17] In 1986, NSX and CBOE entered into an agreement of affiliation pursuant to which CBOE obtained certificates of proprietary membership in NSX and certain rights associated with NSX, including the right to hold certain seats on the Board of Directors of NSX and certain put rights in connection with its certificates of proprietary membership in NSX. Under the TORA, CBOE agreed to relinquish, upon certain terms, certain of these rights in exchange for cash payments and other undertakings. *See* Securities Exchange Act Release No. 34–51033 (January 13, 2005), 70 FR 3085 (January 19, 2005) (File No. SR–NSX–2004–12). *See also infra* subsection II.b.(1)(b)(ii).

[18] Each share of Class B common stock would automatically convert to one share of Class A common stock upon its transfer, in accordance with the TORA, to a bona fide third party purchaser unaffiliated with CBOE. *See* proposed Holdings Certificate of Incorporation, Article Fourth, paragraph (c). NSX stated that the Class B shares would be transferable only under extraordinary circumstances.

Holdings Certificate of Incorporation and Holdings By-Laws and the proposed changes to the Articles of Incorporation and By-Laws of the Exchange that reflect governance and corporate form changes. In addition, the proposed rule change includes proposed changes to the Rules of the Exchange that are necessary to implement the proposed equity trading permit structure. NSX also proposes to move certain provisions in the current By-Laws of NSX respecting members, listing standards, and other matters not relating to the Exchange's corporate governance to the NSX Rules.

(1) Corporate Structure

(a) Holdings

Following the demutualization, Holdings would be the parent company and sole stockholder of NSX. NSX stated that all of the issued and outstanding stock of Holdings initially would be owned by the former owners of certificates of proprietary membership in the Exchange.

As sole stockholder of NSX, Holdings would have the right to elect the Board of Directors of NSX, subject to certain provisions in the Holdings By-Laws that require Holdings to vote for certain persons nominated for ETP Holder Director positions and certain persons nominated for CBOE Director positions, in each case in accordance with the revised governance documents of NSX. The Holdings Certificate of Incorporation and the Holdings By-Laws would govern the activities of Holdings.

(i) Holdings Board of Directors

The business and affairs of Holdings would be managed by its Board of Directors (''Holdings Board''). The Holdings Board would consist of between 10 and 16 persons, as determined by the Holdings Board, one of which shall be the Chief Executive Officer (''CEO'') of Holdings. The Holdings Board would initially have 13 directors after the demutualization. No person that is subject to any ''statutory disqualification'' (within the meaning of Section 3(a)(39) of the Act) may be a director of Holdings.[19]

The directors of Holdings would be divided into three classes, which would be as nearly equal in number as the total number of directors then constituting the entire Holdings Board. After completion of an initial phase-in schedule, the directors of Holdings would serve staggered three-year terms, with the term of office of one class expiring each year.[20]

The Holdings Board would elect its Chairman from among the directors on the Holdings Board, and may elect a vice-chairman to perform the functions of the Chairman in his or her absence.[21]

At each annual meeting of the stockholders of Holdings at which a quorum is present, the individuals receiving a plurality of the votes cast of the Class A shares would be elected directors of Holdings.[22] At an election of directors, each Holdings stockholder would be entitled to one vote for each share of Class A common stock owned by that stockholder.[23] Class B and Class C shares shall not be entitled to vote at an election of directors.[24]

In most cases, vacancies on the Holdings Board would be filled by the remaining directors of Holdings. If the vacancy has resulted from a director being removed for cause by the stockholders of Holdings, however, that vacancy may be filled by the stockholders of Holdings at the same meeting at which the director was removed. Any director appointed to fill a vacancy will serve until the expiration of the term of office of the replaced director or until the end of the term for a newly-created directorship.[25]

(ii) Committees of Holdings

The Holdings Board would have an Audit Committee, a Governance and Nominating Committee, and such other committees that the Holdings Board establishes.[26] The Chairman of the Holdings Board would appoint the members of all committees of the Holdings Board, and may remove any member so appointed, subject to the approval of the Holdings Board.[27] Each committee would have the authority and duties prescribed for it in the Holdings By-Laws or by the Holdings Board.[28]

(iii) Officers of Holdings

The officers of Holdings would be a CEO, a President, a Secretary, a Treasurer, and such other officers as the Holdings Board determines.[29] The CEO would be responsible to the Holdings Board for management of the business affairs of Holdings.[30] The officers of Holdings would have the duties and authority set forth in the Holdings By-Laws or given to them by the Holdings Board, and in the case of the President, the Secretary, and the Treasurer, given to them by the Chief Executive Officer.[31] Any two or more offices may be held by the same person, except that the Secretary may not also serve as the CEO or the President. No person that is subject to any ''statutory disqualification'' (within the meaning of Section 3(a)(39) of the Act) may be an officer of Holdings.[32]

(iv) Stockholder Restrictions

The Holdings Certificate of Incorporation and the Holdings By-Laws place certain restrictions on the ability to transfer, own, and vote the capital stock of Holdings.

(1) Restrictions on Voting

The Holdings Certificate of Incorporation prohibits any Person,[33] either alone or together with its Related Persons, from (a) voting or giving a proxy or consent with respect to shares representing more than 20% of the voting power of the then-issued and outstanding capital stock of Holdings; or (b) entering into any agreement, plan, or arrangement that would result in the shares of Holdings subject to that agreement, plan, or arrangement not being voted on a matter, or any proxy relating thereto being withheld, where the effect of that agreement, plan, or arrangement would be to enable any Person, alone or together with its Related Persons, to obtain more than 20% of the voting power of the then-issued and outstanding capital stock of Holdings.[34]

This restriction would not apply to the Class B or Class C common stock and, as to the Class A common stock owned by Persons other than ETP Holders and their Related Persons, may be waived by Holdings Board pursuant to a resolution adopted by the Holdings

[19] *See* proposed Holdings Certificate of Incorporation, Article Sixth, Section (a), and proposed Holdings By-Laws, Sections 2.2(a) and (b).

[20] *See* proposed Holdings Certificate of Incorporation, Article Sixth, Section (b), and proposed Holdings By-Laws, Section 2.2(c).

[21] *See* proposed Holdings By-Laws, Section 2.3(a).

[22] *See* proposed Holdings By-Laws, Section 4.8.

[23] *See* proposed Holdings Certificate of Incorporation, Article Fourth, paragraph (b), and proposed Holdings By-Laws, Section 4.10.

[24] *See* proposed Holdings Certificate of Incorporation, Article Fourth, paragraphs (c) and (d).

[25] *See* proposed Holdings By-Laws, Section 2.4.

[26] *See* proposed Holdings By-Laws, Section 5.1.

[27] *See* proposed Holdings By-Laws, Section 5.2.

[28] *See* proposed Holdings By-Laws, Section 5.3.

[29] *See* proposed Holdings By-Laws, Section 6.1.

[30] *See* proposed Holdings By-Laws, Section 6.4.

[31] *See* proposed Holdings By-Laws, Sections 6.1, 6.4, 6.5, 6.6, and 6.7.

[32] *See* proposed Holdings By-Laws, Section 6.1.

[33] Article Fifth of the proposed Holdings Certificate of Incorporation defines a ''Person'' to mean ''an individual, partnership (general or limited), joint stock company, corporation, limited liability company, trust or unincorporated organization, or any governmental entity or agency or political subdivision thereof.''

[34] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(ii)(C).

Board.[35] Before adopting such resolution, however, the Holdings Board must determine that, among other things, the waiver of the voting limitation will not impair the ability of NSX to carry out its functions and responsibilities under the Act and the rules and regulations promulgated thereunder, and will not impair the Commission's ability to enforce the Act and the rules and regulations promulgated thereunder.[36] In addition, the Holdings Board also must determine that a Person and its Related Persons that would vote more than 20% of the outstanding stock of Holdings are not subject to an applicable ''statutory disqualification'' (within the meaning of Section 3(a)(39) of the Act).[37] Finally, any resolution of the Holdings Board that would permit a Person to vote more than 20% of the outstanding stock of Holdings must be filed with and approved by the Commission before it becomes effective.[38]

(2) Restrictions on Ownership

Under the proposed Holdings Certificate of Incorporation, no Person, either alone or together with its Related Persons, may own shares constituting more than 40% of any class of capital stock of Holdings (other than a class of stock without general voting rights).[39] The Holdings Board may waive this ownership limitation pursuant to a resolution adopted by the Holdings Board. Before adopting such resolution, however, the Holdings Board must determine that, among other things, the waiver of the ownership limitation would not impair the ability of NSX to carry out its functions and responsibilities under the Act and the rules and regulations promulgated thereunder and would not impair the Commission's ability to enforce the Act and the rules and regulations promulgated thereunder.[40]

In addition, the Holdings Board also must determine that any Person and its Related Persons that would own more than 40% of any class of capital stock of Holdings are not subject to any applicable ''statutory disqualification'' (within the meaning of Section 3(a)(39) of the Act).[41] Finally, any Holdings Board resolution that would permit ownership of Holdings capital stock in excess of the ownership limitation described above must be filed with and approved by the Commission before it becomes effective.[42]

In addition to the ownership restriction described above, no ETP Holder, whether alone or together with its Related Persons, may own shares constituting more than 20% of any class of capital stock of Holdings.[43] However, this ownership restriction would not apply to any ETP Holder, with respect to shares of Class C common stock of Holdings issued to the ETP Holder in connection with, and from the date of, the demutualization of NSX so long as the ETP Holder becomes compliant with the ownership limitation promptly after such issuance.[44]

(3) Other Stockholder Ownership and Voting Restriction Requirements

The proposed Holdings Certificate of Incorporation contains several provisions that would enable Holdings to enforce restrictions on the ownership and voting of Holdings capital stock described in the preceding section. Specifically, if a stockholder purports to sell, transfer, assign, or pledge to any Person (other than Holdings) any shares of Holdings that would violate the ownership restrictions, Holdings would record on its books the transfer of only the number of shares that would not violate the restrictions and would treat the remaining shares as owned by the purported transferor, for all purposes, including, without limitation, voting, payment of dividends, and distributions.[45]

In addition, if any stockholder purports to vote, or to grant any proxy or enter into any agreement, plan, or arrangement relating to the voting of shares that would violate the voting restrictions, Holdings would not honor such vote, proxy, or agreement, plan, or other arrangement to the extent that the restrictions would be violated, and any shares subject to that arrangement would not be entitled to be voted to the extent of the violation.[46] Further, if any stockholder purports to sell, transfer, assign, pledge, vote, or own any shares that would violate the ownership and voting restrictions, Holdings would have the right to, and would generally be required to promptly, redeem such shares at a price equal to the par value of the shares.[47] Also, a stockholder that alone or together with its Related Persons owns five percent or more of the then outstanding shares of the capital stock of Holdings entitled to vote in an election of directors must, upon acquiring knowledge of such ownership, immediately give the Holdings Board written notice of such ownership.[48] Holdings may also require any Person reasonably believed to be subject to and in violation of the voting and ownership restrictions to provide to Holdings information relating to such potential violation.[49]

(4) Restrictions on Transfer

Members, former members, and other equity owners of NSX who receive shares of capital stock of Holdings in the demutualization may not sell, transfer, or otherwise dispose of those shares for the first thirty days following their issuance, unless the Holdings Board waives this transfer restriction.[50]

Also, unless waived by the Holdings Board or pursuant to a redemption of shares by Holdings, each stockholder of Holdings would be prohibited from selling, transferring, or otherwise disposing of common shares of Holdings except in amounts of at least 1,000 shares (unless the stockholder is transferring all shares owned), and no stockholder would be permitted to transfer any capital stock of Holdings (other than pursuant to a redemption of shares by Holdings) until all amounts due and owing from that stockholder to NSX have been paid.[51]

In the event that a stockholder desires to transfer shares of capital stock of Holdings to any person (other than an affiliate of the stockholder or to another holder of the same class of capital stock) prior to January 1, 2011, Holdings would have a right of first refusal permitting it to purchase those shares,

[35] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraphs (b)(iii)(A) and (B). *See* Amendment No. 1, *supra* note 3.

[36] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(iii)(B).

[37] 15 U.S.C. 78c(a)(39); *see* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(iv).

[38] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(iii)(B).

[39] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraphs (b)(ii)(A) and (b)(iii)(A).

[40] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(iii)(B).

[41] 15 U.S.C. 78c(a)(39); *see* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(iv).

[42] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraphs (b)(iii)(B) and (C).

[43] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(ii)(B).

[44] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(iii)(C). *See* Amendment No. 1, *supra* note 3.

[45] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (d).

[46] *Id.*

[47] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (e).

[48] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (c)(i). Such notice must also be updated under certain circumstances. *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (c)(ii).

[49] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (c)(iii).

[50] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(i).

[51] *See* proposed Holdings By-Laws, Sections 9.4 and 9.5(b).

except for transfers by bequest, operation of law, or judicial decree under certain circumstances.[52]

In addition to these transfer restrictions, shares of Holdings would be ''restricted securities'' under the Securities Act of 1933 (''Securities Act'') and only may be transferred pursuant to an effective registration statement under the Securities Act and in accordance with applicable state securities laws or, if an exemption from registration is available, upon delivery to Holdings of a satisfactory opinion of counsel that such transfer may be effected pursuant to the exemption. In addition, counsel to Holdings may require delivery of documentation to ensure that the transfer complies with the Securities Act and state securities laws before such transfer is effected.[53] In the Demutualization Notice, the Exchange stated that Holdings had no intention to register its common stock under the Securities Act or the Act, and, unless waived in writing by the Holdings Board, no transfer would be honored by Holdings that would cause Holdings to have to do so or to become subject to the reporting requirements of the Act.[54]

(v) Self-Regulatory Function and Oversight

The Holdings By-Laws contain various provisions designed to protect the independence of the self-regulatory function of NSX. For example, under the Holdings By-Laws, for as long as Holdings controls NSX, the Holdings Board and the directors, officers, and employees of Holdings must give due regard to the preservation of the independence of the self-regulatory function of NSX and to its obligations to investors and the general public, and are prohibited from taking actions that would interfere with the effectuation of decisions by the Board of Directors of NSX (''NSX Board'') relating to NSX's regulatory functions, including disciplinary matters, or which would interfere with NSX's ability to carry out its responsibilities under the Act.[55]

The Holdings By-Laws also contain a specific requirement that all books and records of NSX, and the information contained therein, that reflect confidential information pertaining to the self-regulatory function of NSX, which come into the possession of Holdings, must be retained in confidence by Holdings and its Board, officers, employees, and agents, and must not be used for any non-regulatory purposes.[56] In addition, the Holdings By-Laws provide that, to the extent they are related to the activities of NSX, the books, records, premises, officers, directors, agents, and employees of Holdings are deemed to be the books, records, premises, officers, directors, agents, and employees of NSX for the purposes of, and subject to oversight pursuant to, the Act.[57]

Pursuant to the Holdings By-Laws, Holdings must comply with the Federal securities laws and the rules and regulations promulgated thereunder. The Holdings By-Laws also provide that Holdings must cooperate with the Commission and NSX pursuant to and to the extent of their respective regulatory authority, and that the officers, directors, employees, and agents of Holdings, by virtue of their acceptance of such position, are deemed to agree to cooperate with the Commission and NSX in respect of the Commission's oversight responsibilities regarding NSX and the self-regulatory function and responsibilities of NSX.[58] In addition, the Holdings By-Laws provide that Holdings, its officers, directors, employees, and agents, by virtue of their acceptance of such positions, are deemed to irrevocably submit to the jurisdiction of the U.S. federal courts, the Commission and NSX, for the purpose of any suit, action, or proceeding pursuant to the U.S. federal securities laws, and the rules and regulations promulgated thereunder, arising out of, or relating to, the activities of NSX.[59]

Finally, the Holdings Certificate of Incorporation and the Holdings By-Laws provide that, as long as Holdings controls NSX, before any change to the Holdings Certificate of Incorporation or the Holdings By-Laws, respectively, will be effective, such change must be submitted to the NSX Board, and if the NSX Board determines that the change must be filed with or filed with and approved by the Commission before it may be effective, the change will not be effective until it is filed with, or filed with and approved by, the Commission, as the case may be.[60]

(b) NSX

Following the demutualization, NSX would become a Delaware for-profit stock corporation, with the authority to issue 1,000 shares of common stock. At all times, all of the voting stock of NSX would be owned by Holdings.[61] NSX would continue to be the entity registered as a national securities exchange under Section 6 of the Act[62] and, accordingly, NSX would continue to be a self-regulatory organization (''SRO'').[63]

(i) Governing Documents and NSX Rules

The proposed NSX Certificate of Incorporation,[64] NSX By-Laws, and NSX Rules (with the proposed changes described in this document) would govern the activities of NSX. NSX stated that these rules and governance documents reflect, among other things, NSX's status as a wholly-owned subsidiary of Holdings, its management by the NSX Board and its designated officers, and its self-regulatory responsibilities pursuant to NSX's registration under Section 6 of the Act. NSX's proposed governance documents are designed to be consistent with its current governance structure, with certain changes based upon its proposed new corporate form.

(ii) Board of Directors

After the demutualization, the NSX Board would initially consist of 13 directors. The NSX Board would be initially comprised of the CEO of NSX,

[52] *See* proposed Holdings By-Laws, Section 9.6.

[53] *See* proposed Holdings By-Laws, Section 9.5(a).

[54] *See* proposed Holdings By-Laws, Section 9.5(c).

[55] *See* proposed Holdings By-Laws, Section 3.1.

[56] *See* proposed Holdings By-Laws, Section 3.2.

[57] *See* proposed Holdings By-Laws, Section 3.3. This provision also requires Holdings to maintain its books and records in the United States.

[58] *See* proposed Holdings By-Laws, Section 3.4. *See* Amendment No. 1, *supra* note 3.

[59] *See* proposed Holdings By-Laws, Section 3.5. Pursuant to the Holdings By-Laws, Holdings would be required to take reasonable steps necessary to cause its officers, directors, and employees, prior to accepting a position as an officer, director, or employee, as applicable, of Holdings, to consent in writing to the applicability to them of the provisions described in this and the preceding two paragraphs with respect to their activities related to NSX; *see* Amendment No. 1, *supra* note 3.

[60] *See* proposed Holdings Certificate of Incorporation, Article Twelfth, and proposed Holdings By-Laws, Article VIII. These provisions additionally state, respectively, that (i) any change to the proposed Holdings Certificate of Incorporation must also be first approved by the Holdings Board and (ii) any change to the proposed Holdings By-Laws may be made by either the stockholders of Holdings or the Holdings Board. In addition, under Article Fourth, paragraph (e) of the proposed Holdings Certificate of Incorporation, holders of preferred stock (voting separately as single class) must approve any change to the Holdings Certificate of Incorporation that would change the terms of that preferred stock. No preferred stock is currently issued and outstanding.

[61] *See* proposed NSX Certificate of Incorporation, Article Fourth.

[62] 15 U.S.C. 78f.

[63] In addition, NSX stated that it would continue to adhere to the undertakings in the Order (*see supra note* 10) including, without limitation, the structure provisions of a Regulatory Oversight Committee, the separation of the regulatory functions from the commercial interests of the Exchange, and the retention of third parties to review the Exchange's regulatory functions.

[64] Due to differences in terminology between Ohio and Delaware law, the Exchange's Articles of Incorporation are proposed to be renamed its ''Certificate of Incorporation.''

3 ETP Holder Directors,[65] 7 Independent Directors,[66] and 2 directors who are executive officers of CBOE, its members,[67] or executive officers of CBOE member organizations.[68] Currently, the Exchange's Board of Directors consists of the CEO of NSX, 3 proprietary members or executive officers of proprietary members, 7 independent directors, and 2 executive officers of CBOE, CBOE members, or executive officers of CBOE member organizations.

Under the proposed rule change, the NSX Board may by resolution increase its size to up to 20 directors. Directors added to the NSX Board to fill these new director positions will be (i) Independent Directors, to the extent necessary for the NSX Board to include at least 50% Independent Directors; (ii) ETP Holder Directors, to the extent necessary for the NSX Board to include at least 20% ETP Holder Directors; and (iii) persons who do not qualify as Independent Directors (''At-Large Directors''), for the remainder of the positions added to the NSX Board that are not filled with Independent Directors or ETP Holder Directors pursuant to clauses (i) and (ii) above. At all times, the NSX Board must include the CEO of NSX, at least 50% Independent Directors and 3 ETP Holder Directors (or such greater number of ETP Holder Directors as is necessary to comprise at least 20% of the NSX Board).[69]

No two or more directors under the proposed NSX By-Laws may be partners, officers, or directors of the same person or be affiliated with the same person, unless such affiliation is with a national securities exchange or Holdings.[70] Directors of NSX other than the CEO and the CBOE Directors would be divided into three classes, consisting as nearly as possible of equal numbers of directors.[71] After completion of an initial phase-in schedule, these directors would serve for staggered three-year terms, with the term of one class expiring each year. The CEO's appointment as a director would coincide with his or her term as CEO of NSX.[72] The CBOE Directors would each serve a one year term.[73]

Under the proposed NSX By-Laws, the NSX Board is subject to change upon certain events in accordance with the TORA between CBOE and NSX.[74] Under the TORA, CBOE was provided with 4 put rights to transfer its equity interests in NSX to NSX and NSX was provided with 4 call rights on those equity interests. According to NSX, as of March 10, 2006, the first of these put rights was exercised by CBOE, decreasing the number of director positions of NSX filled by a representative of CBOE from 3 to 2 and increasing the number of positions filled by independent directors from 6 to 7. Under the proposed NSX By-Laws:

- On the second closing of a put or call under the TORA, the number of positions on the NSX Board filled by representatives of CBOE will be reduced from 2 to 1. The vacant director position must be filled by an At-Large Director, unless an Independent Director is needed to maintain at least 50% Independent Directors on the NSX Board.[75]
- On the earlier of the date CBOE owns less than 5% of the outstanding capital stock of Holdings or the third anniversary of the fourth closing of a put or call under the TORA, CBOE's appointed positions on the NSX board will decrease to zero. The vacant director position must be filled with an At-Large Director, unless an Independent Director is needed to maintain at least 50% Independent Directors on the NSX Board.[76]

The NSX Board would elect its Chairman from among the directors of the NSX Board. The Chairman of the NSX Board may also serve as the CEO and President of NSX, but may hold no other offices in NSX. Unless the Chairman also serves as the CEO of NSX, the NSX Board must elect the Chairman from among the Independent Directors of the NSX Board.[77]

In most cases, vacancies on the NSX Board would be filled by the remaining directors of NSX. If the vacancy has resulted from a director being removed for cause by the stockholders of NSX, however, that vacancy may be filled by the stockholder of NSX (*i.e.*, Holdings) at the same meeting at which the director was removed. Any director appointed to fill a vacancy would serve until the expiration of the term of office of the replaced director or until the end of the term for a newly-created directorship.[78]

(iii) Nomination and Election of Directors

After the formation of the initial NSX Board, the NSX Governance and Nominating Committee would nominate directors for each director position (other than CBOE director positions) standing for election at the annual meeting of stockholders that year. Candidates for CBOE Directors would be nominated by the Board of Directors of CBOE at its annual meeting or within 20 days of NSX's annual stockholders' meeting. Because ETPs are not equity interests in NSX, ETP Holders are not entitled to directly elect members of the NSX Board. Rather, Holdings, as the sole stockholder of NSX, would have the sole right and the obligation to vote for the directors of the NSX Board.[79]

Specifically, the ETP Holder Director Nominating Committee of NSX (which would be composed solely of ETP Holder Directors and/or ETP Holder representatives) would consult with the NSX Governance and Nominating Committee, the Chairman, and the CEO of NSX and solicit comments from ETP Holders for the purpose of approving and submitting names of ETP Holder Director candidates.[80] These initial candidates for nomination would be announced to ETP Holders, who would then have the opportunity to identify additional candidates for nomination to ETP Holder Director positions by submitting a petition signed by at least ten percent of the ETP Holders. An ETP Holder may endorse as many candidates as there are ETP Holder Director positions to be filled. If no petitions are submitted within the time frame prescribed by the NSX By-Laws, the initial candidates approved and submitted by the ETP Holder Director Nominating Committee would be

[65] An ETP Holder Director is defined under the proposed NSX By-Laws as a director who is an ETP Holder or a director, officer, managing member or partner of an entity that is an ETP Holder. *See* proposed NSX By-Laws, Section 1.1(E)(2).

[66] An Independent Director is defined under the proposed NSX By-Laws as a member of the NSX Board that the NSX Board has determined to have no material relationship with NSX or any affiliate of NSX, or any ETP Holder or any affiliate of any such ETP Holder, other than as a member of the NSX Board. *See* proposed NSX By-Laws, Section 1.1(I)(1). This definition is consistent with the definition of Independent Director in the current By-Laws of NSX. NSX states that at least one Independent Director will be representative of investors; *see* Amendment No. 1, *supra* note 3.

[67] A CBOE member is defined under the proposed NSX By-Laws as an individual CBOE member or a CBOE member organization that is a regular member or special member of CBOE (as such terms are described in the Constitution of the CBOE), as such CBOE members may exist from time to time. *See* proposed NSX By-Laws, Section 1.1(C)(2).

[68] *See* proposed NSX By-Laws, Section 3.2(a).

[69] *See* proposed NSX By-Laws, Section 3.2(b); *see* Amendment No. 1, *supra* note 3.

[70] *See* proposed NSX By-Laws, Section 3.2(c).

[71] *See* proposed NSX By-Laws, Section 3.4.

[72] *See* proposed NSX By-Laws, Section 3.4(a).

[73] *See* proposed NSX By-Laws, Section 3.4(d).

[74] *See generally* proposed NSX By-Laws, Section 3.3.

[75] *See* proposed NSX By-Laws, Section 3.3(a).

[76] *See* proposed NSX By-Laws, Section 3.3(b).

[77] *See* proposed NSX By-Laws, Section 3.6.

[78] *See* proposed NSX By-Laws, Section 3.7(a).

[79] Under Section 10.5(a) of the proposed By-Laws of Holdings, the power to vote the stock of NSX held by Holdings would be with the CEO of Holdings, unless the Holdings Board instructs otherwise or unless the Holdings Board or the CEO of Holdings confers such power on another person.

[80] *See* proposed NSX By-Laws, Section 3.5.

nominated. If one or more valid petitions are submitted, the ETP Holders would vote on the entire group of potential candidates, and the individuals receiving the largest number of votes would be the ETP Holder Director nominees.[81]

(iv) Committees

The NSX Board would have the following committees: (1) A Business Conduct Committee; (2) a Securities Committee; (3) an Appeals Committee; (4) a Governance and Nominating Committee; (5) an ETP Holder Director Nominating Committee; (6) a Regulatory Oversight Committee; (7) a Compensation Committee; (8) an Executive Committee; and (9) an Audit Committee.[82] The NSX Board may establish other committees from time to time. Each committee would have the authority and responsibilities prescribed for it in the NSX By-Laws, the rules of the Exchange, or by the NSX Board.[83]

The Chairman of the NSX Board would appoint, and may remove, the members of the committees, subject to the approval of the NSX Board.[84] Each committee must have at least 3 members.[85] The Executive Committee would have the powers that the NSX Board delegates to it, except the power to change the membership of, or fill vacancies in, the Executive Committee.[86] The ETP Holder Director Nominating Committee would have the power to approve and submit names of candidates for election to the position of ETP Holder Director in accordance with the NSX By-Laws.[87] The Regulatory Oversight Committee would oversee all of the regulatory functions and responsibilities of NSX and advise the NSX Board on regulatory matters.[88] The Regulatory Oversight Committee's duties and responsibilities are outlined in its charter.[89]

(v) Management

The officers of NSX would be a CEO, a President, a Chief Regulatory Officer, a Secretary, and a Treasurer, and such other officers as the NSX Board may determine.[90] Any two or more offices may be held by the same person, except that the Chief Regulatory Officer and the Secretary may not be the CEO or the President.[91] The Chairman of the NSX Board, subject to approval of the NSX Board, may designate one or more officers or other employees of NSX to serve as an Arbitration Director, who would perform or delegate all ministerial duties in connection with matters submitted for arbitration pursuant to the rules of NSX.[92]

(vi) Self-Regulatory Function and Oversight

Following the demutualization, NSX would continue to be registered as a national securities exchange under Section 6 of the Act and thus would continue to be an SRO.[93] As an SRO, NSX would be obligated to carry out its statutory responsibilities, including enforcing compliance by ETP Holders with the provisions of the Federal securities laws and the applicable rules of NSX. Further, it would retain the responsibility to administer and enforce the rules that govern NSX and the activities of its ETP Holders. In addition, it would continue to be required to file with the Commission, pursuant to Section 19(b) of the Act[94] and Rule 19b–4 thereunder,[95] any changes to its rules and governing documents. The structural protections adopted by NSX pursuant to the Order help to ensure that NSX's regulatory functions are independent from the commercial interests of NSX and its members would remain in effect following demutualization.

Like the proposed Holdings By-Laws, the proposed NSX By-Laws contain specific provisions relating to the self-regulatory function of NSX.[96] For example, the proposed NSX By-Laws require the NSX Board to consider applicable requirements under Section 6(b) of the Act in connection with the management of the Exchange.[97] In addition, meetings of the NSX Board and of the committees of NSX that pertain to the self-regulatory function of NSX must be closed to persons who are not members of the NSX Board or NSX officers, staff, counsel, or other advisors whose participation is necessary or appropriate to the self-regulatory function of NSX, or representatives of the Commission.[98]

Further, the NSX books and records reflecting confidential information relating to the self-regulatory function of NSX must be kept confidential, must not be used for non-regulatory purposes, and must not be made available to any person other than those directors, officers, and agents of NSX to the extent necessary or appropriate to properly discharge NSX's self-regulatory responsibilities, and the books and records of NSX must be maintained in the U.S.[99] The proposed NSX By-Laws also provide that any revenues received by NSX from fees derived from its regulatory function or regulatory penalties must be applied to fund the legal and regulatory operations of NSX or to pay restitution and disgorgement of funds intended for NSX customers, and may not be used to pay dividends.[100]

[81] Under Section 3.5(e) of the proposed NSX By-Laws, each ETP Holder, regardless of its affiliation with other ETP Holders, will have one vote with respect to each ETP Holder Director position to be filled, but may not cast such votes cumulatively. The CBOE directors are elected by the Board of Directors of CBOE at its January meeting or as soon thereafter as possible. The current By-Laws of NSX also contain a procedure for proprietary member director nominations, whereby one proprietary member director candidate is nominated by the Nominating Committee and additional proprietary member director candidates may be nominated by a petition signed by ten percent or more of the proprietary members. At an annual election during the annual meeting of members, the proprietary members vote for the proprietary member directors among the nominated candidates.

[82] *See* proposed NSX By-Laws, Section 5.1.

[83] *See* proposed NSX By-Laws, Sections 5.1 and 5.3.

[84] Under Section 5.2 of the proposed NSX By-Laws, the terms of committee members are subject to the appointment and removal process of the Chairman and NSX Board.

[85] *See* proposed NSX By-Laws, Section 5.2.

[86] *See* proposed NSX By-Laws, Section 5.5.

[87] *See* proposed NSX By-Laws, Section 5.7.

[88] *See* proposed NSX By-Laws, Section 5.6.

[89] NSX stated that the Regulatory Oversight Committee's charter following demutualization would be the same as the charter previously filed with the Commission, and is consistent with the terms of the Order. *See* Securities Exchange Act Release No. 34–52573 (October 7, 2005), 70 FR 60113 (October 14, 2005) (File No. SR-NSX–2005–07). strategies of the Exchange's ETP Holders.

[90] *See* proposed NSX By-Laws, Section 6.1.

[91] *See* proposed NSX By-Laws, Section 6.1.

[92] *See* proposed NSX By-Laws, Section 6.6.

[93] *See* 15 U.S.C. 78c(a)(26).

[94] 15 U.S.C. 78s(b).

[95] 17 CFR 240.19b–4.

[96] *See* proposed NSX By-Laws, Article X.

[97] *See* proposed NSX By-Laws, Section 10.1. Section 6(b) of the Act requires, among other things, that the Exchange's rules be designed to protect investors and the public interest. It also requires that the Exchange be so organized that it has the capacity to carry out the purposes of the Act and to enforce compliance by its members with the Act, the rules and regulations promulgated thereunder, and the rules of the Exchange.

[98] See proposed NSX By-Laws, Section 10.2. In addition, members of the Holdings Board who are also not members of the NSX Board and any officers, staff, counsel, or advisors of Holdings who do not hold similar positions with respect to NSX would not be allowed to participate in any meeting of the NSX Board (or any committee of NSX) that pertains to the self-regulatory function of NSX. These requirements and the requirements relating to the confidentiality of records are not, however, designed to prevent the Exchange from sharing with Holdings the type of information about the Exchange's business that would ordinarily be shared with a parent corporation, including information relating to the Exchange's compliance with applicable laws, reports from the Commission or others evaluating the Exchange's self-regulatory programs, and information about the trading activities and business strategies of the Exchange's ETP Holders.

[99] *See* proposed NSX By-Laws, Sections 10.3.

[100] *See* proposed NSX By-Laws, Section 10.4.

(vii) Restrictions on Ownership and Transfer

Although there are no percentage-based restrictions on the ownership of NSX, the proposed NSX Certificate of Incorporation confirms that Holdings will own all of the voting stock of NSX at all times.[101]

(viii) Changes to Certificate of Incorporation and By-Laws

Under the proposed NSX Certificate of Incorporation, any change to that document must first be approved by the NSX Board and, if required to be approved or filed with the Commission before it may become effective, cannot take effect until the procedures of the Commission necessary to make it effective have been satisfied.[102]

Similarly, under the proposed NSX By-Laws, any change to that document that is required to be approved by or filed with the Commission before it may become effective cannot take effect until the procedures of the Commission necessary to make it effective have been satisfied.[103] Changes to the NSX By-Laws as proposed may be made by either the stockholders of NSX or the NSX Board, except that certain provisions relating to the NSX Board, and to the voting of NSX stockholders may not be changed without the approval of the stockholder of NSX.[104]

(c) Other Provisions in the Certificates of Incorporation and By-Laws

The proposed Holdings By-Laws, Holdings Certificate of Incorporation, NSX Certificate of Incorporation, and NSX By-Laws contain other customary provisions of for-profit corporations, such as provisions relating to corporate offices and corporate purposes;[105] director meetings, voting, removal, compensation and limitation of liability;[106] indemnification of, and insurance for, directors, officers, employees and agents, and advancement of expenses related to defending certain actions;[107] stock certificate procedures;[108] stockholder ownership, including provisions relating to the timing and conduct of meetings, record dates, quorum requirements, proxies, and other matters;[109] and other general provisions.[110]

(2) National Market System Plans

NSX currently is a participant in various National Market System (''NMS'') plans, including, but not limited to, the Consolidated Tape Association Plan, the Consolidated Quotation System Plan, the Intermarket Trading System Plan, the Intermarket Surveillance Group, and the Reporting Plan for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis (''Nasdaq UTP'') Plan. These plans are joint industry plans entered into by SROs for the purpose of addressing last sale reporting, quotation reporting, and intermarket equities trading. Following the completion of the demutualization, NSX, in its continuing role as the SRO, would continue to serve as the voting member of these NMS plans, and a representative of NSX would continue to serve as the Exchange's representative with respect to dealing with these plans.

(3) Equity Trading Permits; Administrative Changes

The proposed rule change includes proposed changes to the Rules of the Exchange that are necessary to implement the proposed ETP structure. Following NSX's demutualization, persons and firms who have been qualified for membership pursuant to the Exchange's current Rules and By-Laws and, as a result, have access to the Exchange's trading facilities would receive ETPs entitling them to maintain their trading access to NSX and would be referred to as ETP Holders. References to ''members,'' ''member organizations,'' and similar terms in the current Rules of the Exchange would be replaced with references to ''ETP Holders'' and similar terms in the NSX Rules.

Each ETP would constitute a revocable license allowing the holder of the permit access to the Exchange's trading facilities in the same manner as previously authorized for NSX's qualified trading members.[111] The demutualization and the implementation of the use of ETPs would not change current NSX member access to the Exchange or their ability to execute transactions. Persons holding ETPs of NSX would be ''members'' of the Exchange for purposes of the Act and, as noted above, would be characterized as ETP Holders subject to NSX's regulatory jurisdiction.[112] ETP Holders would not have any ownership interest in NSX or in Holdings by virtue of their ETPs.

Provisions of the current By-Laws of NSX relating to members would be moved to a single chapter in the NSX Rules regarding ETP Holders, with certain changes based upon the fact that ETP Holders would be subject to different application processes and would not have to purchase and own a certificate of proprietary membership.[113] Following the demutualization, the Exchange would require persons seeking ETPs to complete appropriate application materials and registration forms, satisfy regulatory requirements, and pay processing charges and application fees as designated by the Exchange. Unlike NSX's current membership application process, ETP Holders would not be required to be approved by NSX's Membership Committee, ETP Holders would be subject to the financial responsibility requirements of Rule 15c3–1 under the Act (but would not be subject to a separate net capital requirement), and ETP applicants would not need to purchase shares of either NSX or Holdings.[114]

Once issued, an ETP would be effective until voluntarily terminated by the ETP Holder or until revoked by NSX

[101] *See* proposed NSX Certificate of Incorporation, Article Fourth.

[102] *See* proposed NSX Certificate of Incorporation, Article Eleventh.

[103] *See* proposed NSX Certificate of Incorporation, Article Seventh.

[104] *See* proposed NSX Certificate of Incorporation, Article Seventh and proposed NSX By-Laws, Section 8.1. In addition, Sections 3.1(b) and 8.2 of the proposed NSX By-Laws permit the NSX Board to amend, repeal, and adopt new Rules of the Exchange.

[105] *See* proposed NSX Certificate of Incorporation, Articles Second and Third, and proposed NSX By-Laws, Article II; *see* proposed Holdings Certificate of Incorporation, Articles Second and Third, and proposed Holdings By-Laws, Article I.

[106] *See* proposed NSX Certificate of Incorporation, Articles Fifth and Eighth, and proposed NSX By-Laws, Article III and Section 7.1; *see* proposed Holdings Certificate of Incorporation, Articles Sixth and Ninth, and proposed Holdings By-Laws, Article II and Section 7.1.

[107] *See* proposed NSX By-Laws, Article VII, and proposed Holdings By-Laws, Article VII. In addition, under these provisions, neither corporation is liable for any loss or damage sustained by a current or former member of NSX or ETP Holder relating to such person's use of the facilities of the Exchange or its subsidiaries.

[108] *See* proposed NSX By-Laws, Article IX, and proposed Holdings By-Laws, Article IX.

[109] *See* proposed NSX Certificate of Incorporation, Article Ninth, and proposed NSX By-Laws, Article IV; *See* proposed Holdings Certificate of Incorporation, Article Tenth, and proposed Holdings By-Laws, Article IV.

[110] *See, for example,* proposed NSX Certificate of Incorporation, Article Tenth, and proposed NSX By-Laws, Article XI; *See, e.g.,* proposed Holdings Certificate of Incorporation, Article Eleventh, and proposed Holdings By-Laws, Article X.

[111] *See* proposed NSX Rules, Chapter II, Rules 2.1 and 2.2, and proposed NSX Rules, Chapter I, Rule 1.5 (definition of ''ETP'').

[112] *See* proposed NSX Rules, Chapter I, Rule 1.5 (definition of ''ETP Holder'').

[113] Currently, applicants for membership are required to purchase and own a certificate of proprietary membership in order to become a member of NSX. *See* Article II, Section 5.2 of the current By-Laws of NSX. In connection with the demutualization, all outstanding certificates of proprietary membership would be cancelled and no other certificates of proprietary membership would be issued by NSX following the demutualization.

[114] *See* proposed NSX Rules, Chapter II.

for, among other things, noncompliance with the NSX Rules.[115] NSX would have the ability to revoke an ETP for the same reasons that it is currently entitled to revoke a membership.[116] An ETP could not be sold, leased, or otherwise transferred.[117] There would be nominal processing charges and application fees relating to the issuance of ETPs. In addition, ETP Holders would be subject to such fees as are designated by NSX or set forth in the NSX Rules.[118]

Certain other provisions of the current By-Laws of NSX respecting listing standards and other matters not relating to the Exchange's corporate governance would be moved to the NSX Rules. The provisions contained in Article IV of the current By-Laws of NSX (relating to Securities Listed on the Exchange) would be moved to a new Chapter XV of the NSX Rules. In addition, current Rules 13.6 and 13.7 (relating to Listing Standards) would be moved to this new Chapter XV of the NSX Rules.[119]

Finally, new NSX Rule 2.10 would prohibit, without prior Commission approval, either (i) NSX or any NSX affiliate from directly or indirectly acquiring or maintaining an ownership interest in an ETP Holder, or (ii) an ETP Holder being or becoming an affiliate of NSX or any affiliate of NSX. Under proposed Rule 2.10, the term ''affiliate'' has the meaning specified in Rule 12b–2 of the Act. Proposed Rule 2.10 would not prohibit any ETP Holder or its affiliate from acquiring or holding an equity interest in Holdings that is permitted by the ownership and voting limitations in the Holdings Certificate of Incorporation, and would not prohibit an ETP Holder or an officer, director, manager, managing member, partner, or affiliate of an ETP Holder being or becoming an ETP Holder Director or an At-Large Director on the NSX Board, or a member of the Holdings Board.[120]

III. Summary of Comments

The Council of Institutional Investors (''CII'') wrote to express its concern over the potential conflict of interest that could arise when an exchange is responsible for regulating its members and at the same time operating as a for-profit entity. The CII believes that this conflict of interest is ''untenable'' and has created problems in the past and will continue to create problems in the future.[121] To address this conflict, the CII recommends that: (1) Regulatory operations of NSX should be made independent of the Exchange and adequately funded; and (2) listing standard requirements should be made a regulatory responsibility rather than the responsibility of the Exchange.[122]

NSX responded to the CII comment letter on June 5, 2006.[123] The Exchange asserted that the two concerns raised by CII have already been addressed by the Exchange prior to the filing of this proposed rule change. The NSX noted that it created a Regulatory Oversight Committee (''ROC'') that is charged with overseeing all regulatory functions and responsibilities, including recommending an adequate operating budget for the Exchange's regulatory functions. The Exchange also created the position of Chief Regulatory Officer who reports directly to the ROC and not the Chief Executive Officer. This structure separates the regulatory operations from the Exchange. NSX stated that this structure assured that listing standard requirements are a regulatory rather than an Exchange responsibility as they are the function of the Regulatory Services Division.

IV. Discussion

After careful review, the Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.[124] In particular, the Commission finds that the proposed rule change, as amended, is consistent with Section 6(b)(1) of the Act,[125] which requires a national securities exchange to be so organized and have the capacity to carry out the purposes of the Act and to enforce compliance by its members and persons associated with its members with the provisions of the Act. The Commission also finds that the proposed rule change, as amended, is consistent with Section 6(b)(3) of the Act,[126] which requires that the rules of a national securities exchange assure the fair representation of its members in the selection of its directors and administration of its affairs, and provide that one or more directors shall be representative of issuers and investors and not be associated with a member of the exchange, broker, or dealer. Further, the Commission finds that the proposed rule change, as amended, is consistent with Section 6(b)(5) of the Act,[127] in that it is designed, among other things, to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

A. Holdings as Sole Shareholder

Following completion of the demutualization, Holdings would be the sole shareholder of NSX. Section 19(b) of the Act[128] and Rule 19b–4 thereunder[129] require an SRO to file proposed rule changes with the Commission. Although Holdings is not an SRO, certain provisions of its Certificate of Incorporation and By-Laws may be rules of an exchange[130] if they are the stated policies, practices, or interpretations, as defined in Rule 19b–4 of the Act, of NSX. Any proposed rule or any proposed change in, addition to, or deletion from, the rules of an exchange must be filed with the Commission pursuant to Section 19(b) of the Act and Rule 19b–4 thereunder. Accordingly, NSX has filed the Holdings Certificate of Incorporation Holdings By-Laws with the Commission. If Holdings decides to change its Certificate of Incorporation or By-Laws, it must submit such changes to the NSX Board so that it can determine if the changes must be filed with, and approved by, the Commission.[131] The Commission believes that these provisions would assist NSX in fulfilling its self-regulatory obligations and in administrating and complying with the requirements under the Act.

[115] *See* proposed NSX Rules, Chapter II, Rules 2.6 and 2.7.

[116] *See* proposed NSX Rules, Chapter II, Rule 2.6.

[117] *See* proposed NSX Rules, Chapter II, Rule 2.8.

[118] *See, generally* proposed NSX Rules, Chapter XI, Rule 11.10(B).

[119] In addition, NSX also proposes to move to the NSX Rules, and make technical changes to, certain provisions under the current By-Laws of NSX relating to Exchange Membership (Article II), Dues, Assessments and Other Charges (Article III), Securities Listed on the Exchange (Article IV), Commissions (Article XI) and Off-Exchange Transactions (Article XII).

[120] *See* Amendment No. 1, *supra* note 3.

[121] *See* CII Letter, *supra* note 6.

[122] CII Letter at 1.

[123] *See* NSX Response, *supra* note 7.

[124] In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[125] 15 U.S.C. 78f(b)(1).

[126] 15 U.S.C. 78f(b)(3).

[127] 15 U.S.C. 78f(b)(5).

[128] 15 U.S.C. 78s(b).

[129] 17 CFR 240.19b–4.

[130] Section 3(a)(27) of the Act defines the rules of an exchange to be the constitution, articles of incorporation, By-Laws, and rules, or instruments corresponding to the foregoing, of an exchange, and such stated policies, practices, or interpretations of such exchange as the Commission, by rule, may determine to be necessary or appropriate in the public interest or for the protection of investors to be deemed to be rules of such exchange. 15 U.S.C. 78c(a)(27).

[131] *See* proposed Holdings Certificate of Incorporation, Article Twelfth and Holdings By-Laws Article VIII.

B. Changes in Control of NSX

The Commission believes that the restrictions in the Holdings Certificate of Incorporation on direct and indirect changes in control of Holdings are sufficient to enable NSX to carry out its self-regulatory responsibilities and to enable the Commission to fulfill its responsibilities under the Act.[132]

Specifically, as proposed, NSX would be wholly-owned subsidiary of Holdings, *i.e.*, Holdings would own all of the shares of NSX. The NSX Certificate of Incorporation identifies this ownership structure.[133] Any changes to the NSX Certificate of Incorporation, including any change to the provision that identifies NSX shareholders, must be filed with, and approved by, the Commission pursuant to Section 19(b) of the Act.[134]

In addition, the Holdings Certificate of Incorporation imposes limitations on direct and indirect changes in control of Holdings through voting and ownership limitations placed on the capital stock of Holdings and allows Holdings to monitor potential changes in control through a notification requirement once a threshold percentage of ownership of capital stock is reached.[135] Specifically, the Holdings Certificate of Incorporation prohibits any Person, either alone or together with its Related Persons, from voting or giving a proxy or consent with respect to shares representing more than 20% of the voting power of the issued and outstanding capital stock of Holdings.[136] This restriction would not apply to the Class B or Class C common stock and, as to the Class A common stock owned by Persons other than ETP Holders and their Related Persons, may be waived by Holdings Board pursuant to a resolution adopted by the Holdings Board.[137] Before adopting such resolution, however, the Holdings Board must determine that, among other things, the waiver of the voting limitation would not impair the ability of NSX to carry out its functions and responsibilities under the Act and the rules and regulations promulgated thereunder, and would not impair the Commission's ability to enforce the Act and the rules and regulations promulgated thereunder.[138] In addition, the Holdings Board also must determine that a Person and its Related Persons that would vote more than 20% of the outstanding stock of Holdings are not subject to an applicable ''statutory disqualification'' (within the meaning of Section 3(a)(39) of the Act).[139] Finally, any resolution of the Holdings Board that would permit a Person to vote more than 20% of the outstanding stock of Holdings must be filed with and approved by the Commission before it becomes effective.[140]

Furthermore, the Holdings Certificate of Incorporation limits the right of any Person, either alone or together with its Related Persons, to enter into any agreement with respect to the withholding of any vote or proxy where the effect of the agreement would be to enable any person or group to obtain more than 20% of the outstanding voting power.[141] The Holdings Certificate of Incorporation also restricts the ability of any Person, either alone or together with its Related Persons, from owning, directly or indirectly, shares constituting more than 40% of any class of the outstanding shares of capital stock of Holdings.[142]

If any shareholder votes, sells, transfers, assigns, or pledges any shares in violation of the voting and ownership limitations, Holdings would treat those shares as owned by the transferor for all purposes, including, without limitation, voting, payment of dividends, and distributions.[143] In addition, if any shareholder votes, sells, transfers, assigns, or pledges any shares in violation of the voting and ownership limitations, Holdings has the right to redeem those shares at a price equal to the par value thereof, upon the approval of the Holdings Board.[144]

NSX has also proposed to require Holdings shareholders that own, of record or beneficially, five percent or more of the then outstanding shares to give the Holdings Board written notice of such ownership. This notice should enable Holdings to monitor the ownership of its stock to ensure that no limitation is reached.[145]

The Holdings Certificate of Incorporation also provides that no Person, either alone or together with its Related Persons, who is a ETP Holder may own, directly or indirectly, shares constituting more than 20% of any class of capital stock of Holdings.[146] However, this ownership restriction would not apply to any ETP Holder with respect to shares of Class C common stock of Holdings (which is not entitled to the right to vote) issued to the ETP Holder in connection with, and from the date of, the demutualization of NSX so long as the ETP Holder becomes compliant with the ownership limitation promptly after such issuance.[147]

The Commission finds that the limitation on ownership of shares of Holdings by NSX ETP Holders is consistent with the Act. Under the member-owned exchange model, a member who trades securities through the facilities of an exchange can have an ownership interest in the exchange. A regulatory concern can arise if a member's interest becomes so large as to cast doubt on whether the exchange can fairly and objectively exercise its self-regulatory responsibilities with respect

[132] The Commission notes that it is in the process of reviewing issues related to new ownership structures of SROs and has proposed rules relating to the ownership of SROs, including limiting the restrictions on ownership and voting to members of an SRO or a facility of an SRO. *See* Securities Exchange Act Release No. 50699 (November 18, 2004), 69 FR 71126 (December 8, 2004) (''Proposed Rulemaking''). *See also* Securities Exchange Act Release No. 51019 (January 11, 2005), 70 FR 2829 (January 18, 2005) (extending the comment period for the Proposed Rulemaking until March 8, 2005).

[133] *See* proposed NSX Certificate of Incorporation, Article Fourth.

[134] 15 U.S.C. 78s(b); *see* proposed NSX Certificate of Incorporation, Article Eleventh.

[135] The proposed Holdings Certificate of Incorporation requires that any person, either alone or together with its affiliates or associates or any other person, who at any time owns five percent or more of then outstanding shares of capital stock and who has the right to vote in the election of the NSX Holdings Board, shall, immediately upon so owning five percent or more of the then outstanding shares of such stock, give the NSX Holdings Board a written notice of such ownership and update that notice promptly after an ownership change of a specified percentage. *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (c).

[136] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(ii)(C); *see also* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (a) for definitions of ''Person'' and ''Related Person.''

[137] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraphs (b)(iii)(A) and (B). *See* Amendment No. 1, *supra* note 3.

[138] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(iii)(B).

[139] 15 U.S.C. 78c(a)(39); *see* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(iv).

[140] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(iii)(B).

[141] *See* proposed NSX Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(ii)(C).

[142] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(ii)(A).

[143] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (d).

[144] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (e).

[145] The Commission believes that NSX Holdings should disclose periodically, or otherwise make available upon request, information regarding the number of outstanding shares of its capital stock, so that persons that own stock of Holdings can determine whether they are reaching or have reached any of the thresholds that restrict that person's ability to vote or own the shares or require that person to provide written notice under the Article Fifth, paragraph (c) of the Holdings Certificate of Incorporation.

[146] *See* proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(ii)(B). Unlike the 40% ownership and 20% voting limitations discussed above, the NSX Holdings Board may not waive the 20% ownership limitation applicable to NSX trading permit holders.

[147] *See* proposed proposed Holdings Certificate of Incorporation, Article Fifth, paragraph (b)(iii)(C). *See* Amendment No. 1, *supra* note 3.

to that member. For example, a member that directly or indirectly controls an exchange might be tempted to exercise that controlling influence by directing the exchange to refrain from diligently monitoring the member's conduct or from punishing any conduct that violates the rules of the exchange or the federal securities laws. An exchange also might be reluctant to diligently monitor and conduct surveillance of trading conduct and to enforce its rules and the federal securities laws against a member that the exchange relies on for a large source of capital. The Commission believes that the proposed limitation would help mitigate the conflicts of interest that could occur if a member were to control a significant stake in the Exchange through ownership in shares in the Exchange's parent company and are necessary and appropriate to help ensure that the Exchange can effectively carry out its statutory obligations under Section 6(b) of the Act.[148]

C. Regulatory Jurisdiction Over Holdings

The Commission believes that the terms of Holdings By-Laws provide the Commission with sufficient regulatory jurisdiction over the controlling parties of the Exchange to carry out its oversight responsibilities under the Act. The Holdings By-Laws provide that, to the extent that they are related to the activities of NSX, the books, records, premises, officers, directors, agents, and employees of Holdings are deemed to be the books, records, premises, officers, directors, agents, and employees of NSX for purposes of and subject to oversight pursuant to the Act.[149] This provision would enable the Commission to exercise its authority under Section 19(h)(4) of the Act[150] with respect to officers and directors of Holdings, because all such officers and directors, to the extent that they are acting on matters related to NSX activities, would be deemed to be officers and directors of NSX. Furthermore, the books and records of Holdings, to the extent that they are related to the activities of NSX, are subject to the Commission's examination authority under Section 17(b)(1) of the Act,[151] as these records would be deemed to be the records of NSX itself.

In addition, pursuant to the Holdings By-Laws, Holdings officers, directors, employees, and agents, by virtue of their acceptance of such position, are deemed to irrevocably submit to the jurisdiction of the U.S. Federal courts, the Commission, and NSX for the purposes of any suit, action, or proceeding pursuant to the U.S. federal securities laws and the rules and regulations thereunder, arising out of, or relating to, the activities of the Exchange.[152] Moreover, Holdings and such officers, directors, employees, and agents, by virtue of their acceptance of any such position, are deemed to waive and agree not to assert by way of motion as a defense or otherwise in any such suit, action, or proceeding any claims that it or they are not personally subject to the jurisdiction of the U.S. Federal courts, the Commission, or NSX, that the suit, action, or proceeding is an inconvenient forum, or that the venue of the suit, action, or proceeding is improper, or that the subject matter of that suit, action, or proceeding may not be enforced in or by such courts or agency.[153] Finally, the Holdings By-Laws provide that the officers, directors, employees, and agents of Holdings, by virtue of their acceptance of such position, are deemed to agree to cooperate with the Commission and NSX in respect of the Commission's oversight responsibilities regarding NSX and the self-regulatory functions and responsibilities of NSX.[154]

The Commission also notes that, even in the absence of these provisions of the Holdings By-Laws, Section 20(a) of the Act[155] provides that any person with a controlling interest in NSX would be jointly and severally liable with and to the same extent that NSX is liable under any provision of the Act, unless the controlling person acted in good faith and did not directly or indirectly induce the act or acts constituting the violation or cause of action. In addition, Section 20(e) of the Act[156] creates aiding and abetting liability for any person who knowingly provides substantial assistance to another person in violation of any provision of the Act or rule thereunder, and Section 21C of the Act[157] authorizes the Commission to enter a cease-and-desist order against any person who has been ''a cause of'' a violation of any provision of the Act through an act or omission that the person knew or should have known would contribute to the violation. The Commission believes that, taken together, these provisions grant the Commission sufficient jurisdictional authority over the controlling persons of NSX. Moreover, NSX is required to enforce compliance with these provisions because they are ''rules of the exchange'' within the meaning of Section 3(a)(27) of the Act.[158] A failure on the part of NSX to enforce its rules could result in suspension or revocation of NSX's registration under Section 19(h)(1) of the Act.[159]

D. Self-Regulatory Function of NSX

Following the demutualization, the rules and By-Laws of NSX would reflect its status as a wholly-owned subsidiary of Holdings, under management of the NSX Board and its designated officers and with self-regulatory obligations pursuant to NSX's registration as a national securities exchange under Section 6 of the Act.[160]

As the sole shareholder of NSX, the Commission believes that Holdings' activities with respect to its ownership of NSX must be consistent with NSX's obligations under the Act. The Commission recognizes that the ownership structure of for-profit exchanges could present potential conflicts of interest.[161] However, the Commission believes that NSX has taken steps to address this conflict.[162] Under the Holdings By-Laws, the Holdings Board and the officers, employees, and agents of Holdings must give due regard to the preservation of the independence of the self-regulatory function of NSX and to its obligations to investors and the general public and not take any actions that would interfere with the effectuation of any decisions by the NSX Board relating to its regulatory functions or the structure of the market it regulates or which would interfere with the ability of NSX to carry out its responsibilities under the Act.[163] In addition, all books and records of NSX reflecting confidential information pertaining to its self-regulatory function (including but not limited to disciplinary matters, trading data,

[148] 15 U.S.C. 78f(b).

[149] *See* proposed Holdings By-Laws, Article III, Section 3.3.

[150] 15 U.S.C. 78s(h)(4). Section 19(h)(4) authorizes the Commission, by order, to remove from office or censure any officer or director of a national securities exchange if it finds, after notice and an opportunity for hearing, that such officer or director: (1) has willfully violated any provision of the Act or the rules and regulations thereunder, or the rules of a national securities exchange; (2) willfully abused his or her authority; or (3) without reasonable justification or excuse, has failed to enforce compliance with any such provision by a member or person associated with a member of the national securities exchange.

[151] 15 U.S.C. 78q(b)(1).

[152] *See* proposed NSX Holdings By-Laws, Article III, Section 3.5.

[153] *See* proposed NSX Holdings By-Laws, Article III, Section 3.5.

[154] *See* proposed NSX Holdings By-Laws, Article III, Section 3.4.

[155] 15 U.S.C. 78t(a).

[156] 15 U.S.C. 78t(e).

[157] 15 U.S.C. 78u–3.

[158] 15 U.S.C. 78c(a)(27).

[159] 15 U.S.C. 78s(h)(1).

[160] *See* 15 U.S.C. 78c(a)(26).

[161] *See* CII Letter. *See also supra* note 132.

[162] *See also supra*, note 132.

[163] *See* proposed NSX Holdings By-Laws, Article III, Section 3.1.

trading practices, and audit information) which come into the possession of Holdings, and the information contained therein, must be retained in confidence by Holdings and its directors, officers, employees, and agents and must not be used for any non-regulatory purposes.[164] The Commission believes that these provisions, which are designed to acknowledge the need to maintain the independence of the self-regulatory role of NSX following the demutualization and protect from improper use information pertaining to its self-regulatory function, are appropriate.

Further, the Commission notes that the NSX By-Laws expressly require that the NSX Board consider applicable requirements for registration as a national securities exchange under Section 6(b) of the Act,[165] including the requirement that the rules of the Exchange be designed to protect investors and the public interest and the requirement that the Exchange be so organized and have the capacity to carry out the purposes of the Act and to enforce compliance by its members and persons associated with members with the provisions of the Act, the rules and regulations thereunder and with the rules of the Exchange.[166] In the Commission's view, this provision should serve to remind the NSX Board that it must consider the interests of the Exchange's constituents and the requirements of the Act when taking action on behalf of the Exchange.

E. Fair Representation

Section 6(b)(3) of the Act [167] requires that the rules of an exchange assure fair representation of its members in the selection of its directors and administration of its affairs and provide that one or more directors be representative of issuers and investors and not be associated with a member of the exchange or with a broker or dealer. In addition, Section 6(b)(1) of the Act [168] requires that an exchange be so organized and have the capacity to be able to carry out the purposes of the Act.

After the demutualization, the NSX Board would initially consist of 13 directors. The NSX Board would be initially comprised of the CEO of NSX, 3 ETP Holder Directors,[169] 7 Independent Directors,[170] and 2 directors who are executive officers of CBOE, its members,[171] or executive officers of CBOE member organizations.[172] Under the proposed rule change, the NSX Board may by resolution increase its size to up to 20 directors. Directors added to the NSX Board to fill these new director positions would be (i) Independent Directors, to the extent necessary for the NSX Board to include at least 50% Independent Directors; (ii) ETP Holder Directors, to the extent necessary for the NSX Board to include at least 20% ETP Holder Directors; and (iii) persons who do not qualify as Independent Directors (''At-Large Directors''), for the remainder of the positions added to the NSX Board that are not filled with Independent Directors or ETP Holder Directors pursuant to clauses (i) and (ii) above. At all times, the NSX Board must include the CEO of NSX, at least 50% Independent Directors and 3 ETP Holder Directors (or such greater number of ETP Holder Directors as is necessary to comprise at least 20% of the NSX Board).[173]

Because NSX ETP Holders would not be shareholders of NSX, they would not directly elect members of the NSX Board. As the sole shareholder of NSX, Holdings would have the sole right and obligation to vote for the director nominees nominated by the NSX Governance and Nominating Committee. The NSX By-Laws, however, establish a procedure that would allow ETP Holders to be involved in the selection of candidates to fill ETP Director positions on the NSX Board.[174] Each participant would have one vote per trading permit with respect to each Participant Director position to be filled.[175]

The ETP Holder Director Nominating Committee, comprised entirely of ETP Holders Directors and/or ETP Holder representatives would consult with the Governance and Nominating Committee, the Chairman of the Board and the Chief Executive Officer, and solicit comments from the ETP Holders and submit a list of candidates for election to the position of ETP Holder Director to the Governance and Nominating Committee. ETP Holder may petition in a timely manner to add additional nominees provided that the petition is signed by 10 or more percent of all ETP Holders. The ETP Holder Director candidates receiving the most votes from ETP Holders shall be the directors elected to the NSX Board as ETP Directors by NSX Holdings. If no timely petitions are received, the slate of candidates put forth by the ETP Holder Director Nominating Committee shall be the ETP Directors elected to the NSX Board by NSX Holdings.[176]

The Commission finds that the requirement that at least one-half of the directors of the NSX Board be Independent Directors is consistent with Sections 6(b)(1) and 6(b)(3) of the Act, which requires that one or more directors be representative of issuers and investors. The Commission also finds that the requirement that at least 20% of the directors be ETP Directors and the manner in which such directors would be nominated and elected, satisfies the fair representation requirements in Section 6(b)(3) of the Act. The Commission notes, however, that after the demutualization trading privileges would be separated from corporate ownership of NSX and would be available exclusively through trading permits. Therefore, the Commission expects that trading permits would not be issued in a manner that would undermine or circumvent the requirement in Section 6(b)(3) of the Act for fair representation of members. The Commission also notes that participants would retain a voice in the administration of the affairs of NSX following the demutualization, including rulemaking and the disciplinary process, through participants' participation on the NSX Board.

[164] *See* proposed NSX Holdings By-Laws, Article III, Section 3.2.

[165] 15 U.S.C. 78f(b).

[166] *See* proposed NSX By-Laws, Article X, Section 3.1.

[167] 15 U.S.C. 78f(b)(3).

[168] 15 U.S.C. 78f(b)(1).

[169] An ETP Holder Director is defined under the proposed NSX By-Laws as a director who is an ETP Holder or a director, officer, managing member or partner of an entity that is an ETP Holder. *See* proposed NSX By-Laws, Section 1.1(E)(2).

[170] An Independent Director is defined under the proposed NSX By-Laws as a member of the NSX Board that the NSX Board has determined to have no material relationship with NSX or any affiliate of NSX, or any ETP Holder or any affiliate of any such ETP Holder, other than as a member of the NSX Board. *See* proposed NSX By-Laws, Section 1.1(I)(1). The Commission notes that NSX has stated that at least one Independent Director will be representative of investors; *see* Amendment No. 1, *supra* note 3.

[171] A CBOE member is defined under the proposed NSX By-Laws as an individual CBOE member or a CBOE member organization that is a regular member or special member of CBOE (as such terms are described in the Constitution of the CBOE), as such CBOE members may exist from time to time. *See* proposed NSX By-Laws, Section 1.1(C)(2). *See also supra* subsection II.b.(1)(b)(ii) for a discussion of CBOE's equity interest in the Exchange.

[172] *See* proposed NSX By-Laws, Section 3.2(a). *See also supra* note 20.

[173] *See* proposed NSX By-Laws, Section 3.2(b); *see* Amendment No. 1, *supra* note 3.

[174] *See* proposed NSX By-Laws, Section 3.5; *see* discussion of nominating process in Discussion section *supra*.

[175] Under Section 3.5(e) of the proposed NSX By-Laws, each ETP Holder, regardless of its affiliation with other ETP Holders, will have one vote with respect to each ETP Holder Director position to be filled, but may not cast such votes cumulatively.

[176] *See* proposed NSX By-Laws, Sections 3.5 and 5.1.

Finally, the Commission notes that it is in the process of reviewing a range of governance issues relating to SROs, including possible steps to strengthen the framework for the governance of SROs and ways to improve the transparency of the governance procedures of all SROs and has proposed rules in furtherance of this goal.[177] Depending on the results of the proposed rules, NSX may be required to make further changes to strengthen its governance structure. The Commission also believes that the NSX Board should continue to monitor and evaluate its governance structure and process on an ongoing basis and propose further changes as appropriate.

F. Dividends

With the demutualization, the holders of capital stock of NSX, in this case Holdings, would have the dividend and other distribution rights of a shareholder in a Delaware stock corporation. The NSX By-Laws allow the NSX Board to declare dividends.[178] However, the NSX By-Laws further provide that any revenues received by NSX from regulatory fees or regulatory penalties would be applied to fund the legal and regulatory operations, including the surveillance and enforcement activities, of NSX and would not be used to pay dividends.[179] This limitation would preclude NSX from providing dividends derived from regulatory fees or penalties to the sole shareholder of NSX, *i.e.*, Holdings. As a result, Holdings would not be able to provide dividends derived from regulatory fees or penalties belonging to NSX to the shareholders of Holdings. The Commission finds that the prohibition on the use of regulatory fees or penalties to fund dividends is consistent with Section 6(b)(1) of the Act because it would ensure that the regulatory authority of NSX is not used improperly to benefit Holdings and its shareholders.

G. Other Changes

Following the demutualization, NSX would continue to serve as a voting member of various NMS plans addressing last sale reporting, quotation reporting, and intermarket equities trading. In addition, following the demutualization, NSX will put into effect certain rule changes necessary to implement its proposed ETP structure, including referring to persons and firms who are currently qualified for Exchange membership under its current Rules and By-Laws as ETP Holders, entitling them to maintain their trading access to the Exchange; corresponding changes to references in the Exchange's Rules to ''members,'' ''member organizations,'' and similar terms would also be made. ETP Holders would have revocable licenses allowing them to access the Exchange's trading facilities in the same manner currently authorized for qualified trading members. In addition, ETP Holders would be ''members'' of the Exchange for purposes of the Act and would be subject to NSX's regulatory jurisdiction and oversight. However, ETP Holders would not have any ownership interest in the Exchange or in Holdings by virtue of their ETPs. The Exchange would subject potential ETP Holders to an application process, and ETP Holders would be subject to the financial responsibility requirements of Rule 15c3–1 under the Act. ETPs would be effective until voluntarily terminated by the ETP Holder or until revoked by the Exchange. ETPs could not be sold, leased, or otherwise transferred.

As part of the demutualization, the Exchange would move certain non-corporate governance-related provisions currently in the NSX By-Laws to the NSX Rules. Finally, new NSX Rule 2.10 would prohibit, without prior Commission approval, either (i) NSX or any NSX affiliate from directly or indirectly acquiring or maintaining an ownership interest in an ETP Holder, or (ii) an ETP Holder being or becoming an affiliate of NSX or any affiliate of NSX. The term ''affiliate'' would have the meaning specified in Rule 12b–2 of the Act. Proposed Rule 2.10 would not prohibit any ETP Holder or its affiliate from acquiring or holding an equity interest in Holdings that is permitted by the ownership and voting limitations in the Holdings Certificate of Incorporation, and would not prohibit an ETP Holder or an officer, director, manager, managing member, partner, or affiliate of an ETP Holder being or becoming an ETP Holder Director or an At-Large Director on the NSX Board, or a member of the Holdings Board.

The Commission finds that these proposed rule changes are consistent with the requirements of the Acts and the rules and regulations thereunder. In particular, the Commission finds that the proposed rule changes relating to ETP Holders and their affiliates are consistent with Section 6(b)(1) of the Act,[180] which requires a national securities exchange to be so organized and have the capacity to carry out the purposes of the Act.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[181] that the proposed rule change (SR–NSX–2006–03), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[182]

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. E6–9354 Filed 6–14–06; 8:45 am]

BILLING CODE 8010–01–P

[177] *See* Proposed Rulemaking, *supra* note 134.

[178] *See* proposed NSX By-Laws, Section 11.2.

[179] For purposes of this provision, regulatory penalties include restitution and disgorgement of funds intended for customers. *See* proposed NSX By-Laws, Section 10.4.

[180] 15 U.S.C. 78f(b)(1).

[181] 15 U.S.C. 78s(b)(2).

[182] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53958; File No. SR–NYSE–2006–34]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change To Delete an Obsolete Provision in Its Minor Rule Violation Plan

June 8, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on June 2, 2006, the New York Stock Exchange LLC (''NYSE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and approving the proposal on an accelerated basis.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is proposing to amend NYSE Rule 476A (Imposition of Fines for Minor Violation(s) of Rules) to reflect the deletion of NYSE Rule 124(A). The text of the proposed rule change is available on the Exchange's Web site (*http://www.nyse.com*), at the Exchange's principal office, and at the Commission's Public Reference Room.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item III below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

NYSE Rule 124(A) prohibited unbundling of round-lot orders, failure to aggregate odd-lot orders into round-lot orders, the entry of both buy and sell odd-lot limit orders for the purpose of capturing the spread in the stock, and order entry practices intended to circumvent the round-lot market. NYSE Rule 124(A) is on the list of minor rule violations in NYSE Rule 476A.

The Exchange previously removed NYSE Rule 124(A) from its rules.[3] The Exchange neglected to amend NYSE Rule 476A to reflect that change. This filing would correct that oversight by removing NYSE Rule 124(A) from the list of minor rule violations in NYSE Rule 476A.

2. Statutory Basis

The Exchange believes that the basis under the Act for this proposed rule change is the requirement under Section 6(b)(5) of the Act[4] that an Exchange have rules that are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanisms of a free and open market and a national market system, and, in general, to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

[3] *See* Securities Exchange Act Release No. 49745 (May 20, 2004), 69 FR 29998 (May 26, 2004) (SR–NYSE–2003–37).

[4] 15 U.S.C. 78f(b)(5).

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an e-mail to *rule-comments@sec.gov*. Please include File Number SR–NYSE–2006–34 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–NYSE–2006–34. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the NYSE. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NYSE–2006–34 and should be submitted on or before July 6, 2006.

IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.[5] In particular, the Commission believes that the proposal is consistent with Section 6(b)(5) of the Act,[6] which requires that the rules of an exchange be designed to promote just and equitable principles of trade, to remove impediments and to perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Commission also believes that the proposal is consistent with Sections 6(b)(1) and 6(b)(6) of the Act[7] which require that the rules of an exchange enforce compliance with, and provide appropriate discipline for, violations of Commission and Exchange rules.

Finally, the Commission finds that the proposal is consistent with the public interest, the protection of investors, or otherwise in furtherance of the purposes of the Act, as required by Rule 19d–1(c)(2) under the Act[8] which governs minor rule violation plans. The Commission believes that deleting an obsolete provision from the Exchange's minor rule violation plan is reasonable and consistent with the Act.

The Commission finds good cause, pursuant to Section 19(b)(2) of the Act,[9] for approving the proposed rule change prior to the thirtieth day after the date of publication of the notice of the filing thereof in the **Federal Register**. Because the proposal merely deletes an obsolete provision from the Exchange's rules, the Commission believes that a full notice-and-comment period is not necessary before approving it.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act[10] and Rule 19d–1(c)(2) thereunder,[11] that the proposed rule change (SR–NYSE–2006–34) be, and hereby is, approved and declared effective.

[5] In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[6] 15 U.S.C. 78f(b)(5).

[7] 15 U.S.C. 78f(b)(1) and 78f(b)(6).

[8] 17 CFR 240.19d–1(c)(2).

[9] 15 U.S.C. 78s(b)(2).

[10] 15 U.S.C. 78s(b)(2).

[11] 17 CFR 240.19d–1(c)(2)

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[12]

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. E6–9348 Filed 6–14–06; 8:45 am]

BILLING CODE 8010–01–P

SMALL BUSINESS ADMINISTRATION

SBA Lender Risk Rating System

AGENCY: U.S. Small Business Administration.

ACTION: Notice of extension of comment period.

SUMMARY: On May 1, 2006 SBA published a notice seeking comments on its proposed Lender Risk Rating System and notifying SBA Lenders (including 7(a) Lenders and Certified Development Companies) of the availability of risk rating information through SBA's Lender Portal. SBA is extending the comment period an additional 30 days to July 15, 2006. Given the significant level of interest the Notice has generated, SBA believes the affected parties would find it beneficial to have more time to review the proposal and prepare their comments.

DATES: The comment period for the SBA Lender Risk Rating System Notice and Request for Comments published May 1, 2006 (71 FR 25624) is extended through July 15, 2006.

ADDRESSES: Address all comments by mail, hand delivery, or courier to John M. White, Deputy Associate Administrator, Office of Lender Oversight, U.S. Small Business Administration, 409 Third Street, SW., Washington, DC 20416; or via facsimile to (202) 205–6831; or by e-mail to *proposedriskrating@sba.gov.*

FOR FURTHER INFORMATION CONTACT: John M. White, Deputy Associate Administrator, at (202) 205–3049.

(Authority: 15 U.S.C. 634)

Dated: June 8, 2006.

Michael W. Hager,

Associate Deputy Administrator for the Office of Capital Access.

[FR Doc. E6–9344 Filed 6–14–06; 8:45 am]

BILLING CODE 8025–01–P

[12] 17 CFR 200.30–3(a)(12).

DEPARTMENT OF STATE

[Public Notice 5442]

Shipping Coordinating Committee; Facilitation Committee; Notice of Meeting

The Shipping Coordinating Committee (SHC) will conduct an open meeting at 12:30 p.m. on Monday, June 26, 2006, in Room 1303 of the United States Coast Guard Headquarters building, 2100 Second Street SW., Washington, DC 20593–0001. The primary purpose of the meeting is to prepare for the thirty-third session of the Facilitation Committee (FAL 33) of the International Maritime Organization (IMO), to be held from July 3 to 7, 2006, at IMO Headquarters in London, England.

The primary matters for discussion for FAL 33 will include the following:

- General review and implementation of the Convention on Facilitation of International Maritime Traffic.
- Consideration and adoption of proposed amendments to the Annex to the Convention.
- Electronic means for the clearance of ships.
- Application of the Committee's Guidelines.
- Prevention and suppression of unlawful acts at sea or in port—Facilitation aspects.
- Measure to enhance maritime security—Facilitation aspects.
- Formalities connected with the arrival, stay and departure of persons.
- Formalities connected with the arrival, stay and departure of ships.
- Facilitation aspects of other IMO forms and certificates.
- Ship/port interface.
- Technical co-operation sub-programme for facilitation.

Please note that hard copies of documents associated with FAL 33 will not be available at this meeting. Documents will be available in Adobe Acrobat format on CD–ROM. To request documents, please contact Mr. David Du Pont via e-mail at *DDuPont@comdt.uscg.mil* or write to the address provided below.

Members of the public may attend this meeting up to the seating capacity of the room. Interested persons may seek information by writing to Mr. David Du Pont, Commandant (G–PSR), U.S. Coast Guard Headquarters, 2100 Second Street SW., Room 1400, Washington, DC 20593–0001 or by calling (202) 372–1497.

Dated: June 9, 2006.

Margaret Hayes,

Director, Shipping Coordinating Committee, Department of State.

[FR Doc. E6–9358 Filed 6–14–06; 8:45 am]

BILLING CODE 4710–09–P

DEPARTMENT OF STATE

[Public Notice 5441]

Determination Under Subsection 402(d)(1) of the Trade Act of 1974, As Amended—Continuation of Waiver Authority

Pursuant to the authority vested in the President under the Trade Act of 1974, as amended, Public Law 93–618, 88 Stat. 1978 (hereinafter ''the Act''), and assigned to the Secretary of State by virtue of section 1(a) of Executive Order 13346 of July 8, 2004, as well as the authority delegated to the Deputy Secretary of State by Delegation of Authority 245 of April 23, 2001, I determine, pursuant to section 402(d)(1) of the Act, 19 U.S.C. 2432(d)(1), that the further extension of the waiver authority granted by section 402 of the Act will substantially promote the objectives of section 402 of the Act. I further determine that continuation of the waiver applicable to Vietnam will substantially promote the objectives of section 402 of the Act.

This determination shall be published in the **Federal Register**.

Dated: June 2, 2006.

Robert B. Zoellick,

Deputy Secretary of State, Department of State.

[FR Doc. E6–9310 Filed 6–14–06; 8:45 am]

BILLING CODE 4710–30–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Open Meeting of the Taxpayer Advocacy Panel Volunteer Income Tax Assistance (VITA) Issue Committee

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice.

SUMMARY: An open meeting of the Taxpayer Advocacy Panel VITA Issue Committee will be conducted. The Taxpayer Advocacy Panel is soliciting public comment, ideas, and suggestions on improving customer service at the Internal Revenue Service.

DATES: The meeting will be held Tuesday, July 11, 2006, at 3:30 p.m. Eastern Time.

FOR FURTHER INFORMATION CONTACT: Barbara Toy at 1–888–912–1227, or (414) 231–2360.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. App. (1988) that a meeting of the Taxpayer Advocacy Panel VITA Issue Committee will be held Tuesday, July 11, 2006, at 3:30, Eastern Time via a telephone conference call. You can submit written comments to the panel by faxing to (414) 231–2363, or by mail to Taxpayer Advocacy Panel, Stop 1006MIL, 211 West Wisconsin Avenue, Milwaukee, WI 53203–2221, or you can contact us at *http://www.improveirs.org.* Public comments will also be welcome during the meeting. Please contact Barbara Toy at 1–888–912–1227 or at (414) 231–2360 for additional information.

The agenda will include the following: Process-Based Training.

Dated: June 7, 2006.

John Fay,

Acting Director, Taxpayer Advocacy Panel.

[FR Doc. E6–9329 Filed 6–14–06; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Open Meeting of the Taxpayer Assistance Center Committee of the Taxpayer Advocacy Panel

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice.

SUMMARY: An open meeting of the Taxpayer Assistance Center Committee of the Taxpayer Advocacy Panel will be conducted (via teleconference). The Taxpayer Advocacy Panel (TAP) is soliciting public comments, ideas, and suggestions on improving customer service at the Internal Revenue Service.

DATES: The meeting will be held Tuesday, July 11, 2006.

FOR FURTHER INFORMATION CONTACT: Dave Coffman at 1–888–912–1227, or 206–220–6096.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to Section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. App. (1988) that an open meeting of the Taxpayer Assistance Center Committee of the Taxpayer Advocacy Panel will be held Tuesday, July 11, 2006 from 9 a.m. Pacific Time to 10:30 a.m. Pacific Time via a telephone conference call. If you would like to have the TAP consider a written statement, please call 1–888–912–1227 or 206–220–6096, or write to Dave Coffman, TAP Office, 915 2nd Avenue, MS W–406, Seattle, WA 98174 or you can contact us at *http://www.improveirs.org.* Due to limited conference lines, notification of intent to participate in the telephone conference call meeting must be made with Dave Coffman. Mr. Coffman can be reached at 1–888–912–1227 or 206–220–6096.

The agenda will include the following: Various IRS issues.

Dated: June 7, 2006.

John Fay,

Acting Director, Taxpayer Advocacy Panel.

[FR Doc. E6–9330 Filed 6–14–06; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Open Meeting of the Area 5 Taxpayer Advocacy Panel (Including the States of Iowa, Kansas, Minnesota, Missouri, Nebraska, Oklahoma, and Texas)

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice.

SUMMARY: An open meeting of the Area 5 Taxpayer Advocacy Panel will be conducted. The Taxpayer Advocacy Panel is soliciting public comment, ideas, and suggestions on improving customer service at the Internal Revenue Service.

DATES: The meeting will be held Tuesday, July 11, 2006, at 9:30 a.m. Central Time.

FOR FURTHER INFORMATION CONTACT: Mary Ann Delzer at 1–888–912–1227, or (414) 231–2365.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to Section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. App. (1988) that a meeting of the Area 5 Taxpayer Advocacy Panel will be held Tuesday, July 11, 2006, at 9:30 a.m. Central Time via a telephone conference call. You can submit written comments to the panel by faxing to (414) 231–2363, or by mail to Taxpayer Advocacy Panel, Stop1006MIL, 211 West Wisconsin Avenue, Milwaukee, WI 53203–2221, or you can contact us at *http://www.improveirs.org.* This meeting is not required to be open to the public, but because we are always interested in community input, we will accept public comments. Please contact Mary Ann Delzer at 1–888–912–1227 or (414) 231–2365 for additional information.

The agenda will include the following: Various IRS issues.

Dated: June 7, 2006.

John Fay,

Acting Director, Taxpayer Advocacy Panel.

[FR Doc. E6–9331 Filed 6–14–06; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Open Meeting of the Area 4 Taxpayer Advocacy Panel (Including the States of Illinois, Indiana, Kentucky, Michigan, Ohio, Tennessee, and Wisconsin)

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice.

SUMMARY: An open meeting of the Area 4 Taxpayer Advocacy Panel will be conducted. The Taxpayer Advocacy Panel is soliciting public comment, ideas, and suggestions on improving customer service at the Internal Revenue Service.

DATES: The meeting will be held Friday, July 14, 2006, 8:30 a.m. to 4:30 p.m., and Saturday, July 15, 8 a.m. to Noon, Central Time.

FOR FURTHER INFORMATION CONTACT: Mary Ann Delzer at 1–888–912–1227, or (414) 231–2365.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. App. (1988) that a meeting of the Area 4 Taxpayer Advocacy Panel will be held Friday, July 14, 2006, 8:30 a.m. to 4:30 p.m., and Saturday, July 15, 8 a.m. to Noon, Central Time, at Hotel Indigo, 1244 North Dearborn Parkway, Chicago, IL 60610. You can submit written comments to the panel by faxing to (414) 231–2363, or by mail to Taxpayer Advocacy Panel, Stop1006MIL, 211 West Wisconsin Avenue, Milwaukee, WI 53203–2221, or you can contact us at *http://www.improveirs.org.* This meeting is not required to be open to the public, but because we are always interested in community input, we will accept public comments. Please contact Mary Ann Delzer at 1–888–912–1227 or (414) 231–2365 for more information.

The agenda will include the following: Various IRS issues.

Dated: June 7, 2006.

John Fay,

Acting Director, Taxpayer Advocacy Panel.

[FR Doc. E6–9332 Filed 6–14–06; 8:45 am]

BILLING CODE 4830–01–P

Federal Register

Thursday,
June 15, 2006

Part II

Department of State

Office of Protocol; Gifts to Federal Employees From Foreign Government Sources Reported to Employing Agencies in Calendar Year 2004; Notice

DEPARTMENT OF STATE

[Public Notice 5435]

Office of Protocol; Gifts to Federal Employees From Foreign Government Sources Reported to Employing Agencies in Calendar Year 2004

The Department of State submits the following comprehensive listing of the statements which, as required by law, Federal employees filed with their employing agencies during calendar year 2004 concerning gifts received from foreign government sources. The compilation includes reports of both tangible gifts and gifts of travel or travel expenses of more than minimal value, as defined by statute.

Publication of this listing in the **Federal Register** is required by Section 7342(f) of Title 5, United States Code, as added by Section 515(a)(1) of the Foreign Relations Authorization Act, Fiscal Year 1978 (Pub. L. 95–105, August 17, 1977, 91 Stat. 865).

Dated: May 17, 2006.

Henrietta H. Fore,

Under Secretary for Management, Department of State.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
President	Artwork: 9″ x 7″ bull moose antler sculpture of an Eskimo in a kayak beside an igloo and a whale. Recd—January 12, 2004. Est. Value—$350. Archives Foreign.	The Right Paul Martin, P.C., M. P., Honorable, The Prime Minister of Canada and Mrs. Martin.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Baseball caps (2): navy blue and silver wool Dallas Cowboys baseball caps embroidered with a star and a NFL patch. Recd—January 15, 2004. Est. Value—$40. Archives Foreign. Clothing: Dallas Cowboys navy blue polyester pullover embroidered with a ''D'' on the front and ''Cowboys'' on the back. Recd—January 15, 2004. Est. Value—$70. Archives Foreign. Clothing: navy blue wool Dallas Cowboys Varsity jacket with brown leather sleeves and Super Bowl patches sewn on each. Recd—January 15, 2004. Est. Value—$200. Archives Foreign.	His Royal Highness Prince Bandar bin Sultan, Ambassador of the Kingdom of Saudi Arabia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Desk accessory: 10″ x 2″ sterling silver pen and ink container with intricate engravings on the lid. Recd—January 28, 2004. Est. Value—$350. Archives Foreign.	His Excellency Recep Tayyip Erdogan, Prime Minister of the Republic of Turkey.	Non-acceptance would cause embarrassment donor and U.S. Government.
President	Hardcover book: 12″ x 16½,″ brown leather bound book, ''I palazzi di Genova (The Palaces of Genoa),'' by Peter Paul Rubens. Recd—January 30, 2004. Est. Value—$325. Archives Foreign.	The Honorable Giuseppe Pericu, Mayor of Genoa, Italy.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Household item: 10′ x 14′ brown, tan, sage and ivory wool rug with an intricate geometric pattern. Recd—February 18, 2004. Est. Value—$6300. Archives Foreign.	His Excellency Zine El Abidine Ben Ali, President of the Republic of Tunisia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Consumables (12): bottles of Georgian dry red wine. Recd—February 25, 2004. Est. Value—$144. Handled pursuant to Secret Service policy.	His Excellency Mikheil Saakashvili, President of Georgia.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
	Miscellaneous: 4″ gold-tone rose figurine; mounted on a 3½″ x 2½″ x 1″ green marble base with a plaque engraved ''Revolution of Roses in Georgia, Mikheil Saakashvili.'' Recd—February 25, 2004. Est. Value—$50. Archives Foreign. Artwork: 37″ x 26″ multicolored oil painting on canvas of a Georgian town in the mountains; held in a 37″ x 26″ gold-tone wood frame. Recd—February 25, 2004. Est. Value—$100. Archives Foreign. Athletic equipment: 11″ Softball, signed by Georgia's Junior Baseball League. Recd—February 25, 2004. Est. Value—$40. Archives Foreign.		
President	Household item: 10″ Waterford crystal scalloped bowl ''Kings Bowl'' etched ''Presented to George W. Bush, President of the United States of America, On the Occasion of St. Patrick's Day 2004, By The Taoiseach Bertie Ahern, on Behalf of the People of Ireland.'' Recd—March 17, 2004. Est. Value—$550. Archives Foreign.	His Excellency Bertie Ahern, TD Prime Minister of Ireland.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Hardcover book: ''Botero: New Works on Canvas,'' an interview with Fernando Botero and ''One Hundred Years of Solitude,'' by Gabriel Garcia Marquez, held in a 20½″ x 12″ x 3″ wooden box engraved with the authors signatures on the lid. Recd—March 23, 2004. Est. Value—$180. Archives Foreign.	His Excellency Alvaro Uribe, President of the Republic of Colombia and Mrs. Lina Moreno de Uribe.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Desk accessory: 3½″ x 2″ oval golden amber paperweight. Recd—March 29, 2004. Est. Value—$650. Archives Foreign.	His Excellency Indulis Emsis, Prime Minister of the Republic of Latvia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	25″ x 52″ 19th century hand-painted Syrian cabinet doors; held in a 33″ x 62½″ gold-tone shadowbox frame with a plaque engraved ''Syrian Hand Painted Cabinet Doors, CA: 1800's.'' Recd—March 31, 2004. Est. Value—$1200. Archives Foreign.	His Excellency Imad Moustapha, Ambassador of the Syrian Arab Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Household item: 47″ x 78″ multicolored silk rug with intricate floral and bird designs. Recd—April 12, 2004. Est. Value—$2400. Archives Foreign.	His Excellency Mohamed Hosny Mubarak, President of the Arab Republic of Egypt.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
President	Miscellaneous: 8″ x 10″ gold leaf vase, by Jinli Shen, comprised of Chinese jingdezhen ceramic, Fuzhou lacquer and Cloisonne enamel; mounted on a 12″ x 12″ x 6″ wooden base with intricate gold feet. Recd—April 21, 2004. Est. Value—$350. Archives Foreign.	Her Excellency Wu Yi, Vice Premier of the State Council of the People's Republic of China.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Miscellaneous: Phoenix Pro Max Model 2020 black leather protective rodeo vest embroidered with the American and Canadian flags on the front. Recd—April 30, 2004. Est. Value—$290. Archives Foreign.	The Right Honorable Paul Martin, P.C., M.P., Prime Minister of Canada.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Desk accessory: 5½″ Mont Blanc sterling silver pinstriped fountain pen with 18k gold trim and engraved with the donor's signature. Recd—April 30, 2004. Est. Value—$675. Archives Foreign.	His Majesty King Abdullah II of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Accessory: Wyler Vetta limited edition (8/275) Moby Dick watch with white and black alligator leather bands. Recd—May 19, 2004. Est. Value—$3004. Archives Foreign. Clothing (6): a variety of E. Marinella silk ties. Recd—May 19, 2004. Est. Value $810. Archives Foreign.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Miscellaneous: 7″ Kessaris sterling silver cup engraved with donor's signature and handles depicting silver olive leaves. Recd—May 20, 2004. Est. Value—$500. Archives Foreign. Collectable: white baseball printed "Athens 2004" and signed by donor, with 4kg black metal shot put and stand. Recd—May 20, 2004. Est. Value—$225. Archives Foreign.	His Excellency Kostas Karamanlis, Prime Minister of the Hellenic Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Artwork: 70″ x 24″ Gabonese hammered copper and wood mask; mounted on a 26″ x 19½″ x 8″ iron stand. Recd—May 26, 2004. Est. Value—$600. Archives Foreign. Weapon: 18½″ x 11″ Gabonese black wood machete with gold-tone trim. Recd—May 26, 2004. Est. Value—$600. Archives Foreign.	His Excellency El Hadj Omar Bongo Ondimba, President of the Gabonese Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Artwork: 12″ x 12″ x 32″ marble sculpture of Hercules, crafted by Pietro Galli in 1895. Rec'd—June 4, 2004. Est. Value—$8500. Archives Foreign. Hardcover book: "Villa Madama (Madame's Villa)," by R. Editalia. Recd—June 4, 2004. Est. Value—$22. Archives Foreign.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
	Accessories (10): a variety of E. Marinella silk ties. Recd—June 4, 2004. Est. Value—$1350. Archives Foreign.		
President	Hardcover books (2, 1850 editions): ''Democratie en Amerique: Tome Un et Deux (Democracy in America: Volumes 1 and 2),'' by Alexis de Tocqueville. Recd—June 5, 2004. Est. Value—$1500. Archives Foreign.	His Excellency Jacques Chirac, President of the French Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
	Collectable: 44″ x 11½″ x 15″ LCT 555 gray wooden model boat; held on a 50″ x 18½″ x 4½″ brown wood stand. Recd—June 5, 2004. Est. Value—$1500. Archives Foreign.		
President	Miscellaneous: 12″ x 4″ Reuge Music clear glass music box that plays ''La Traviata,'' ''Nabucco,'' and ''Il Trovatore'' with 2″ intricate fish-shaped gold-tone feet and etched with the royal crest. Recd—June 9, 2004. Est. Value—$1980. Archives Foreign.	His Majesty Hamad Bin Isa Bin Salman Al-Khalifa, King of the Kingdom of Bahrain.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Smoking accessories: 12″ x 9″ x 4″ Lalique brown wood humidor inlaid with intricately carved resin. Recd—June 9, 2004. Est. Value—$2895. Archives Foreign.	His Excellency Jacques Chirac, President of the French Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Accessory: pair of ¾″ 18kt white gold cufflinks depicting the Arabic symbols of good fortune and health. Recd—June 15, 2004. Est. Value—$400. Archives Foreign.	His Majesty King Abdullah II of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Hardcover book: ''Treasures of the Hungarian National Library,'' by Magyar Konyvklub. Recd—June 22, 2004. Est. Value—$90. Archives Foreign.	His Excellency Peter Medgyessy, Prime Minister of the Republic of Hungary.	Non-acceptance would cause embarrassment to donor and U.S. Government.
	Miscellaneous: 10′ braided brown leather whip with ornate multicolored leather detailing on a carved wooden handle. Recd—June 22, 2004 Est. Value—$125 Archives Foreign.		
	Miscellaneous: 16½″ x 19½″ limited edition (101/500) replica of the first printed map of the United States in 1540; held in a 22″ x 25″ gold-tone frame with green and red matting. Recd—June 22, 2004. Est. Value—$550. Archives Foreign.		
President	Household item: 12″ Lacquer ware bamboo bowl. Recd—June 22, 2004. Est. Value—$99. Archives Foreign.	His Majesty sultan Haji Hassanal Bolkia Mu'izzaddin Waddaulah.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
	Household items (2): 2″ x 7″ Biarritz clear glass champagne flutes, by Cristal JG Durand. Recd—June 22, 2004. Est. Value—$23. Archives Foreign. Miscellaneous: 3″ x 4″ Earth elements red cinnamon scented candle. Recd—June 22, 2004. Est. Value—$20. Handled pursuant to Secret Service Policy. Hardcover books (2): ''The Amazing Cigar,'' by Giovanni Livera and Jon Racherbaumer, and ''Moments: The Pulitzer Prize-Winning Photographs,'' by Hal Ruell. Recd—June 22, 2004. Est. Value—$55. Archives Foreign. DVDs (2): ''Singing in the Rain,'' starring Gene Kelly and Debbie Reynolds, and ''To Kill a Mockingbird,'' starring Gregory Peck. Recd—June 22, 2004. Est. Value—$50. Archives Foreign. CDs (4) and paperback book: ''Central Avenue Sounds: Jazz in Los Angeles (1921–1956),'' by various artists. Recd—June 22, 2004. Est. Value—$60. Archives Foreign. CD: ''That Christmas Feeling,'' by various artists. Recd—June 22, 2004. Est. Value—$15. Archives Foreign. Household item: 5″ x 3½″ Hungarian clear glass pitcher with lid. Recd—June 22, 2004. Est. Value—$20. Archives Foreign. Holiday item: 5″ x 3½″ multi-colored beaded ornament with ''Joy.'' printed on it. Recd—June 22, 2004. Est. Value—$13. Archives Foreign. Collectable: 5¼″ x 8¼″ Lalique amber crystal eagle with outspread wings. Recd—June 22, 2004. Est. Value—$575. Archives Foreign. Miscellaneous: 4½″ x 5½″ silver-plated heart shaped penholder. Recd—June 22, 2004. Est. Value—$26. Archives Foreign. Miscellaneous: 2½″ x 2¼″ Elias star-shaped pewter picture frame. Recd—June 22, 2004. Est. Value—$50. Archives Foreign.	Sultan and Yang Di-Pertuan of Brunei Darussalam.	
President	Miscellaneous: 9½″ Waterford black ceramic carafe lined with a gold-tone finish; accompanied by a 12″ matching bowl. Recd—June 25, 2004. Est. Value—$118. Archives Foreign.	Her Excellency Dr. Mary McAleese, The President of Ireland.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
President	Hardcover book: ''The Encyclopedia of Ireland,'' edited by Brian Lalor. Recd—June 25, 2004 Est. Value—$65 Archives Foreign.	His Excellency Bertie Ahern, TD Prime Minister of Ireland.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Household item: 13″ frosted and tinted crystal vase with intricate detailing Recd—June 25, 2004. Est. Value $76. Archives Foreign Sultan and Yang Di-Pertuan of Brunei Darussalam. Game: ''Forgotten English: Knowledge Cards,'' created by Jeffrey Kacirk Recd—June 25, 2004 Est. Value—$10 Archives Foreign. Desk accessory: 4¾″ x 2″ pewter desk clock. Recd—June 25, 2004. Est. Value—$56. Damaged during shipment. Hardcover book: ''Selected Poetry of Ogden Nash,'' introduction by Archibald MacLeish. Recd—June 25, 2004. Est. Value—$16. Archives Foreign. Hardcover book: ''And the Crowd Goes Wild: Relive the Most Celebrated Sporting Events Ever Broadcast,'' by Joe Garner. Recd—June 25, 2004. Est. Value—$50. Archives Foreign. Artwork: 4½″ x 6½″ black and white print by Loy Whitman, of a park in New Haven during the winter; held in 8″ x 10″ black wood frame with black and white matting. Recd—June 25, 2004. Est. Value—$42. Archives Foreign. Game: ''Horse Race Derby: An Action Marble Game.'' Recd—June 25, 2004. Est. Value—$16. Archives Foreign. Household item: 3½″ x 3½″ sterling silver frame with a decorative border. Recd—June 25, 2004. Est. Value—$70. Archives Foreign. Household item: 5″ x 5″ yellow ceramic soap dish painted with a multicolored country home in the center. Recd—June 25, 2004. Est. Value—$26. Archives Foreign. Consumables: a variety of consumables, including crackers, cheese and chocolate. Recd—June 25, 2004. Est. Value—Not Applicable. Handled pursuant to Secret Service Policy. Household item: 36″ x 20″ x 20″ brown wicker trunk. Recd—June 25, 2004. Est. Value—$579. Archives Foreign.	His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah. Sultan and Yang Di-Pertuan of Brunei Darussalam.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

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	Paperback book: ''The Worst-Case Scenario Survival Handbook,'' by Joshua Piven and David Borgenicht. Recd—June 25, 2004. Est. Value—$15. Archives Foreign.		
	Holiday item: 8″ x 4½″ x 7″ Department 56 brown log cabin wax candle; held on a 6″ x 9″ black iron base. Recd—June 25, 2004. Est. Value $60. Handled pursuant to Secret Service Policy.		
President	Household item: 73″ x 48″ red, blue, ivory, and olive silk Turkish kilim in an Anatolian pattern. Recd—June 27, 2004. Est. Value—$350. Archives Foreign.	His Excellency Ahmet Needet Sezer, The President of the Republic of Turkey and Mrs. Sezer.	Non-acceptance would cause embarrassment to donor and U.S. Government.
	Hardcover book: 13″ x 17″ copy of ''Gardens of Paradise; 16th Century Turkish Ceramic Decoration,'' by Walter Denny. Recd—June 27, 2004. Est. Value—$549. Archives Foreign.		
	Miscellaneous: 8″ x 4″ Pasabahce white and blue Turkish curvilinear glass container with white and cobalt swirl design; accompanied by a 1½″ blue glass lid carved with NATO symbol. Recd—June 27, 2004. Est. Value—$100. Archives Foreign.		
	Photographs (40): 7½″ x 9½″ color photographs of President and Mrs. Bush's visit with donors in Istanbul, Turkey on June 26–27, 2004; held in a 10″ x 12″ blue leather album. Recd—June 27, 2004. Est. Value—$137. Archives Foreign.		
President	Miscellaneous: 12″ x 10″ ornate silver tray engraved ''Syrian Orthodox Archdiocese of Istanbul and Ankara,'' with rounded edges and intricate designs along the border. Recd—June 27, 2004. Est. Value—$450. Archives Foreign.	The Most Reverend Yusuf Syrian, Orthodox Metropolitan Istanbul, Turkey.	Non-acceptance would cause embarrassment to donor and U.S. Government.
	Paperback book: ''The Spiritual Treasure of Canonical Prayer,'' published by The Archdiocese of the Syrian Orthodox Church; inscribed by donor. Recd—June 27, 2004. Est. Value—$5. Archives Foreign.		
	Paperback book: ''5500 Syrians: Years'' Witnesses,'' by Kenan Altinisik, inscribed by donor. Recd—June 27, 2004. Est. Value—$10. Archives Foreign.		
	Hardcover book: ''Deyrul Zafaran: Monestary Restoration and Protection Association,'' edited by Cemil Tahincioglu. Recd—June 27, 2004. Est. Value—$250. Archives Foreign.		

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
	Plaque: 4″ x 6″ brass plaque engraved with the Lord's Prayer in Arabic. Recd—June 27, 2004. Est. Value—$35. Archives Foreign.		
President	Miscellaneous: 15″ x 15″ engraved silver calligraphic Quranic verse, "When you judge between people you judge with justice," bordered with blue, orange and green hand painted floral tile; held in a 21″ x 21″ gold-tone wood shadow box frame with green and purple matting. Recd—June 27, 2004. Est. Value—$350. Archives Foreign. Religious item: 13″ black prayer beads inlaid with mother-of-pearl and silver. Recd—June 27, 2004. Est. Value—$150. Archives Foreign.	Dr. Ali Bardakoglu, President of Religious Affairs Directorate General Ankara, Turkey.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Miscellaneous: 14″ x 7″ Yildiz black, grey, white and silver porcelain bowl with an ornate leaf pattern; accompanied by a matching 14″ x 5″ lid with a black porcelain leaf-shaped handle. Recd—June 27, 2004. Est. Value—$250. Archives Foreign. Photographs and CD: 7½″ x 9½″ color photographs (40) of President and Mrs. Bush's visit with the donor in Istanbul, Turkey on June 27, 2004; held in a 10″ x 12″ red leather album. Recd—June 27, 2004. Est. Value—$137. Archives Foreign.	His Excellency Recep Tayyip Erdogan, Prime Minister of the Republic of Turkey.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Consumables (36): 750 ml. bottles of 1998 Chateau Tellagh Algerian red wine (6), 750 ml. bottles of Cuvee du President Algerian red wine (6) and 750 ml. bottles of 2001 Domaine Sebra Algerian red wine. Recd—June 30, 2004. Est. Value—$420. Handled pursuant to Secret Service policy. Miscellaneous: 10″ x 9″ silver filigree boat inlaid with coral stones on the sails. Recd—June 30, 2004. Est. Value—$500. Archives Foreign. Miscellaneous: 11½″ x 22½″ multicolored ceramic urn with silver-tone and coral detailing. Recd—June 30, 2004. Est. Value $125. Archives Foreign.	His Excellency Abdelaziz Bouteflika, President of the Democratic Republic of Algeria.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Miscellaneous (2): 4½″ x 3″ blue, aqua and grey ceramic bowls with gold accents; accompanied by matching 4½″ x 3½″ lids with engraved gold handles. Recd—July 8, 2004. Est. Value—$15,000. Archives Foreign.	His Majesty Mohammed VI, King of Morocco.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

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	Miscellaneous (2): 5″ x 7½″ x 9″ ornate silver stirrups with 18kt gold accents and inlaid with rubies and emeralds. Recd—July 8, 2004. Est. Value $15,000. Archives Foreign.		
President	Clothing: Gobi black cashmere long-sleeve v-neck sweater with a 12″ x 60″ matching cashmere muffler. Recd—July 15, 2004. Est. Value—$175. Archives Foreign.	His Excellency N. Bagabandi, President of Mongolia and Mrs. A. Oyunbileg.	Non-acceptance would cause embarrassment to donor and U.S. Government.
	Game: 20″ x 20″ multicolored wood chess set containing pieces carved in traditional Mongolian designs. Recd—July 15, 2004. Ext. Value—$150. Archives Foreign.		
President	Weapon: 13″ curved dagger with a sterling silver, gold and amethyst handle and a 14″ sterling silver and gold sheath etched with a floral pattern; held in a clear acrylic and velvet display case with presentation plates engraved "Presented by Abdullah bin Haji Ahmad Badawi, Prime Minister of Malaysia," "Traditional Malay Weapon 'Kris Tapak Kuda,'" and "Keris Tapak Kuda." Recd—July 19, 2004. Est. Value—$750. Archives Foreign.	His Excellency YAB Dato' Seri Abdullah bin Ahmad Badawi, Prime Minister of Malaysia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Smoking accessories (33): 6″ cigars. Recd—July 30, 2004. Est. Value—$660. Handled pursuant to Secret Service policy.	His Excellency Nunzio Alfredo D'Angieri, Ambassador of Belize to Italy.	Non-acceptance would cause embarrassment to donor and U.S. Government.
	Smoking accessory: 12″ x 14″ x 6″ lacquered cherry wood humidor with "GWB" inlaid in silver. Recd—July 30, 2004. Est. Value—$200. Archives Foreign.		
President	Household accessory: 22″ white, orange, blue, red, and green round marble tabletop inlaid with red, coral, malachite, lapis lazuli, mother-of-pearl, turquoise and agate flowers; held on a 15″ x 15″ folding wooden base. Recd—September 22, 2004. Est. Value $550. Archives Foreign.	His Excellency Manmohan Singh, Prime Minister of the Republic of India.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Coffee service (5): 2″ x 3″ ceramic coffee cups with ornate sterling silver liners (2); 3½″ sterling silver saucers (2); and a 10″ x 8″ sterling silver rectangular platter with beaded edges and detailed handles. Recd—September 29, 2004. Est. Value—$104. Archives Foreign.	His Excellency Abdullah Gul, The Deputy Prime Minister and Minister of Foreign Affairs of the Republic of Turkey and Mrs. Gul.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

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	Household accessory: 4″ x 9″ tin Turkish coffee server with a 6″ wooden handle and engraved with a geometric pattern. Recd—September 29, 2004. Est. Value—$66. Archives Foreign. Consumable: 250 grams of Turkish coffee. Recd—September 29, 2004. Est. Value—$10. Handled pursuant to Secret Service policy. Household accessory: 16″ x 16″ gold-tone, taupe, and pink tapestry table runner with 3″ silk fringe. Recd—September 29, 2004. Est. Value—$170. Archives Foreign.		
President	Household accessories (48): 8″ round red, black, gold, pink, green, and blue Thai porcelain plates painted with an ornate floral pattern (6); 10″ round red, black, gold, pink, green, and blue Thai porcelain plates painted with an ornate floral pattern (6); 12″ round red, black, gold, pink, green, and blue Thai porcelain plates painted "GWB" with an ornate floral pattern (6); 5″ x 2½″ red, black, gold, pink, green, and blue Thai porcelain plates painted with an ornate floral pattern (6); 7″ red, black, gold, pink, green, and blue Thai porcelain plates painted with an ornate floral pattern (6); 6¾″ red, black, gold, pink, green, and blue Thai porcelain plates painted with an ornate floral pattern (6); 6¾″ red, black, gold, pink, green, and blue Thai porcelain plates painted with an ornate floral pattern (6); 2½″ x 2½″ red, black, gold, pink, green, and blue Thai porcelain coffee cups painted with an ornate floral pattern (6). Recd—October 5, 2004. Est. Value $480. Archives Foreign. Miscellaneous: 14½″ x 33″ x 39″ wooden china display box with navy blue velvet lining. Recd—October 5, 2004. Est. Value—$200. Archives Foreign.	His Excellency Thaksin Shinawatra, Prime Minister of the Kingdom of Thailand.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Consumables (24): 750 ml. bottles of Coteaux de Mascara Domaine el Bordj (6); 750 ml. bottles of Chateau Tellagh Medea (8); and 750 ml. bottles of Cuvee du President Vin D'Algerie (10). Recd—October 22, 2004. Est. Value—$238. Handled pursuant to Secret Service policy.	His Excellency Abdelaziz Bouteflika, President of the People's Democratic Republic of Algeria.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

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	Weapon: 31″ silver sword ornately engraved with a geometrical design and inlaid with wooden geometrical shapes; held in a 26″ sheath with two 2″ hinged loops for hanging. Recd—October 22, 2004. Est. Value—$2500. Archives Foreign. Household accessory: 81″ x 127″ hand-tied red, yellow, burgundy, and green wool rug with a small geometric pattern and a 4″ beige fringe. Recd—October 22, 2004. Est. Value—$700. Archives Foreign.		
President	Hardcover book (facsimile of 1812 edition): ''Aurora de Chile,'' published by the Sociedad de Biblofilos Chilenos. Recd—November 21, 2004. Est. Value—$50. Archives Foreign. Artwork (3): 13″ x 13″ matted engraving of wood block print with accompanying poems, by Gabriela Mistral and Pablo Neruda, of a panther and a duck in the desert; 13″ x 13″ matted engraving of wood block print with accompanying poems, by Gabriela Mistral and Pablo Neruda, of a vulture, sparrow, and a palm tree with mountains in the background; and 13″ x 13″ matted engraving of wood block print with accompanying poems, by Gabriela Mistral and Pablo Neruda, of a deer, two fish, and a tree. Recd—November 21, 2004. Est. Value—$450. Archives Foreign. Photograph: 16″ x 20″ color photograph of President Bush and world leaders at 2004 APEC Summit in Santiago, Chile; matting signed by donor and wooden frame engraved ''XII APEC ECONOMIC LEADERS' MEETING, Santiago—Chile—November 2004.'' Recd—November 21, 2004. Est. Value—$261. Archives Foreign.	His Excellency Ricardo Lagos Escobar, President of the Republic of Chile.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Collectable: 10″ x 8″ x 2″ silver, gold, and wood hinged box engraved with an image of the Royal Palace of Spain on the top and with donor's signature inside. Recd—November 24, 2004. Est. Value—$750. Archives Foreign.	His Majesty Juan Carlos I, King of Spain.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Collectable: 7″ gold-tone, white and black enamel, and stainless steel Hour Lavigne clock with a hinged back opening to an image of Bahrain. Recd—November 29, 2004. Est. Value—$140. Archives Foreign.	His Majesty Hamad Bin Isa Bin Salman Al-Khalifa, King of the Kingdom of Bahrain.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
	Weapon: 9″ stainless steel and gold-tone knife with malachite handle and stamped with the seal of the Kingdom of Bahrain. Recd—November 29, 2004. Est. Value—$400. Archives Foreign.		
President	Athletic equipment: 34″ black and brown wooden Sam Bats baseball bat engraved ''Texas Rangers, Prez 43, George W. Bush, Future Commissioner MLB, Presented by The Right Hon. Paul Martin, Ottawa, Canada, November 30, 2004.'' Recd—November 30, 2004. Est. Value $111. Archives Foreign. Accessories: pair of 3/4″ white and yellow 14kt gold maple leaf cufflinks. Recd—November 30, 2004. Est. Value—$800. Archives Foreign.	The Right Honorable Paul Martin, PC, MP, Prime Minister of Canada.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Household accessories (3): 21″ x 44″ x 20″ dark wood table ornately inlaid with bone; and 22″ x 22″ x 20½″ dark wood end table ornately inlaid with bone (2). Recd—December 4, 2004. Est. Value $1400. Archives Foreign. Weapon: 52″ x 8″ antique muzzle loader (circa mid-1800s); held in a 20″ x 62″ wooden shadowbox with a 4″ x 3″ plaque engraved ''Presented by General Pervez Musharraf, President, Islamic Republic of Pakistan.'' Recd—December 4, 2004. Est. Value—$725. Archives Foreign. Clothing: cream wool traditional Pakistani coat embroidered with a satin ornate design. Recd—December 4, 2004. Est. Value—$175. Archives Foreign. Accessory: 10″ cream wool traditional Pakistani hat. Recd—December 4, 2004. Est. Value—$65. Archives Foreign.	His Excellency Pervez Musharraf, President of the Islamic Republic of Pakistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Weapons (11): Maynard Revolver; Colt Revolver (circa 1884); Colt Police Revolver (circa 1860); Remington Double Derringer Pistol; Sharps Flint-Ignition Pistol (circa 1780); Winchester Lever-Action Repeating Carbine (circa 1866); Colt Navy (circa 1851); Pistol from Lowell, Massachusetts (circa 1858); Colt Derringer, Sharps 4 Barrel Pocket Pistol; and Wesson and Harrington Pocket Revolver (circa 1871); all held in a 23″ x 43″ hinged wooden box. Recd—December 6, 2004. Est. Value—$12,000. Archives Foreign.	His Majesty King Abdullah II of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

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	Miscellaneous (6): 4″ jars of various fertilizers; held on a 12″ x 15″ wooden revolving display. Recd—December 6, 2004. Est. Value $60. Archives Foreign. Weapon: 50″ x 8½″ black Dakota Arms sniper rifle with an 8″ scope; held in a metal hinged box embroidered on the inside "To My Dear Friend, George W. Bush, Abdullah II" with a Jordanian crown and the Great Seal. Recd December 6, 2004. Est. Value—$10000. Archives Foreign.		
President	Jewelry: 18kt yellow gold Cartier Santos 100 watch with a square face, Roman numeral hour markers, and a brown alligator band. Recd—December 16, 2004. Est. Value—$4200. Archives Foreign. Accessories (12): variety of E. Marinella silk ties. Recd—December 16, 2004. Est. Value—$1620. Archives Foreign.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Miscellaneous: 20½″ x 16″ red and white leather chest with hinged lid; padded interior with a two-tiered leather lined wood tray. Recd—December 17, 2004. Est. Value—$280. Archives Foreign. Consumables: ten pounds of Tunisian dates. Recd—December 17, 2004. Est. Value—$60. Handled pursuant to Secret Service policy. Consumables (6): bottles of Les Vignes de Tánit wine (2 Rose, 2 Blanc, 2 Rouge). Recd—December 17, 2004. Est. Value—$48. Archives Foreign. Consumables (8): liter bottles of Tunisian olive oil. Recd—December 17, 2004. Est. Value—$28. Handled pursuant to Secret Service policy.	His Excellency Zine El Abidine Ben Ali, President of the Republic of Tunisia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
President	Household: 3½″ x 4″ round frosted glass containers with "Savour Jordan." Recd—December 22, 2004. Est. Value—$30. Archives Foreign. Miscellaneous (2): myrtle flower scented candles. Recd—December 22, 2004. Est. Value—$20. Handled pursuant to Secret Service Policy.	Their Majesties King Abdullah II and Queen Rania al Abdullah of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
	Accessory: 2½″ circular sterling silver lapel pin stamped "we must reach back to the greatest traditions of our civilizations * * * reach forward to the new insights and capabilities that will improve life * * * and we must reach out to each other." Recd—December 22, 2004. Est. Value—$75. Archives Foreign.		
	Household accessories (3): 3″ hammered sterling silver miniature urns. Recd—December 22, 2004. Est. Value—$250. Archives Foreign.		
	Desk accessories (3): silver, gold and beige journals stamped with a palm pattern and with accompanying silver-tone bookmarks. Recd—December 22, 2004. Est. Value—$96. Archives Foreign.		
	Collectable: 9″ x 9″ gold, yellow, green, and red square Rosenthal porcelain plate painted with an ornate design with Arabic characters. Recd—December 22, 2004. Est. Value—$100. Archives Foreign.		
First Lady	Household item: 6″ Royal Copenhagen blue fluted half lace china dish with the Royal cipher of Denmark in the center. Recd—January 14, 2004. Est. Value—$250. Archives Foreign.	Her Royal Highness Princess Alexandra of Denmark.	Non-acceptance would cause embarrassment to donor and U.S. Government.
	Photograph: 4″ x 6″ photograph of Princess Alexandra of Denmark; held in a 6″ x 9″ wood frame engraved with the Royal cipher on a silver square plate. Recd—January 14, 2004. Est. Value—$100. Archives Foreign.		
First Lady	Accessory: 12″ x 9¾″ Loewe brown suede and leather handbag. Recd—January 14, 2004. Est. Value—$590. Archives Foreign.	His Excellency Jose Maria Aznar, President of the Government of Spain and Mrs. Aznar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Jewelry: 13½″ x 1½″ Atasay black leather and fur choker with traditional Sanliurfa simra 14kt gold draping chains and open work. Recd—January 28, 2004. Est. Value—$500. Archives Foreign.	Mrs. Ermine Erdogan, Office of the Prime Minister of the Republic of Turkey.	Non-acceptance would cause embarrassment to donor and U.S. Government.
	Hardcover books (2): "Rumi Hidden Music," translated by Maryam Mafi and Azima Melita Kolin; and "Rumi: The Book of Love," translated by Coleman Barks. Recd—January 28, 2004. Est. Value—$44. Archives Foreign.		

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
	Paperback book: ''The Rumi Collection,'' edited by Kabir Helminski. Recd—January 28, 2004. Est. Value—$15. Archives Foreign.		
First Lady	Household item: 10″ x 3″ x 14″ elaborate silver filigree vanity mirror. Recd—February 18, 2004. Est. Value—$750. Archives Foreign.	Mrs. Leila Ben Ali, Office of the President of the Republic of Tunisia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Household items (7): Louise Kennedy Tipperary Crystal napkin rings (6) from the Earth Star Collection; accompanied by a 10″ x 2″ crystal stand. Recd—March 17, 2004. Est. Value—$162. Archives Foreign.	His Excellency Bertie Ahern, TD, Prime Minister of Ireland.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	CD: ''Paz, Reconciliacao (Peace, Reconciliation),'' by Angola Unida. Recd—May 12, 2004. Est. Value—$15. Archives Foreign. Artwork: 37″ x 54″ multi-colored acrylic painting on velvet of a woman grinding grain in a village. Recd—May 12, 2004. Est. Value—$550. Archives Foreign.	Mrs. Ana Paula dos Santos, First Lady of the Republic of Angola.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Household items (7): 53″ x 89″ multicolored splatter painted white linen tablecloth with orange trim; accompanied by matching 18″ x 12″ orange linen napkins (2) and 14″ x 12″ white linen napkins (4). Recd—May 26, 2004. Est. Value—$150. Archives Foreign. Jewelry: 3 ½″ x 2″ 18kt gold intricate mask brooch inlaid with diamonds and emeralds. Recd—May 26, 2004. Est. Value—$1500. Archives Foreign. Household items (2): 19″ x 15″ raffia pillows with fringe. Recd—May 26, 2004. Est. Value—$120. Archives Foreign. Household items (2): 18″ x 14″ raffia pillows lined in brown and navy blue leather. Recd—May 26, 2004. Est. Value—$120. Archives Foreign.	Mrs. Edith Lucie Bongo Ondimba, First Lady of the Gabonese Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Jewelry: 7″ white gold chain link bracelet inlaid with diamonds. Recd—June 4, 2004. Est. Value $3850. Archives Foreign.	Mrs. Veronica Berlusconi, Office of the President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Religious item: 22½″ silver filigree rosary. Recd—June 4, 2004. Est. Value—$75. Archives Foreign.	His Holiness Pope John Paul II, Vatican City.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Accessory: 8″ x 4″ Chanel beige leather purse with a gold chain strap. Recd—June 5, 2004. Est. Value—$1150. Archives Foreign.	Mrs. Bernadette Chirac, Office of the President of the French Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
First Lady	Household items (6): 18″ x 18″ gray linen napkins embroidered with a paisley design in the corner (6); accompanied by 1″ sterling silver napkin rings engraved ''Moscow'' in Russian (6). Recd—June 8, 2004. Est. Value $543. Archives Foreign.	Mrs. Lyudmila Aleksandrovna Putina, Office of the President of the Russian Federation.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Accessory: 4″ x 1½″ x 3″ sterling silver clutch purse with floral designs in relief. Recd—June 9, 2004. Est. Value—$350. Archives Foreign.	Mrs. Emine Erdogan, Office of the Prime Minister of the Republic of Turkey.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Collectable: 7″ x 6″ gold-tone and multi-colored Herend Queen Anne covered tureen with a rose handle and painted with butterflies and flowers. Recd—June 22, 2004. Est. Value—$740. Archives Foreign.	His Excellency Peter Medgyessy, Prime Minister of the Republic of Hungary.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Household item: 9½″ baby blue textured earthenware clay bowl with gold wiring along the edge, by Ann Marie Brannigan. Recd—June 25, 2004. Est. Value—$469. Archives Foreign.	Her Excellency Dr. Mary McAleese, The President of Ireland.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Household item: 72″ x 144″ Ferguson's white linen damask tablecloth. Recd—June 25, 2004. Est. Value—$318. Archives Foreign. Household items (12): 18″ x 18″ Ferguson's white linen napkins. Recd—June 25, 2004. Est. Value—$183. Archives Foreign.	His Excellency Bertie Ahern, TD Prime Minister of Ireland.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Household item: 7″ x 3″ Urart sterling silver bowl with a 7″ sterling silver lid engraved with scenes of Topkapi Palace, Galata and the Maiden Towers Fortresses. Recd—June 27, 2004. Est. Value—$450. Archives Foreign. Consumables: Divan Turkish candy. Recd—June 27, 2004. Est. Value: $10. Handled pursuant to Secret Service policy.	His Excellency Ahmet Necdet Sezer, The President of the Republic of Turkey.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Accessory: 6″ x 3″ x2 ″ Mounier & Bouvard 18kt gold filigree evening clutch purse inlaid with diamonds on the edge and clasp. Recd—July 8, 2004. Est. Value—$12,500. Archives Foreign.	His Majesty Mohammed VI, King of Morocco.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Hardcover book: first edition (1943) copy of ''The Little Prince,'' by Antoine de Saint-Exupery and signed by author. Recd—July 12, 2004. Est. Value—$875. Archives Foreign.	His Excellency Peter Medgyessy, Prime Minister of the Republic of Hungary.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Clothing: long tan cashmere sweater coat made in Buyan. Recd—July 15,2004. Est. Value—$420. Archives Foreign.	His Excellency N. Bagabandi, President of Mongolia and Mrs. A. Oyunbileg.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
First Lady	Household items (2): 24″ x 69″ light blue and royal blue silk table runners with an intricate thread design and fringe. Recd—July 15, 2004. Est. Value—$500. Archives Foreign.	His Excellency George A. Obiozor, Ambassador of the Federal Republic of Nigeria.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Hardcover books (3): "O-Kee-Pa: A Religious Ceremony and Other Customs of the Mandan," by George Catlin (published in 1867); and "North American Indians, Volumes I and II," by George Catlin (published 1913). Recd—November 4, 2004. Est. Value—$450. Archives Foreign.	His Majesty Mohammed VI, King of Morocco.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Accessory: brown, beige, and blue silk scarf printed "APEC 2004, Chile" with an abstract pattern. Recd—November 17, 2004. Est. Value—$135. Archives Foreign..		
	Accessory: brown alpaca scarf with a 5″ fringe. Recd—November 17, 2004. Est. Value—$65. Archives Foreign.	Mrs. Luisa Duran de Lagos, First Lady of the Republic of Chile.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Jewelry: 1¼″ gold, light and dark pink garnet and pink tourmaline chandelier earrings; and a 17″ light and dark pink garnet and pink tourmaline beaded necklace. Recd—November 19, 2004. Est. Value—$500. Archives Foreign.	Mrs. Sehba Musharraf, First Lady of the Islamic Republic of Pakistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Collectable: 7″ sterling silver bowl stamped with an ornate design. Recd—November 20, 2004. Est. Value—$350. Archives Foreign.	Mrs. Marta Sahagun de Fox, First Lady of the United Mexican States.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Accessory: yellow and white 14kt gold maple leaf lapel pin. Recd—November 30, 2004. Est. Value—$1,000. Archives Foreign..		
	Accessory: blue, green and rose silk scarf. Recd—November 30, 2004. Est. Value—$79. Archives Foreign.	Mrs. Sheila Martin, Office of the Prime Minister of Canada.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Accessory: Black satin evening bag with a turquoise, red coral, quartz and carnelian handle. Recd—December 1, 2004. Est. Value—$140. Archives Foreign..		
	Accessory: Loewe scarf. Recd—December 1, 2004. Est. Value—$295. Archives Foreign.	Her Majesty Queen Sofia Carlos, Queen of Spain.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lady	Collectable: sterling silver bowl with ornate design. Recd—December 4, 2004. Est. Value—$350. Archives Foreign.	His Excellency Pervez Musharraf, President of the Islamic Republic of Pakistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Family	Photograph of APEC leaders in October 2003 wearing traditional Thai clothing in sterling silver frame. Recd—January 30, 2004. Est. Value—$450. Archives Foreign.	His Excellency Thaksin Shinawatra, The Prime Minister of the Kingdom of Thailand and Mrs. Khunying Shinawatra.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
First Family	Plaza Real sterling silver and dark wood chest with sterling silver cactus designs in relief. Est. Value—$300. Tane silver leaf sculpture. Est. Value—$250. Black wood tray, from Guerrero, Mexico, hand painted by Francisco Coronel; accompanied by the hardcover book, ''Lacas Mexicanas''. Est. Value—$125. Recd—March 6, 2004. Archive Foreign.	His Excellency Vicente Fox Quesada, The President of the United Mexican States and Mrs. Fox.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Family	Argenta coconut shell bowl with sterling silver handles. Recd—March 23, 2004. Est. Value—$150. Archives Foreign.	His Excellency Alvaro Uribe, President of the Republic of Columbia and Mrs. Lina Moreno de Uribe.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Family	Bronze depiction of the Baptism of Christ held in a gold tone shadowbox frame lined in red velvet and containing a 2″ bronze replica of the papal crest. Recd—June 4, 2004. Est. Value—$450. Archives Foreign.	His Holiness John Paul II, Vatican City.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Family	Monnaie de Paris silver watches with black leather bands. Recd—June 5, 2004. Est. Value—$228. Archives Foreign.	His Excellency Jacques Chirac, President of the French.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Family	Beige pottery piece made by Paula Murray. Recd—June 8, 2004. Est. Value—$350. Archives Foreign.	The Right Honorable Paul Martin, P.C., M.P., The Prime Minister of Canada and Mrs. Martin.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Family	Coins (5): 1¼″ Bahrain 22kt gold coins engraved with ''The Great Bahraini Rulers.'' Recd—June 9, 2004. Est. Value—$2000. Archives Foreign. Leather bound book and CD: ''Brief Astronomical Biography of His Excellency The Hon. George W. Bush, President of the United States of America.'' Recd—June 9, 2004. Est. Value—$100. Archives Foreign. Photograph: 12″ x 7″ inscribed color photograph of the donor and the Queen of Bahrain; held in a 15″ x 12″ gold-tone wood frame with red and beige suede matting. Recd—June 9, 2004. Est. Value—$76. Archives Foreign.	His Majesty Hamad Bin Isa Bin Salman Al-Khalifa, King of the Kingdom of Bahrain.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Family	Clothing: John Molloy traditional ivory wool Aran women's sweater with brown buttons; accompanied by a House of Ireland traditional ivory wool Aran men's sweater. Recd—June 25, 2004. Est. Value—$285. Archives Foreign.	His Excellency Bertie Ahern, TD, Prime Minster of Ireland.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
First Family	Photographs (29): collection of 9″ x 7″ photographs, taken by Prince Roland Bonaparte in 1888, of various Native Americans; mounted on albumen paper stamped with Prince Bonaparte's seal and held in a 16½″ x 14″ tan leather book binding embossed ''Photographic Portraits of North American Indians, Prince Roland Bonaparte.'' Recd—November 4, 2004. Est. Value—$600. Archives Foreign.	His Majesty Mohammed VI, King of Morocco.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Family	Collectable: 8″ x 5″ Steuben Glass figurine of an elephant with its trunk raised in the air. Recd—December 8, 2004. Est. Value—$1100. Archives Foreign.	His Excellency Sheikh Salem Abdullah Al Jaber Al-Sabah, Ambassador of the State of Kuwait and Mrs. Al-Sabah.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Abrams, Elliott, Special Assistant to the President and Senior Director National Security Council.	Desk accessory: Mont Blanc Meisterstuck Solitaire Doue Black Silver Fountain Pen. Recd—March 29, 2004. Est. Value—$425. Government Property.	His Majesty King Abdullah II of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Abrams, Elliott, Special Assistant to the President and Senior Director National Security Council.	Desk accessory: Mont Blanc Hommage a Alexander the Great solid gold fountain pen with diamond on clip and 18kt gold nib. Received—March 30, 2004. Est. Value—$5690. Government Property.	His Highness Sheikh Hamad bin Khalifa Al Thani Amir of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government
Bartlett, Daniel J., Assistant to the President for Communications.	Accessories (5): E. Marinella silk twill neckties. Recd—June 4, 2004. Est. Value—$675. Government Property.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Card, Andrew H., Jr., Assistant to the President and Chief of Staff.	Accessories (5): E. Marinella silk twill neckties. Recd—June 4, 2004. Est. Value—$675. Government Property.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Card, Andrew H., Jr., Assistant to the President and Chief of Staff.	Accessories (5): E. Marinella silk twill neckties. Recd—December 15, 2004. Est. Value—$675. Government Property.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Cooper, Cathy, Administrative Assistant National Security Council.	Jewelry (2): matching necklace and bracelet sets of silver and orange stone; one set has matching ring. Recd—March 29, 2004. Est. Value—$500. Government Property.	His Excellency Abdulwahab A. Al-Hajjri, Ambassador of the Republic of Yemen.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Frazer, Jendayi, Special Assistant to the President and Senior Director National Security Council.	Household: 8′ round leather area rug with a detailed pattern in blue, red, gold and white. Recd—June 1, 2004. Est. Value—$450. Transferred to the General Services Administration.	His Excellency Jibril Muhammad Aminu, Ambassador of the Federal Republic of Nigeria.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Fried, Daniel, Special Assistant to the President and Senior Director National Security Council.	Accessories (3): E. Marinella silk twill neckties. Recd—May 19, 2004. Est. Value—$405. Government Property.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Green, Michael J., Special Assistant to the President and Senior Director National Security Council.	Household: 7⅝″ x 4½″ sterling silver bowl with scalloped rim, set with 1″ gold and enamel seal of donor. Recd—December 14, 2004. Est. Value—$500. Government Property.	His Excellency Pervez Musharraf, President of the Islamic Republic of Pakistan.	Non-acceptance would cause embarrassment to donor and U.S. Government
Hadley, Stephen Deputy Assistant to the President and Deputy National Security Advisor.	Desk accessory: 10½″ x 11″ x 2″ sterling silver model sailing vessel, double masted, trimmed with three sails, rigging, rudder and anchor mounted on an oval black 9″ x 4″ wood base with silver plaque engraved ''Ministry of Foreign Affairs & Investment Promotion Malta.'' Recd—May 20, 2004. Est. Value—$450. Government Property.	The Honorable John Dalli, Minister of Foreign Affairs of the Republic of Malta.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Hadley, Stephen, Deputy Assistant to the President and Deputy National Security Advisor.	Household: 7⅝″ × 4½″ silver bowl with scalloped rim, set with 1″ gold and enamel seal of donor. Recd—December 15, 2004. Est. Value—$500. Government Property.	His Excellency Pervez Musharraf, President of the Islamic Republic of Pakistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
McClellan, Scott, Assistant to the President and Press Secretary.	Accessories (5): E. Marinella silk twill neckties. Recd-May 19, 2005 Est. Value—$675. Government Property.	His Excellency Silvio Berlusconi, President of the Council fo Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
McClellan, Scott, Assistant to the President and Press Secretary.	Accessories (5): E. Marinella silk twill neckties. Recd—December 17, 2004. Est. Value—$675. Government Property.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Miers, Harriet, Assistant to the President and Deputy Chief of Staff.	Household: 10″ x 9½″ Archimede Seguso Gold Collection hand-blown Murano glass melon-ribbed vase and cachepot. Recd—May 19, 2004. Est. Value—$850. Government Property.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Rice, Condoleezza, Assistant to the President for National Security Affairs.	Accessory: 54″ square Hermes silk and cashmere scarf in multicolor rose pattern. Recd—January 15, 2004. Est. Value—$760. Government Property.	Her Excellency Michele Alliot-Marie, Minister of Defense and War Veterans of the French Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Rice, Condoleezza, Assistant to the President for National Security Affairs.	Household: 6⅛″ x 2½″ x 3¼″ William & Son sterling silver L'Epee Corniche Standard carriage clock. Recd—February 13, 2004. Est. Value—$2095. Government Property.	His Highness Igor Ivanov, Minister for Foreign Affairs of the Russian Federation and Head of the Bahrain Defense Force.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Rice, Condoleezza, Assistant to the President for National Security Affairs.	Household: 10″ sterling silver-plate/wall plaque with embossed design, engraved ''With compliments from Lakshman Kadirgamar Minister of Foreign Affairs Sri Lanka.'' Recd—May 11, 2004. Est. Value—$350. Government Property.	The Honorable Lakshman Kadirgamar, P.C., M.P., Minister of Foreign Affairs of the Democratic Socialist Republic of Sri Lanka.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Rice, Condoleezza, Assistant to the President for National Security Affairs.	Hardcover book: 12⅜″ x 19″ x 1½″ velvet and leather-bound reproduction of the 1797 ''Imperial Decree on the Russian Chevalier Orders,'' issued by L.S. Pavel. Recd—May 15, 2004. Est. Value—$3850. Archives, Staff Gift.	His Excellency Igor Ivanov, Minister for Foreign Affairs of the Russian Federation.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Rice, Condoleezza, Assistant to the President for National Security Affairs.	Household (3): Archimede Seguso Gold Collection hand-blown Murano glass set (pair of 14″ x 5″ candlesticks and a footed 9″ x 10″ fruit compote). Recd—May 19, 2004 Est. Value—$2200 Government Property.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Rice, Condoleezza, Assistant to the President for National Security Affairs..	Jewelry: ½″ x 1⅞″ 18kt gold mask pendant with emerald and diamonds held on a 16½″ gold wire band. Recd—May 26, 2004. Est. Value—$650. Government Property.	His Excellency El Hadj Omar Bongo Ondimba, President of the Gabonese Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Rice, Condoleezza, Assistant to the President for National Security Affairs.	Household: 11¼″ x 10″ Archimede Seguso Gold Collection hand-blown Murano glass melon-ribbed vase. Recd—June 5, 2004. Est. Value—$850. Government Property.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Rice, Condoleezza, Assistant to the President for National Security Affairs.	Accessory: 50″ x 74″ red-orange Gobi cashmere throw with 4″ fringe. Recd—July 19, 2004. Est. Value—$125. Government Property. Household: 4⅞″ x 2¼″ footed silver bowl with relief design and inset turquoise stones; etched with donor's name, title and date. Recd—July 19, 2004. Est. Value—$200. Government Property.	His Excellency N. Bagabandi, President of Mongolia and Mrs. A. Oyunbileg.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Rice, Condoleezza, Assistant to the President for National Security Affairs.	Household items (2): 24″ x 65″ woven pink and black silk matching table runners; pattern is an intricate thread design studded with rhinestones and gold thread accent and 4″ fringe. Recd—July 19, 2004. Est. Value—$500. Government Property.	His Excellency George A. Obiozor, Ambassador of the Federal Republic of Nigeria.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Rice, Condoleezza, Assistant to the President for National Security Affairs.	Desk accessory: Aurora Optima marbled blue (Auroloid) fountain pen with 14kt gold nib, jewel clip and gold-plated trim. Recd—December 8, 2004. Est. Value—$295. Government Property.	His Excellency Giovanni Castellaneta, Diplomatic Advisor to the Prime Minister of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Rice, Condoleezza, Assistant to the President for National Security Affairs.	Household: 77″ x 52″ purple, orange, yellow and black woven cloth with 7½″ tassels. Recd—December 8, 2004. Est. Value—$345. Government Property.	His Excellency Kay Rala Xanana Gusmao, President of The Democratic Republic of Timor-Leste.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Rice, Condoleezza, Assistant to the President for National Security Affairs.	Accessories (2): 35″ square E. Marinella silk scarf in peach, brown and blue pattern; and an 18½″ x 68″ wool and silk blend shawl in various colors. Recd—December 15, 2004. Est. Value—$587. Government Property.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Rice, Condoleezza, Assistant to the President for National Security Affairs.	Jewelry: pair of 18kt yellow gold Damiani twisted coil earrings with diamonds. Recd—December 15, 2004. Est. Value—$2550. Archives, Staff Gift.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: WHITE HOUSE OFFICE AND THE NATIONAL SECURITY COUNCIL—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
	Jewelry: 18kt yellow gold and diamond Damiani necklace in swirl design, Recd—December 15, 2004. Est. Value—$6000 Archives, Staff Gift.		
Rice, Condoleezza, Assistant to the President for National Security Affairs.	Household: 20½″ x 16″ yellow and black ottoman-style leather chest with hinged lid; padded interior with a two-tiered leather lined wood tray. Recd—December 17, 2004. Est. Value—$280. Government Property.	His Excellency Zine El Abidine Ben Ali, President of the Republic of Tunisia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
	Consumables: approximately 10 pounds of dates. Recd—December 17, 2004. Est. Value—$60. Handled pursuant to Secret Service policy.		
Rice, Condoleezza, Assistant to the President for National Security Affairs.	Household (3): 2¾″ x 2″ silver urns in the style of ancient pottery. Recd—December 22, 2004. Est. Value—$250. Government Property.	Their Majesties King Abdullah II and Queen Rania al Abdullah of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
	Jewelry: 2¼″ round silver and turquoise pin. Recd—December 22, 2004. Est. Value—$75. Government Property.		
	Miscellaneous: bound notebook with silver page marker. Recd—December 22, 2004 Est. Value—$32 Government Property.		
Rove, Karl, Senior Advisor to the President.	Accessories (4): E. Marinella silk twill neckties. Recd—June 4, 2004. Est. Value—$540. Government Property.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Volker, Kurt, Director for NATO and Western European Affairs National Security Council.	Accessories (4): E. Marinella silk twill neckties. Recd—June 4, 2004. Est. Value—$540. Government Property.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: OFFICE OF THE VICE PRESIDENT

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Vice President	Chopard "Happy Day" clock. Recd—January 24, 2004. Est. Value—$465. Archives Foreign.	His Excellency Joseph Deiss, President of the Swiss Confederation.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice President	Eleven E. Marinella silk neckties. Recd—January 26, 2004. Est. Value—$1,485. Archives Foreign.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
	One E. Marinella silk necktie. Recd—January 26, 2004. Est. Value—$135. Archives Foreign.		
Vice President and Mrs. Cheney	Fruit compote, two candle sticks, and large bowl of gold Murano glass signed by the artist, Archimede Seguso. Recd—January 26, 2004. Est. Value—$750. Archives Foreign.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: OFFICE OF THE VICE PRESIDENT—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mrs. Cheney	Woman's silver necklace by Damiani with gray pearls and diamond centerpiece. Recd—January 26, 2004. Est. Value—$2000. Archives Foreign.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice President	Mantel clock of silver and marble Recd—February 9, 2004. Est. Value—$1500. Archives Foreign.	His Highness Shaikh Salman Bin Hamad Al Khalifa, Crown Prince and Commander in Chief of the Bahrain Defense Force.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice President	Hand knotted wool pile rug in red, dark blue, green, turquoise and cream. A central red ground medallion with scattered geometric patterns, approximately 8'' x 10''. Recd—February 18, 2004. Est. Value—$3600. Archives Foreign.	His Excellency Zine El Abidine Ben Ali, President of the Republic of Tunisia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice President	Out of print copy limited issue of, The Art of War by Golden Treasure Books (Xiyuan Publishing House) presented in an ornate dark wooden box. Includes a silver chop (seal) in clear acrylic box. Recd—April 14, 2004. Est. Value—$3600. Archives Foreign.	His Excellency Zeng Qinghong, Vice President of the People's Republic of China.	Non-acceptance would cause embarrassment to donor and U.S. Government.
	Book entitled, Selected Porcelain of the Flourishing Qing Dynasty at the Palace Museum, by Forbidden City Publishing House. Recd—April 14, 2004. Est. Value—$44. Archives Foreign.		
Mrs. Cheney	Chinese silk material in shades of yellow, orange and lime green. Approximately 3.5 yards. Recd—April 14, 2004. Est. Value—$105. Archives Foreign.	His Excellency Zeng Qinghong, Vice President of the People's Republic of China.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice President	Paskche gilt-on-bronze incense burner; reproduction of national treasure housed in the Puyo National Museum. Recd—April 15, 2004. Est. Value—$450. Archives Foreign.	His Excellency Goh Kun, Acting President and Prime Minister Republic of Korea.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice President	Mont Blanc pen set; silver with blue stone, engraved with Jordanian coat of arms. Recd—May 6, 2004. Est. Value—$450. Archives Foreign.	His Majesty King Abdullah II bin al Hussein of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice President	Sterling silver sword. Recd—June 8, 2004. Est. Value—$500. Archives Foreign.	His Excellency Ali Abdullah Saleh, President of the Republic of Yemen.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice President	18K white gold cufflinks with Arabic lettering symbolizing good fortune and health. Recd—June 15, 2004. Est. Value—$400. Archives Foreign.	His Majesty King Abdullah II bin al Hussein of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice President	Sterling silver incense burner on silver and sodalite tray. Recd—July 7, 2004. Est. Value—$1500. Archives Foreign.	His Excellency Maqbool Bin Ali Sultan, Minister of Commerce and Industry Oman.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice President	Beige cashmere sweater, made in Mongolia, size XL. Recd—July 20, 2004. Est. Value—$297. Archives Foreign.	His Excellency Natsagiin Bagabandi. President of Mongolia.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: OFFICE OF THE VICE PRESIDENT—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Vice President and Mrs. Cheney ...	Hand-made, sculpted crystal elephant by Daum. Recd—December 6, 2004. Est. Value—$725. Archives Foreign.	His Excellency Salem Abdallah Al-Jabir Al-Sabah and Mrs. Rima Al-Sabah, Embassy of Kuwait.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice President	Six E. Marinella men's neckties. Recd—May 20, 2004. Est. Value—$810. Archives Foreign.	His Excellency Silvio Berlusconi, President of the Council of Ministers of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice President	Sterling silver bowl and lid decorated with repousse and engraving in a floral design. Recd—January 28, 2004. Est. Value—$350. Archives Foreign.	His Excellency Recep Tayyip Erdogan, Prime Minister of the Republic of Turkey.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice President and Mrs. Cheney ...	Limoges plate with gold trim, maroon and ivory design with Arabic inscription and a wooden plate stand. Recd—August 23, 2004. Est. Value—$200. Archives Foreign.	His Majesty King Abdullah II bin al Hussein of the Hashemite Kingdom of Jordan..	Non-acceptance would cause embarrassment to donor and U.S. Government.
	Pottery vanity set: black hand towel holder and soap dish with three embroidered hand towels. Recd—August 23, 2004. Est. Value—$166. Archives Foreign.		
	Two pottery containers with wicker tops for holding herbs. Measures 5″ x 3″. Recd—August 23, 2004. Est. Value—$50. Archives Foreign.		
	Six-inch square wooden box with floral stone mosaic cover for herb storage. Recd—August 23, 2004. Est. Value—$29. Archives Foreign.		
	Pottery incense burner and box. Recd—August 23, 2004. Est. Value—$30. Archives Foreign.		
	Six blue tea glasses with gold trim. Recd—August 23, 2004. Est. Value—$42. Archives Foreign.		
	Six-inch square silk pillow with gold tassels. Recd—August 23, 2004. Est. Value—$29. Archives Foreign.		
	CD of Jordanian music by Sakher Hattan. Recd—August 23, 2004. Est. Value—$15. Archives Foreign.		
	Four scented pillar candles, 4″ high. Recd—August 23, 2004. Est. Value—$36. Handled pursuant to Secret Service policy.		
Vice President	Wood and brass presentation box containing bronze reproduction of "Ding" pot, representing power, prosperity and peace. Recd—January 6, 2004. Est. Value—$500. Archives Foreign.	His Excellency Wen Jiabao, Premier of the People's Republic of China.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice President	Framed oil painting of St. George slaying a dragon, Bulgarian style with gold leaf work. Recd—February 26, 2004. Est. Value—$200. Archives Foreign.	His Excellency Solomon Passy, Minister of Foreign Affairs of the Republic of Bulgaria.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: OFFICE OF THE VICE PRESIDENT—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
	Gold medallion commemorating the 100th Anniversary of the establishment of diplomatic relations between the U.S. and Bulgaria. Recd—February 26, 2004. Est. Value—$250. Archives Foreign.		
Vice President and Mrs. Cheney ...	Wool on cotton carpet measuring 77″; by 61″, rust background, with cruciform stylized foliate medallion, three borders. Recd—December 7, 2004. Est. Value—$1,000. Archives Foreign.	His Excellency Hamid Karzai, President of Afghanistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
	Wool on cotton carpet measuring 78″ by 57″, yellow background with red, tan, and green stylized floral decoration, four borders. Recd—December 7, 2004. Est. Value—$1000. Archives Foreign.		
	Embroidered beige cotton tablecloth with twelve napkins. Recd—December 7, 2004. Est. Value—$150. Archives Foreign.		
Vice President	Framed silver plaque with repousse decoration of a temple scene with an elephant and oxen pulling a cart. Recd—December 17, 2004. Est. Value—$225. Archives Foreign.	His Excellency Phanthong Phommahaxay, Ambassador of the Lao People's Democratic Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
	Polychrome woven silk sash, measuring 80″ by 15.″ Recd—December 17, 2004. Est. Value—$200. Archives Foreign.		
Vice President and Mrs. Cheney ...	Twenty-one medals, gold plated on brass, depicting the Mysteries of the Rosary, with a large central medal of the Madonna. Small medals measure 1.75″ in diameter. Medals are displayed in a sealed plexiglass case. Recd—January 27, 2004. Est. Value—$627. Archives Foreign.	His Holiness John Paul, II, The Holy See.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Cheney	Silver rosary with mother-of-pearl beads, blessed by Pope John Paul II. Recd—January 27, 2004. Est. Value—$75. Retained (souvenir or mark of courtesy).	His Holiness John Paul, II, The Holy See.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF STATE

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Colin L. Powell, The Secretary of State of the United States.	Ottoman, two color leather, 20th century. Date Received: 1/13/2004. Estimated Value: $350.00. Disposition: Pending transfer to the General Service Administration.	Ben An, President of the Government of Tunisia.	Non-acceptance would cause the donor or the U.S. Government embarrassment.

AGENCY: DEPARTMENT OF STATE—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Colin L. Powell, The Secretary of State of the United States.	Painting, watercolor and mixed media, 21″ x 26½″, Tbilisi, by Gega Kutateladze, 2003, framed $250, bottle of wine in silver plated overlay bottle $100. Date Received: 1/25/2004. Estimated Value: $350.00. Disposition: Pending transfer to the General Services Administration.	Eduard Shevardnadze, President of Georgia.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Carpet, 93½″ x 62½″, black background with 'King Tut.' Date Received: 2/3/2004. Estimated Value: $400.00. Disposition: Pending transfer to the General Services Administration.	Field Marshall Hussein Tantawi, Commander in Chief of the Egyptian Armed Forces, Egypt.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Carriage clock, silver plate and enamel, by William & Son $2,000, pair cufflinks sterling silver and enamel $250. Date Received: 2/9/2004. Estimated Value: $2,250.00. Disposition: Pending transfer to the General Services Administration.	Shaykh Salman bin Hamad bin Isa Al Khalifa, Crown Prince of the Kingdom of Bahrain.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Rosewater bottle and incense burner, silver filigree, late 20th century, 34ozsT. Date Received: 2/17/2004. Estimated Value: $1,000.00. Disposition: Pending transfer to the General Services Administration.	His Excellency Zine El-Abidine Ben Ali President of the Republic of Tunisia.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Bowl, 8¼″L x 4⅜″H, cut crystal, "Tornado" by Orrefors, 20th century. Date Received: 2/17/2004. Estimated Value: $300.00. Disposition: Pending transfer to the General Services Administration.	Laila Freivalds, Foreign Minister, Sweden.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Vase, 18⅛″H, marquetry of various semiprecious stones including lapis lazuli, jasper, sard and agate. Date Received: 3/11/2004. Estimated Value: $1,250.00. Disposition: Pending transfer to the General Services Administration.	Hamid Karzai, President of the Transitional Islamic State of Afghanistan.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Rugs, 36″ x 23½″, wool on cotton, hand woven $300, 2 shawls with silk embroidery $130. Date Received: 3/17/2004. Estimated Value: $430.00. Disposition: Pending transfer to the General Services Administration.	Mohammedmian Soomro, Chairman of the Senate, Pakistan.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Roll top butter dish, 7″ diameter, repoussed and chased silver, set with 4 lapis lazuli cabochons and 8 turquoise cabochons 7mm x 6mm, 20th century. Date Received: 3/18/2004. Estimated Value: $450.00. Disposition: Pending transfer to the General Services Administration.	Pervez Musharraf, President of the Islamic Republic of Pakistan.	Non-acceptance would cause the donor or the U.S. Government embarrassment.

AGENCY: DEPARTMENT OF STATE—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Colin L. Powell, The Secretary of State of the United States.	Pair cufflinks 18 karat yellow gold each set with 5 round diamonds TW 16 points both Chopard ($1800), Wristwatch mans 18 karat yellow gold case with date Chopard 1026 924–2248 black alligator strap ($8,100). Date Received: 3/20/2004. Estimated Value: $9,900.00. Disposition: Pending transfer to the General Services Administration.	Sheikh Jabir al-Ahmad Al Sabah, Emir of the State of Kuwait.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Brown leather attaché case ($450), belt frontispiece 18 karat yellow gold chain mail 9ozsT ($4,000), ring 18 karat yellow gold set with 5 round diamonds TW 8 points Chopard ($2,000). Date Received: 3/20/2004. Estimated Value: $6,450.00. Disposition: Pending transfer to the General Services Administration.	Sheikh Jabir al-Ahmad Al Sabah, Emir of the State of Kuwait.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Desk set, leather, by Dacoma. Date Received: 4/15/2004. Estimated Value: $650.00. Disposition: Pending transfer to the General Services Administration.	Mircea Dan Geoana, Foreign Minister of Romania as part of the Social Democratic Party.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Desk set, sterling silver and slag glass, four open boxes. Date Received: 4/20/2004. Estimated Value: $550.00. Disposition: Pending transfer to the General Services Administration.	Franco Frattini, Minister of Foreign Affairs of the Italian Republic, Italy.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Pen, platinum plated metal, with watch in handle, Cartier ''Stylo d'Exception'', #180/2000, boxed. Date Received: 4/27/2004. Estimated Value: $750.00. Disposition: Pending transfer to the General Services Administration.	Shaikh Hamad bin Jasim bin Jabir Al Thani, Minister of Foreign Affairs of the State of Qatar.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Desk set, sterling silver and mother of pearl, letter opener and magnifying glass, 20th century. Date Received: 5/6/2004. Estimated Value: $350.00. Disposition: Pending transfer to the General Services Administration.	King Abdullah II Bin al Hussein, King of the Hashemite Kingdom of the Jordan.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Charger, 12″ diameter, sterling silver repousse, 20th century, 17ozsT. Date Received: 5/12/2004. Estimated Value: $350.00. Disposition: Pending transfer to the General Services Administration.	Lakshman Kadirgamar, Minister, Government of Sri Lanka.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Sculpture, 11″H, sterling silver, traditional luzzu sailboat, late 20th century. Date Received: 5/20/2004. Estimated Value: $2,000.00. Disposition: Pending transfer to the General Services Administration.	John Dalli, Minister of Finance and Economic Affairs, Malta.	Non-acceptance would cause the donor or the U.S. Government embarrassment.

AGENCY: DEPARTMENT OF STATE—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Colin L. Powell, The Secretary of State of the United States.	Sculpture, 11″H, sterling silver, sailboat, late 20th century. Date Received: 5/22/2004. Estimated Value: $2,000.00. Disposition: Pending transfer to the General Services Administration.	Patricio Zuquilanda Duque, Minister of Foreign Relations, Ecuador.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Briefcase, tan leather $150, Book, Artistas Plasticos del Ecuador $45, Sculpture of a bird, sterling silver 12 oz $240. Date Received: 6/7/2004. Estimated Value: $435.00. Disposition: Pending transfer to the General Services Administration.	Patricio Zuquilanda Duque, Minister of Foreign Relations, Ecuador.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Cufflinks, 18 karat yellow gold, with Liberian insignia Date Received: 6/11/2004. Estimated Value: $750.00. Disposition: Pending transfer to the General Services Administration.	Gyude Bryant, Chairman of the National Transitional Government, Liberia.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Carpet, 6′6″ x 9′9″, wool on wool, Bokhara design. Date Received: 6/15/2004. Estimated Value: $2,500.00. Disposition: Pending transfer to the General Services Administration.	Hamid Karzai, President of the Transitional Islamic State of Afghanistan.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Bowl, burlwood with silver mounts set with turquoise cabochons 6 mm. $250, together with a "V" neck maroon cashmere sweater XL $350. Date Received: 7/4/2004. Estimated Value: $600.00. Disposition: Pending transfer to the General Services Administration.	His Excellency Natsagiyn Bagabandi, President of Mongolia.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Jewelry, woman's, 18 karat white gold set with diamonds, Bulgari Necklace set with 64 round diamonds TW 6.4 carats, ring set with 6 round diamonds TW 60 points, pair diamonds TW 1.2 both. Date Received: 7/28/2004. Estimated Value: $24,500.00. Disposition: Pending transfer to the General Services Administration.	Aziz-Jeddah, Kingdom of Saudi Arabia.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Coffee pot, 9 5/8″H, sterling silver with gold wash, 16ozsT. Date Received: 7/28/2004. Estimated Value: $400.00. Disposition: Pending transfer to the General Services Administration.	Prince Faisal, Government of Saudi Arabia.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Sculpture, 7″H x 9¾″L, 18 karat yellow gold oasis scene with two camels, two figures, tent and palm trees, stone base, fitted case. Date Received: 7/28/2004. Estimated Value: $8,500.00. Disposition: Pending transfer to the General Services Administration.	Aziz-Jeddah, Kingdom of Saudi Arabia.	Non-acceptance would cause the donor or the U.S. Government embarrassment.

AGENCY: DEPARTMENT OF STATE—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Colin L. Powell, The Secretary of State of the United States.	Books, 2 volumes, ''Journal d'un Voyage fait dans l'Interieur de l'Amerique Septentrionale'', Villette, 1793. Date Received: 10/1/2004. Estimated Value: $900.00. Disposition: Pending transfer to the General Services Administration.	Nicolas Sarkozy, Minister, Government of France.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Book, China History Culture Treasure $225, ten compact disks of Chinese folk music, $150. Date Received: 10/1/2004. Estimated Value: $375.00. Disposition: Pending transfer to the General Services Administration.	Li Zhaoxing, Minister of Foreign Affairs of the People's Republic of China.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Oil painting on canvas of purple flower with green background entitled ''Flamboyant Nation'' by artist Roger Brathwaite. Date Received: 10/5/2004. Estimated Value: $600.00. Disposition: Pending transfer to the General Services Administration.	Dr. Keith C. Mitchell, Prime Minister of Grenada.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Bottle of wine, Madeira from the Masandra cellar, 1937. Date Received: 11/15/2004. Estimated Value: $250.00. Disposition: Pending transfer to the General Services Administration.	Honorable Volodymyr Lytvyn, Speaker of the Verhovna Rada, Ukraine.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Replica Sword, 42½″L overall, brass sheathed scabbard and hilt, engraved blade. Date Received: 11/15/2004. Estimated Value: $200.00. Disposition: Pending transfer to the General Services Administration.	Honorable Volodymyr Lytvyn, Speaker of the Verhovna Rada, Ukraine.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Double tear jar, 2½″H with later silver mounts, Roman Period 63 BCE–330 CE, fitted case. Date Received: 11/22/2004. Estimated Value: $300.00. Disposition: Pending transfer to the General Services Administration.	Ariel Sharon, Prime Minister of Israel.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Figure, 7¼″H, Waterford crystal eagle with spread wings, Ireland, 20th/21st century. Date Received: 12/7/2004. Estimated Value: $400.00. Disposition: Pending transfer to the General Services Administration.	Salem Al-Sabah, Ambassador of the state of Kuwait and Mrs. Salem.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Cufflinks, 9 karat yellow gold, each a blue enamel oval with Belgian coat of Arms. Date Received: 12/8/2004. Estimated Value: $375.00. Disposition: Pending transfer to the General Services Administration.	Karel De Gucht, Foreign Minister, Belgium.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Colin L. Powell, The Secretary of State of the United States.	Ottoman, two color leather, 20th century. Date Received: 12/16/2004. Estimated Value: $350.00. Disposition: Pending transfer to the General Services Administration.	Ben AN, President of the Government of Tunisia.	Non-acceptance would cause the donor or the U.S. Government embarrassment.

AGENCY: DEPARTMENT OF STATE—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Colin L. Powell, The Secretary of State of the United States.	Four bottles of Olive oil, chocolate assortment, olive oil and thyme, wood box containing two candles, two small notebooks, pendant, two jars of candies, 3 silver plates, miniature vessels, Rosenthal Porcelain plate 8½″ square 2004–5. Date Received: 12/16/2004. Estimated Value: $1,850.00. Disposition: Pending transfer to the General Services Administration.	King Abdullah II bin al Hussein and Queen Rania, King and Queen, Jordan.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Mary Masserini, Protocol Officer—U.S. Department of State.	Watch—Ladies Maurice La Croix: Stainless steel model MM013–SS002–310 Date Received: 2/25/2004. Over Minimum Value. Disposition: Pending transfer to the General Services Administration.	Shaikh Salman Bin Hamad Al-Khalifa, Crown Prince and Commander-in-Chief of the Bahrain Defense Force, Bahrain.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
William J. Burns, Assistant Secretary of State.	Cufflinks—sterling silver and Medallion—gold plated 4″ diameter. Date Received: 2/12/2004. Over Minimum Value. Disposition: Pending transfer to the General Services Administration.	Shaikh Salman Bin Hamad Al-Khalifa, Crown Prince and Commander-in-Chief of the Bahrain Defense Force, Bahrain.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Francis X. Taylor, Assistant Secretary of State for Diplomatic Security.	Gold Inlaid Statue. Date Received: 6/29/2004. Over Minimum Value. Disposition: Pending transfer to the General Services Administration.	Mohamed Al-Nassr, Security Attaché, Embassy of Qatar.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Kenneth D. Ward, Deputy to the Senior Weapons of Mass Destruction Representative, Libya.	Swiss Omade Rado wristwatch Date Received: 9/19/2004. Over Minimum Value. Disposition: Pending transfer to the General Services Administration.	Abdullah Senoussi, Government Official, Ministry of Foreign Affairs, Libya.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Marcelle M. Wahba, U.S. Ambassador to the United Arab Emirates.	18 kt gold necklace, bracelet, ring, and earrings (Damas). Date Received: 6/1/2004. Over Minimum Value. Disposition: Pending transfer to the General Services Administration.	Sheikh Saqr bin Muhammad al Qasimi, Ruler of Ras al-Khaimah, United Arab Emirates.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Marcelle M. Wahba, U.S. Ambassador to the United Arab Emirates.	22 kt. rose gold ring with diamonds (Giovanni Ferraris). Date Received: 6/7/2004. Over Minimum Value. Disposition: Pending transfer to the General Services Administration.	Shaykha Saif, Wife of Shaykha Sultan bin Khalifa, Member of the Executive Council and Chairman of the Abu Dhabi Crown Prince's Office, United Arab Emirates.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Richard L. Baltimore, III, Ambassador.	Carpet—3 x 5. Date Received: 5/8/2004. Estimated Value: $1,235.00. Disposition: Pending transfer to the General Services Administration.	Yahya, Yahya, Business/PR Director, Saudi bin Laden Construction, Saudi Arabia.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Tracey Ann Jacobson, U.S. Ambassador to Turkmenistan.	Gold necklace and earrings. Date Received: 8/27/2004. Over Minimum Value. Disposition: Pending transfer to the General Services Administration.	Huda Al Midfa, Wife of United Arab Emirates Ambassador Hassan Abdullah Al Adhab, United Arab Emirates.	Non-acceptance would cause the donor or the U.S. Government embarrassment.
Tracey Ann Jacobson, U.S. Ambassador to Turkmenistan.	Gold watch Date Received: 10/20/2004. Over Minimum Value. Disposition: Pending transfer to the General Services Administration.	Saparmurat Niyazov, President of Turkmenistan.	Non-acceptance would cause the donor or the U.S. Government embarrassment.

AGENCY: DEPARTMENT OF DEFENSE

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Gold Bracelet and Silver Lamp. Date Received: 1/20/2004. Est. Value: $180.00 and $250.00, respectively. Total Value: $430.00. Disposition: Transferred to General Services Administration.	Field Marshal Mohamed Hussein Tantawi, Commander in Chief of the Armed Forces, Minister of Defense and Military Production of the Arab Republic of Egypt.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Clock and Cuff Links. Date Received: 2/18/2004. Est. Value: $270.00 and $100.00, respectively. Total Value: $370.00. Disposition: Transferred to General Services Administration.	His Highness Prince Salman bin Hamad Al-Khalifa, The Crown Prince and Commander, Bahrain Defense Force, Kingdom of Bahrain.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Marble Flower Vase. Date Received: 2/23/2004. Est. Value: $400.00. Disposition: Transferred to General Services Administration.	His Excellency Hamid Karzai, President of the Islamic State of Afghanistan.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Sword and Shawl. Date Received: 2/24/2004. Est. Value: $250.00 and $65.00, respectively. Total Value: $315.00. Disposition: Transferred to General Services Administration.	His Excellency Kadir Gulamov, Minister of Defense of the Republic of Uzbekistan.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Medallion, Book of Mosaics and a Mosaic. Date Received: 3/15/2004. Est. Value: $50.00, $59.00 and $1,000.00, respectively. Total Value: $1,109.00. Disposition: Transferred to General Services Administration.	His Excellency Dali Jazi, Minister of Defense of the Republic of Tunisia.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Plaque, Caviar, Carpet and Tea Set. Date Received: 3/26/2004. Est. Value: $20.00, $300.00, $1,200.00 and $225.00. Total Value: $1,745.00. Disposition: Transferred to General Services Administration.	His Excellency Safar Abiyev, Minister of Defense of the Republic of Azerbaijan.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Saber and Model Ship. Date Received: 3/31/2004. Est. Value: $640.00 and $1,000.00, respectively. Total Value: $1,640.00. Disposition: Transferred to General Services Administration.	His Excellency Sheikh Jabir Mubarak al-Hamad Al-Sabah, Deputy Prime Minister and Minister of Defense of the State of Kuwait.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Ceramic Desk Set Date Received: 5/27/2004. Est. Value: $390.00. Disposition: Transferred to General Services Administration.	His Excellency Jose Bono Martinez, Minister of Defense, Spain.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Silver Cuff Links and Gold Stickpin. Date Received: 6/20/2004. Est. Value: $260.00 and $40.00, respectively. Total Value: $300.00. Disposition: Transferred to General Services Administration..	His Majesty King Abdullah bin al-Hussein, King of The Hashemite Kingdom of Jordan.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Glass Sword and Wood Carving of Grapes Plaque. Date Received: 6/26/2004. Est. Value: $25.00, $250.00 and $65.00, respectively. Total Value: $340.00. Disposition: Transferred to General Services Administration.	His Excellency Victor Gaiciuc, Minister of Defense of the Republic of Moldova.	Non-acceptance would have caused embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF DEFENSE—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Donald H. Rumsfeld, Secretary of Defense.	3′ Sword with Wall Mount and Book of Fairy Tales. Date Received: 8/9/2004. Est. Value: $1,250.00 and $50.00, respectively. Total Value: $1,300.00. Disposition: Transferred to General Services Administration.	His Excellency Soren Gade, Minister of Defense, Denmark.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Desk Clock Mounted on a Crystalline. Date Received: 8/9/2004. Est. Value: $360.00. Disposition: Transferred to General Services Administration.	His Excellency Marek Belka, Prime Minister, Poland.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Handcrafted Lapis Metal Box. Date Received: 8/11/2004. Est. Value: $325.00. Disposition: Transferred to General Services Administration.	His Excellency Hamid Karzai, President of the Islamic State of Afghanistan.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Bottle of Wine, Lavadia Rose Muscat and a Bottle of Wine, Massandra. Date Received: 8/13/2004. Est. Value: $600.00 and $600.00, respectively. Total Value: $1,200.00. Disposition: Transferred to General Services Administration.	His Excellency Leonid Kuchma, President, Ukraine.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Bottle of Wine, 1954 and Framed Coin Set. Date Received: 8/14/2004. Est. Value: $190.00 and $260.00, respectively. Total Value: $450.00. Disposition: Transferred to General Services Administration.	His Excellency Yevhan Marchuk, Minister of Defense, Ukraine.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Large Silver Palm Tree in Glass Case. Date Received: 10/10/2004. Est. Value: $350.00. Disposition: Transferred to General Services Administration.	His Excellency Iyad Allawi, Prime Minister of the Interim Government of Iraq.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Icon of Jesus. Date Received: 10/11/2004. Est. Value: $600.00. Disposition: Transferred to General Services Administration.	His Excellency Branko Crvenkovski, President of the Former Yugoslavia Republic of Macedonia.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Framed Picture, Titled ''Weeds and Insects,'' 60″ x 14″. Date Received: 10/22/2004. Est. Value: $380.00. Disposition: Transferred to General Services Administration.	His Excellency Yoon Kwang-woong, Minister of National Defense, Republic of Korea.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Rug, 9′ x 10′. Date Received: 12/9/2004. Est. Value: $320.00. Disposition: Transferred to General Services Administration.	His Excellency Hamid Karzai, President of the Islamic State of Afghanistan.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	5 Jars of Caspian Caviar and Glass Decanter of Brandy. Date Received: 12/11/2004. Est. Value: $625.00 and $85.00 respectively. Total Value: $710.00. Disposition: Transferred to General Services Administration.	His Excellency Safar Abiyev, Minister of Defense of the Republic of Azerbaijan.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Donald H. Rumsfeld, Secretary of Defense.	Aromatherapy Gift Set and Assorted Olive Oils. Date Received: 12/22/2004. Est. Value: $380.00 and $110.00, respectively. Total Value: $490.00. Disposition: Transferred to General Services Administration.	His Majesty King Abdullah bin al-Hussein and Her Majesty Queen Rania of The Hashemite Kingdom of Jordan.	Non-acceptance would have caused embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF DEFENSE—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Paul Wolfowitz, Deputy Secretary of Defense.	5′ x 8′ Egyptian King Tut Rug. Date Date Received: 1/27/2004. Est. Value: $400.00. Disposition: Transferred to General Services Administration.	Reid Marshal Mohamed Hussein Tantawi, Commander in Chief of the Armed Forces, Minister of Defense and Military Production of the Arab Republic of Egypt.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Paul Wolfowilz, Deputy Secretary of Defense.	Chess Set and 4′ x 6′ Kurdish Rug. Date Received: 6/17/2004. $140.00 and $450.00, respectively. Total Value: $590.00. Disposition: Transferred to General Services Administration.	Jalal Talabani, Secretary General of the Patriotic Union of Kurdistan.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
General Richard B. Myers, Chairman, Joint Chiefs of Staff.	Painting. Date Received: 4/12/2004. Est. Value: $550.00. Disposition: Transferred to General Services Administration.	His Excellency Sheikh Jabir Mubarak al-Hamad Al-Sabah, Deputy Prime Minister and Minister of Defense of the State of Kuwait.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
General Richard B. Myers, Chairman, Joint Chiefs of Staff.	Silver Punch Bowl Set and Painting. Date Received: 4/12/2004. $340.00 and $550.00, respectively. Total Value: $890.00. Disposition: Transferred to General Services Administration.	His Excellency Sheikh Jabir Mubarak al-Hamad Al-Sabah, Deputy Prime Minister of Defense of the State of Kuwait.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
General Richard B. Myers, Chairman, Joint Chiefs of Staff.	Paekche Great Gilt-Bronze Incense Burner. Date Received: 10/21/2004. Est. Value: $290.00. Disposition: Transferred to General Services Administration..	General Kim Jong il, General Secretary Korean Workers Party Hwan-CJCS ROK.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
General Richard B. Myers, Chairman, Joint Chiefs of Staff.	Jewelry Set (Necklace, Bracelet Ring and Earring). Date Received: 12/1/2004. Est. Value: $540.00. Disposition: Transferred to General Services Administration.	Lieutenant General Hamdy Moustafa Weheba, Chief of Staff of The Egyptian Armed Forces.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
General Richard B. Myers, Chairman, Joint Chiefs of Staff.	Gift Set in Wood Box. Date Received: 12/23/2004. Est. Value: $380.00. Disposition: Transferred to General Services Administration.	His Majesty King Abdullah bin al-Hussein, King of The Hashemite Kingdom of Jordan.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
The Honorable Douglas J. Feith, Under Secretary of Policy.	5′ x 8′ Egyptian King Tut Rug. Date Received: 1/15/2004. Est. Value: $400.00. Disposition: Transferred to General Services Administration..	Field Marshal Mohamed Hussein Tantawi, Commander in Chief of the Armed Forces, Minister of Defense and Military Production of the Arab Republic of Egypt.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
Lieutenant General Tome H. Walters, Jr., Director, Defense Security Cooperation Agency.	Oil Painting on Canvas by the Artist Ghiorczyk. Date Received: 4/4/2004. Est. Value: $350.00. Disposition: Transferred to General Services Administration.	Jerzy Szmajdzinski, Minister of Defense, Republic of Poland.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
Mira Ricardel, Acting Assistant Secretary of Defense, International Security Policy.	Pearl Necklace. Date Received: 10/15/2003. Est. Value: $450.00. Disposition: Transferred to General Services Administration.	Vlado Buckovski, Minister of Defense of the Former Yugoslavia Republic of Macedonia.	Non-acceptance would have caused embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF DEFENSE—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Major General Thomas J. Romig, Judge Advocate General.	Picture of Forest Made with Various Color Granulates and Chips of Stone Encased in Solid Marble Frame and Wood Shaped Swan Punch Bowl with Eight Ladle Cups, Black with Gold Beak. Date Received: 9/14/2004. Est. Value: $125.00 and $210.00, respectively. Total Value: $335.00. Disposition: Transferred to General Services Administration.	General-Colonel Valeriy Inanovich Marchenkov, President of the Military University.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
Major General Thomas J. Romig, Judge Advocate General.	Etching of Mockba, Moscow by A.H. Cabettcoba, Porcelain Hand Painted Picture With Inscription ''APXAHTEn6CKO on back C$M Mockba with Newspaper Article, Green Marble Egg with Black Etching of a Christian symbolism of a Woman and Child with Green Marble Base, Pewter Statute of a Russian Solkier with Marble Base (Green), Green Metal Cantee of BOflKA NEXOTHAH Liqueur, 1995 Inkerman White Wine with the Words ''XCEMHYXOIHA'', 2000 Inkerman Cabernet Wine with the Words ''KABEPHE'', Porcelain Vase (POCCKfl) Pattern, Sterling Silver Brocade Pattern Saucer, Paperback Two Volume Book Set On Russian Art ''Yue Haa Npuxomb'', Hardcover book ''Strolls Around the Moscow Kremlin from Moscow Kremlin Museum, Hardcover Book by Boris Brodsky The Art Treasures from Moscow Museums', and Liqueur ''KB KOHbflK PECny6JlNKA AareCTaH JleauHxa'' Decorated Glass Carafe. Date Received: 9/14/2004. Est. Value: $85.00, $45.00, $125.00, $350.00, $25.00, $15.00, $15.00, $0.00, $10.00, $35.00, $25.00, $20.00 and $35.00, respectively. Total Value: $885.00. Disposition: Transferred to General Services Administration.	General-Colonel Alexander Savenkov, Deputy Attorney General of the Russian Federation and Senior Military Inspector General.	Non-acceptance would have caused embarrassment to donor and U.S. Government.

AGENCY: UNITED STATES DEPARTMENT OF AGRICULTURE

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Ann M. Veneman, U.S. Secretary of Agriculture.	A stone, probably serpentine, figure of a polar bear in a seated position. Inuit sculpture, it was carved in the cooperative of Puvirnituk located in northeastern Canada. As a registered Inuit sculpture the message ''2003, Qumaluk 37464'' is incised on the underside of the base. It is also marked ''Canada, Ministry of Agriculture A475–AB CI–37465''. The maker is Tukgi Gumaluk. Received: February 11, 2004. Appraised Value: $650.00. Location: The item was returned to the USDA/FAS Foreign Visitor and Protocol Office to be processed for turn-in to General Services Administration.	Presented by Robert Speller, Minister of Agriculture, Canada.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
Ann M. Veneman, U.S. Secretary of Agriculture.	Inuit carving: Artist: Simionte Kanayuk, signed and dated 2002. Dark soapstone carving in the Cape Dorset style, of a polar bear with a seal in its mouth. 10″ long. Additional information on the base: ''A804'' and ''Ct37311'' and from the ''Puvirnituk Community. Received: August 28, 2004. Appraised value: $850.00. Location: The item was returned to the USDA/FAS Foreign Visitor and Protocol Office to be processed for turn-in to General Services Administration.	Presented by the new Canadian Minister of Agriculture, Andrew Mitchell.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
James Butler, U.S. Department of Agriculture, Deputy Under Secretary for Farm and Foreign Agricultural Services.	Stone carving Artist: Irvin Head ''Musk'', Manitoba artist. Soapstone carving of a raven. Signed. Height 5–½″; Length 8''. Information also included on the base ''Manitoba Arts'' and ''Woodlands Gallery''. Date Received: June 15, 2004. Appraised value: $650.00. Location: The item was returned to the USDA/FAS Foreign Visitor and Protocol Office to be processed for turn-in to General Services Administration.	Presented by Robert Speller, Minister of Agriculture, Canada, at the World Meat Congress meeting in Winnipeg, Canada.	Non-acceptance would have caused embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF COMMERCE

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Donald L. Evans, Secretary of Commerce.	White enameled Faberge style egg. Received Date: 4/21/2004. Estimated Value: $350.00. Disposition: Transferred to General Services Administration.	Elena Danilova, Deputy Minister of Economic Development and Trade for Russia.	Non-acceptance would have caused embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF COMMERCE—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Samuel W. Bodman, Deputy Secretary of Commerce.	Lined Dark Green Velvet Men's robe with stitched gilt on front border and cuffs and emblem of Kazakhstan and sun with outline of bird and with tie belt. Received Date: 1/26/2004. Estimated Value: $300.00. Disposition: Transferred to General Services Administration.	Ambassador Kanat Saudabayev of Kazakhstan and Ms. Saudabayev.	Non-acceptance would have caused embarrassment to donor and U.S. Government

AGENCY: HEALTH AND HUMAN SERVICES

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Tommy G. Thompson, Secretary of Health and Human Services.	Silver Saudi Coffee Pot (Dallah). Received Date: 4/10/2004. Estimated Value: $400.00. Disposition: Transferred to General Services Administration.	Dr. Hamad bin Abdallah al-Manai, Minister of Health of Saudi Arabia.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
Tommy G. Thompson, Secretary of Health and Human Services.	Black Cloak with Gold Embroidery. Received Date: 4/6/2004. Estimated Value: $1,350.00. Disposition: Transferred to General Services Administration.	Prince Abd al-Aziz bin Fahd bin Abd al-Aziz Al Saud, Minister of State of Saudi Arabia.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
Tommy G. Thompson, Secretary of Health and Human Services.	Edo cut glass vase in wooden presentation box. Received Date: 3/22/2004. Estimated Value: $410.00. Disposition: Transferred to General Services Administration.	Toshihiro Nikai, Minister of Economy, Trade and Industry of Japan.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
Tommy G. Thompson, Secretary of Health and Human Services.	Swarovski Crystal Candleholder. Received Date: 1/15/2004. Estimated Value: $390.00. Disposition: Transferred to General Services Administration.	World Economic Forum in Davos, Switzerland.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
Tommy G. Thompson, Secretary of Health and Human Services.	African Robe and Matching Hat. Received Date: 1/13/2004. Estimated Value: $350.00. Disposition: Transferred to General Services Administration.	Albert Mabri Toikeuse, Ivorian Minister of Health.	Non-acceptance would have caused embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF ENERGY

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
David Garman, Under Secretary of the Department of Energy.	Hardcover Book with 10 authentic coins by the Ministry of Science and Technology of the People's Republic of China. Book register #2,163 out of 5,000 authorized copies produced by Jin Quan Coin Culture Co, Ltd. Received Date: 5/14/2004. Estimated Value: $580.00. Disposition: Department of Energy for Official Use.	Xu Guanhua, Minister of Science and Technology, China.	Non-acceptance would have caused embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF ENERGY—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Kyle McSlarrow, Deputy Secretary of the Department of Energy.	Set of 6 cylinder shape goblets—Amber body and dome foot mounted in Sterling Silver Holder with silver twist stem. Received Date: 6/8/2004. Estimated Value: $750.00. Disposition: Transferred to General Services Administration.	Sergei Bogdanchikov, Rosneft President, Russia.	Non-acceptance would have caused embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF HOMELAND SECURITY

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the .S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Tom Ridge, Secretary of Homeland Security.	Cuckoo Clock, Model MT 405–10. Received Date: 10/20/2004. Estimated Value: $528.00. Disposition: Gift returned to donor on January 18, 2005.	Minister Otto Schily, German Ministry of the Interior.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
Tom Ridge, Secretary of Homeland Security.	Swarovski Binoculars. Received Date: 9/1/2004. Estimated Value: $524.00. Disposition: Gift returned to donor on December 27, 2004.	Minister Ernst Strasser, Minister of the Interior of the Republic of Austria.	Non-acceptance would have caused embarrassment to donor and U.S. Government.

AGENCY: UNITED STATES SENATE

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Senator Hillary Rodham Clinton	Afghan Rug, Date Received 2004. Est. Value—Overvalue—exact value unknown, Location: Displayed in Member's Office in SR–468.	His Excellency Hamid Karzai, President of the Transitional Islamic State of Afghanistan.	Non-acceptance would cause donor embarrassment.
Senator Ted Stevens	Silver desk set and decorative plate w/ stand and letter opener. January 21, 2004. Est. Value—Over $100. Location: Displayed in Member's Office in SH–522.	King Hussein of Jordan	Non-acceptance would cause donor embarrassment.
Senator John Warner	Table linens and crystal bowl from Tiffany and Company. January 12, 2004. Est. Value—$600. Disposition: Deposited with the Secretary of the Senate.	Ambassador Yang Jiechi of China and Ambassador Salem Al-Sabah.	Non-acceptance would cause donor embarrassment.
Senator Thad Cochran	Lapis box w/flip top, January 20, 2004, Est. Value—$300, Location: Displayed in SD–101 for official use.	Michelle Bachelet, Minister of Defense for Chile.	Non-acceptance would cause donor embarrassment.
Senator Richard Lugar, Senate Foreign Relations Committee.	Large black rug w/image of King Tut. January 23, 2004. Est. Value—Over $100. Disposition: Deposited with the Secretary of the Senate.	Mohamed Hussein Tantawi, Commander in Chief of the Egyptian Armed Forces.	Non-acceptance would cause donor embarrassment.
Senator Charles Grassley	Silver L'Epee clock, February 2004, Est. Value—$540. Location: Displayed in Member's Office in SH–135 for official use.	Salman Bin Hamad Al Khalifa, Crown Prince and Commander-in-Chief of the Bahrain Defense Force.	Non-acceptance would cause donor embarrassment.

AGENCY: UNITED STATES SENATE—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Senator John Warner	Scarf, March 20, 2004, Est. Value—$100. Disposition: Deposited with the Secretary of the Senate.	Unknown	Non-acceptance would cause donor embarrassment.
Senator John Warner	Gold Plated Box, Est. Value—$200. Disposition: Deposited with the Secretary of the Senate.	Hamid Karzai, President of Afghanistan.	Non-acceptance would cause donor embarrassment.
Senator John Warner	Clock surrounded by jade and gold. March 20, 2004. Est. Value—$300. Disposition: Deposited with the Secretary of the Senate.	Muhammedmain Soomro, Chairman of the Senate of Pakistan.	Non-acceptance would cause donor embarrassment.
Senator John Warner	Silver Bowl. Est. Value—$200. Disposition: Deposited with the Secretary of the Senate.	President Pervez Musharraf of Pakistan.	Non-acceptance would cause donor embarrassment.
Senator Carl Levin	Book of the Collection of the Works of Mr. Mahmoud Farshcian. March 20, 2004. Est. Value—Over $100. Disposition: Deposited with the Secretary of the Senate.	Ambassador Mohammad Javad Zarif-Khonsari, Permanent Iranian representative to the United Nations.	Non-acceptance would cause donor embarrassment.
Senator Richard Lugar	Bronze ox Lamp from Jiangsu Province. July 21, 2004. Est. Value—Over $100. Disposition: Deposited with the Secretary of the Senate.	Li Yuanchao, Communist Party of China Jiangsu Committee Secretary.	Non-acceptance would cause donor embarrassment.
Senator Edward Kennedy	Tiled wall hanging mosaic, August 1, 2001. Est. Value—$1,500. Disposition: Displayed in Member's Office in SR–319 for official use.	President Abdelaziz Bouteflika of Algeria.	Non-acceptance would cause donor embarrassment.
Senator Christopher J. Dodd	Black carpet w/ the imprint of King Tut. March 2004. Est. Value—Unknown. Disposition: Deposited with the Secretary of the Senate.	Mohamed Hussein Tantawi, Minister of Defense of the Government of Egypt.	Non-acceptance would cause donor embarrassment.
Robert Roach, Counsel and Chief Investigator, U.S. Senate Permanent Subcommittee on Investigations (Dem. Staff).	Lunch for the Steering Group of the Cambridge America Forum. September 19, 2004. Est. Value—$57.60. Handled pursuant to Secret Service policy.	The Cambridge America Forum of St. Catharine's College in Cambridge University (United Kingdom).	Non-acceptance would cause donor embarrassment.
Robert Roach, Counsel and Chief Investigator, U.S. Senate Permanent Subcommittee on Investigations (Dem. Staff).	Welcome dinner for the Steering Group of the Cambridge America Forum including panelists participating in the conference. September 19, 2004. Est. Value—$48. Handled pursuant to Secret Service policy.	The Fellows of St. Catherine's College in Cambridge University (United Kingdom).	Non-acceptance would cause donor embarrassment.
Robert Roach, Counsel and Chief Investigator, U.S. Senate Permanent Subcommittee on Investigations (Dem. Staff).	Lunch for all participants and attendees at conference. September 20, 2004. Est. Value—$48. Handled pursuant to Secret Service policy.	The Cambridge America Forum of St. Catharine's College in Cambridge University (United Kingdom).	Non-acceptance would cause donor embarrassment.
Senator Thad Cochran	Large Kilim rug, August 2004. Est. Value—$800. Location: Displayed in SD–113 for official use.	Government of Baku	Non-acceptance would cause donor embarrassment.
Senator Thad Cochran	Decorative Brass Tea Set. August 2004, Est. Value—$150. Location: Displayed in SD–113 for official use.	Government of Baku	Non-acceptance would cause donor embarrassment.
Kay Webber, Executive Assistant, Office of Senator Thad Cochran.	Large Kilim rug, August 24, 2004, Est. Value—$800. Decorative Brass Tea Set. Est. Value—$150. Location: Deposited with the Secretary of the Senate.	Government of Baku	Non-acceptance would cause donor embarrassment.

AGENCY: UNITED STATES SENATE—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
James W. Morehard, Chief of Staff, Committee on Appropriations.	Silver Tea Set. September 28, 2004. Est. Value—$150. Small hand-made rug, Est. Value—$400. Location: Deposited with the Secretary of the Senate.	President Ilham Aliyev of Azerbaijan.	Non-acceptance would cause donor embarrassment.
Sid Ashworth, Clerk, Committee on Appropriations, Subcommittee on Defense.	Silver Tea Set Est. Value—$150. Small hand-made rug. September 28, 2004. Est. Value—$450. Location: Deposited with the Secretary of the Senate.	President Ilham Aliyev of Azerbaijan.	Non-acceptance would cause donor embarrassment.
Senator Richard Lugar	Dom Perignon Champagne, 750 ML., December 8, 2004. Est. Value—$150. Location: Deposited with the Secretary of the Senate.	Ambassador Ranendra Sen, India's Ambassador to the U.S..	Non-acceptance would cause donor embarrassment.
Senator E. Benjamin Nelson	Rug. October 25, 2004. Est. Value—$800. Location: Displayed in State office, 7602 Pacific St. Omaha, Nebraska for official use.	President Ilham Aliyev of Azerbaijan and the Government of Baku.	Non-acceptance would cause donor embarrassment.
Senator E. Benjamin Nelson	Silver Tea Set and Carrying Case. October 25, 2004. Est. Value—$150. Location: Displayed in Member's Office in SH–720 for official use.	President Ilham Aliyev of Azerbaijan and the Government of Baku.	Non-acceptance would cause donor embarrassment.
Senator Hillary Rodham Clinton	Leather Wallet and Clutch Purse by Versace. July 2004. Est. Value—Overvalue but actual amount unknown. Location: Deposited with the Secretary of the Senate, Leather Wallet and Card case. Est. Value—Unknown. Location: Deposited with the Secretary of the Senate. Small Enameled Display Pedestal. Est. Value—Unknown. Location: Deposited with the Secretary of the Senate.	Shobha Oza, President of the Mahila Congress Madhya Pradesh within the Indian National Congress.	Non-acceptance would cause donor embarrassment.

AGENCY: UNITED STATES SENATE

[Report of Travel or Expenses of Travel]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mr. Brian S. Feintech, Committee on Appropriations.	Bus Transportation to projects managed by the Ministry of Health. February 18th & 20th, 2004.	Government of the Dominican Republic.	Travel to view projects managed by the Ministry of Health, U.S. AID and the UN Population Fund with periodic briefings en route.
	Transportation within the Dominican Republic on military helicopters to outlying areas to visit projects. February 19, 2004.		Travel to view projects funded by the U.S. Government and UNFPA. Itinerary would have been impossible w/o government.
Ms. Lindsey Brill, Health LA, Office of Senator Lincoln Chafee.	Bus transportation to projects managed by the Ministry of Health. February 18th & 20th, 2004.	Government of the Dominican Republic.	Travel to view projects managed by the Ministry of Health, U.S. AID, and the UN Population Fund with periodic briefings en route.

AGENCY: UNITED STATES SENATE—Continued

[Report of Travel or Expenses of Travel]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
	Transportation within the Dominican Republic on military helicopters to outlying areas to visit projects. February 19, 2004.		Travel to view projects funded by the U.S. Government and UN Population Fund. Itinerary would have been impossible w/o government assistance.
Ms. Julie Cohen, Legislative Assistant, Office of Senator Herb Kohl.	Bus transportation to projects managed by the Ministry of Health. February 18th & 20th, 2004.	Government of the Dominican Republic.	Travel to view projects managed by the Ministry of Health, U.S. AID, and the UN Population Fund with periodic briefings en route.
	Transportation within the Dominican Republic on military helicopters to outlying areas to visit projects. February 19, 2004.		Travel to view projects funded by the U.S. Government and UN Population Fund. Itinerary would have been impossible w/o government assistance.
Senator and Mrs. Paul Sarbanes ..	Transportation within Greece to attend and give keynote speech at the WHIU General Assembly, including lodging and meals. August 12–17, 2000.	World Hellenic Inter-Parliamentary Union (WHIU).	Travel to discuss Hellenic issues with worldwide elected officials; meet with the Greek Parliament and President of Greece.
Senator Chuck Hagel	Transportation within Gabon via President Bongo's helicopter to view threatened and sensitive ecological sites protected by Gabon's national park system. August 25, 2004.	President Omar Bongo and the Government of Gabon.	Official travel to view key ecological sites. No commercial option.
Andrew Parasiliti, Foreign Policy Advisor, Office of Senator Chuck Hagel.	Transportation within Gabon via President Bongo's helicopter to view threatened and sensitive ecological sites protected by Gabon's national park system. August 25, 2004.	President Omar Bongo and the Government of Gabon.	Official travel to view key ecological sites. No commercial option.
Randel Zeller, Senior Policy Advisor, Office of Senator Chuck Hagel.	Transportation within Gabon via President Bongo's helicopter to view threatened and sensitive ecological sites protected by Gabon's national park system. August 25, 2004.	President Omar Bong and the Government of Gabon.	Official travel to view key ecological sites. No commercial option.
Mrs. Hillary Rodham Clinton, U.S. Senator.	Transportation from Iceland to Ireland, within Ireland; one nights lodging in Ireland. August 25–28, 2004.	University of Deny, Ireland	Travel for speech at the University, official events.
Mr. Robert Holifield, Legislative Assistant, Senator Blanche Lincoln.	Transportation within Yemen (round trip from Sanaa to Mukallah) to meet with President Salih. February 19, 2004.	Government of Yemen	Official travel to meet with President Salih on international trade issues. The staff delegation was tentatively scheduled to meet with President Salih in Sanaa on Feb. 19.* However, upon arriving in Sanaa at 10 p.m. on Feb. 18th we were informed by U.S. Embassy personnel that President Salih would be in Mukallah the next morning and that the Government of Yemen has arranged to transport us there for the meeting. Given the late hour of our arrival in Sanaa, and given that we would be required to leave early the next morning, non-acceptance of the flight and thus the cancellation of the meeting would have caused the donor embarrassment.

AGENCY: UNITED STATES SENATE—Continued

[Report of Travel or Expenses of Travel]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mr. David S. Johanson, International Trade Counsel, Committee on Finance.	Transportation within Yemen (roundtrip from Sanaa to Mukallah) to meet with President Salih. February 19, 2004.	Government of Yemen	Official travel to meet with President Salih on international trade issues. The staff delegation was tentatively scheduled to meet with President Salih in Sanaa on Feb. 19th. However, upon arriving in Sanaa at 10 p.m. on Feb. 18th, we were informed by U.S. Embassy personnel that President Salih would be in Mukallah the next morning and that the Government of Yemen has arranged to transport us there for the meeting. Given the late hour of our arrival in Sanaa, and given that we would be required to leave early the next morning for Mukallah, it was impractical to attempt to arrange a commercial flight. Alternatively, non-acceptance of the flight and thus cancellation of the meeting with President Salih—a meeting in the interests of the United States—would have caused the donor embarrassment.
Bryn N. Stewart, Legislative Director, Office of Senator Craig Thomas.	Transportation between Sanaa, Yemen and Mukallah, Yemen to meet President Salih. ($235.00), which represents the cost of round trip airfare between the two cities. February 19, 2004.	Government of Yemen	Official travel to meet with President Salih to discuss international trade issues. The staff delegation was scheduled to meet with the President in Sanaa, but they were informed that the President was in Mukallah and the Government of Yemen has arranged to transport us there for the meeting. Due to the late hour of arrival in Sanaa, and given the early departure needed to arrive in time to meet the President, it was impractical to arrange a commercial flight within the time constraints given us.
Mr. David Wonnenberg, Professional Staff Member, Senate Commerce Committee.	Transportation between Sanaa and Mukallah to meet President Salih. February 19, 2004.	Government of Yemen	Official travel to meet with President Salih on international trade issues. Due to the last minute change in our itinerary (original meeting was to take place in Sanaa, but that was moved to Mukallah) the Government of Yemen arranged for a flight to address this change in President Salih's availability. It was impractical to obtain commercial travel and non-acceptance would have caused the donor embarrassment.

AGENCY: UNITED STATES SENATE—Continued

[Report of Travel or Expenses of Travel]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mr. Brian Pomper, International Trade Counsel, Committee on Finance (Dem Staff).	Transportation within Yemen (round trip from Sanaa to Mukallah) to meet President Salih ($235). February 19, 2004.	Government of Yemen	Official travel to meet with President Salih on international trade issues. The meeting and flight were arranged last-minute. The staff delegation was tentatively scheduled to meet with President Salih in Sanaa on February 19th. However, upon arriving in Sanaa at 10 p.m. on February 18th, we were informed by U.S. embassy personnel that President Salih would be in Mukallah the next morning and that the Government of Yemen had arranged to transport us there for the meeting. Given the late hour of our arrival in Sanaa, and given that we would be required to leave early the next morning for Mukallah, it was impractical to attempt to arrange a commercial flight. Refusing to accept the flight and canceling the meeting with President Salih would have embarrassed the Government of Yemen.
Senator Mitch McConnell	Transportation within Israel via military aircraft to view security fence and other strategic sites. November 14, 2004.	Government of Israel	No commercial travel available to tour these sites.
Mr. William H. Piper, Chief of Staff, Office of Senator Mitch McConnell.	Transportation within Israel via military aircraft to view security fence and other strategic sites. November 14, 2004.	Government of Israel	No commercial travel available to tour these sites.
Ms. Ellen Doneski, Legislative Director, Office of Senator John D. Rockefeller, IV.	Transportation within Yemen (roundtrip from Sanaa to Mukallah) to meet President Salih. February 19, 2004.	Government of Yemen	Official travel to meet with President Salih on international trade issues. The staff delegation was tentatively scheduled to meet with President Salih in Sanaa on Feb. 19th. However, upon arriving in Sanaa at 10 p.m. on Feb. 18th, we were informed by U.S. Embassy personnel that President Salih would be in Mukallah the next morning and that the Government of Yemen has arranged to transport us there for the meeting. Given the late hour of our arrival in Sanaa, and given that we would be required to leave early the next morning for Mukallah. It was impractical to attempt to arrange a commercial flight. Alternatively, non-acceptance of the flight and thus cancellation of the meeting with President Salih—a meeting in the interests of the United States—would have caused the donor embarrassment.

AGENCY: U.S. HOUSE OF REPRESENTATIVES

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Dennis J. Hastert, Member of Congress.	Royal De Champagne Crystal Lion. Recd.—December 15, 2004. Est. Value—$675.00. Disposition: On display in the Speaker's Office, Room H–232 of The U.S. Capitol for official use.	Lucien Weiler, President of the Chamber of Deputies of Luxembourg.	Non-acceptance would have caused embarrassment to donor.

AGENCY: U.S. HOUSE OF REPRESENTATIVES

[Report of Travel or Expenses of Travel]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Susan Davis, Member of Congress	Lodging and meals in Libya. March 2, 2004.	Libyan Parliament	Authorized by 5 U.S.C. 7342(c)(l)(B)(ii).
Thaddeus McCotter, Member of Congress.	Hotel and meals in Libya. March 2, 2004.	Libyan Parliament	Authorized by 5 U.S.C. 7342(c)(l)(B)(ii).
Solomon P. Ortiz, Member of Congress.	Lodging and meals in Libya. March 2, 2004.	Libyan Parliament	Authorized by 5 U.S.C. 7342(c)(l)(B)(ii).
Silvestre Reyes, Member of Congress.	Lodging and meals in Libya. March 2, 2004.	Libyan Parliament	Authorized by 5 U.S.C. 7342(c)(l)(B)(ii).
Nick Smith, Member of Congress	Lodging and meals in Libya. March 2, 2004.	Libyan Parliament	Authorized by 5 U.S.C. 7342(c)(l)(B)(ii).
Curt Weldon, Member of Congress	Lodging and meals in Libya. March 2, 2004.	Libyan Parliament	Authorized by 5 U.S.C. 7342(c)(l)(B)(ii).
M. Douglass Bellis, Deputy Legislative Counsel.	In country travel expenses in St. Kitts, West Indies, in connection with presentation of paper at legislative drafting conference. July 14–18, 2004.	University of the West Indies	Authorized by 5 U.S.C. 7342(c)(l)(B)(ii).
Erin Conaton, Staff, House Armed Services Committee.	Lodging and meals in Libya. March 2, 2004.	Libyan Parliament	Authorized by 5 U.S.C. 7342(c)(l)(B)(ii).
Douglas C. Roach, Staff, House Armed Services Committee.	Lodging and meals in Libya. March 2, 2004.	Libyan Parliament	Authorized by 5 U.S.C. 7342(c)(l)(B)(ii).
Christopher C. Schons, Legislative Assistant for International Affairs, Rep. Katherine Harris.	Meals, lodging and in country travel in Guatemala. August 16–19, 2004.	Guatemala	Authorized by 5 U.S.C. 7342(c)(l)(B)(ii).
Harold O. Stavenas, Staff, House Armed Services Committee.	Lodging and meals in Libya. March 2, 2004.	Libyan Parliament	Authorized by 5 U.S.C. 7342(c)(l)(B)(ii).
Chandler, A.B., HI, Member of Congress.	Accommodations, meals, domestic transport, tours, theatre tickets during travel in Sydney, Melbourne and Port Douglas, for Member and spouse. November 8–14, 2004.	Australian Government	Authorized by 5 U.S.C. 7342(c)(l)(B)(ii).
Cooper, Jim, Member of Congress	Accommodations, meals, domestic transport, tours, theatre tickets during travel in Sydney, Melbourne and Port Douglas, for Member and spouse. November 6–14, 2004.	Australian Government	Authorized by 5 U.S.C. 7342(c)(l)(B)(ii).
Mike Ross, Member of Congress	Domestic Transportation in Australia. November 6–14, 2004.	Australian Government	Authorized by 5 U.S.C. 7342(c)(l)(B)(ii).
Daly, Brendan, Communications Director House Democratic Leader.	Airport fees, lodging, meals/program in Russia. June 26–July 2, 2004.	Russia	Authorized by 5 U.S.C. 7342(c)(l)(B)(ii).

AGENCY: DEPARTMENT OF NAVY

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mrs. R.F. Willard, spouse of Vice Admiral R.F. Willard, Commander of the Seventh Fleet.	Woman's watch. Received Date: 3/18/2004. Estimated Value: $662.00. Disposition: Transferred to General Services Administration.	Townsville, Australia Delegation ..	Non-acceptance would have caused embarrassment to donor and U.S. Government.
Navy Approx. 450 members of Company Patrol and Reconnaissance Wing Ten.	Party/Banquet at the NAS Whidbey Island Officers' Club. Received Date: 8/6/2004. Estimated Value: $8,600.00. Disposition: Food and Beverages consumed, T-shirts and cups accepted.	Japanese Maritime Self Defense Force PATRON DET39.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
Vice Admiral R.F. Willard, Commander of the Seventh Fleet.	Man's watch. Received Date: 3/18/2004. Estimated Value: $856.00. Disposition: Transferred to General Services Administration.	Townsville, Australia Delegation ..	Non-acceptance would have caused embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF NAVY

[Report of Travel and Travel Expenses]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Vice Admiral & Mrs. Willard, Commander, C7F and Spouse.	Travel and lodging in Japan. Recd—May 13–17, 2004. Est. Value—$820.00.	City of Shimoda, Japan	Official participation in the 65th Annual Shimoda Black Ship Festival.
Flag Aide Lieutenant Bandini, Commission Seventh Fleet—Navy.	Travel and lodging in Japan. Recd—May 13–17, 2004. Est. Value—$590.00.	City of Shimoda, Japan	Official participation in the 65th Annual Shimoda Black Ship Festival.

AGENCY: DEPARTMENT OF AIR FORCE

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Allan G. Peck, Brigadier General, U.S. Air Force.	Vittorio Vercelli leather attaché case, wallet, key holder watch, box and 2 Concord pens. Received Date: 5/23/2004. Estimated Value: $492.00. Disposition: Department of Air Force, Approved for Official Use.	Major General Hamad Mohammed Thani Al-Rumaithy, Deputy Chief of Staff, General Headquarters, United Arab Emirates Armed Forces.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
Christopher M. Campbell, Colonel, U.S. Air Force.	Italian "Momo Design" Watch. Received Date: 5/26/2004. Estimated Value: $620.00. Disposition: Transferred to General Services Administration.	Jabir Mubarak al-Hamad al-Sabah, the Deputy Prime Minister and Minister of Defense, Kuwait.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
Walter E. Buchanan, III, Lieutenant General, U.S. Air Force, Central Air Force Commander.	Vittorio Vercelli leather attaché case, wallet, key holder watch, box and 2 Concord pens. Received Date: 5/23/004. Estimated Value: $492.00. Disposition: Transferred to General Services Administration.	Major General Hamad Mohammed Thani Al-Rumaithy, Deputy Chief of Staff, General Headquarters, United Arab Emirates Armed Forces.	Non-acceptance would have caused embarrassment to donor and U.S. Government.

AGENCY: CENTRAL INTELLIGENCE AGENCY

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
George J. Tenet, Director, Central Intelligence.	Bronze group of an Arab man helping a woman from the bath, after a model by Reiss, modern, gold brown patina, mounted on a black slate base. H: 16 inches. Rec'd—January 14, 2004. Est. Value: $300.00. Location: To be retained for official display.	5 U.S.C. 7342(f)(4)	Non-acceptance would have caused embarrassment to donor and U.S. Government.
George J. Tenet, Director, Central Intelligence.	Elizabeth II silver Turkish design coffee ewer, maker's marks GGM, London, 2001. Rec'd—February 10, 2004. Est. Value: $350.00. Location: To be retained for official display.	5 U.S.C. 7342(f)(4)	Non-acceptance would have caused embarrassment to donor and U.S. Government.
George J. Tenet, Director, Central Intelligence.	Middle Eastern filigree silver and partial gilt palm tree form nightlight, modern. Rec'd—March 9, 2004. Est. Value: $500.00. Location: To be retained for official display.	5 U.S.C. 7342(f)(4)	Non-acceptance would have caused embarrassment to donor and U.S. Government.
George J. Tenet, Director, Central Intelligence.	Chased brass and rosette mounted figured wood percussion rifle, 19th century; together with ramrod and leather powder flask, mounted in a display case. Rec'd-June 13, 2004. Est. Value: $500.00. Location: To be retained for official display.	5 U.S.C. 7342(f)(4)	Non-acceptance would have caused embarrassment to donor and U.S. Government.
George J. Tenet, Director, Central Intelligence.	Indian emerald, sapphire and gold five-piece ensemble, modern, consisting of: a tasseled necklace, a pair of tasseled pierced-type earrings and a ring, each set with faceted emeralds and sapphires, encased. Rec'd—June 14, 2004. Est. Value: $500.00. Location: To be retained for official display.	5 U.S.C. 7342(f)(4)	Non-acceptance would have caused embarrassment to donor and U.S. Government.
George J. Tenet, Director, Central Intelligence.	Tower model 1856 Cal. 577 steel mounted walnut percussion rifle, stamped Tower/1856, also with impressed crown above VR, with folding sight and removable steel ramrod. L. of rifle overall: 55 inches. Rec'd—June 15, 2005. Est. Value: $750.00. Location: To be retained for official display.	5 U.S.C. 7342(f)(4)	Non-acceptance would have caused embarrassment to donor and U.S. Government.
George J. Tenet, Director, Central Intelligence.	Wristwatch, maker Breitling, with stainless steel case, No., A42362 and 483749, dial with three subsidiary dials and a calendar aperture with leather band encased. Rec'd—June 16, 2004. Est. Value: $300.00. Location: To be retained for official display.	5 U.S.C. 7342(f)(4)	Non-acceptance would have caused embarrassment to donor and U.S. Government.
George J. Tenet, Director, Central Intelligence.	Middle Eastern floral embossed silver oval two-handed footed centerpiece, with 900 standard marks. H: 8 Vt. inches, L including handles: 16 inches; weight: 46 oz. Rec'd—July 21, 2004. Est. Value: $500.00. Location: To be retained for official display.	5 U.S.C. 7342(f)(4)	Non-acceptance would have caused embarrassment to donor and U.S. Government.

AGENCY: CENTRAL INTELLIGENCE AGENCY—Continued

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
George J. Tenet, Director, Central Intelligence.	Bahranian 22-Karat gold five-piece coin set, Five Different Bahranian Rulers, encased. D of each: 1 Vz. inches (36 mm), weight of each: 31 grams. Rec'd—July 23, 2004. Est. Value: $1,500.00. Location: To be retained for official display.	5 U.S.C. 7342(f)(4)	Non-acceptance would have caused embarrassment to donor and U.S. Government.
An Agency Employee	Saudi Arabian eight-piece ''Hashemite'' coin proof set, minted in Mecca for His Majesty King Ali Hussein bin Ali (1916–1924), consisting of: a copper one-eight kirsh, a copper quarter kirsh, a copper half kirsh, a copper kirsh, a silver five kurush, a silver ten kurush, a silver twenty kirshan and a gold Hashimi Dinar. Rec'd—May 2003. Est. Value: $300.00. Location: To be retained for official display.	5 U.S.C. 7342(f)(4)	Non-acceptance would have caused embarrassment to donor and U.S. Government.
An Agency Employee	Continental hallmarked 18 karat yellow gold cabochon ruby and oval faceted emerald pierced type pendant earrings, modern, the Snowflake open mount set with a central cabochon ruby surrounded by eight rose cut emeralds. Rec'd—February 13, 2004. Est. Value: $300.00. Location: To be retained for official display.	5 U.S.C. 7342(f)(4)	Non-acceptance would have caused embarrassment to donor and U.S. Government.
An Agency Employee	Pakistan ''Tabriz'' design rug, 9.4′ x 6.8′, modern, navy blue with mille-fleur field centering two pulled lobed medallions on royal red to ivory ground, complimentary spandrels, palmette and trellising vine guard border on navy blue ground. Rec'd—October 20, 2002. Est. Value: $500.00. Location: To be retained for official display.	5 U.S.C. 7342(f)(4)	Non-acceptance would have caused embarrassment to donor and U.S. Government.
An Agency Employee	Qum silk rug, 6.9′ x 4.1′, modern, emerald green ground with flowering tree field, flowering branch and trellising vine guard border on red ground. Rec'd—May 8, 2004. Est. Value: $400.00. Location: To be retained for official display.	5 U.S.C. 7342(f)(4)	Non-acceptance would have caused embarrassment to donor and U.S. Government.
An Agency Employee	Pakistan Bokhara rug, 9.4′ x 7.3′, modern, light brown ground with vertical rows of octagon medallions and rosettes, multi-guard border on blue to beige ground. Rec'd—December 2002. Est. Value: $500.00. Location: To be retained for official display.	5 U.S.C. 7342(f)(4)	Non-acceptance would have caused embarrassment to donor and U.S. Government.

AGENCY: FEDERAL RESERVE BOARD

[Report of Tangible Gifts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Ben S. Bernanke, Member of the Board.	Yobide mainstream sculpture (plate, 8½″ diameter, decorated with dragon figures). Recd: September 29, 2004. Est. Value—$375. Location: Approved for official use.	Chen Yuan, Governor, China Development Bank, People's Republic of China.	Non-acceptance would have caused embarrassment to donor and U.S. Government.
Alan Greenspan, Chairman of the Board.	Romanian gold commemorative coin, 1¼″ diameter with image of Constantin Brancusi. Recd: October 3, 2004. Est. Value—$750. Location: Approved for official use.	Mugur Isarescu, Governor, National Bank of Romania.	Non-acceptance would have caused embarrassment to donor and U.S. Government.

AGENCY: NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

[Report of Travel Expenses]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Paul Wester, Director, Life Cycle Management Division.	Lodging in China. Rec'd December 8, 2004. Est. Value—$350.00.	National Science and Technical Museum Kaohsiung, The Republic of China (Taiwan).	Presented a paper on Strategic Directions for Federal Records Management.

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Part III

Department of Housing and Urban Development

Proposed Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program; Fiscal Year 2007; Notice

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–5068–N–01]

Proposed Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program; Fiscal Year 2007

AGENCY: Office of the Assistant Secretary for Policy Development and Research, HUD.

ACTION: Notice of Proposed Fiscal Year (FY) 2007 Fair Market Rents (FMRs).

SUMMARY: Section 8(c)(1) of the United States Housing Act of 1937 (USHA) requires the Secretary to publish FMRs periodically, but not less than annually, adjusted to be effective on October 1 of each year. Today's notice proposes FMRs for FY2007. The proposed numbers would amend FMR schedules used to determine payment standard amounts for the Housing Choice Voucher program, to determine initial renewal rents for some expiring project-based Section 8 contracts, and to determine initial rents for housing assistance payment (HAP) contracts in the Moderate Rehabilitation Single Room Occupancy program. Other programs may require use of FMRs for other purposes.

The proposed FY2007 FMRs continue to use the revised Office of Management and Budget (OMB) area definitions that were issued in 2003 and were used in establishing FY2006 FMR areas and FMRs. They also continue to use the same calculation methodology. They differ, however, in that a limited number of additional modifications to the county-based statistical areas as defined by OMB have been made in response to public comments received on the December 16, 2005, **Federal Register** notice on the proposed FY2006 income limit calculation methodology.

In the FY2006 FMRs, HUD disaggregated OMB-defined areas when the FMRs of their components as defined by FY2005 FMR areas differed by more than 5 percent to better reflect housing market relationships. Most FY2006 FMR areas consisting of multiple FY2005 FMR areas after the 5 percent test was applied to rents had similar income limits among the component parts. A few such areas would have substantial declines in income limits for some of their component parts under the FY2006 FMR area definitions. Income limit decreases are disruptive to certain HUD and other Federal housing subsidy programs. Income limit areas generally have the same boundaries as FMR areas.

In order to minimize large changes in income limits in these combined areas with similar rents but differing income levels, HUD is proposing for FY2007 FMRs to form FMR sub-areas within OMB-defined metropolitan areas in all cases where sub-area median family incomes differ from OMB-defined area median family incomes by more than 5 percent. The FMR estimates have been trended to April 2007, the mid-point of FY2007.

DATES: *Comments Due Date:* August 1, 2006.

ADDRESSES: Interested persons are invited to submit comments regarding HUD's estimates of the FMRs as published in this notice to the Office of the General Counsel, Rules Docket Clerk, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 10276, Washington, DC 20410–0001. Communications should refer to the above docket number and title and should contain the information specified in the ''Request for Comments'' section.

Submission of Hard Copy Comments. To ensure that the information is fully considered by all of the reviewers, each commenter that is submitting hard copy comments, by mail or by hand delivery, is requested to submit two copies of its comments to the address above, one addressed to the attention of the Rules Docket Clerk and the other addressed to the attention of Economic and Market Analysis Division staff in the appropriate HUD field office. Due to security measures at all Federal agencies, submission of comments by mail often result in delayed delivery. To ensure timely receipt of comments, HUD recommends that any comments submitted by mail be submitted at least two weeks in advance of the public comment deadline to ensure timely receipt by HUD.

Electronic Submission of Comments. Since July 2004, HUD has been able to receive comments electronically. Interested persons may now submit comments electronically through the Federal eRulemaking Portal at *http://www.regulations.gov.* HUD *strongly encourages* commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make them immediately available to the public. Comments submitted electronically through the *http://www.regulations.gov* Web site can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

No Facsimile Comments. Facsimile (FAX) comments are not acceptable. In all cases, communications must refer to the docket number and title.

Public Inspection of Public Comments. All comments and communications submitted to HUD will be available, without change, for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled by calling the Regulations Division at (202) 708–3055 (this is not a toll-free number). Copies of all comments submitted are available for inspection and downloading at *http://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: For technical information on the methodology used to develop fair market rents or a listing of all fair market rents, please call the HUD USER information line at 800–245–2691 or access the information on the HUD Web site, *http://www.huduser.org/datasets/fmr.html.* FMRs are listed at the 40th or 50th percentile in Schedule B. For informational purposes, 40th percentile recent mover rents for the areas with 50th percentile FMRs will be provided in the HUD FY2007 FMR documentation system at: *http://www.huduser.org/datasets/fmr/fmrs/index.asp?data=fmr07.* Any questions related to use of FMRs or voucher payment standards should be directed to the respective local HUD program staff. Questions on how to conduct FMR surveys or further methodological explanations may be addressed to Marie L. Lihn or Lynn A. Rodgers, Economic and Market Analysis Division, Office of Economic Affairs, Office of Policy Development and Research, telephone (202) 708–0590. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Information Relay Service at (800) 877–8339. (Other than the HUD USER information line and TDD numbers, telephone numbers are not toll free.)

SUPPLEMENTARY INFORMATION:

I. Background

Section 8 of the USHA (42 U.S.C. 1437f) authorizes housing assistance to aid lower income families in renting safe and decent housing. Housing assistance payments are limited by FMRs established by HUD for different areas. In the Housing Choice Voucher program, the FMR is the basis for

determining the ''payment standard amount'' used to calculate the maximum monthly subsidy for an assisted family (see 24 CFR 982.503). In general, the FMR for an area is the amount that would be needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent, and safe rental housing of a modest (non-luxury) nature with suitable amenities. In addition, all rents subsidized under the Housing Choice Voucher program must meet reasonable rent standards. The interim rule published on October 2, 2000 (65 FR 58870), established 50th percentile FMRs for certain areas.

Electronic Data Availability: This **Federal Register** notice is available electronically from the HUD news page: *http://www.hudclips.org.* **Federal Register** notices also are available electronically from the U.S. Government Printing Office Web site: *http://www.gpoaccess.gov/fr/index.html.* Complete documentation of the methodology and data used to compute each area's Proposed FY2007 FMRs is available at: *http://www.huduser.org/datasets/fmr/fmrs/index.asp?data=fmr07.*

II. Procedures for the Development of FMRs

Section 8(c) of the USHA requires the Secretary of HUD to publish FMRs periodically, but not less frequently than annually. Section 8(c) states in part as follows:

> Proposed fair market rentals for an area shall be published in the **Federal Register** with reasonable time for public comment and shall become effective upon the date of publication in final form in the **Federal Register**. Each fair market rental in effect under this subsection shall be adjusted to be effective on October 1 of each year to reflect changes, based on the most recent available data trended so the rentals will be current for the year to which they apply, of rents for existing or newly constructed rental dwelling units, as the case may be, of various sizes and types in this section.

HUD's regulations at 24 CFR part 888 provide that HUD will develop proposed FMRs, publish them for public comment, provide a public comment period of at least 30 days, analyze the comments, and publish final FMRs. (See 24 CFR 888.115.)

In addition, HUD's regulations at 24 CFR 888.113 set out procedures for HUD to assess whether areas are eligible for FMRs at the 50th percentile and, for areas that were formerly eligible for FMRs at the 50th percentile three years ago, whether these areas continue to remain eligible to use 50th percentile FMRs. The regulations provide that once an area is determined eligible for 50th percentile FMRs, that area is eligible to use 50th percentile FMRs for a period of three years. In a notice published February 14, 2006, HUD designated the 24 areas determined eligible for the 50th percentile FMRs, and these changes became effective on March 1, 2006 (see *http://www.huduser.org/datasets/fmr.html* for further information on the designation of 50th percentile FMR areas). These areas will not be evaluated for three years. Of the areas that did not meet the test for continued use of 50th percentile FMRs, HUD found only one area ineligible because of lack of progress in alleviating concentration of voucher tenants, the Bergen-Passaic metropolitan area. This area is ineligible to use FMRs set at the 50th percentile for the next three years, however, it may be eligible for a higher payment standard, as discussed in 24 CFR 982.503(f). All other areas are evaluated annually to determine if they become newly eligible.

The following areas have been determined to be newly eligible based on the rules specified in the February 14, 2006, notice and on Housing Choice Voucher program data as of December 31, 2005: Dallas, TX HMFA, Fort Lauderdale, FL HMFA, San Diego-Carlsbad-San Marcos, CA MSA, West Palm Beach-Boca Raton, FL HMFA.

III. FMR Methodology

The proposed FY2007 FMRs generally follow the same calculation methodology used for FY2006, but include a limited number of changes in metropolitan area definitions resulting from an alteration in HUD's formula for dividing OMB-defined metropolitan areas. HUD continues to use the most recent core-based metropolitan statistical areas in calculating FMRs as defined by OMB in OMB Bulletin 06–01 with some modifications that disaggregate some OMB areas (see *http://www.whitehouse.gov/omb/bulletins/fy2006/b06-01.pdf*). The most recent OMB definitions have been implemented with modifications intended to minimize changes in both FMRs and income limits due solely to the use of the most recent OMB definitions. All proposed metropolitan FMR areas consist of areas within OMB metropolitan areas. The FY2006 FMRs created separate FMR areas for any parts of old metropolitan areas, or formerly nonmetropolitan counties, that would have more than a 5 percent increase or decrease in their 2000 Census base 40th percentile 2-bedroom rent as a result of implementing the new OMB definitions. Most FY2006 FMR areas consisting of multiple parts of old metropolitan areas and/or formerly nonmetropolitan counties after the 5 percent test was applied to rents had similar income limits among the component parts. A few such areas would have substantial declines in income limits for some of their component parts under the FY2006 FMR area definitions. Income limit decreases are disruptive to certain HUD and other federal housing subsidy programs where unit rents are tied to current income limits. HUD, therefore, generally does not allow income limits to fall—a ''hold harmless'' policy. Without an income limit hold harmless policy, program rent revenue in subsidized rental projects with rents tied to income limits may fall below expense and debt service levels potentially leading to default on debt or departure from the program. Income limit areas generally have the same boundaries as FMR areas (the only difference being statutorily mandated exceptions). In order to minimize large changes in income limits in these combined areas with similar rents but differing income levels, HUD is proposing for the FY2007 FMRs to create separate FMR areas for any parts of old metropolitan areas, or formerly nonmetropolitan counties, that would have: More than a 5 percent increase or decrease in their 2000 Census base area median family income as a result of implementing the new OMB definitions; and a sufficiently large sample of 2000 Census recent mover rents to compute an individual FMR.

The addition of the 2000 Census base median family income analysis can have three possible effects on an FMR area and its FMRs as defined in FY2006: (1) A new sub-area may be formed e.g., Kendall County, IL HMFA removed from the Chicago-Naperville-Joliet, IL HMFA); (2) an existing sub-area may be assigned its own 2000 Census base rent instead of the CBSA base rent (e.g., Danbury, CT HMFA); or (3) an existing sub-area may lose a component which affects the computation of the sub-area's 2000-to-2005 update factor (e.g., Youngstown-Warren-Boardman, OH HMFA lost the new Sharon, PA HMFA). A complete list of changes from the FY2006 FMRs due to the use of the 2000 Census Base Median Family Income comparison in forming metropolitan sub-areas is provided in subsection F below.

For nonmetropolitan areas, FMRs continue to be calculated at the county level.

A. Data Sources: 2000 Census Base Rents

FY2005 FMRs were benchmarked for most areas using 2000 Decennial Census

data, which served to correct estimation errors that accumulated since 1994 when FMRs were benchmarked with 1990 Decennial Census data. At HUD's request, the Census Bureau prepared a publicly-releasable data file that permits almost exact replication of HUD's 2000 Census base rent calculations in all areas except those with few rental units. This data set is located on HUD's HUD USER Web site at: *http://www.huduser.org/datasets/fmr/CensusRentData/index.html.* An area-specific explanation of how FY2005 FMRs were benchmarked to the 2000 Census and updated can be found at *http://www.huduser.org/datasets/fmr/fmrs/index.asp?data=docs.*

The proposed FY2007 FMRs are also benchmarked to the 2000 Census. The 2000 Census base rents computed for the proposed FY2007 FMRs use the same computational techniques as used in the FY2005 benchmarking. The 2000 Census base rents for old FMR areas are used, along with the Revised Final FY2005 FMRs, to determine the 2000 to 2005 portion of the 2000 to 2007 update factor for the new FMR areas. CPI gross rent and utility indexes are used for the remainder. A publicly releasable version of the data used in preparing the proposed FY2007 FMRs is available at the following Web site: *http://www.huduser.org/datasets/fmr/fmrs/index.asp?data=fmr07.*

B. FMR Updates: 2000 Census to 2005

For the new FMR areas, used in the FY2006 FMRs and revised for the proposed FY2007 FMRs, update factors from the 2000 Census base rent to 2005 are computed using weighted average update factors derived from Old FMR Area Revised Final FY2005 FMRs, Old FMR Area 2000 Census Base Rents and 2000 Census 100 Percent Population Counts as described at *http://www.huduser.org/datasets/fmr/fmrs/index.asp?data=fmr07.*

After 2000 Census base rent estimates were established for each old FMR area and bedroom size; they are updated from the estimated Census date of April 1, 2000 to April 1, 2005 (the midpoint of FY2005). Update factors for the period were based either on the area-specific Consumer Price Index (CPI) survey data that were available for the largest metropolitan areas or on HUD random digit dialing (RDD) survey data by region.

For areas with local CPI surveys, CPI annual data on rents and utilities were used to update the Census rent estimates. Three-quarters of the 2000 CPI change factor was used to bring the FMR estimates forward from April to December of 2000. Annual CPI survey data could then be used for calendar years 2001, 2002, and 2003. Trending to cover the period from December 2003 to April 1, 2005, was then needed. An annual trending factor of 3 percent, based on the average annual increase in the median Census gross rent between 1990 and 2000, was used to update estimates from the end of 2003 (i.e., the last date for which CPI data were available) until the midpoint of the fiscal year in which the estimates were used. The 15-month trending factor was 3.75 percent (3 percent times 15/12).

For areas without local CPI surveys, the same process was used except that regional RDD survey data were substituted for CPI data. Regional RDD surveys were done for 20 areas—the metropolitan and non-metropolitan part of each of the 10 HUD regions. Areas covered by CPI metropolitan surveys were excluded from the RDD metropolitan regional surveys.

HUD also conducted random digit dialing telephone surveys for selected areas and incorporated these into FMR update factors. The specific 2000-to-2005 update factors that apply to each FY2007 FMR area's constituent parts are described at *http://www.huduser.org/datasets/fmr/fmrs/index.asp?data=fmr07.*

C. Updates From 2005 to Proposed FY2007

After using the old FMR area data to update rents to 2005, metropolitan area and non-metropolitan county update factors from 2005 to 2007 are applied to derive the proposed FY2007 FMRs. All new FMR areas that are parts of new metropolitan areas are generally updated with the same metropolitan area-level 2005 to 2007 update factor.

Specifically, local CPI data is used to move rents from the end of 2003 to the end of 2005 and the same 15-month trending factor is then applied. Regional RDDs, however, were not conducted in 2004 or 2005 in anticipation of the arrival of American Community Survey (ACS) data. Therefore, for proposed FY2007 FMRs, Census region level CPI data for Class B and C size cities is being used to update areas without local CPI update factors. Data from the 2005 ACS will be used to replace regional CPI data if it becomes available in time for inclusion in the final FY2007 publication. Once full-scale ACS data collections become available in the latter part of 2006, sample sizes will be large enough to estimate FMRs for the larger metropolitan areas on an annual basis and for other areas on a two- to four-year basis.

Random digit dialing (RDD) surveys are conducted for areas HUD has reason to believe may have unusual rent movements. One RDD was completed in time for publication of FY2007 proposed FMRs. The RDD for Miami-Miami Beach-Kendall, FL HMFA indicated an increase in the 2-bedroom FMR from $937 to $1,018. HUD is conducting special RDD surveys in several Gulf Coast FMR areas using a special protocol to detect possible changes in rents since Hurricanes Katrina and Rita. The addition of the post-hurricane protocols delayed results of these surveys so they are not available for inclusion in this notice. Significant changes in rents revealed by these surveys will be included in final FY2007 FMRs.

The area-specific data and computations used to determine FMR area definitions and calculate proposed FY2007 FMRs can be found at *http://www.huduser.org/datasets/fmr/fmrs/index.asp?data=fmr07.*

D. Large Bedroom Rents

FMR estimates are calculated for two-bedroom units. This is generally the most common size of rental units, and therefore the most reliable to survey and analyze. After each decennial Census, rent relationships between two-bedroom units and other unit sizes are calculated and used to set FMRs for other units. This is done because it is much easier to update two-bedroom estimates and to use pre-established cost relationships with other bedroom sizes than it is to develop independent FMR estimates for each bedroom size. This was last done using 2000 Census data. A publicly releasable version of the data file used that permits derivations of rent ratios is available at *http://www.huduser.org/datasets/fmr/CensusRentData/index.html.*

The rents for three-bedroom and larger units continue to reflect HUD's policy to set higher rents for these units than would result from using normal market rents. This adjustment is intended to increase the likelihood that the largest families, who have the most difficulty in leasing units, will be successful in finding eligible program units. The adjustment adds bonuses of 8.7 percent to the unadjusted three-bedroom FMR estimates and adds 7.7 percent to the unadjusted four-bedroom FMR estimates. The FMRs for unit sizes larger than four bedrooms are calculated by adding 15 percent to the four-bedroom FMR for each extra bedroom. For example, the FMR for a five-bedroom unit is 1.15 times the four-bedroom FMR, and the FMR for a six-bedroom unit is 1.30 times the four-bedroom FMR. FMRs for single-room

occupancy units are 0.75 times the zero-bedroom (efficiency) FMR.

A further adjustment was made using 2000 Census data in establishing rent ratios for areas with local bedroom-size intervals above or below what are considered to be reasonable ranges or where sample sizes are inadequate to accurately measure bedroom rent differentials. Experience has shown that highly unusual bedroom ratios typically reflect inadequate sample sizes or peculiar local circumstances that HUD would not want to utilize in setting FMRs (e.g., luxury efficiency apartments in New York City that rent for more than typical one-bedroom units). Bedroom interval ranges were established based on an analysis of the range of such intervals for all areas with large enough samples to permit accurate bedroom ratio determinations. The ranges used were: Efficiency units are constrained to fall between 0.65 and 0.83 of the two-bedroom FMR; one-bedroom units must be between 0.76 and 0.90 of the two-bedroom unit; three-bedroom units must be between 1.10 and 1.34 of the two-bedroom unit; and four-bedroom units must be between 1.14 and 1.63 of the two-bedroom unit. Bedroom rents for a given FMR area were then adjusted if the differentials between bedroom-size FMRs were inconsistent with normally observed patterns (e.g., efficiency rents were not allowed to be higher than one-bedroom rents and four-bedroom rents were set at a minimum of 3 percent higher than three-bedroom rents).

For low-population, non-metropolitan counties with small Census recent-mover rent samples, Census-defined county group data were used in determining rents for each bedroom size. This adjustment was made to protect against unrealistically high or low FMRs due to insufficient sample sizes. The areas covered by this new estimation method had less than the HUD standard of 200 two-bedroom Census-tabulated observations.

E. Future FMR Annual Updates

HUD believes the current OMB definitions of metropolitan statistical areas (MSAs) are reasonable definitions of housing markets whose relevance will increase with time. That is, while HUD makes distinctions among housing markets within some of these areas based on differences in rents and incomes measured in 2000, the new MSAs are probably better reflections of current rental housing markets than of 2000 rental housing markets, and will be shown to be increasingly good approximations of housing markets as more data are gathered in the future. Therefore, future updates to FMRs will be made at the metropolitan area level and applied to all FMR areas within metropolitan areas where they have been separately designated.

HUD-funded random digit dialing (RDD) telephone surveys will generally be conducted at the metropolitan area level and compared to the metropolitan area rent estimate to see if adjustments need to be made. If an RDD indicates that a metropolitan area rent needs to be changed, the metropolitan area-level change factor will be computed and applied to FMR area FMRs within the metropolitan area. HUD will accept information supplied by local housing authorities to make adjustments to FMRs.

The release of 2005 Census American Community Survey data later this year will initiate a major change in FMR calculations. Starting in 2005, the Census fully implemented ACS surveys, which are annual surveys that collect essentially all of the data that were collected on the 2000 Census long form (sample survey). The surveys are large enough to provide annual FMR estimates for large metropolitan areas, and two or more years of data can be combined to provide reliable estimates for smaller areas. The ACS offers more current and accurate rent data than have ever been systematically available for calculating FMRs. HUD will re-benchmark all metropolitan areas and FMR areas when sufficient ACS or other data are available to estimate rents at the same level of accuracy for all FMR areas. To the extent such detailed data are available, the FY2007 separation of sub-areas within metropolitan areas will be re-examined to determine if FMR area base rents and median family incomes from the new survey are sufficiently different to warrant their continued separation within the metropolitan area for areas separated based on 2000 Census base rent and base median family income differentials.

F. FMR Area Changes Resulting From 2000 Census Base Median Family Income Comparisons

For this notice, HUD created separate FMR areas based on 2000 Census base median family incomes for any parts of old metropolitan areas, or formerly nonmetropolitan counties, that have a differential of more than 5 percent from the current OMB area 2000 Census base median family income. The limited number of areas in question did not qualify as separate areas based on the 2000 Census base rent analysis that was used to determine FMR areas in FY2006. Therefore, these areas should not have substantial increases or decreases in their FMRs if they are treated as separate income limit/FMR sub-areas. The addition of the 2000 Census base median family income analysis can have three possible effects on an FMR area and its FMRs as defined in FY2006: (1) A new sub-area may be formed; (2) an existing sub-area may be assigned its own 2000 Census base rent instead of the CBSA base rent; or (3) an existing sub-area may lose a component which affects the computation of the sub-area's 2000-to-2005 update factor.

The table below provides a list of the areas affected by this new approach. It compares the FY2006 FMR to the Revised FY2006 Rent that reflects the impact of the 2000 Census base median family income comparison for the new metropolitan area and its former FMR area components. The difference shown is the difference between the currently effective FY2006 FMR and what it would have been if the new area had been used to calculate FY2006 FMRs (the FY2006 Equivalent Rent with Income Comparison). The FY2006 Equivalent Rent, which is provided for informational purposes only and is not intended to be effective, provides the link between the current and the proposed FMRs for an area. For a complete explanation of how each FMR area definition is determined and how the proposed FY2007 FMRs for the area are computed, see *http://www.huduser.org/datasets/fmr/fmrs/index.asp?data=fmr07.*

AREAS CHANGED BY 2000 CENSUS BASE MEDIAN FAMILY INCOME COMPARISON

Areas	Final FY2006 FMR (no income comparison)	FY2006 quivalent rent with income comparison	FY2006 quivalent rent less final FY2006 FMR	Proposed FY2007 FMR
Areas Changed From CBSA Base to Sub-Area Base				
Bangor, ME HMFA	642	670	28	704

AREAS CHANGED BY 2000 CENSUS BASE MEDIAN FAMILY INCOME COMPARISON—Continued

Areas	Final FY2006 FMR (no income comparison)	FY2006 quivalent rent with income comparison	FY2006 quivalent rent less final FY2006 FMR	Proposed FY2007 FMR
Bloomington, IN HMFA	621	648	27	668
Danbury, CT HMFA	1148	1195	47	1267
Hagerstown, MD HMFA	629	639	10	673
Iowa City, IA HMFA	653	662	9	682
Jefferson City, MO HMFA	504	507	3	522
Jonesboro, AR HMFA	490	503	13	523
Manchester, NH HMFA	1013	966	−47	1001
Miami-Miami Beach-Kendall, FL HMFA	911	883	−28	[1] 1018
New York, NY HMFA	1133	1123	−10	1189
San Juan-Guaynabo, PR HMFA	403	[2] 486	83	506
New Sub-Areas				
Kendall County, IL HMFA	901	878	−23	911
Union County, OH HMFA	655	691	36	712
Martinsburg, WV HMFA	629	622	−7	655
Calloway County, MO HMFA	504	503	−1	518
Shelby County, KY HMFA	563	580	17	602
Monroe County, GA HMFA	542	524	−18	545
Fort Lauderdale, FL HMFA *	911	993	82	1054
West Palm Beach-Boca Raton, FL HMFA *	911	996	85	1057
Monmouth-Ocean, NJ HMFA	1133	1105	−28	1170
Sharon, PA HMFA	541	543	2	562
Areas Whose Rent Changed Solely Due to Loss of Part to New Sub-Area and Its Effect on Update Factors				
Columbus, OH HMFA	655	654	−1	674
Louisville, KY–IN HMFA	563	562	−1	584
Youngstown-Warren-Boardman, OH HMFA	541	539	−2	558

[1] Includes an RDD-based adjustment.
[2] This rent includes the results of the Puerto Rico RDD revision described in a separate notice published June 2, 2006 at 71 FR 32123–4.
* Also becomes 50th percentile FMR area in FY2007.

IV. Manufactured Home Space Surveys

The FMR used to establish payment standard amounts for the rental of manufactured home spaces in the Housing Choice Voucher program is 40 percent of the FMR for a two-bedroom unit. HUD will consider modification of the manufactured home space FMRs where public comments present statistically valid survey data showing the 40th percentile manufactured home space rent (including the cost of utilities) for the entire FMR area.

All approved exceptions to these rents that were in effect in FY2006 were updated to FY2007 using the same data used to estimate the Housing Choice Voucher program FMRs if the respective FMR area's definition had remained the same. If the result of this computation was higher than 40 percent of the re-benchmarked two-bedroom rent, the exception remains and is listed in Schedule D. The FMR area definitions used for the rental of manufactured home spaces are the same as the area definitions used for the other FMRs. Areas with definitional changes that previously had exception manufactured housing space rental FMRs are requested to submit new surveys to justify higher than standard space rental FMRs if they believe higher space rental allowances are needed.

V. Request For Public Comments

HUD seeks public comments on FMR levels for specific areas. Comments on FMR levels must include sufficient information (including local data and a full description of the rental housing survey methodology used) to justify any proposed changes. Changes may be proposed in all or any one or more of the unit-size categories on the schedule. Recommendations and supporting data must reflect the rent levels that exist within the entire FMR area.

For the supporting data, HUD recommends the use of professionally conducted RDD telephone surveys to test the accuracy of FMRs for areas where there is a sufficient number of Section 8 units to justify the survey cost of approximately $20,000 to $30,000. Areas with 500 or more program units usually meet this cost criterion, and areas with fewer units may meet it if actual rents for two-bedroom units are significantly different from the FMRs proposed by HUD. In addition, HUD has developed a version of the RDD survey methodology for smaller, nonmetropolitan PHAs. This methodology is designed to be simple enough to be done by the PHA itself, rather than by professional survey organizations, at a cost of $5,000 or less.

PHAs in nonmetropolitan areas may, in certain circumstances, conduct surveys of groups of counties. HUD must approve all county-grouped surveys in advance. PHAs are cautioned that the resulting FMRs will not be identical for the counties surveyed; each individual FMR area will have a separate FMR based on the relationship of rents in that area to the combined rents in the cluster of FMR areas. In addition, PHAs are advised that counties whose FMRs are based on the combined rents in the cluster of FMR areas will not have their FMRs revised unless the grouped survey results show a revised FMR above the combined rent level.

PHAs that plan to use the RDD survey technique should obtain a copy of the appropriate survey guide. Larger PHAs should request HUD's survey guide entitled ''Random Digit Dialing Surveys; A Guide to Assist Larger Public Housing Agencies in Preparing Fair Market Rent

Comments.'' Smaller PHAs should obtain the guide entitled ''Rental Housing Surveys; A Guide to Assist Smaller Public Housing Agencies in Preparing Fair Market Rent Comments.'' These guides are available from HUD USER on 800–245–2691, or from HUD's Web site, in Microsoft Word or Adobe Acrobat format, at the following address: *http://www.huduser.org/datasets/fmr.html.*

Other survey methodologies are acceptable in providing data to support comments, if the survey methodology can provide statistically reliable, unbiased estimates of the gross rent. Survey samples should preferably be randomly drawn from a complete list of rental units for the FMR area. If this is not feasible, the selected sample must be drawn to be statistically representative of the entire rental housing stock of the FMR area. Surveys must include units at all rent levels and be representative by structure type (including single-family, duplex, and other small rental properties), age of housing unit, and geographic location. The decennial Census should be used as a means of verifying if a sample is representative of the FMR area's rental housing stock.

Most surveys cover only one- and two-bedroom units, which has statistical advantages. If the survey is statistically acceptable, HUD will estimate FMRs for other bedroom sizes using ratios based on the decennial Census. A PHA or contractor that cannot obtain the recommended number of sample responses after reasonable efforts should consult with HUD before abandoning its survey; in such situations HUD is prepared to relax normal sample size requirements.

HUD will consider increasing manufactured home space FMRs where public comment demonstrates that 40 percent of the two-bedroom FMR is not adequate. In order to be accepted as a basis for revising the manufactured home space FMRs, comments must include a pad rental survey of the mobile home parks in the area, identify the utilities included in each park's rental fee, and provide a copy of the applicable public housing authority's utility schedule.

Accordingly, the Fair Market Rent Schedules, which will not be codified in 24 CFR part 888, are proposed to be amended as shown in the Appendix to this notice:

Dated: May 30, 2006.

Darlene F. Williams,

Assistant Secretary for Policy Development and Research.

Fair Market Rents for the Housing Choice Voucher Program

Schedules B and D—General Explanatory Notes

1. Geographic Coverage

a. *Metropolitan Areas*—FMRs are market-wide rent estimates that are intended to provide housing opportunities throughout the geographic area in which rental-housing units are in direct competition. The proposed FY2007 FMRs reflect a change in metropolitan area definitions. HUD is using the metropolitan Core-Based Statistical Areas (CBSA), which are made up of one or more counties, as defined by the Office of Management and Budget, with some modifications. HUD is generally assigning separate FMRs to the component counties of CBSA Micropolitan Areas.

b. *Modifications to OMB Definitions*—Following OMB guidance, the estimation procedure for the FY2007 proposed FMRs incorporates the current OMB definitions of metropolitan areas based on the Core-Based Statistical Area (CBSA) standards as implemented with 2000 Census data, but makes adjustments to the definitions to separate subparts of these areas where FMRs or median incomes would otherwise change significantly if the new area definitions were used without modification. In CBSAs where sub-areas are established, it is HUD's view that the geographic extent of the housing markets are not yet the same as the geographic extent of the CBSAs, but may become so in the future as the social and economic integration of the CBSA component areas increases. Modifications to metropolitan CBSA definitions are made according to a formula as described below.

Metropolitan Areas CBSAs (referred to as Metropolitan Statistical Areas or MSAs) may be modified to allow for sub-area FMRs within MSAs based on the boundaries of old FMR areas (OFAs) within the boundaries of new MSAs. (OFAs are the FMR areas defined for the FY2005 FMRs. Collectively they include 1999 definition MSAs/PMSAs, metro counties deleted from 1999 definition MSAs/PMSAs by HUD for FMR purposes, and counties and county parts outside of 1999 definition MSAs/PMSAs referred to as non-metropolitan counties.) Sub-areas of MSAs are assigned their own FMRs when the sub-area 2000 Census Base Rent differs by at least 5 percent from (*i.e.*, is at most 95 percent or at least 105 percent of) the MSA 2000 Census Base Rent, or when the 2000 Census Median Family Income for the sub-area differs by at least 5 percent from the MSA 2000 Census Median Family Income. MSA sub-areas, and the remaining portions of MSAs after sub-areas have been determined, are referred to as HUD Metro FMR Areas (HMFAs) to distinguish these areas from OMB's official definition of MSAs.

The specific counties and New England towns and cities within each state in MSAs and HMFAs are listed in the FMR tables.

2. Bedroom Size Adjustments

Schedules B shows the FMRs for 0-bedroom through 4-bedroom units. The FMRs for unit sizes larger than 4 bedrooms are calculated by adding 15 percent to the 4-bedroom FMR for each extra bedroom. For example, the FMR for a 5-bedroom unit is 1.15 times the 4-bedroom FMR, and the FMR for a 6-bedroom unit is 1.30 times the 4-bedroom FMR. FMRs for single-room-occupancy (SRO) units are 0.75 times the 0-bedroom FMR.

3. Arrangement of FMR Areas and Identification of Constituent Parts

a. The FMR areas in Schedule B are listed alphabetically by metropolitan FMR area and by nonmetropolitan county within each state. The exception FMRs for manufactured home spaces in Schedule D are listed alphabetically by state.

b. The constituent counties (and New England towns and cities) included in each metropolitan FMR area are listed immediately following the listings of the FMR dollar amounts. All constituent parts of a metropolitan FMR area that are in more than one state can be identified by consulting the listings for each applicable state.

c. Two nonmetropolitan counties are listed alphabetically on each line of the nonmetropolitan county listings.

d. The New England towns and cities included in a nonmetropolitan part of a county are listed immediately following the county name.

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SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

ALABAMA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Anniston-Oxford, AL MSA	359	397	493	651	766	Calhoun
Auburn-Opelika, AL MSA	355	424	546	719	738	Lee
Birmingham-Hoover, AL HMFA	487	542	604	766	789	Bibb, Blount, Jefferson, St. Clair, Shelby
Chilton County, AL HMFA	310	429	477	599	686	Chilton
Columbus, GA-AL MSA	473	498	570	758	897	Russell
Decatur, AL MSA	393	441	508	664	689	Lawrence, Morgan
Dothan, AL HMFA	350	412	467	597	682	Geneva, Houston
Florence-Muscle Shoals, AL MSA	415	417	506	645	800	Colbert, Lauderdale
Gadsden, AL MSA	328	415	504	646	667	Etowah
Henry County, AL HMFA	296	408	453	541	558	Henry
Huntsville, AL MSA	436	474	560	767	842	Limestone, Madison
Mobile, AL MSA	489	523	590	773	912	Mobile
Montgomery, AL MSA	468	553	623	826	1091	Autauga, Elmore, Lowndes, Montgomery
Tuscaloosa, AL MSA	407	471	610	784	808	Greene, Hale, Tuscaloosa
Walker County, AL HMFA	387	388	465	581	634	Walker

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Baldwin	450	542	644	854	978	Barbour	378	379	455	563	580
Bullock	335	379	465	557	600	Butler	335	379	465	557	600
Chambers	376	408	453	615	634	Cherokee	395	396	476	567	585
Choctaw	376	396	453	574	767	Clarke	294	407	453	542	796
Clay	377	378	453	560	697	Cleburne	380	381	457	560	697
Coffee	362	413	468	640	821	Conecuh	376	396	453	574	767
Coosa	368	407	453	614	689	Covington	377	378	453	618	637
Crenshaw	335	379	465	557	600	Cullman	394	406	475	639	657
Dale	350	404	453	654	793	Dallas	301	418	464	585	628
DeKalb	338	359	453	602	620	Escambia	376	381	453	565	694
Fayette	297	344	453	660	797	Franklin	295	382	453	611	795
Jackson	376	408	453	577	795	Lamar	304	376	453	605	794
Macon	337	363	468	624	645	Marengo	376	400	453	587	603
Marion	294	344	453	576	796	Marshall	400	429	484	653	720
Monroe	376	408	453	627	693	Perry	376	400	453	587	603
Pickens	304	376	453	605	794	Pike	361	389	453	582	600
Randolph	377	378	453	560	697	Sumter	304	387	453	605	794
Talladega	383	384	460	621	811	Tallapoosa	362	370	454	640	743
Washington	376	396	453	574	767	Wilcox	376	396	453	574	767
Winston	302	344	453	542	558						

ALASKA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Anchorage, AK HMFA	660	751	942	1356	1652	Anchorage
Fairbanks, AK MSA	558	672	859	1244	1313	Fairbanks North Star
Matanuska-Susitna Borough, AK HMFA	536	625	797	1133	1376	Matanuska-Susitna

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

ALASKA continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Aleutians East	697	792	1004	1241	1279	Aleutians West	697	792	1004	1241	1279
Bethel	798	1000	1213	1451	2130	Bristol Bay	697	792	1004	1241	1279
Denali	589	727	907	1273	1434	Dillingham	697	792	1004	1241	1279
Haines	589	727	907	1273	1434	Juneau	711	871	1096	1481	1846
Kenai Peninsula	526	602	732	1003	1285	Ketchikan Gateway	627	800	962	1402	1689
Kodiak Island	671	786	1034	1486	1573	Lake and Peninsula	697	792	1004	1241	1279
Nome	698	897	1030	1243	1280	North Slope	719	840	1104	1320	1359
Northwest Arctic	697	792	1004	1241	1279	Prince of Wales-Outer Ketchikan	697	792	1004	1241	1279
Sitka	669	771	920	1340	1615	Skagway-Hoonah-Angoon	697	792	1004	1241	1279
Southeast Fairbanks	589	727	907	1273	1434	Valdez-Cordova	589	727	907	1273	1434
Wade Hampton	697	792	1004	1241	1279	Wrangell-Petersburg	697	792	1004	1241	1279
Yakutat	697	792	1004	1241	1279	Yukon-Koyukuk	697	792	1004	1241	1279

ARIZONA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Flagstaff, AZ MSA	699	831	939	1208	1523	Coconino
*Phoenix-Mesa-Scottsdale, AZ MSA	553	648	782	1139	1359	Maricopa, Pinal
Prescott, AZ MSA	571	589	744	1084	1117	Yavapai
*Tucson, AZ MSA	503	591	772	1114	1251	Pima
Yuma, AZ MSA	493	582	695	986	1208	Yuma

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Apache	361	442	522	724	918	Cochise	424	492	617	852	1047
Gila	463	542	713	979	1008	Graham	482	520	582	804	925
Greenlee	441	490	615	845	956	La Paz	493	494	592	838	863
Mohave	527	580	676	935	1043	Navajo	432	462	610	822	974
Santa Cruz	508	509	645	940	968						

ARKANSAS

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Fayetteville-Springdale-Rogers, AR HMFA	437	461	576	839	862	Benton, Madison, Washington
Fort Smith, AR-OK HMFA	349	396	493	657	715	Crawford, Sebastian
Franklin County, AR HMFA	309	403	474	601	733	Franklin
Grant County, AR HMFA	386	397	485	702	724	Grant
Hot Springs, AR MSA	373	462	575	718	740	Garland
Jonesboro, AR HMFA	435	453	523	736	758	Craighead
Little Rock-North Little Rock, AR HMFA	484	551	614	822	849	Faulkner, Lonoke, Perry, Pulaski, Saline
Memphis, TN-MS-AR HMFA	548	596	662	882	910	Crittenden
Pine Bluff, AR MSA	368	437	547	656	778	Cleveland, Jefferson, Lincoln
Poinsett County, AR HMFA	308	399	474	631	755	Poinsett
Texarkana, TX-Texarkana, AR MSA	439	443	546	666	725	Miller

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

ARKANSAS continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Arkansas	362	381	474	688	708
Baxter	365	424	513	689	870
Bradley	353	358	474	588	623
Carroll	416	417	501	632	880
Clark	378	383	493	635	655
Cleburne	430	431	517	709	910
Conway	394	406	474	653	710
Dallas	307	426	474	604	768
Drew	351	451	542	681	950
Greene	307	428	474	693	714
Hot Spring	395	396	474	621	641
Independence	329	392	474	613	665
Jackson	319	419	474	669	690
Lafayette	374	428	492	588	704
Lee	337	381	474	632	734
Logan	308	398	474	678	758
Mississippi	335	374	489	645	778
Montgomery	370	430	541	680	701
Newton	398	399	479	618	695
Phillips	393	396	474	617	637
Polk	394	427	474	616	749
Prairie	394	395	474	594	613
St. Francis	402	417	487	687	853
Searcy	398	399	479	618	695
Sharp	394	395	474	604	624
Union	406	427	488	632	821
White	407	408	490	665	685
Yell	392	413	474	650	670

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Ashley	369	382	502	601	662
Boone	402	403	484	620	696
Calhoun	307	426	474	604	768
Chicot	353	358	474	588	623
Clay	382	384	474	607	647
Columbia	313	402	481	590	676
Cross	398	400	480	700	764
Desha	353	358	474	603	623
Fulton	377	379	474	623	695
Hempstead	372	416	487	583	670
Howard	362	420	474	611	630
Izard	377	379	474	623	695
Johnson	307	422	474	632	755
Lawrence	309	378	474	583	771
Little River	374	428	492	600	704
Marion	393	395	474	624	687
Monroe	394	395	474	594	613
Nevada	374	428	492	588	704
Ouachita	307	427	474	652	765
Pike	374	428	492	588	704
Pope	358	384	497	700	720
Randolph	308	385	474	567	831
Scott	394	395	474	656	831
Sevier	395	409	474	655	759
Stone	377	379	474	623	695
Van Buren	308	360	474	587	757
Woodruff	394	395	474	594	613

CALIFORNIA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Bakersfield, CA MSA	503	542	646	933	1119	Kern
Chico, CA MSA	489	582	702	990	1181	Butte
El Centro, CA MSA	488	551	680	936	1192	Imperial
Fresno, CA MSA	558	615	726	1056	1138	Fresno
Hanford-Corcoran, CA MSA	512	545	633	923	1112	Kings
Los Angeles-Long Beach, CA HMFA	843	1016	1269	1704	2051	Los Angeles
Madera, CA MSA	513	539	687	999	1030	Madera
Merced, CA MSA	474	541	657	937	1094	Merced
Modesto, CA MSA	584	645	760	1090	1259	Stanislaus
Napa, CA MSA	764	856	1112	1538	1747	Napa
Oakland-Fremont, CA HMFA	874	1055	1250	1695	2099	Alameda, Contra Costa
*Orange County, CA HMFA	1103	1238	1485	2125	2441	Orange

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

CALIFORNIA continued

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Oxnard-Thousand Oaks-Ventura, CA MSA	1047	1156	1471	2108	2411	Ventura
Redding, CA MSA	480	559	680	992	1195	Shasta
*Riverside-San Bernardino-Ontario, CA MSA	765	835	974	1383	1617	Riverside, San Bernardino
Sacramento--Arden-Arcade--Roseville, CA HMFA	715	813	992	1431	1641	El Dorado, Placer, Sacramento
Salinas, CA MSA	856	963	1106	1563	1637	Monterey
San Benito County, CA HMFA	619	838	932	1321	1635	San Benito
*San Diego-Carlsbad-San Marcos, CA MSA	870	993	1205	1757	2118	San Diego
San Francisco, CA HMFA	1008	1239	1551	2071	2188	Marin, San Francisco, San Mateo
San Jose-Sunnyvale-Santa Clara, CA HMFA	922	1068	1284	1846	2033	Santa Clara
San Luis Obispo-Paso Robles, CA MSA	663	784	955	1391	1432	San Luis Obispo
Santa Barbara-Santa Maria, CA MSA	856	956	1073	1413	1613	Santa Barbara
Santa Cruz-Watsonville, CA MSA	883	1042	1359	1956	2015	Santa Cruz
Santa Rosa-Petaluma, CA MSA	758	923	1165	1653	1933	Sonoma
Stockton, CA MSA	623	710	876	1203	1515	San Joaquin
Vallejo-Fairfield, CA MSA	808	869	997	1398	1722	Solano
Visalia-Porterville, CA MSA	498	556	647	925	950	Tulare
Yolo, CA HMFA	703	744	910	1326	1411	Yolo
Yuba City, CA MSA	452	510	627	912	976	Sutter, Yuba

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Alpine	516	579	738	1052	1083	Amador	556	652	855	1242	1280
Calaveras	567	567	682	994	1097	Colusa	518	520	676	873	1186
Del Norte	507	513	664	967	997	Glenn	443	454	598	778	799
Humboldt	471	551	725	1040	1151	Inyo	465	488	634	924	1089
Lake	465	545	710	1029	1145	Lassen	453	531	698	1015	1046
Mariposa	516	579	738	1052	1083	Mendocino	520	641	779	1063	1366
Modoc	449	496	649	925	960	Mono	606	730	932	1277	1638
Nevada	582	680	896	1294	1574	Plumas	461	540	711	1037	1249
Sierra	545	636	839	1189	1472	Siskiyou	402	482	617	878	905
Tehama	421	479	625	908	1091	Trinity	457	479	629	863	957
Tuolumne	501	596	770	1064	1096						

COLORADO

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Boulder, CO MSA	716	830	1041	1518	1820	Boulder
Colorado Springs, CO HMFA	554	622	785	1120	1325	El Paso
*Denver-Aurora, CO MSA	630	718	909	1291	1504	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park
Fort Collins-Loveland, CO MSA	552	662	802	1168	1361	Larimer
Grand Junction, CO MSA	500	501	602	877	1060	Mesa
Greeley, CO MSA	532	564	690	1007	1187	Weld
Pueblo, CO MSA	471	496	652	854	966	Pueblo
Teller County, CO HMFA	580	679	893	1300	1566	Teller

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

COLORADO continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Alamosa	378	468	519	705	912
Baca	397	466	519	739	798
Chaffee	421	530	646	941	969
Conejos	397	466	519	739	798
Crowley	425	439	534	700	860
Delta	494	504	594	815	840
Eagle	835	975	1283	1614	2204
Garfield	640	729	808	997	1027
Gunnison	519	570	741	1026	1301
Huerfano	397	466	519	739	798
Kiowa	425	439	534	700	860
Lake	633	797	963	1199	1690
Las Animas	379	503	558	719	743
Logan	433	434	553	720	833
Moffat	406	444	557	730	978
Montrose	426	558	647	859	1064
Otero	405	428	519	719	740
Phillips	425	439	534	700	860
Prowers	398	467	519	704	912
Rio Grande	398	466	519	753	799
Saguache	397	466	519	739	798
San Miguel	679	816	1042	1519	1565
Summit	732	860	1124	1601	1973
Yuma	425	439	534	700	860

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Archuleta	504	593	746	907	1171
Bent	425	439	534	700	860
Cheyenne	425	439	534	700	860
Costilla	397	466	519	739	798
Custer	448	524	691	967	1113
Dolores	506	593	686	908	1172
Fremont	401	479	615	883	1012
Grand	502	574	729	1061	1093
Hinsdale	633	797	963	1199	1690
Jackson	562	649	720	928	1120
Kit Carson	425	439	534	700	860
La Plata	553	675	772	1083	1233
Lincoln	425	439	534	700	860
Mineral	633	797	963	1199	1690
Montezuma	442	517	597	713	952
Morgan	480	520	580	773	933
Ouray	633	797	963	1199	1690
Pitkin	882	1031	1357	1885	2383
Rio Blanco	562	649	720	928	1120
Routt	651	771	1002	1198	1760
San Juan	506	593	686	908	1172
Sedgwick	425	439	534	700	860
Washington	425	439	534	700	860

CONNECTICUT

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Components of FMR AREA within STATE
Bridgeport, CT HMFA	665	859	1024	1224	1486	Fairfield County towns of Bridgeport town, Easton town, Fairfield town, Monroe town, Shelton town, Stratford town, Trumbull town
Colchester-Lebanon, CT HMFA	677	795	1043	1247	1287	New London County towns of Colchester town, Lebanon town
Danbury, CT HMFA	822	998	1267	1517	1880	Fairfield County towns of Bethel town, Brookfield town, Danbury town, New Fairfield town, Newtown town, Redding town, Ridgefield town, Sherman town
*Hartford-West Hartford-East Hartford, CT HMFA	703	842	1029	1236	1534	Hartford County towns of Avon town, Berlin town, Bloomfield town, Bristol town, Burlington town, Canton town, East Granby town, East Hartford town, East Windsor town, Enfield town, Farmington town, Glastonbury town, Granby town, Hartford town, Hartland town, Manchester town, Marlborough town, New Britain town, Newington town, Plainville town, Rocky Hill town, Simsbury town, Southington town, South Windsor town, Suffield town, West Hartford town, Wethersfield town, Windsor town, Windsor Locks town

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

CONNECTICUT continued

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Components of FMR AREA within STATE
						Middlesex County towns of Chester town, Cromwell town, Durham town, East Haddam town, East Hampton town, Haddam town, Middlefield town, Middletown town, Portland town Tolland County towns of Andover town, Bolton town, Columbia town, Coventry town, Ellington town, Hebron town, Mansfield town, Somers town, Stafford town, Tolland town, Union town, Vernon town, Willington town
Milford-Ansonia-Seymour, CT HMFA	803	932	1042	1326	1457	New Haven County towns of Ansonia town, Beacon Falls town, Derby town, Milford town, Oxford town, Seymour town
*New Haven-Meriden, CT HMFA	777	882	1065	1275	1457	New Haven County towns of Bethany town, Branford town, Cheshire town, East Haven town, Guilford town, Hamden town, Madison town, Meriden town, New Haven town, North Branford town, North Haven town, Orange town, Wallingford town, West Haven town, Woodbridge town
Norwich-New London, CT HMFA	624	740	857	1049	1159	New London County towns of Bozrah town, East Lyme town, Franklin town, Griswold town, Groton town, Ledyard town, Lisbon town, Lyme town, Montville town, New London town, North Stonington town, Norwich town, Old Lyme town, Preston town, Salem town, Sprague town, Stonington town, Voluntown town, Waterford town
Southern Middlesex County, CT HMFA	778	820	1043	1338	1526	Middlesex County towns of Clinton town, Deep River town, Essex town, Killingworth town, Old Saybrook town, Westbrook town
Stamford-Norwalk, CT HMFA	1046	1274	1592	2074	2506	Fairfield County towns of Darien town, Greenwich town, New Canaan town, Norwalk town, Stamford town, Weston town, Westport town, Wilton town
Waterbury, CT HMFA	536	694	825	988	1028	New Haven County towns of Middlebury town, Naugatuck town, Prospect town, Southbury town, Waterbury town, Wolcott town
NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	Towns within nonmetropolitan counties
Litchfield County, CT	584	761	898	1153	1297	Barkhamsted town, Bethlehem town, Bridgewater town, Canaan town, Colebrook town, Cornwall town, Goshen town, Harwinton town, Kent town, Litchfield town, Morris town, New Hartford town, New Milford town, Norfolk town, North Canaan town, Plymouth town, Roxbury town, Salisbury town, Sharon town, Thomaston town, Torrington town, Warren town, Washington town, Watertown town, Winchester town, Woodbury town
Windham County, CT	536	650	782	984	1044	Ashford town, Brooklyn town, Canterbury town, Chaplin town, Eastford town, Hampton town, Killingly town, Plainfield town, Pomfret town, Putnam town, Scotland town, Sterling town, Thompson town, Windham town, Woodstock town

DELAWARE

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Dover, DE MSA	588	640	709	927	1245	Kent

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

DELAWARE continued

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA...	676	773	923	1105	1314	New Castle

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Sussex	547	595	661	904	931

DISTRICT OF COLUMBIA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
*Washington-Arlington-Alexandria, DC-VA-MD HMFA...	995	1134	1286	1659	2171	District of Columbia

FLORIDA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Baker County, FL HMFA	337	467	519	759	779	Baker
Cape Coral-Fort Myers, FL MSA	615	665	757	1029	1059	Lee
Deltona-Daytona Beach-Ormond Beach, FL MSA	502	587	730	944	972	Volusia
*Fort Lauderdale, FL HMFA	784	877	1054	1458	1851	Broward
Fort Walton Beach-Crestview-Destin, FL MSA	496	581	653	953	1046	Okaloosa
Gainesville, FL MSA	518	572	651	952	981	Alachua, Gilchrist
Jacksonville, FL HMFA	588	669	779	978	1120	Clay, Duval, Nassau, St. Johns
Lakeland, FL MSA	467	516	594	753	884	Polk
Miami-Miami Beach-Kendall, FL HMFA	741	839	1018	1302	1522	Miami-Dade
Naples-Marco Island, FL MSA	694	796	896	1114	1159	Collier
Ocala, FL MSA	495	510	599	786	810	Marion
Orlando-Kissimmee, FL MSA	655	712	814	1019	1200	Lake, Orange, Osceola, Seminole
Palm Bay-Melbourne-Titusville, FL MSA	488	597	703	947	1056	Brevard
Panama City-Lynn Haven, FL MSA	512	540	618	853	949	Bay
Pensacola-Ferry Pass-Brent, FL MSA	498	542	602	872	1055	Escambia, Santa Rosa
Port St. Lucie-Fort Pierce, FL MSA	578	579	734	970	1000	Martin, St. Lucie
Punta Gorda, FL MSA	516	540	701	1023	1232	Charlotte
*Sarasota-Bradenton-Venice, FL MSA	650	712	857	1094	1202	Manatee, Sarasota
Sebastian-Vero Beach, FL MSA	477	575	734	914	940	Indian River
Tallahassee, FL HMFA	521	579	715	954	982	Gadsden, Jefferson, Leon
Tampa-St. Petersburg-Clearwater, FL MSA	609	676	817	1035	1250	Hernando, Hillsborough, Pasco, Pinellas
Wakulla County, FL HMFA	490	532	592	778	803	Wakulla
*West Palm Beach-Boca Raton, FL HMFA	764	895	1057	1495	1540	Palm Beach

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Bradford	337	468	519	643	663	Calhoun	432	433	519	654	746
Citrus	442	480	532	772	929	Columbia	385	445	526	656	923
DeSoto	435	446	524	632	650	Dixie	428	468	519	648	722
Flagler	530	611	769	1077	1148	Franklin	432	433	519	653	744
Glades	457	487	553	675	721	Gulf	432	433	519	654	746
Hamilton	428	468	519	648	722	Hardee	435	473	524	643	661
Hendry	414	495	552	664	819	Highlands	469	471	564	730	872

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING PAGE 8

FLORIDA continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Holmes	430	457	519	675	709	Jackson	363	466	519	643	750
Lafayette	428	468	519	648	722	Levy	430	461	519	663	682
Liberty	432	433	519	654	746	Madison	432	433	519	654	746
Monroe	692	842	1037	1509	1616	Okeechobee	466	483	562	757	779
Putnam	431	467	519	623	641	Sumter	430	467	519	681	911
Suwannee	344	468	519	654	717	Taylor	430	467	519	621	638
Union	402	462	519	687	708	Walton	463	477	558	690	710
Washington	346	393	519	744	765						

GEORGIA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Albany, GA MSA	444	475	557	747	771	Baker, Dougherty, Lee, Terrell, Worth
Athens-Clarke County, GA MSA	477	530	665	886	914	Clarke, Madison, Oconee, Oglethorpe
Atlanta-Sandy Springs-Marietta, GA HMFA	647	700	779	948	1035	Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Heard, Henry, Jasper, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, Walton
Augusta-Richmond County, GA-SC MSA	480	521	585	783	824	Burke, Columbia, McDuffie, Richmond
Brunswick, GA MSA	448	487	540	770	948	Brantley, Glynn, McIntosh
Butts County, GA HMFA	354	473	546	797	948	Butts
Chattanooga, TN-GA MSA	488	516	608	748	880	Catoosa, Dade, Walker
Columbus, GA-AL MSA	473	498	570	758	897	Chattahoochee, Harris, Marion, Muscogee
Dalton, GA HMFA	455	494	547	677	697	Whitfield
Gainesville, GA MSA	624	654	754	926	1074	Hall
Haralson County, GA HMFA	396	415	476	693	840	Haralson
Hinesville-Fort Stewart, GA HMFA	451	489	545	767	873	Liberty
Lamar County, GA HMFA	412	414	496	654	870	Lamar
Long County, GA HMFA	402	437	486	666	686	Long
Macon, GA MSA	468	507	564	695	725	Bibb, Crawford, Jones, Twiggs
Meriwether County, GA HMFA	405	409	488	589	607	Meriwether
Monroe County, GA HMFA	452	492	545	653	675	Monroe
Murray County, GA HMFA	427	462	514	615	633	Murray
Rome, GA MSA	430	438	565	693	716	Floyd
Savannah, GA MSA	583	631	703	933	963	Bryan, Chatham, Effingham
Valdosta, GA MSA	462	463	557	755	779	Brooks, Echols, Lanier, Lowndes
Warner Robins, GA MSA	511	520	618	897	1031	Houston

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Appling	395	429	476	580	598	Atkinson	396	413	476	606	690
Bacon	396	413	476	606	690	Baldwin	369	445	552	659	680
Banks	410	444	492	598	849	Ben Hill	312	402	480	581	597
Berrien	390	391	476	590	608	Bleckley	334	390	476	589	675
Bulloch	438	453	537	644	662	Calhoun	395	428	476	611	750
Camden	489	491	591	860	1037	Candler	395	429	476	580	598
Charlton	396	413	476	606	690	Chattooga	310	379	476	571	831

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

GEORGIA continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Clay	395	428	476	611	750
Coffee	394	408	476	593	725
Cook	395	404	476	647	837
Decatur	353	410	540	646	718
Dooly	396	409	476	600	810
Elbert	396	413	476	598	616
Evans	395	429	476	580	598
Franklin	410	444	492	598	849
Glascock	341	361	476	570	669
Grady	309	427	476	660	682
Habersham	468	470	563	674	988
Hart	396	428	476	568	834
Jackson	490	532	592	719	939
Jefferson	341	380	476	570	669
Johnson	357	438	488	630	658
Lincoln	396	413	476	598	616
Macon	396	409	476	600	810
Mitchell	310	394	476	571	792
Morgan	426	427	526	630	648
Pierce	396	413	476	606	690
Pulaski	361	422	476	693	727
Quitman	395	428	476	611	750
Randolph	395	428	476	611	750
Screven	341	361	476	570	669
Stephens	317	440	488	584	603
Sumter	371	417	512	613	900
Taliaferro	396	413	476	598	616
Taylor	396	409	476	600	810
Thomas	434	471	523	672	918
Toombs	309	428	476	663	734
Treutlen	361	422	476	637	728
Turner	396	419	476	604	736
Upson	334	453	515	615	634
Warren	396	413	476	598	616
Wayne	341	386	476	628	835
Wheeler	361	422	476	637	728
Wilcox	361	422	476	637	728
Wilkinson	357	438	488	630	658

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Clinch	396	413	476	606	690
Colquitt	396	427	476	570	716
Crisp	395	398	476	601	620
Dodge	376	377	476	637	655
Early	395	428	476	611	750
Emanuel	311	361	476	580	742
Fannin	320	445	493	590	708
Gilmer	464	502	560	739	892
Gordon	463	467	599	716	739
Greene	396	413	476	598	616
Hancock	396	413	476	598	616
Irwin	396	419	476	604	736
Jeff Davis	395	429	476	580	598
Jenkins	341	361	476	570	669
Laurens	396	430	476	639	775
Lumpkin	416	541	642	867	961
Miller	367	427	476	596	710
Montgomery	361	422	476	637	728
Peach	429	430	519	743	781
Polk	389	433	528	651	672
Putnam	359	363	476	692	712
Rabun	466	483	561	724	872
Schley	396	409	476	600	810
Seminole	367	427	476	596	710
Stewart	395	428	476	611	750
Talbot	455	456	550	678	697
Tattnall	397	428	476	628	687
Telfair	361	422	476	637	728
Tift	412	446	494	631	729
Towns	466	483	561	720	872
Troup	456	461	578	731	755
Union	466	483	561	720	872
Ware	395	426	476	610	640
Washington	341	392	476	582	669
Webster	396	409	476	600	810
White	417	519	577	728	876
Wilkes	396	413	476	598	616

HAWAII

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
*Honolulu, HI MSA	888	1058	1279	1865	2196	Honolulu

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

HAWAII continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Hawaii	649	779	874	1232	1350
Kauai	764	861	1134	1423	1549
Kalawao	700	808	949	1200	1366
Maui	953	1056	1228	1643	1760

IDAHO

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Boise City-Nampa, ID HMFA	497	589	695	1011	1074	Ada, Boise, Canyon, Owyhee
Coeur d'Alene, ID MSA	497	537	646	939	1050	Kootenai
Gem County, ID HMFA	435	527	586	852	877	Gem
Idaho Falls, ID MSA	423	445	568	779	978	Bonneville, Jefferson
Lewiston, ID-WA MSA	438	455	570	809	986	Nez Perce
Logan, UT-ID MSA	456	492	615	825	1018	Franklin
Pocatello, ID MSA	364	423	545	788	923	Bannock, Power

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Adams	424	441	556	753	897
Benewah	487	496	623	890	918
Blaine	705	766	850	1207	1490
Boundary	487	496	623	890	918
Camas	432	472	589	776	830
Cassia	432	472	589	776	830
Clearwater	432	446	553	798	921
Elmore	366	427	562	713	873
Gooding	432	472	589	776	830
Jerome	432	472	589	776	830
Lemhi	403	431	551	779	926
Lincoln	432	472	589	776	830
Minidoka	336	443	519	687	707
Payette	364	439	558	706	922
Teton	403	431	551	779	926
Valley	424	441	556	753	897
Bear Lake	363	418	534	759	896
Bingham	367	406	521	717	740
Bonner	493	517	634	897	924
Butte	403	431	551	779	926
Caribou	363	418	534	759	896
Clark	403	431	551	779	926
Custer	403	431	551	779	926
Fremont	403	431	551	779	926
Idaho	421	451	594	710	840
Latah	433	452	546	796	921
Lewis	432	446	553	798	921
Madison	403	404	519	754	820
Oneida	363	418	534	759	896
Shoshone	429	430	519	684	724
Twin Falls	389	473	599	772	913
Washington	424	441	556	753	897

ILLINOIS

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Bloomington-Normal, IL MSA	462	510	644	861	1077	McLean
Bond County, IL HMFA	366	391	507	737	867	Bond
Champaign-Urbana, IL MSA	442	538	633	794	1091	Champaign, Ford, Piatt
*Chicago-Naperville-Joliet, IL HMFA	727	832	935	1143	1291	Cook, DuPage, Kane, Lake, McHenry, Will
Danville, IL MSA	350	419	539	645	685	Vermilion
Davenport-Moline-Rock Island, IA-IL MSA	422	470	592	755	787	Henry, Mercer, Rock Island
DeKalb County, IL HMFA	523	591	776	1006	1235	DeKalb
Decatur, IL MSA	364	433	550	733	756	Macon
Grundy County, IL HMFA	525	616	807	1016	1368	Grundy

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

ILLINOIS continued

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Kankakee-Bradley, IL MSA	491	534	705	914	980	Kankakee
Kendall County, IL HMFA	757	758	911	1281	1387	Kendall
Macoupin County, IL HMFA	421	422	507	632	654	Macoupin
Peoria, IL MSA	410	485	604	778	883	Marshall, Peoria, Stark, Tazewell, Woodford
Rockford, IL MSA	445	501	635	831	855	Boone, Winnebago
Springfield, IL MSA	392	461	596	778	868	Menard, Sangamon
St. Louis, MO-IL HMFA	497	539	670	863	903	Calhoun, Clinton, Jersey, Madison, Monroe, St. Clair

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Adams	330	392	507	659	680	Alexander	413	421	507	668	736
Brown	329	400	507	677	698	Bureau	357	416	549	676	742
Carroll	384	434	546	680	699	Cass	401	403	507	644	664
Christian	331	424	507	655	766	Clark	328	458	507	738	762
Clay	332	414	507	677	696	Coles	350	448	539	760	946
Crawford	331	390	507	667	699	Cumberland	350	436	527	701	924
De Witt	416	417	509	665	778	Douglas	342	429	527	750	773
Edgar	330	386	507	638	657	Edwards	413	421	507	668	736
Effingham	445	446	537	678	717	Fayette	420	432	507	702	723
Franklin	328	403	507	629	889	Fulton	352	421	507	648	804
Gallatin	413	421	507	668	736	Greene	349	389	510	646	679
Hamilton	413	421	507	668	736	Hancock	423	424	507	609	630
Hardin	413	421	507	668	736	Henderson	350	409	507	640	765
Iroquois	377	419	507	638	748	Jackson	342	418	526	716	891
Jasper	329	408	507	667	686	Jefferson	433	445	530	667	687
Jo Daviess	398	426	507	676	697	Johnson	413	421	507	668	736
Knox	348	407	536	712	734	La Salle	418	451	594	750	964
Lawrence	329	385	507	674	696	Lee	364	448	538	718	836
Livingston	376	461	580	693	721	Logan	433	434	519	713	817
McDonough	342	403	507	650	850	Marion	370	424	507	648	714
Mason	329	417	507	712	735	Massac	421	422	507	738	762
Montgomery	421	422	507	608	753	Morgan	356	414	545	676	734
Moultrie	337	398	518	653	793	Ogle	428	457	599	783	837
Perry	329	430	507	612	787	Pike	329	402	507	681	702
Pope	413	421	507	668	736	Pulaski	413	421	507	668	736
Putnam	342	400	526	665	727	Randolph	330	385	507	672	824
Richland	378	457	507	698	836	Saline	330	425	507	686	889
Schuyler	329	402	507	681	702	Scott	349	389	510	646	679
Shelby	421	422	507	661	748	Stephenson	380	444	585	700	722
Union	422	423	507	622	772	Wabash	413	421	507	668	736
Warren	330	386	507	633	721	Washington	351	402	507	651	671
Wayne	329	399	507	645	664	White	413	421	507	668	736
Whiteside	387	456	562	696	715	Williamson	331	387	507	731	753

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

INDIANA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Anderson, IN MSA	502	503	604	777	809	Madison
Bloomington, IN HMFA	473	548	668	949	981	Monroe
Carroll County, IN HMFA	366	430	564	742	764	Carroll
Cincinnati-Middleton, OH-KY-IN HMFA	436	516	668	894	929	Dearborn, Franklin, Ohio
Columbus, IN MSA	582	583	700	858	918	Bartholomew
Elkhart-Goshen, IN MSA	479	534	660	830	869	Elkhart
Evansville, IN-KY HMFA	386	450	560	691	751	Posey, Vanderburgh, Warrick
Fort Wayne, IN MSA	459	488	610	761	782	Allen, Wells, Whitley
Gary, IN HMFA	497	619	755	902	931	Lake, Newton, Porter
Gibson County, IN HMFA	435	436	521	666	916	Gibson
Greene County, IN HMFA	403	404	519	753	779	Greene
Indianapolis, IN HMFA	504	584	693	897	949	Boone, Brown, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, Shelby
Jasper County, IN HMFA	499	500	621	810	835	Jasper
Kokomo, IN MSA	483	489	620	791	813	Howard, Tipton
Lafayette, IN HMFA	480	567	696	906	1036	Benton, Tippecanoe
Louisville, KY-IN HMFA	426	492	584	816	867	Clark, Floyd, Harrison
Michigan City-La Porte, IN MSA	416	481	610	810	833	LaPorte
Muncie, IN MSA	498	509	616	830	871	Delaware
Owen County, IN HMFA	445	447	535	677	939	Owen
Putnam County, IN HMFA	501	502	604	722	814	Putnam
South Bend-Mishawaka, IN HMFA	478	532	640	821	845	St. Joseph
Sullivan County, IN HMFA	336	394	519	621	639	Sullivan
Terre Haute, IN HMFA	370	422	543	670	771	Clay, Vermillion, Vigo
Washington County, IN HMFA	395	442	519	638	850	Washington

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Adams	431	468	519	679	801	Blackford	443	445	534	679	734
Cass	377	406	534	680	702	Clinton	460	488	596	744	781
Crawford	370	422	519	641	680	Daviess	431	434	519	675	828
Decatur	502	504	605	784	808	DeKalb	428	458	581	799	821
Dubois	348	418	536	732	753	Fayette	355	440	546	723	744
Fountain	381	458	519	694	726	Fulton	443	460	534	754	778
Grant	454	455	550	694	810	Henry	472	474	568	730	817
Huntington	407	485	573	715	866	Jackson	485	486	591	759	921
Jay	337	413	519	703	726	Jefferson	386	414	545	652	807
Jennings	375	442	578	700	964	Knox	361	411	519	643	802
Kosciusko	394	460	605	770	896	LaGrange	479	480	576	694	771
Lawrence	378	446	582	695	716	Marshall	411	474	589	776	800
Martin	370	408	519	639	747	Miami	337	396	519	756	815
Montgomery	384	452	575	783	825	Noble	510	512	615	735	756
Orange	335	394	519	653	713	Parke	432	434	519	654	823
Perry	337	395	519	674	695	Pike	337	398	519	672	693
Pulaski	448	450	541	718	741	Randolph	431	432	519	740	763
Ripley	496	497	599	721	825	Rush	469	470	565	677	742
Scott	382	427	541	699	809	Spencer	337	398	519	672	693

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

INDIANA continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Starke	450	475	543	718	755	Steuben	434	495	651	785	808
Switzerland	409	444	584	731	815	Union	368	449	567	706	729
Wabash	339	395	519	709	808	Warren	370	454	569	700	813
Wayne	372	437	548	744	767	White	394	545	605	723	1021

IOWA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Ames, IA MSA	523	552	682	976	1155	Story
Benton County, IA HMFA	333	393	513	639	855	Benton
Bremer County, IA HMFA	338	416	518	620	838	Bremer
Cedar Rapids, IA HMFA	398	464	611	866	984	Linn
Davenport-Moline-Rock Island, IA-IL MSA	422	470	592	755	787	Scott
Des Moines-West Des Moines, IA MSA	473	565	689	883	983	Dallas, Guthrie, Madison, Polk, Warren
Dubuque, IA MSA	383	412	542	728	793	Dubuque
Iowa City, IA HMFA	454	541	682	994	1163	Johnson
Jones County, IA HMFA	427	428	513	719	741	Jones
Omaha-Council Bluffs, NE-IA HMFA	481	547	682	910	936	Harrison, Mills, Pottawattamie
Sioux City, IA-NE-SD MSA	399	469	615	774	797	Woodbury
Washington County, IA HMFA	339	408	519	662	796	Washington
Waterloo-Cedar Falls, IA HMFA	385	473	566	694	851	Black Hawk, Grundy

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Adair	350	390	513	626	700	Adams	350	390	513	626	700
Allamakee	364	400	513	665	707	Appanoose	333	389	513	648	710
Audubon	383	393	513	675	706	Boone	382	461	587	764	822
Buchanan	426	427	513	662	680	Buena Vista	398	403	527	632	726
Butler	364	400	513	665	707	Calhoun	406	407	513	659	689
Carroll	348	406	536	639	659	Cass	382	466	586	718	774
Cedar	362	399	527	681	737	Cerro Gordo	388	431	567	704	724
Cherokee	383	393	513	675	706	Chickasaw	364	400	513	665	707
Clarke	348	398	523	626	698	Clay	333	389	513	623	780
Clayton	364	400	513	665	707	Clinton	333	390	513	654	747
Crawford	383	405	513	675	706	Davis	350	390	513	626	700
Decatur	350	390	513	626	700	Delaware	362	399	527	681	737
Des Moines	396	433	549	690	777	Dickinson	332	410	513	649	900
Emmet	361	389	513	628	737	Fayette	364	400	513	665	707
Floyd	360	389	513	642	661	Franklin	370	408	513	656	687
Fremont	382	466	586	718	774	Greene	383	393	513	675	706
Hamilton	399	400	513	646	676	Hancock	370	408	513	656	687
Hardin	438	440	526	629	669	Henry	432	434	519	742	764
Howard	364	400	513	665	707	Humboldt	406	407	513	659	689
Ida	383	393	513	675	706	Iowa	397	419	520	680	702
Jackson	362	399	527	681	737	Jasper	399	436	573	729	760

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

IOWA continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Jefferson	429	436	516	650	790
Kossuth	370	408	513	656	687
Louisa	393	440	544	704	745
Lyon	361	389	513	628	737
Marion	382	469	586	724	745
Mitchell	370	408	513	656	687
Monroe	350	390	513	626	700
Muscatine	392	484	602	741	799
Osceola	361	389	513	628	737
Palo Alto	361	389	513	628	737
Pocahontas	406	407	513	659	689
Ringgold	350	390	513	626	700
Shelby	382	466	586	718	774
Tama	397	419	520	680	702
Union	350	390	513	626	700
Wapello	366	426	562	670	699
Webster	391	398	517	715	738
Winneshiek	333	390	513	666	903
Wright	406	407	513	659	689

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Keokuk	350	390	513	626	700
Lee	374	435	513	650	669
Lucas	350	390	513	626	700
Mahaska	379	429	547	655	865
Marshall	392	454	567	729	837
Monona	383	393	513	675	706
Montgomery	382	466	586	718	774
O'Brien	361	389	513	628	737
Page	331	390	513	612	630
Plymouth	425	426	513	691	712
Poweshiek	357	416	548	700	722
Sac	383	393	513	675	706
Sioux	417	423	513	694	714
Taylor	350	390	513	626	700
Van Buren	350	390	513	626	700
Wayne	350	390	513	626	700
Winnebago	370	408	513	656	687
Worth	370	408	513	656	687

KANSAS

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Franklin County, KS HMFA	436	437	542	691	738	Franklin
*Kansas City, MO-KS HMFA	518	622	714	966	1016	Johnson, Leavenworth, Linn, Miami, Wyandotte
Lawrence, KS MSA	499	513	659	962	1157	Douglas
St. Joseph, MO-KS MSA	343	424	527	663	787	Doniphan
Sumner County, KS HMFA	331	390	512	689	802	Sumner
Topeka, KS MSA	439	478	585	742	780	Jackson, Jefferson, Osage, Shawnee, Wabaunsee
Wichita, KS HMFA	420	470	618	790	889	Butler, Harvey, Sedgwick

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Allen	386	390	512	678	738
Atchison	402	447	548	798	962
Barton	332	401	512	680	881
Brown	402	447	548	798	962
Chautauqua	370	412	512	659	718
Cheyenne	383	389	512	655	674
Clay	397	436	536	688	847
Coffey	357	390	512	651	672
Cowley	342	418	512	649	668
Decatur	383	389	512	655	674
Edwards	333	392	512	667	786

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Anderson	370	412	512	659	718
Barber	333	392	512	667	786
Bourbon	371	395	512	740	834
Chase	357	390	512	651	672
Cherokee	427	442	512	717	880
Clark	442	446	543	661	725
Cloud	397	404	512	672	694
Comanche	333	392	512	667	786
Crawford	362	424	558	752	838
Dickinson	333	388	512	616	760
Elk	370	412	512	659	718

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

KANSAS continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Ellis	367	416	547	757	792
Finney	450	450	581	705	894
Geary	362	429	527	698	780
Graham	383	389	512	655	674
Gray	442	446	543	661	725
Greenwood	357	390	512	651	672
Harper	333	392	512	667	786
Hodgeman	442	446	543	661	725
Kearny	442	446	543	661	725
Kiowa	333	392	512	667	786
Lane	442	446	543	661	725
Logan	383	389	512	655	674
McPherson	426	427	512	670	689
Marshall	397	436	536	688	847
Mitchell	397	404	512	672	694
Morris	397	436	536	688	847
Nemaha	402	447	548	798	962
Ness	442	446	543	661	725
Osborne	383	389	512	655	674
Pawnee	333	392	512	667	786
Pottawatomie	346	479	532	677	780
Rawlins	383	389	512	655	674
Republic	397	404	512	672	694
Riley	417	451	559	814	981
Rush	333	392	512	667	786
Saline	422	424	558	743	766
Seward	383	471	545	669	811
Sherman	377	389	512	643	663
Stafford	333	392	512	667	786
Stevens	442	446	543	661	725
Trego	383	389	512	655	674
Washington	397	404	512	672	694
Wilson	370	411	512	658	716

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Ellsworth	397	404	512	672	694
Ford	469	470	566	697	744
Gove	383	389	512	655	674
Grant	442	446	543	661	725
Greeley	442	446	543	661	725
Hamilton	442	446	543	661	725
Haskell	442	446	543	661	725
Jewell	397	404	512	672	694
Kingman	333	392	512	667	786
Labette	333	398	512	694	714
Lincoln	397	404	512	672	694
Lyon	333	390	512	684	809
Marion	357	390	512	651	672
Meade	442	446	543	661	725
Montgomery	367	410	512	630	784
Morton	442	446	543	661	725
Neosho	332	399	512	609	895
Norton	383	389	512	655	674
Ottawa	397	404	512	672	694
Phillips	383	389	512	655	674
Pratt	333	390	512	664	783
Reno	364	405	532	729	750
Rice	371	404	512	679	700
Rooks	383	389	512	655	674
Russell	383	389	512	655	674
Scott	442	446	543	661	725
Sheridan	383	389	512	655	674
Smith	383	389	512	655	674
Stanton	442	446	543	661	725
Thomas	381	389	512	651	670
Wallace	383	389	512	655	674
Wichita	442	446	543	661	725
Woodson	370	412	512	659	718

KENTUCKY

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Bowling Green, KY MSA	407	486	591	788	928	Edmonson, Warren
Cincinnati-Middleton, OH-KY-IN HMFA	436	516	668	894	929	Boone, Bracken, Campbell, Gallatin, Kenton, Pendleton
Clarksville, TN-KY HMFA	485	505	586	847	872	Christian, Trigg
Elizabethtown, KY MSA	377	420	507	721	888	Hardin, Larue
Evansville, IN-KY HMFA	386	450	560	691	751	Henderson, Webster
Grant County, KY HMFA	404	487	620	763	855	Grant

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

KENTUCKY continued

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Huntington-Ashland, WV-KY-OH MSA	365	432	519	640	661	Boyd, Greenup
Lexington-Fayette, KY MSA	437	525	647	870	897	Bourbon, Clark, Fayette, Jessamine, Scott, Woodford
Louisville, KY-IN HMFA	426	492	584	816	867	Bullitt, Henry, Jefferson, Oldham, Spencer, Trimble
Meade County, KY HMFA	414	415	497	638	715	Meade
Nelson County, KY HMFA	355	428	518	755	816	Nelson
Owensboro, KY MSA	365	406	534	741	784	Daviess, Hancock, McLean
Shelby County, KY HMFA	497	498	602	792	816	Shelby

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Adair	338	375	446	544	607	Allen	292	379	446	595	771
Anderson	432	462	610	882	1052	Ballard	366	405	499	639	721
Barren	308	361	468	584	643	Bath	350	379	468	585	604
Bell	293	400	446	532	653	Boyle	376	416	546	654	675
Breathitt	370	389	446	554	579	Breckinridge	366	368	473	632	652
Butler	401	475	578	760	783	Caldwell	371	372	446	565	641
Calloway	445	446	536	660	941	Carlisle	366	405	499	639	721
Carroll	440	441	548	724	787	Carter	294	391	453	540	611
Casey	338	375	446	544	607	Clay	289	401	446	532	548
Clinton	338	375	446	544	607	Crittenden	370	372	446	582	661
Cumberland	338	375	446	544	607	Elliott	392	393	473	601	710
Estill	370	372	446	570	751	Fleming	350	379	468	585	604
Floyd	338	379	446	585	674	Franklin	442	469	617	837	860
Fulton	366	405	499	639	721	Garrard	378	423	508	607	890
Graves	358	359	446	533	649	Grayson	371	372	446	582	682
Green	336	372	446	539	602	Harlan	369	397	446	549	694
Harrison	385	387	506	663	685	Hart	332	362	446	569	663
Hickman	366	405	499	639	721	Hopkins	370	371	446	559	782
Jackson	370	389	446	539	555	Johnson	291	380	446	608	625
Knott	370	389	446	558	579	Knox	292	353	446	629	650
Laurel	370	401	446	548	749	Lawrence	289	338	446	595	614
Lee	370	389	446	558	579	Leslie	370	389	446	558	579
Letcher	370	389	446	554	579	Lewis	350	379	468	585	604
Lincoln	322	441	489	585	774	Livingston	369	370	446	574	652
Logan	397	431	479	656	727	Lyon	435	443	525	681	706
McCracken	335	422	518	695	716	McCreary	371	400	446	575	590
Madison	382	405	519	732	858	Magoffin	371	374	446	549	574
Marion	366	368	473	632	652	Marshall	400	402	484	631	820
Martin	371	374	446	549	574	Mason	301	385	465	678	779
Menifee	350	379	468	585	604	Mercer	406	432	490	645	760
Metcalfe	332	362	446	569	663	Monroe	332	362	446	569	663
Montgomery	359	419	553	660	680	Morgan	350	379	468	585	604
Muhlenberg	368	369	446	566	582	Nicholas	457	458	599	734	809
Ohio	368	392	446	591	649	Owen	490	559	638	859	1118

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

KENTUCKY continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Owsley	370	389	446	558	579
Pike	378	379	456	547	563
Pulaski	317	351	446	550	583
Rockcastle	370	389	446	539	555
Russell	338	375	446	544	607
Taylor	293	401	446	575	755
Union	394	396	477	581	611
Wayne	292	356	446	578	595
Wolfe	370	389	446	558	579
Perry	370	390	446	533	654
Powell	339	428	523	626	645
Robertson	350	379	468	585	604
Rowan	395	438	487	611	631
Simpson	400	470	618	768	792
Todd	435	443	525	681	706
Washington	366	368	473	632	652
Whitley	342	361	475	567	584

LOUISIANA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Alexandria, LA MSA	389	421	501	652	670	Grant, Rapides
Baton Rouge, LA HMFA	596	649	749	955	1050	Ascension, East Baton Rouge, East Feliciana, Livingston, Pointe Coupee, St. Helena, West Baton Rouge, West Feliciana
Houma-Bayou Cane-Thibodaux, LA MSA	433	436	541	710	810	Lafourche, Terrebonne
Iberville Parish, LA HMFA	368	369	444	601	619	Iberville
Lafayette, LA MSA	448	514	570	731	927	Lafayette, St. Martin
Lake Charles, LA MSA	421	474	577	712	1002	Calcasieu, Cameron
Monroe, LA MSA	383	433	538	714	737	Ouachita, Union
New Orleans-Metairie-Kenner, LA MSA	755	836	978	1256	1298	Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. John the Baptist, St. Tammany
Shreveport-Bossier City, LA MSA	436	502	586	744	767	Bossier, Caddo, De Soto

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Acadia	360	360	438	554	635
Assumption	408	410	492	600	617
Beauregard	371	381	448	652	785
Caldwell	346	369	438	554	618
Claiborne	401	408	483	577	632
East Carroll	346	369	438	554	618
Franklin	346	369	438	554	618
Jackson	346	369	438	554	618
La Salle	332	358	438	555	671
Madison	346	369	438	554	618
Natchitoches	419	420	504	604	780
Richland	346	369	438	554	618
St. James	418	488	598	734	756
St. Mary	396	404	485	634	654
Tensas	346	369	438	554	618
Vernon	359	395	438	636	759
Webster	352	353	446	601	620
Winn	364	394	438	552	588
Allen	363	364	438	636	706
Avoyelles	283	386	438	596	712
Bienville	401	408	483	577	632
Catahoula	332	358	438	555	671
Concordia	332	358	438	568	671
Evangeline	362	364	438	561	577
Iberia	414	425	501	619	721
Jefferson Davis	364	365	438	555	569
Lincoln	429	443	516	671	694
Morehouse	372	373	464	556	602
Red River	401	408	483	577	632
Sabine	401	408	483	577	632
St. Landry	286	343	438	591	629
Tangipahoa	378	439	552	661	785
Vermilion	364	365	438	600	621
Washington	364	367	438	583	601
West Carroll	346	369	438	554	618

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

MAINE

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Components of FMR AREA within STATE
Bangor, ME HMFA	473	552	704	895	1010	Penobscot County towns of Bangor city, Brewer city, Eddington town, Glenburn town, Hampden town, Hermon town, Holden town, Kenduskeag town, Milford town, Old Town city, Orono town, Orrington town, Penobscot Indian Island Reservation, Veazie town
Cumberland County, ME (part) HMFA	502	600	773	923	1183	Cumberland County towns of Baldwin town, Bridgton town, Brunswick town, Harpswell town, Harrison town, Naples town, New Gloucester town, Pownal town, Sebago town
Lewiston-Auburn, ME MSA	389	488	596	755	836	Androscoggin County towns of Auburn city, Durham town, Greene town, Leeds town, Lewiston city, Lisbon town, Livermore town, Livermore Falls town, Mechanic Falls town, Minot town, Poland town, Sabattus town, Turner town, Wales town
Penobscot County, ME (part) HMFA	481	482	579	724	888	Penobscot County towns of Alton town, Argyle UT, Bradford town, Bradley town, Burlington town, Carmel town, Carroll plantation, Charleston town, Chester town, Clifton town, Corinna town, Corinth town, Dexter town, Dixmont town, Drew plantation, East Central Penobscot UT, East Millinocket town, Edinburg town, Enfield town, Etna town, Exeter town, Garland town, Greenbush town, Howland town, Hudson town, Kingman UT, Lagrange town, Lakeville town, Lee town, Levant town, Lincoln town, Lowell town, Mattawamkeag town, Maxfield town, Medway town, Millinocket town, Mount Chase town, Newburgh town, Newport town, North Penobscot UT, Passadumkeag town, Patten town, Plymouth town, Prentiss UT, Seboeis plantation, Springfield town, Stacyville town, Stetson town, Twombly UT, Webster plantation, Whitney UT, Winn town, Woodville town
Portland, ME HMFA	638	757	981	1236	1324	Cumberland County towns of Cape Elizabeth town, Casco town, Cumberland town, Falmouth town, Freeport town, Frye Island town, Gorham town, Gray town, Long Island town, North Yarmouth town, Portland city, Raymond town, Scarborough town, South Portland city, Standish town, Westbrook city, Windham town, Yarmouth town York County towns of Buxton town, Hollis town, Limington town, Old Orchard Beach town
Sagadahoc County, ME HMFA	605	605	726	876	1257	Sagadahoc County towns of Arrowsic town, Bath city, Bowdoin town, Bowdoinham town, Georgetown town, Perkins UT, Phippsburg town, Richmond town, Topsham town, West Bath town, Woolwich town
York County, ME (part) HMFA	553	575	731	874	955	York County towns of Acton town, Alfred town, Arundel town, Biddeford city, Cornish town, Dayton town, Kennebunk town, Kennebunkport town, Lebanon town, Limerick town, Lyman town, Newfield town, North Berwick town, Ogunquit town, Parsonsfield town, Saco city, Sanford town, Shapleigh town, Waterboro town, Wells town
York-Kittery-South Berwick, ME HMFA	825	830	995	1449	1579	York County towns of Berwick town, Eliot town, Kittery town, South Berwick town, York town

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

MAINE continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	Towns within nonmetropolitan counties
Aroostook County, ME	367	452	542	707	779	Allagash town, Amity town, Ashland town, Bancroft town, Blaine town, Bridgewater town, Caribou city, Cary plantation, Castle Hill town, Caswell town, Central Aroostook UT, Chapman town, Connor UT, Crystal town, Cyr plantation, Dyer Brook town, Eagle Lake town, Easton town, Fort Fairfield town, Fort Kent town, Frenchville town, Garfield plantation, Glenwood plantation, Grand Isle town, Hamlin town, Hammond town, Haynesville town, Hersey town, Hodgdon town, Houlton town, Island Falls town, Limestone town, Linneus town, Littleton town, Ludlow town, Macwahoc plantation, Madawaska town, Mapleton town, Mars Hill town, Masardis town, Merrill town, Monticello town, Moro plantation, Nashville plantation, New Canada town, New Limerick town, New Sweden town, Northwest Aroostook UT, Oakfield town, Orient town, Oxbow plantation, Penobscot Indian Island Reservation, Perham town, Portage Lake town, Presque Isle city, Reed plantation, St. Agatha town, St. Francis town, St. John plantation, Sherman town, Smyrna town, South Aroostook UT, Square Lake UT, Stockholm town, Van Buren town, Wade town, Wallagrass town, Washburn town, Westfield town, Westmanland town, Weston town, Winterville plantation, Woodland town
Franklin County, ME	456	492	599	715	928	Avon town, Carrabassett Valley town, Carthage town, Chesterville town, Coplin plantation, Dallas plantation, East Central Franklin UT, Eustis town, Farmington town, Industry town, Jay town, Kingfield town, Madrid town, New Sharon town, New Vineyard town, North Franklin UT, Phillips town, Rangeley town, Rangeley plantation, Sandy River plantation, South Franklin UT, Strong town, Temple town, Weld town, West Central Franklin UT, Wilton town, Wyman UT
Hancock County, ME	498	574	668	941	968	Amherst town, Aurora town, Bar Harbor town, Blue Hill town, Brooklin town, Brooksville town, Bucksport town, Castine town, Central Hancock UT, Cranberry Isles town, Dedham town, Deer Isle town, Eastbrook town, East Hancock UT, Ellsworth city, Franklin town, Frenchboro town, Gouldsboro town, Great Pond town, Hancock town, Lamoine town, Mariaville town, Mount Desert town, Northwest Hancock UT, Orland town, Osborn town, Otis town, Penobscot town, Sedgwick town, Sorrento town, Southwest Harbor town, Stonington town, Sullivan town, Surry town, Swans Island town, Tremont town, Trenton town, Verona town, Waltham town, Winter Harbor town
Kennebec County, ME	395	473	589	804	859	Albion town, Augusta city, Belgrade town, Benton town, Chelsea town, China town, Clinton town, Farmingdale town, Fayette town, Gardiner city, Hallowell city, Litchfield town, Manchester town, Monmouth town, Mount Vernon town, Oakland town, Pittston town, Randolph town, Readfield town,

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

MAINE continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	Towns within nonmetropolitan counties
						Rome town, Sidney town, Unity UT, Vassalboro town, Vienna town, Waterville city, Wayne town, West Gardiner town, Windsor town, Winslow town, Winthrop town
Knox County, ME	451	596	680	921	1062	Appleton town, Camden town, Criehaven UT, Cushing town, Friendship town, Hope town, Isle au Haut town, Matinicus Isle plantation, North Haven town, Owls Head town, Rockland city, Rockport town, St. George town, South Thomaston town, Thomaston town, Union town, Vinalhaven town, Warren town, Washington town
Lincoln County, ME	544	584	705	852	878	Alna town, Boothbay town, Boothbay Harbor town, Bremen town, Bristol town, Damariscotta town, Dresden town, Edgecomb town, Hibberts gore, Jefferson town, Monhegan plantation, Newcastle town, Nobleboro town, Somerville town, South Bristol town, Southport town, Waldoboro town, Westport town, Whitefield town, Wiscasset town
Oxford County, ME	379	504	581	774	970	Andover town, Bethel town, Brownfield town, Buckfield town, Byron town, Canton town, Denmark town, Dixfield town, Fryeburg town, Gilead town, Greenwood town, Hanover town, Hartford town, Hebron town, Hiram town, Lincoln plantation, Lovell town, Magalloway plantation, Mexico town, Milton UT, Newry town, North Oxford UT, Norway town, Otisfield town, Oxford town, Paris town, Peru town, Porter town, Roxbury town, Rumford town, South Oxford UT, Stoneham town, Stow town, Sumner town, Sweden town, Upton town, Waterford town, West Paris town, Woodstock town
Piscataquis County, ME	473	539	667	846	906	Abbot town, Atkinson town, Beaver Cove town, Blanchard UT, Bowerbank town, Brownville town, Dover-Foxcroft town, Greenville town, Guilford town, Kingsbury plantation, Lake View plantation, Medford town, Milo town, Monson town, Northeast Piscataquis UT, Northwest Piscataquis UT, Parkman town, Sangerville town, Sebec town, Shirley town, Southeast Piscataquis UT, Wellington town, Willimantic town
Somerset County, ME	378	469	556	785	832	Anson town, Athens town, Bingham town, Brighton plantation, Cambridge town, Canaan town, Caratunk town, Central Somerset UT, Cornville town, Dennistown plantation, Detroit town, Embden town, Fairfield town, Harmony town, Hartland town, Highland plantation, Jackman town, Madison town, Mercer town, Moose River town, Moscow town, New Portland town, Norridgewock town, Northeast Somerset UT, Northwest Somerset UT, Palmyra town, Pittsfield town, Pleasant Ridge plantation, Ripley town, St. Albans town, Seboomook Lake UT, Skowhegan town, Smithfield town, Solon town, Starks town, The Forks plantation, West Forks plantation
Waldo County, ME	530	568	685	840	893	Belfast city, Belmont town, Brooks town, Burnham town, Frankfort town, Freedom town, Islesboro town, Jackson town, Knox town, Liberty town, Lincolnville town, Monroe town, Montville town, Morrill town, Northport town, Palermo town, Prospect town, Searsmont town, Searsport town,

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

MAINE continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	Towns within nonmetropolitan counties
Washington County, ME	456	493	588	729	794	Stockton Springs town, Swanville town, Thorndike town, Troy town, Unity town, Waldo town, Winterport town Addison town, Alexander town, Baileyville town, Baring plantation, Beals town, Beddington town, Calais city, Centerville town, Charlotte town, Cherryfield town, Codyville plantation, Columbia town, Columbia Falls town, Cooper town, Crawford town, Cutler town, Danforth town, Deblois town, Dennysville town, East Central Washington UT, East Machias town, Eastport city, Grand Lake Stream plantation, Harrington town, Jonesboro town, Jonesport town, Lubec town, Machias town, Machiasport town, Marshfield town, Meddybemps town, Milbridge town, Northfield town, North Washington UT, Passamaquoddy Indian Township Reservation, Passamaquoddy Pleasant Point Reservation, Pembroke town, Perry town, Princeton town, Robbinston town, Roque Bluffs town, Steuben town, Talmadge town, Topsfield town, Vanceboro town, Waite town, Wesley town, Whiting town, Whitneyville town

MARYLAND

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
*Baltimore-Towson, MD HMFA	736	831	998	1281	1583	Anne Arundel, Baltimore, Carroll, Harford, Howard, Queen Anne's, Baltimore city
Columbia city, MD HMFA	1121	1165	1352	1837	2140	Columbia city
Cumberland, MD-WV MSA	365	442	519	700	817	Allegany
Hagerstown, MD HMFA	459	526	673	971	1002	Washington
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	676	773	923	1105	1314	Cecil
Salisbury, MD HMFA	447	556	653	809	928	Wicomico
Somerset County, MD HMFA	440	469	552	683	898	Somerset
*Washington-Arlington-Alexandria, DC-VA-MD HMFA	995	1134	1286	1659	2171	Calvert, Charles, Frederick, Montgomery, Prince George's

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Caroline	500	516	604	817	839
Garrett	337	418	519	670	887
St. Mary's	722	750	976	1282	1688
Worcester	539	560	649	948	1009
Dorchester	377	453	577	778	801
Kent	563	563	678	832	1117
Talbot	587	588	708	958	1012

MASSACHUSETTS

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Components of FMR AREA within STATE
Barnstable Town, MA MSA	651	762	1003	1197	1235	Barnstable County towns of Barnstable Town city, Bourne town, Brewster town, Chatham town, Dennis town, Eastham town, Falmouth town, Harwich town, Mashpee town, Orleans town, Provincetown town, Sandwich town, Truro town, Wellfleet town,

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

MASSACHUSETTS continued

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Components of FMR AREA within STATE
						Yarmouth town
Berkshire County, MA (part) HMFA.....	516	579	668	914	941	Berkshire County towns of Alford town, Becket town, Clarksburg town, Egremont town, Florida town, Great Barrington town, Hancock town, Monterey town, Mount Washington town, New Ashford town, New Marlborough town, North Adams city, Otis town, Peru town, Sandisfield town, Savoy town, Sheffield town, Tyringham town, Washington town, West Stockbridge town, Williamstown town, Windsor town
Boston-Cambridge-Quincy, MA-NH HMFA.....	1097	1164	1366	1634	1795	Essex County towns of Amesbury town, Beverly city, Danvers town, Essex town, Gloucester city, Hamilton town, Ipswich town, Lynn city, Lynnfield town, Manchester-by-the-Sea town, Marblehead town, Middleton town, Nahant town, Newbury town, Newburyport city, Peabody city, Rockport town, Rowley town, Salem city, Salisbury town, Saugus town, Swampscott town, Topsfield town, Wenham town Middlesex County towns of Acton town, Arlington town, Ashby town, Ashland town, Ayer town, Bedford town, Belmont town, Boxborough town, Burlington town, Cambridge city, Carlisle town, Concord town, Everett city, Framingham town, Holliston town, Hopkinton town, Hudson town, Lexington town, Lincoln town, Littleton town, Malden city, Marlborough city, Maynard town, Medford city, Melrose city, Natick town, Newton city, North Reading town, Reading town, Sherborn town, Shirley town, Somerville city, Stoneham town, Stow town, Sudbury town, Townsend town, Wakefield town, Waltham city, Watertown city, Wayland town, Weston town, Wilmington town, Winchester town, Woburn city Norfolk County towns of Bellingham town, Braintree town, Brookline town, Canton town, Cohasset town, Dedham town, Dover town, Foxborough town, Franklin city, Holbrook town, Medfield town, Medway town, Millis town, Milton town, Needham town, Norfolk town, Norwood town, Plainville town, Quincy city, Randolph town, Sharon town, Stoughton town, Walpole town, Wellesley town, Westwood town, Weymouth town, Wrentham town Plymouth County towns of Carver town, Duxbury town, Hanover town, Hingham town, Hull town, Kingston town, Marshfield town, Norwell town, Pembroke town, Plymouth town, Rockland town, Scituate town, Wareham town Suffolk County towns of Boston city, Chelsea city, Revere city, Winthrop town
Brockton, MA HMFA.....	868	904	1138	1361	1706	Norfolk County towns of Avon town Plymouth County towns of Abington town, Bridgewater town, Brockton city, East Bridgewater town, Halifax town, Hanson town, Lakeville town, Marion town, Mattapoisett town, Middleborough town, Plympton town, Rochester town, West Bridgewater town, Whitman town
Eastern Worcester County, MA HMFA.....	751	840	1105	1320	1939	Worcester County towns of Berlin town, Blackstone town, Bolton town, Harvard town, Hopedale town, Lancaster town,

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

MASSACHUSETTS continued

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Components of FMR AREA within STATE
						Mendon town, Milford town, Millville town, Southborough town, Upton town
Easton-Raynham, MA HMFA	876	1160	1349	1613	2332	Bristol County towns of Easton town, Raynham town
Fitchburg-Leominster, MA HMFA	584	671	842	1031	1120	Worcester County towns of Ashburnham town, Fitchburg city, Gardner city, Leominster city, Lunenburg town, Templeton town, Westminster town, Winchendon town
Franklin County, MA (part) HMFA	495	578	716	955	1153	Franklin County towns of Ashfield town, Bernardston town, Buckland town, Charlemont town, Colrain town, Conway town, Deerfield town, Erving town, Gill town, Greenfield town, Hawley town, Heath town, Leverett town, Leyden town, Monroe town, Montague town, New Salem town, Northfield town, Orange town, Rowe town, Shelburne town, Shutesbury town, Warwick town, Wendell town, Whately town
Lawrence, MA-NH HMFA	699	889	1075	1284	1323	Essex County towns of Andover town, Boxford town, Georgetown town, Groveland town, Haverhill city, Lawrence city, Merrimac town, Methuen city, North Andover town, West Newbury town
Lowell, MA HMFA	761	911	1171	1398	1534	Middlesex County towns of Billerica town, Chelmsford town, Dracut town, Dunstable town, Groton town, Lowell city, Pepperell town, Tewksbury town, Tyngsborough town, Westford town
New Bedford, MA HMFA	539	691	791	948	1278	Bristol County towns of Acushnet town, Dartmouth town, Fairhaven town, Freetown town, New Bedford city
Pittsfield, MA HMFA	487	569	706	907	935	Berkshire County towns of Adams town, Cheshire town, Dalton town, Hinsdale town, Lanesborough town, Lee town, Lenox town, Pittsfield city, Richmond town, Stockbridge town
*Providence-Fall River, RI-MA HMFA	795	869	1014	1214	1546	Bristol County towns of Attleboro city, Fall River city, North Attleborough town, Rehoboth town, Seekonk town, Somerset town, Swansea town, Westport town
Springfield, MA HMFA	556	661	840	1005	1167	Franklin County towns of Sunderland town Hampden County towns of Agawam city, Blandford town, Brimfield town, Chester town, Chicopee city, East Longmeadow town, Granville town, Hampden town, Holland town, Holyoke city, Longmeadow town, Ludlow town, Monson town, Montgomery town, Palmer town, Russell town, Southwick town, Springfield city, Tolland town, Wales town, Westfield city, West Springfield town, Wilbraham town Hampshire County towns of Amherst town, Belchertown town, Chesterfield town, Cummington town, Easthampton city, Goshen town, Granby town, Hadley town, Hatfield town, Huntington town, Middlefield town, Northampton city, Pelham town, Plainfield town, Southampton town, South Hadley town, Ware town, Westhampton town, Williamsburg town, Worthington town
Taunton-Mansfield-Norton, MA HMFA	677	854	1043	1280	1381	Bristol County towns of Berkley town, Dighton town, Mansfield town, Norton town, Taunton city
Western Worcester County, MA HMFA	415	570	639	762	980	Worcester County towns of Athol town, Hardwick town, Hubbardston town, New Braintree town, Petersham town, Phillipston town, Royalston town, Warren town
Worcester, MA HMFA	635	731	890	1064	1129	Worcester County towns of Auburn town, Barre town,

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

MASSACHUSETTS continued

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Components of FMR AREA within STATE
						Boylston town, Brookfield town, Charlton town, Clinton town, Douglas town, Dudley town, East Brookfield town, Grafton town, Holden town, Leicester town, Millbury town, Northborough town, Northbridge town, North Brookfield town, Oakham town, Oxford town, Paxton town, Princeton town, Rutland town, Shrewsbury town, Southbridge town, Spencer town, Sterling town, Sturbridge town, Sutton town, Uxbridge town, Webster town, Westborough town, West Boylston town, West Brookfield town, Worcester city

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	Towns within nonmetropolitan counties
Dukes County, MA	780	990	1178	1408	1451	Aquinnah town, Chilmark town, Edgartown town, Gosnold town, Oak Bluffs town, Tisbury town, West Tisbury town
Nantucket County, MA	911	1261	1400	1674	1725	Nantucket town

MICHIGAN

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Ann Arbor, MI MSA	685	768	934	1175	1210	Washtenaw
Barry County, MI HMFA	379	478	584	842	926	Barry
Battle Creek, MI MSA	434	498	610	743	765	Calhoun
Bay City, MI MSA	402	449	546	729	750	Bay
Cass County, MI HMFA	423	484	535	709	823	Cass
Detroit-Warren-Livonia, MI HMFA	582	663	793	948	978	Lapeer, Macomb, Oakland, St. Clair, Wayne
Flint, MI MSA	512	541	649	804	829	Genesee
*Grand Rapids-Wyoming, MI HMFA	544	581	700	893	936	Kent
Holland-Grand Haven, MI MSA	549	557	669	926	999	Ottawa
Ionia County, MI HMFA	404	469	572	685	762	Ionia
Jackson, MI MSA	455	508	606	753	776	Jackson
Kalamazoo-Portage, MI MSA	486	518	630	837	874	Kalamazoo, Van Buren
Lansing-East Lansing, MI MSA	505	549	679	860	933	Clinton, Eaton, Ingham
Livingston County, MI HMFA	690	728	856	1234	1502	Livingston
Monroe, MI MSA	617	619	745	973	1071	Monroe
Muskegon-Norton Shores, MI MSA	405	423	549	726	747	Muskegon
Newaygo County, MI HMFA	445	470	537	727	748	Newaygo
Niles-Benton Harbor, MI MSA	427	479	584	714	916	Berrien
Saginaw-Saginaw Township North, MI MSA	421	482	608	728	748	Saginaw

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Alcona	366	424	519	699	740	Alger	343	435	519	640	720
Allegan	435	525	629	788	845	Alpena	410	466	519	717	793
Antrim	453	454	548	762	961	Arenac	413	435	519	694	769
Baraga	343	435	519	640	720	Benzie	560	561	680	849	874
Branch	434	464	610	731	752	Charlevoix	475	514	570	820	846
Cheboygan	366	425	525	705	741	Chippewa	346	431	532	645	722

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

MICHIGAN continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Clare	380	395	519	699	720
Delta	360	429	519	683	724
Emmet	398	491	611	824	871
Gogebic	358	428	519	635	755
Gratiot	433	434	519	692	773
Houghton	369	432	519	675	773
Iosco	424	449	519	755	783
Isabella	431	466	519	747	815
Keweenaw	358	428	519	635	755
Leelanau	560	561	680	849	874
Luce	358	438	519	681	742
Manistee	417	432	567	679	761
Mason	337	397	519	679	746
Menominee	431	432	519	685	913
Missaukee	402	483	570	749	823
Montmorency	367	426	532	701	742
Ogemaw	399	419	519	671	742
Osceola	431	432	519	711	895
Otsego	428	499	657	788	828
Roscommon	431	433	519	674	830
Sanilac	432	466	519	731	751
Shiawassee	374	460	573	789	880
Wexford	366	484	564	746	822

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Crawford	366	426	531	700	742
Dickinson	337	410	519	626	853
Gladwin	413	435	519	694	769
Grand Traverse	572	574	719	941	971
Hillsdale	366	451	537	755	825
Huron	431	434	519	688	836
Iron	358	428	519	635	755
Kalkaska	449	488	542	658	679
Lake	398	434	519	679	817
Lenawee	434	544	668	852	930
Mackinac	346	431	533	643	700
Marquette	336	436	519	653	709
Mecosta	382	454	550	731	964
Midland	424	483	595	820	876
Montcalm	403	468	535	722	745
Oceana	378	438	522	632	673
Ontonagon	358	428	519	635	755
Oscoda	366	424	519	699	740
Presque Isle	366	424	519	699	740
St. Joseph	432	482	568	701	786
Schoolcraft	358	438	519	681	742
Tuscola	377	430	546	655	784

MINNESOTA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Duluth, MN-WI MSA	361	440	555	697	888	Carlton, St. Louis
Fargo, ND-MN MSA	384	456	580	837	967	Clay
Grand Forks, ND-MN MSA	374	469	576	730	992	Polk
La Crosse, WI-MN MSA	370	433	570	756	929	Houston
Minneapolis-St. Paul-Bloomington, MN-WI MSA	600	707	858	1123	1262	Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, Wright
Rochester, MN HMFA	536	572	752	975	1018	Dodge, Olmsted
St. Cloud, MN MSA	441	486	582	823	956	Benton, Stearns
Wabasha County, MN HMFA	368	410	525	657	922	Wabasha

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Aitkin	372	437	574	716	775
Beltrami	360	425	541	744	949
Blue Earth	424	530	612	881	1077
Cass	337	431	519	654	674
Clearwater	363	409	519	655	910

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Becker	336	399	519	650	675
Big Stone	336	409	519	663	686
Brown	383	436	523	626	644
Chippewa	398	432	519	621	640
Cook	337	428	519	650	670

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

MINNESOTA continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Cottonwood	380	415	519	662	692
Douglas	366	436	548	794	869
Fillmore	357	430	536	699	877
Goodhue	415	486	639	813	880
Hubbard	363	409	519	655	910
Jackson	380	415	519	662	692
Kandiyohi	417	428	531	715	738
Koochiching	337	431	519	654	674
Lake	337	428	519	650	670
Le Sueur	460	475	572	796	821
Lyon	395	444	546	681	701
Mahnomen	363	409	519	655	910
Martin	430	431	519	754	776
Mille Lacs	435	448	590	731	812
Mower	347	407	519	645	664
Nicollet	480	493	579	759	783
Norman	342	409	519	661	774
Pennington	339	399	519	655	716
Pipestone	380	415	519	662	692
Red Lake	342	409	519	661	774
Renville	416	434	535	699	719
Rock	380	415	519	662	692
Sibley	416	434	535	699	719
Stevens	337	424	519	625	844
Todd	374	420	519	626	832
Wadena	374	420	519	626	832
Watonwan	380	415	519	662	692
Winona	378	446	582	804	1021

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Crow Wing	383	448	591	758	887
Faribault	380	415	519	662	692
Freeborn	337	394	519	619	816
Grant	336	409	519	663	686
Itasca	350	433	539	653	765
Kanabec	405	475	624	779	842
Kittson	342	409	519	661	774
Lac qui Parle	398	432	519	621	640
Lake of the Woods	363	409	519	655	910
Lincoln	398	432	519	621	640
McLeod	482	483	599	858	885
Marshall	342	409	519	661	774
Meeker	416	461	535	699	719
Morrison	346	412	533	637	935
Murray	380	415	519	662	692
Nobles	342	428	519	689	710
Otter Tail	338	402	519	633	652
Pine	415	450	581	759	783
Pope	336	409	519	663	686
Redwood	398	432	519	621	640
Rice	504	526	692	827	961
Roseau	337	400	519	647	757
Steele	402	489	617	776	1012
Swift	336	409	519	663	686
Traverse	336	409	519	663	686
Waseca	372	437	574	687	718
Wilkin	336	409	519	663	686
Yellow Medicine	398	432	519	621	640

MISSISSIPPI

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Gulfport-Biloxi, MS MSA	517	548	640	834	857	Hancock, Harrison, Stone
Hattiesburg, MS MSA	405	461	549	799	825	Forrest, Lamar, Perry
Jackson, MS HMFA	487	550	638	768	791	Copiah, Hinds, Madison, Rankin
Marshall County, MS HMFA	307	383	473	691	712	Marshall
Memphis, TN-MS-AR HMFA	548	596	662	882	910	DeSoto
Pascagoula, MS MSA	445	509	611	841	902	George, Jackson
Simpson County, MS HMFA	392	413	473	567	818	Simpson
Tate County, MS HMFA	370	429	477	668	838	Tate
Tunica County, MS HMFA	404	486	622	747	916	Tunica

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

MISSISSIPPI continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Adams	326	451	500	600	859
Amite	378	425	473	572	650
Benton	432	483	536	643	660
Calhoun	388	400	473	634	794
Chickasaw	357	438	513	615	646
Claiborne	393	394	473	593	695
Clay	392	394	473	689	711
Covington	393	394	473	593	695
Greene	359	384	473	618	650
Holmes	399	461	513	614	643
Issaquena	399	461	513	614	643
Jasper	372	402	473	569	605
Jefferson Davis	393	394	473	593	695
Kemper	393	437	502	657	680
Lauderdale	398	446	523	719	741
Leake	372	402	473	569	605
Leflore	307	360	473	628	739
Lowndes	413	423	496	721	743
Monroe	392	418	473	592	633
Neshoba	306	413	473	563	827
Noxubee	399	414	481	659	703
Panola	307	425	473	567	653
Pike	392	425	473	622	642
Prentiss	307	358	473	567	584
Scott	393	418	473	566	610
Smith	372	402	473	569	605
Tallahatchie	319	358	473	628	657
Tishomingo	307	400	473	594	614
Walthall	378	425	473	572	650
Washington	326	424	500	649	794
Webster	388	400	473	634	794
Winston	357	438	513	615	646
Yazoo	392	415	473	565	584

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Alcorn	393	424	473	657	832
Attala	388	400	473	634	794
Bolivar	385	435	500	600	879
Carroll	319	358	473	628	657
Choctaw	388	400	473	634	794
Clarke	393	437	502	657	680
Coahoma	402	416	549	656	964
Franklin	378	425	473	572	650
Grenada	368	404	473	666	793
Humphreys	319	358	473	628	657
Itawamba	307	418	473	625	738
Jefferson	393	394	473	593	695
Jones	320	371	473	623	643
Lafayette	423	500	617	739	761
Lawrence	393	394	473	593	695
Lee	429	447	516	704	794
Lincoln	345	426	473	648	831
Marion	372	422	473	621	707
Montgomery	388	400	473	634	794
Newton	393	437	502	657	680
Oktibbeha	376	456	556	724	746
Pearl River	416	417	499	609	859
Pontotoc	392	393	473	643	662
Quitman	385	412	486	582	730
Sharkey	399	461	513	614	643
Sunflower	343	422	473	674	695
Tippah	393	427	473	616	767
Union	320	445	493	590	714
Warren	481	528	589	704	725
Wayne	359	384	473	618	650
Wilkinson	378	425	473	572	650
Yalobusha	388	400	473	634	794

MISSOURI

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Bates County, MO HMFA	311	366	478	671	693	Bates
Calloway County, MO HMFA	406	410	518	708	729	Callaway
Columbia, MO MSA	392	469	582	847	945	Boone, Howard
Dallas County, MO HMFA	311	404	478	652	674	Dallas
Jefferson City, MO HMFA	365	402	522	740	822	Cole, Osage
Joplin, MO MSA	340	408	520	662	681	Jasper, Newton

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

MISSOURI continued

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
*Kansas City, MO-KS HMFA	518	622	714	966	1016	Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, Ray
McDonald County, MO HMFA	380	381	478	680	702	McDonald
Moniteau County, MO HMFA	313	366	483	584	779	Moniteau
Polk County, MO HMFA	311	364	478	696	799	Polk
Springfield, MO HMFA	358	422	540	770	879	Christian, Greene, Webster
St. Joseph, MO-KS MSA	343	424	527	663	787	Andrew, Buchanan, DeKalb
St. Louis, MO-IL HMFA	497	539	670	863	903	Sullivan city part of Crawford, Franklin, Jefferson, Lincoln, St. Charles, St. Louis, Warren, St. Louis city
Washington County, MO HMFA	366	426	478	629	702	Washington

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Adair	344	399	527	692	765	Atchison	383	384	478	595	737
Audrain	396	397	478	603	766	Barry	312	393	478	623	644
Barton	311	392	478	579	635	Benton	311	370	478	663	687
Bollinger	349	392	515	658	762	Butler	395	396	478	663	708
Camden	435	442	543	791	813	Cape Girardeau	353	412	543	702	884
Carroll	416	417	526	660	736	Carter	396	397	478	664	714
Cedar	311	370	478	663	687	Chariton	416	417	526	660	736
Clark	352	362	478	591	697	Cooper	380	400	520	694	808
Crawford	311	394	478	636	838	Dade	367	387	508	650	702
Daviess	383	384	478	595	737	Dent	358	389	478	630	802
Douglas	353	396	478	632	733	Dunklin	370	403	478	611	682
Gasconade	339	369	478	598	761	Gentry	383	384	478	595	737
Grundy	383	384	478	595	737	Harrison	383	384	478	595	737
Henry	344	399	527	632	651	Hickory	311	370	478	663	687
Holt	383	384	478	595	737	Howell	329	378	478	593	839
Iron	349	392	515	658	762	Johnson	419	446	541	723	814
Knox	352	362	478	591	697	Laclede	392	393	478	625	820
Lawrence	396	397	478	651	750	Lewis	352	362	478	591	697
Linn	352	362	478	591	697	Livingston	376	377	478	639	836
Macon	386	388	478	572	615	Madison	349	392	515	658	762
Maries	358	389	478	630	802	Marion	314	365	482	627	645
Mercer	383	384	478	595	737	Miller	399	400	478	638	665
Mississippi	335	364	478	631	728	Monroe	313	366	483	621	639
Montgomery	313	366	483	621	639	Morgan	403	404	485	659	767
New Madrid	340	391	478	638	656	Nodaway	422	423	526	629	734
Oregon	353	396	478	632	733	Ozark	353	396	478	632	733
Pemiscot	312	365	478	601	619	Perry	355	387	507	607	892
Pettis	417	418	541	675	808	Phelps	354	381	478	661	814
Pike	310	363	478	626	684	Pulaski	408	441	490	712	779
Putnam	352	362	478	591	697	Ralls	313	366	483	621	639
Randolph	322	379	496	629	647	Reynolds	396	397	478	664	714

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

MISSOURI continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Ripley	396	397	478	664	714
Ste. Genevieve	349	392	515	658	762
Saline	315	369	486	630	740
Scotland	352	362	478	591	697
Shannon	353	396	478	632	733
Stoddard	370	385	478	652	705
Sullivan	352	362	478	591	697
Texas	377	398	478	658	758
Wayne	396	397	478	664	714
Wright	350	367	478	603	621
St. Clair	311	370	478	663	687
St. Francois	414	416	500	698	727
Schuyler	352	362	478	591	697
Scott	397	398	498	621	734
Shelby	352	362	478	591	697
Stone	352	410	542	711	782
Taney	453	454	573	684	870
Vernon	333	396	479	671	692
Worth	383	384	478	595	737

MONTANA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Billings, MT MSA	389	462	598	807	971	Carbon, Yellowstone
Great Falls, MT MSA	356	429	550	744	895	Cascade
Missoula, MT MSA	460	529	668	866	1036	Missoula

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Beaverhead	430	501	658	851	1032
Blaine	348	415	526	701	801
Carter	421	437	519	700	744
Custer	338	470	519	756	782
Dawson	421	437	519	700	744
Fallon	421	437	519	700	744
Flathead	388	477	599	847	1039
Garfield	421	437	519	700	744
Golden Valley	421	437	519	700	744
Hill	337	416	519	748	795
Judith Basin	348	415	526	701	801
Lewis and Clark	414	473	591	858	886
Lincoln	372	457	571	790	886
Madison	430	501	658	851	1032
Mineral	460	520	653	837	1002
Park	409	477	627	750	991
Phillips	421	437	519	700	744
Powder River	421	437	519	700	744
Prairie	421	437	519	700	744
Richland	421	437	519	700	744
Rosebud	386	401	519	640	682
Sheridan	421	437	519	700	744
Stillwater	421	437	519	700	744
Teton	348	415	526	701	801
Big Horn	387	403	519	643	686
Broadwater	383	439	558	754	810
Chouteau	348	415	526	701	801
Daniels	421	437	519	700	744
Deer Lodge	383	439	558	754	810
Fergus	378	394	519	629	670
Gallatin	439	523	680	908	1191
Glacier	348	415	526	701	801
Granite	383	439	558	754	810
Jefferson	383	439	558	754	810
Lake	456	459	556	749	807
Liberty	348	415	526	701	801
McCone	421	437	519	700	744
Meagher	430	501	658	851	1032
Musselshell	421	437	519	700	744
Petroleum	421	437	519	700	744
Pondera	348	415	526	701	801
Powell	383	439	558	754	810
Ravalli	437	476	611	800	947
Roosevelt	421	437	519	700	744
Sanders	372	457	571	790	886
Silver Bow	377	406	522	682	746
Sweet Grass	421	437	519	700	744
Toole	348	415	526	701	801

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

MONTANA continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Treasure	421	437	519	700	744	Valley	421	437	519	700	744
Wheatland	421	437	519	700	744	Wibaux	421	437	519	700	744

NEBRASKA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Lincoln, NE HMFA	430	483	614	861	1044	Lancaster
Omaha-Council Bluffs, NE-IA HMFA	481	547	682	910	936	Cass, Douglas, Sarpy, Washington
Saunders County, NE HMFA	496	498	598	872	898	Saunders
Seward County, NE HMFA	335	414	517	687	872	Seward
Sioux City, IA-NE-SD MSA	399	469	615	774	797	Dakota, Dixon

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Adams	359	419	551	697	717	Antelope	430	431	517	648	669
Arthur	390	451	517	682	704	Banner	387	392	517	671	804
Blaine	430	431	518	640	746	Boone	430	431	517	648	669
Box Butte	387	392	517	677	804	Boyd	387	392	517	671	804
Brown	387	392	517	671	804	Buffalo	389	456	600	816	949
Burt	430	431	517	648	669	Butler	429	430	517	656	687
Cedar	430	431	517	648	669	Chase	390	451	517	682	704
Cherry	387	392	517	671	804	Cheyenne	387	392	517	671	804
Clay	362	424	558	714	829	Colfax	430	431	517	648	669
Cuming	430	431	517	648	669	Custer	430	431	518	640	746
Dawes	334	394	517	619	770	Dawson	445	483	538	655	675
Deuel	387	392	517	671	804	Dodge	408	479	629	751	917
Dundy	390	451	517	682	704	Fillmore	429	430	517	656	687
Franklin	362	424	558	714	829	Frontier	390	451	517	682	704
Furnas	390	451	517	682	704	Gage	430	431	517	631	650
Garden	387	392	517	671	804	Garfield	430	431	518	640	746
Gosper	390	451	517	682	704	Grant	390	451	517	682	704
Greeley	430	431	518	640	746	Hall	435	437	547	684	884
Hamilton	430	431	518	640	746	Harlan	362	424	558	714	829
Hayes	390	451	517	682	704	Hitchcock	390	451	517	682	704
Holt	387	392	517	671	804	Hooker	390	451	517	682	704
Howard	430	431	518	640	746	Jefferson	429	430	517	656	687
Johnson	429	430	517	656	687	Kearney	362	424	558	714	829
Keith	390	451	517	682	704	Keya Paha	387	392	517	671	804
Kimball	387	392	517	671	804	Knox	430	431	517	648	669
Lincoln	377	424	540	662	834	Logan	390	451	517	682	704
Loup	430	431	518	640	746	McPherson	390	451	517	682	704
Madison	381	402	528	720	742	Merrick	430	431	518	640	746
Morrill	387	392	517	671	804	Nance	430	431	517	648	669
Nemaha	429	430	517	656	687	Nuckolls	362	424	558	714	829

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

NEBRASKA continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Otoe	429	431	517	641	672	Pawnee	429	430	517	656	687
Perkins	390	451	517	682	704	Phelps	362	424	558	714	829
Pierce	430	431	517	648	669	Platte	430	431	517	754	777
Polk	429	430	517	656	687	Red Willow	357	466	517	752	776
Richardson	429	430	517	656	687	Rock	387	392	517	671	804
Saline	456	480	549	671	693	Scotts Bluff	429	430	517	659	869
Sheridan	387	392	517	671	804	Sherman	430	431	518	640	746
Sioux	387	392	517	671	804	Stanton	430	431	517	648	669
Thayer	429	430	517	656	687	Thomas	390	451	517	682	704
Thurston	430	431	517	648	669	Valley	430	431	518	640	746
Wayne	430	431	517	648	669	Webster	362	424	558	714	829
Wheeler	430	431	518	640	746	York	365	431	564	684	822

NEVADA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Carson City, NV MSA	547	659	794	1157	1395	Carson
*Las Vegas-Paradise, NV MSA	643	754	891	1237	1503	Clark
Reno-Sparks, NV MSA	617	737	911	1324	1600	Storey, Washoe

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Churchill	590	591	743	940	1104	Douglas	617	760	923	1285	1424
Elko	532	578	750	935	1203	Esmeralda	463	535	682	906	1002
Eureka	463	535	682	906	1002	Humboldt	466	546	717	858	883
Lander	463	535	682	906	1002	Lincoln	463	535	682	906	1002
Lyon	488	549	722	1052	1084	Mineral	463	535	682	906	1002
Nye	423	588	653	951	980	Pershing	463	535	682	906	1002
White Pine	463	535	682	906	1002						

NEW HAMPSHIRE

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Components of FMR AREA within STATE
Boston-Cambridge-Quincy, MA-NH HMFA	1097	1164	1366	1634	1795	Rockingham County towns of Seabrook town, South Hampton town
Hillsborough County, NH (part) HMFA	623	633	831	1211	1459	Hillsborough County towns of Antrim town, Bennington town, Deering town, Francestown town, Greenfield town, Hancock town, Hillsborough town, Lyndeborough town, New Boston town, Peterborough town, Sharon town, Temple town Windsor town
Lawrence, MA-NH HMFA	699	889	1075	1284	1323	Rockingham County towns of Atkinson town, Chester town, Danville town, Derry town, Fremont town, Hampstead town, Kingston town, Newton town, Plaistow town, Raymond town, Salem town, Sandown town, Windham town
Manchester, NH HMFA	682	837	1001	1196	1232	Hillsborough County towns of Bedford town, Goffstown town, Manchester city, Weare town

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

NEW HAMPSHIRE continued

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Components of FMR AREA within STATE
Nashua, NH HMFA	760	894	1118	1495	1600	Hillsborough County towns of Amherst town, Brookline town, Greenville town, Hollis town, Hudson town, Litchfield town, Mason town, Merrimack town, Milford town, Mont Vernon town, Nashua city, New Ipswich town, Pelham town, Wilton town
Portsmouth-Rochester, NH HMFA	671	792	988	1304	1471	Rockingham County towns of Brentwood town, East Kingston town, Epping town, Exeter town, Greenland town, Hampton town, Hampton Falls town, Kensington town, New Castle town, Newfields town, Newington town, Newmarket town, North Hampton town, Portsmouth city, Rye town, Stratham town Strafford County towns of Barrington town, Dover city, Durham town, Farmington town, Lee town, Madbury town, Middleton town, Milton town, New Durham town, Rochester city, Rollinsford town, Somersworth city, Strafford town
Western Rockingham County, NH HMFA	850	851	1024	1354	1396	Rockingham County towns of Auburn town, Candia town, Deerfield town, Londonderry town, Northwood town, Nottingham town

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	Towns within nonmetropolitan counties
Belknap County, NH	499	614	766	1011	1300	Alton town, Barnstead town, Belmont town, Center Harbor town, Gilford town, Gilmanton town, Laconia city, Meredith town, New Hampton town, Sanbornton town, Tilton town
Carroll County, NH	553	584	770	1047	1286	Albany town, Bartlett town, Brookfield town, Chatham town, Conway town, Eaton town, Effingham town, Freedom town, Hale's location, Hart's Location town, Jackson town, Madison town, Moultonborough town, Ossipee town, Sandwich town, Tamworth town, Tuftonboro town, Wakefield town, Wolfeboro town
Cheshire County, NH	613	654	820	989	1204	Alstead town, Chesterfield town, Dublin town, Fitzwilliam town, Gilsum town, Harrisville town, Hinsdale town, Jaffrey town, Keene city, Marlborough town, Marlow town, Nelson town, Richmond town, Rindge town, Roxbury town, Stoddard town, Sullivan town, Surry town, Swanzey town, Troy town, Walpole town, Westmoreland town, Winchester town
Coos County, NH	359	470	552	774	869	Atkinson and Gilmanton Academy grant, Beans grant, Beans purchase, Berlin city, Cambridge township, Carroll town, Chandlers purchase, Clarksville town, Colebrook town, Columbia town, Crawfords purchase, Cutts grant, Dalton town, Dixs grant, Dixville township, Dummer town, Errol town, Ervings location, Gorham town, Greens grant, Hadleys purchase, Jefferson town, Kilkenny township, Lancaster town, Low and Burbanks grant, Martins location, Milan town, Millsfield township, Northumberland town, Odell township, Pinkhams grant, Pittsburg town, Randolph town, Sargents purchase, Second College grant, Shelburne town, Stark town, Stewartstown town, Stratford town, Success township,

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

NEW HAMPSHIRE continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	Towns within nonmetropolitan counties
						Thompson and Meserves purchase, Wentworth location, Whitefield town
Grafton County, NH	543	598	758	1020	1075	Alexandria town, Ashland town, Bath town, Benton town, Bethlehem town, Bridgewater town, Bristol town, Campton town, Canaan town, Dorchester town, Easton town, Ellsworth town, Enfield town, Franconia town, Grafton town, Groton town, Hanover town, Haverhill town, Hebron town, Holderness town, Landaff town, Lebanon city, Lincoln town, Lisbon town, Littleton town, Livermore town, Lyman town, Lyme town, Monroe town, Orange town, Orford town, Piermont town, Plymouth town, Rumney town, Sugar Hill town, Thornton town, Warren town, Waterville Valley town, Wentworth town, Woodstock town
Merrimack County, NH	555	656	857	1058	1357	Allenstown town, Andover town, Boscawen town, Bow town, Bradford town, Canterbury town, Chichester town, Concord city, Danbury town, Dunbarton town, Epsom town, Franklin city, Henniker town, Hill town, Hooksett town, Hopkinton town, Loudon town, Newbury town, New London town, Northfield town, Pembroke town, Pittsfield town, Salisbury town, Sutton town, Warner town, Webster town, Wilmot town
Sullivan County, NH	463	560	714	967	1045	Acworth town, Charlestown town, Claremont city, Cornish town, Croydon town, Goshen town, Grantham town, Langdon town, Lempster town, Newport town, Plainfield town, Springfield town, Sunapee town, Unity town, Washington town

NEW JERSEY

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Atlantic City, NJ MSA	734	808	964	1222	1371	Atlantic
Bergen-Passaic, NJ HMFA	927	1037	1163	1436	1654	Bergen, Passaic
Jersey City, NJ HMFA	936	989	1154	1399	1506	Hudson
Middlesex-Somerset-Hunterdon, NJ HMFA	1031	1068	1257	1578	1860	Hunterdon, Middlesex, Somerset
Monmouth-Ocean, NJ HMFA	830	958	1170	1525	1654	Monmouth, Ocean
Newark, NJ HMFA	761	930	1063	1272	1407	Essex, Morris, Sussex, Union
Ocean City, NJ MSA	650	663	834	1093	1125	Cape May
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	676	773	923	1105	1314	Burlington, Camden, Gloucester, Salem
Trenton-Ewing, NJ MSA	784	902	1084	1295	1454	Mercer
Vineland-Millville-Bridgeton, NJ MSA	703	706	889	1080	1138	Cumberland
Warren County, NJ HMFA	802	898	1050	1257	1294	Warren

NEW MEXICO

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
*Albuquerque, NM MSA	502	591	746	1086	1303	Bernalillo, Sandoval, Torrance, Valencia
Farmington, NM MSA	448	474	571	755	851	San Juan
Las Cruces, NM MSA	433	467	521	719	798	Dona Ana

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

NEW MEXICO continued

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Santa Fe, NM MSA	578	717	872	1141	1365	Santa Fe

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Catron	350	394	472	688	708	Chaves	376	377	482	630	650
Cibola	393	424	472	686	745	Colfax	418	446	502	634	659
Curry	393	407	472	639	831	De Baca	392	404	472	637	775
Eddy	315	402	472	633	769	Grant	377	437	497	700	720
Guadalupe	461	467	556	698	728	Harding	392	404	472	637	775
Hidalgo	350	394	472	688	708	Lea	391	425	472	621	654
Lincoln	366	461	562	708	987	Los Alamos	587	684	898	1078	1110
Luna	392	425	472	602	723	McKinley	372	437	575	687	890
Mora	461	467	556	698	728	Otero	361	427	472	690	831
Quay	392	404	472	637	775	Rio Arriba	420	428	506	655	727
Roosevelt	391	402	472	654	809	San Miguel	395	425	524	696	809
Sierra	306	380	472	690	830	Socorro	393	394	472	565	801
Taos	559	608	673	806	830	Union	392	404	472	637	775

NEW YORK

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Albany-Schenectady-Troy, NY MSA	594	616	752	900	984	Albany, Rensselaer, Saratoga, Schenectady, Schoharie
Binghamton, NY MSA	478	480	574	749	879	Broome, Tioga
Buffalo-Niagara Falls, NY MSA	512	513	616	762	841	Erie, Niagara
Elmira, NY MSA	524	525	630	810	844	Chemung
Glens Falls, NY MSA	498	526	662	835	941	Warren, Washington
Ithaca, NY MSA	642	660	773	935	970	Tompkins
Kingston, NY MSA	620	672	805	1020	1267	Ulster
Nassau-Suffolk, NY HMFA	994	1149	1356	1799	1961	Nassau, Suffolk
New York, NY HMFA	988	1069	1189	1462	1504	Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland
Poughkeepsie-Newburgh-Middletown, NY MSA	737	866	1060	1300	1384	Dutchess, Orange
Rochester, NY MSA	511	564	690	829	878	Livingston, Monroe, Ontario, Orleans, Wayne
Syracuse, NY MSA	510	511	616	788	854	Madison, Onondaga, Oswego
Utica-Rome, NY MSA	494	495	596	731	830	Herkimer, Oneida
Westchester County, NY Statutory Exception Area	1006	1200	1395	1682	2074	Westchester

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Allegany	463	465	557	694	853	Cattaraugus	468	470	565	742	852
Cayuga	495	496	595	792	919	Chautauqua	466	469	562	725	792
Chenango	473	476	570	718	1001	Clinton	533	535	641	814	1058
Columbia	583	594	701	847	903	Cortland	508	509	622	791	970
Delaware	477	480	575	711	936	Essex	501	502	603	802	872
Franklin	460	461	551	707	783	Fulton	394	481	608	728	773
Genesee	541	542	652	808	915	Greene	503	544	662	861	937
Hamilton	507	508	610	760	881	Jefferson	525	527	633	816	857

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

NEW YORK continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Lewis	466	469	562	703	785
Otsego	495	507	596	792	824
Schuyler	509	511	613	817	844
Steuben	498	499	600	770	850
Wyoming	484	498	584	850	928

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Montgomery	461	495	555	702	760
St. Lawrence	468	469	564	714	780
Seneca	538	540	647	851	1077
Sullivan	512	568	729	873	1022
Yates	496	503	597	773	796

NORTH CAROLINA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Anson County, NC HMFA	432	464	519	730	770	Anson
Asheville, NC HMFA	465	543	620	831	1089	Buncombe, Henderson, Madison
Burlington, NC MSA	580	601	700	951	979	Alamance
Charlotte-Gastonia-Concord, NC-SC HMFA	588	637	707	891	1036	Cabarrus, Gaston, Mecklenburg, Union
Durham, NC HMFA	511	700	785	1026	1106	Chatham, Durham, Orange
Fayetteville, NC HMFA	507	548	612	869	1028	Cumberland
Goldsboro, NC MSA	392	465	544	681	910	Wayne
Greene County, NC HMFA	431	432	519	733	757	Greene
Greensboro-High Point, NC HMFA	554	632	705	893	955	Guilford, Randolph
Greenville, NC HMFA	453	470	579	802	829	Pitt
Haywood County, NC HMFA	442	443	552	715	925	Haywood
Hickory-Lenoir-Morganton, NC MSA	457	480	552	708	825	Alexander, Burke, Caldwell, Catawba
Hoke County, NC HMFA	470	510	565	773	943	Hoke
Jacksonville, NC MSA	463	496	557	782	918	Onslow
Pender County, NC HMFA	464	466	560	736	757	Pender
Person County, NC HMFA	456	457	551	658	754	Person
Raleigh-Cary, NC MSA	682	764	850	1068	1107	Franklin, Johnston, Wake
Rockingham County, NC HMFA	426	451	534	663	684	Rockingham
Rocky Mount, NC MSA	391	472	601	746	769	Edgecombe, Nash
*Virginia Beach-Norfolk-Newport News, VA-NC MSA	700	735	844	1164	1458	Currituck
Wilmington, NC HMFA	533	589	711	996	1025	Brunswick, New Hanover
Winston-Salem, NC MSA	485	552	640	872	1025	Davie, Forsyth, Stokes, Yadkin

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Alleghany	386	453	519	681	702
Avery	401	495	585	700	826
Bertie	356	451	519	621	640
Camden	385	502	593	801	821
Caswell	437	438	536	655	684
Chowan	385	502	593	801	821
Cleveland	514	515	619	815	916
Craven	435	495	568	766	957
Davidson	468	469	565	736	841
Gates	385	502	593	801	821
Granville	481	482	579	723	859
Harnett	445	483	536	724	941

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Ashe	430	431	519	686	811
Beaufort	338	441	519	625	643
Bladen	337	409	519	756	817
Carteret	478	478	575	837	1009
Cherokee	337	437	519	754	909
Clay	431	433	519	681	793
Columbus	363	468	519	622	640
Dare	590	591	725	958	986
Duplin	431	466	519	657	677
Graham	431	433	519	681	793
Halifax	338	469	519	660	757
Hertford	338	466	519	681	700

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

NORTH CAROLINA continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Hyde	385	502	593	801	821
Jackson	476	493	586	769	794
Lee	382	523	590	725	1035
Lincoln	371	513	571	690	709
Macon	395	429	553	672	970
Mitchell	401	495	585	700	826
Moore	478	479	603	867	1058
Pamlico	347	441	519	653	672
Perquimans	385	502	593	801	821
Richmond	373	468	519	652	673
Rowan	513	555	616	879	939
Sampson	431	440	519	721	913
Stanly	406	438	536	730	794
Swain	431	433	519	681	793
Tyrrell	385	502	593	801	821
Warren	441	442	530	648	666
Watauga	433	529	665	809	1044
Wilson	491	492	597	715	758

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Iredell	523	528	631	836	1091
Jones	438	473	566	783	996
Lenoir	393	395	519	620	891
McDowell	376	448	579	715	735
Martin	431	457	519	672	691
Montgomery	430	467	519	647	911
Northampton	339	457	519	660	679
Pasquotank	381	493	586	851	876
Polk	485	486	596	745	768
Robeson	370	447	519	623	693
Rutherford	475	477	583	698	719
Scotland	431	432	548	666	830
Surry	388	467	519	693	713
Transylvania	342	476	527	665	701
Vance	431	432	520	623	642
Washington	363	489	558	670	687
Wilkes	380	435	519	666	693
Yancey	430	431	519	620	638

NORTH DAKOTA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Bismarck, ND MSA	412	431	536	776	798	Burleigh, Morton
Fargo, ND-MN MSA	384	456	580	837	967	Cass
Grand Forks, ND-MN MSA	374	469	576	730	992	Grand Forks

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Adams	343	399	489	648	677
Benson	400	402	489	674	850
Bottineau	374	411	511	719	784
Burke	374	411	511	719	784
Dickey	400	402	489	674	850
Dunn	343	399	489	648	677
Emmons	374	411	511	719	784
Golden Valley	343	399	489	648	677
Griggs	400	402	489	674	850
Kidder	374	411	511	719	784
Logan	374	411	511	719	784
McIntosh	374	411	511	719	784
McLean	374	411	511	719	784
Mountrail	374	411	511	719	784
Oliver	343	399	489	648	677

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Barnes	405	408	489	684	859
Billings	343	399	489	648	677
Bowman	343	399	489	648	677
Cavalier	400	402	489	674	850
Divide	343	399	489	648	677
Eddy	400	402	489	674	850
Foster	400	402	489	674	850
Grant	343	399	489	648	677
Hettinger	343	399	489	648	677
LaMoure	400	402	489	674	850
McHenry	374	411	511	719	784
McKenzie	343	399	489	648	677
Mercer	343	399	489	648	677
Nelson	381	473	565	764	849
Pembina	381	473	565	764	849

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

NORTH DAKOTA continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Pierce	374	411	511	719	784
Ransom	400	402	489	674	850
Richland	333	401	507	659	781
Sargent	400	402	489	674	850
Sioux	343	399	489	648	677
Stark	348	422	489	711	860
Stutsman	407	408	489	677	859
Traill	381	473	565	764	849
Ward	320	398	489	675	801
Williams	318	388	489	644	683

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Ramsey	363	373	491	612	774
Renville	374	411	511	719	784
Rolette	374	411	511	719	784
Sheridan	374	411	511	719	784
Slope	343	399	489	648	677
Steele	381	473	565	764	849
Towner	400	402	489	674	850
Walsh	381	473	565	764	849
Wells	400	402	489	674	850

OHIO

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Akron, OH MSA	482	564	722	918	947	Portage, Summit
Brown County, OH HMFA	393	412	544	702	846	Brown
Canton-Massillon, OH MSA	420	466	588	743	787	Carroll, Stark
Cincinnati-Middleton, OH-KY-IN HMFA	436	516	668	894	929	Butler, Clermont, Hamilton, Warren
Cleveland-Elyria-Mentor, OH MSA	502	583	702	900	956	Cuyahoga, Geauga, Lake, Lorain, Medina
Columbus, OH HMFA	458	533	674	848	921	Delaware, Fairfield, Franklin, Licking, Madison, Morrow, Pickaway
Dayton, OH HMFA	451	515	634	853	1018	Greene, Miami, Montgomery
Huntington-Ashland, WV-KY-OH MSA	365	432	519	640	661	Lawrence
Lima, OH MSA	429	435	538	663	681	Allen
Mansfield, OH MSA	354	431	544	706	734	Richland
Parkersburg-Marietta-Vienna, WV-OH MSA	379	405	519	689	744	Washington
Preble County, OH HMFA	467	482	585	758	785	Preble
Sandusky, OH MSA	389	468	598	780	821	Erie
Springfield, OH MSA	432	480	578	747	960	Clark
Toledo, OH MSA	438	487	603	778	848	Fulton, Lucas, Ottawa, Wood
Union County, OH HMFA	592	593	712	852	879	Union
Weirton-Steubenville, WV-OH MSA	344	421	519	648	704	Jefferson
Wheeling, WV-OH MSA	337	406	519	652	761	Belmont
Youngstown-Warren-Boardman, OH HMFA	411	461	558	703	758	Mahoning, Trumbull

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Adams	422	438	519	688	726
Ashtabula	409	481	613	779	908
Auglaize	384	413	541	703	722
Clinton	407	503	558	813	955
Coshocton	361	435	519	671	766
Darke	337	431	519	691	711
Fayette	422	485	592	713	951
Guernsey	365	450	519	686	705
Hardin	431	468	519	650	852
Henry	359	440	533	686	707

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Ashland	372	443	574	740	762
Athens	437	474	526	676	704
Champaign	367	448	565	697	749
Columbiana	419	442	534	661	803
Crawford	429	435	519	668	732
Defiance	396	454	551	695	846
Gallia	352	468	519	660	867
Hancock	393	460	596	811	861
Harrison	346	413	519	664	684
Highland	436	437	525	707	730

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

OHIO continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Hocking	336	468	519	741	762
Huron	387	468	572	793	873
Knox	464	467	561	718	823
Marion	380	479	585	742	903
Mercer	339	440	519	699	720
Morgan	431	432	519	637	713
Noble	431	432	519	637	713
Perry	436	437	525	657	676
Putnam	368	408	537	666	695
Sandusky	467	478	562	699	763
Seneca	388	407	526	661	681
Tuscarawas	352	412	543	687	708
Vinton	378	468	519	711	884
Williams	436	442	548	726	802

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Holmes	431	432	519	685	726
Jackson	445	447	535	641	661
Logan	478	484	575	723	747
Meigs	431	468	519	711	732
Monroe	431	432	519	637	713
Muskingum	420	431	519	665	838
Paulding	381	417	519	677	698
Pike	342	440	526	630	655
Ross	395	447	522	645	741
Scioto	415	434	519	681	815
Shelby	438	448	582	726	804
Van Wert	337	404	519	632	652
Wayne	392	487	600	717	784
Wyandot	431	432	519	712	733

OKLAHOMA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Fort Smith, AR-OK HMFA	349	396	493	657	715	Sequoyah
Grady County, OK HMFA	338	377	469	635	729	Grady
Lawton, OK MSA	380	410	516	754	907	Comanche
Le Flore County, OK HMFA	317	370	469	580	711	Le Flore
Lincoln County, OK HMFA	388	389	469	618	637	Lincoln
Oklahoma City, OK HMFA	443	483	587	792	849	Canadian, Cleveland, Logan, McClain, Oklahoma
Okmulgee County, OK HMFA	317	356	469	636	676	Okmulgee
Pawnee County, OK HMFA	396	408	474	614	632	Pawnee
Tulsa, OK HMFA	474	515	629	831	858	Creek, Osage, Rogers, Tulsa, Wagoner

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Adair	391	393	469	560	576
Atoka	340	380	469	610	711
Beckham	390	422	469	613	823
Bryan	381	382	469	606	722
Carter	415	442	500	622	666
Choctaw	388	420	469	665	685
Coal	340	380	469	610	711
Craig	317	370	487	583	856
Delaware	337	379	469	630	650
Ellis	391	404	469	637	657
Garvin	303	355	469	616	751
Greer	363	377	469	630	660
Harper	391	404	469	637	657
Hughes	379	432	515	656	675
Jefferson	356	385	486	703	823

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Alfalfa	391	404	469	637	657
Beaver	391	404	469	637	657
Blaine	391	404	469	637	657
Caddo	323	357	469	561	702
Cherokee	379	408	472	593	682
Cimarron	391	404	469	637	657
Cotton	356	385	486	703	823
Custer	362	363	469	671	691
Dewey	391	404	469	637	657
Garfield	386	407	489	677	697
Grant	391	404	469	637	657
Harmon	363	377	469	630	660
Haskell	305	366	469	590	647
Jackson	322	419	470	659	680
Johnston	340	380	469	610	711

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

OKLAHOMA continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Kay	318	394	489	675	698
Kiowa	363	377	469	630	660
Love	340	380	469	610	711
McIntosh	347	393	470	588	667
Marshall	340	380	469	610	711
Murray	391	392	469	630	807
Noble	344	400	481	669	689
Okfuskee	379	432	515	656	675
Payne	418	479	587	831	856
Pontotoc	330	368	469	639	659
Pushmataha	305	366	469	590	647
Seminole	304	376	469	563	580
Texas	365	436	492	622	744
Washington	387	388	473	662	729
Woods	348	372	469	682	703

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Kingfisher	391	404	469	659	678
Latimer	305	366	469	590	647
McCurtain	304	355	469	609	628
Major	391	404	469	637	657
Mayes	304	423	469	587	671
Muskogee	355	418	496	627	693
Nowata	357	378	469	625	706
Ottawa	392	393	469	639	659
Pittsburg	320	373	492	619	755
Pottawatomie	409	465	517	655	760
Roger Mills	363	377	469	630	660
Stephens	307	356	469	641	661
Tillman	356	385	486	703	823
Washita	363	377	469	630	660
Woodward	325	380	469	585	603

OREGON

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Bend, OR MSA	505	587	700	1020	1051	Deschutes
Corvallis, OR MSA	477	579	721	1048	1205	Benton
Eugene-Springfield, OR MSA	478	581	735	1028	1144	Lane
Medford, OR MSA	471	560	703	1023	1053	Jackson
Portland-Vancouver-Beaverton, OR-WA MSA	550	638	737	1073	1289	Clackamas, Columbia, Multnomah, Washington, Yamhill
Salem, OR MSA	477	530	634	921	1111	Marion, Polk

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Baker	369	430	567	825	849
Coos	402	488	618	820	944
Curry	455	523	617	901	1088
Gilliam	426	499	603	817	956
Harney	382	444	559	773	822
Jefferson	476	507	574	835	940
Klamath	380	446	568	795	883
Lincoln	476	543	693	960	1085
Malheur	404	461	561	811	835
Sherman	426	499	603	817	956
Umatilla	398	454	580	814	908
Wallowa	377	439	579	829	891
Wheeler	426	499	603	817	956

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Clatsop	419	521	644	932	961
Crook	398	512	612	828	969
Douglas	393	468	604	819	1014
Grant	426	499	603	817	956
Hood River	430	532	662	942	972
Josephine	461	528	639	909	1008
Lake	382	444	559	773	822
Linn	454	550	686	946	1171
Morrow	426	499	603	817	956
Tillamook	439	524	674	942	971
Union	380	442	583	851	875
Wasco	440	492	613	871	1078

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

PENNSYLVANIA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Allentown-Bethlehem-Easton, PA HMFA	549	668	791	1024	1083	Carbon, Lehigh, Northampton
Altoona, PA MSA	411	450	544	713	735	Blair
Armstrong County, PA HMFA	438	476	526	673	883	Armstrong
Erie, PA MSA	407	460	594	710	808	Erie
Harrisburg-Carlisle, PA MSA	506	578	728	919	952	Cumberland, Dauphin, Perry
Johnstown, PA MSA	413	420	516	650	744	Cambria
Lancaster, PA MSA	482	572	704	893	938	Lancaster
Lebanon, PA MSA	395	472	608	825	851	Lebanon
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	676	773	923	1105	1314	Bucks, Chester, Delaware, Montgomery, Philadelphia
Pike County, PA HMFA	747	777	900	1219	1492	Pike
Pittsburgh, PA HMFA	570	625	748	930	1004	Allegheny, Beaver, Butler, Fayette, Washington, Westmoreland
Reading, PA MSA	489	546	673	900	928	Berks
Scranton--Wilkes-Barre, PA MSA	436	520	624	791	836	Lackawanna, Luzerne, Wyoming
Sharon, PA HMFA	441	461	562	688	756	Mercer
State College, PA MSA	565	630	742	887	914	Centre
Williamsport, PA MSA	400	459	553	726	747	Lycoming
York-Hanover, PA MSA	460	529	671	811	840	York

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Adams	485	530	634	853	947	Bedford	393	446	516	617	819
Bradford	336	450	516	646	791	Cameron	431	447	517	686	737
Clarion	429	466	516	658	688	Clearfield	393	434	516	740	873
Clinton	465	466	562	673	691	Columbia	452	496	604	773	916
Crawford	411	456	516	685	782	Elk	430	449	516	669	809
Forest	430	457	516	669	688	Franklin	401	455	575	757	927
Fulton	344	439	516	636	744	Greene	428	456	516	617	635
Huntingdon	335	415	516	667	686	Indiana	459	477	552	659	721
Jefferson	351	434	516	683	704	Juniata	397	430	518	704	726
Lawrence	374	489	575	688	807	McKean	432	455	519	695	748
Mifflin	363	421	516	670	839	Monroe	530	653	816	1042	1166
Montour	462	530	610	730	753	Northumberland	354	462	516	639	662
Potter	429	465	516	684	703	Schuylkill	344	448	516	644	708
Snyder	360	472	555	694	749	Somerset	429	429	516	634	671
Sullivan	340	456	523	655	780	Susquehanna	418	455	533	641	706
Tioga	442	485	540	710	758	Union	495	516	596	783	843
Venango	396	433	516	652	739	Warren	335	431	516	670	709
Wayne	502	505	634	792	893						

RHODE ISLAND

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Components of FMR AREA within STATE
Newport-Middleton-Portsmouth, RI HMFA	654	798	987	1340	1732	Newport County towns of Middletown town, Newport city, Portsmouth town
*Providence-Fall River, RI-MA HMFA	795	869	1014	1214	1546	Bristol County towns of Barrington town, Bristol town, Warren town

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

RHODE ISLAND continued

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Components of FMR AREA within STATE
						Kent County towns of Coventry town, East Greenwich town, Warwick city, West Greenwich town, West Warwick town Newport County towns of Jamestown town, Little Compton town, Tiverton town Providence County towns of Burrillville town, Central Falls city, Cranston city, Cumberland town, East Providence city, Foster town, Glocester town, Johnston town, Lincoln town, North Providence town, North Smithfield town, Pawtucket city, Providence city, Scituate town, Smithfield town, Woonsocket city Washington County towns of Charlestown town, Exeter town, Narragansett town, North Kingstown town, Richmond town, South Kingstown town
Westerly-Hopkinton-New Shoreham, RI HMFA.....	543	683	799	955	1246	Washington County towns of Hopkinton town, New Shoreham town Westerly town

SOUTH CAROLINA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Anderson, SC MSA.....	374	486	552	699	719	Anderson
Augusta-Richmond County, GA-SC MSA.....	480	521	585	783	824	Aiken, Edgefield
Charleston-North Charleston, SC MSA.....	551	610	690	899	1047	Berkeley, Charleston, Dorchester
Charlotte-Gastonia-Concord, NC-SC HMFA.....	588	637	707	891	1036	York
Columbia, SC HMFA.....	541	589	657	811	837	Calhoun, Fairfield, Lexington, Richland, Saluda
Darlington County, SC HMFA.....	325	416	500	601	647	Darlington
Florence, SC HMFA.....	387	435	504	605	759	Florence
Greenville, SC HMFA.....	516	560	623	822	845	Greenville, Pickens
Kershaw County, SC HMFA.....	336	423	520	654	759	Kershaw
Laurens County, SC HMFA.....	442	480	532	672	785	Laurens
Myrtle Beach-Conway-North Myrtle Beach, SC MSA....	555	609	712	851	1031	Horry
Spartanburg, SC MSA.....	480	496	580	730	751	Spartanburg
Sumter, SC MSA.....	430	468	518	666	704	Sumter

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Abbeville.....	324	450	500	607	625	Allendale.....	416	450	500	621	803
Bamberg.....	415	417	500	667	687	Barnwell.....	414	436	500	602	779
Beaufort.....	590	710	803	979	1040	Cherokee.....	409	410	500	599	635
Chester.....	429	430	516	617	655	Chesterfield.....	354	441	500	598	878
Clarendon.....	435	436	524	628	715	Colleton.....	325	405	500	707	726
Dillon.....	415	423	500	625	687	Georgetown.....	490	491	592	767	926
Greenwood.....	439	459	528	766	790	Hampton.....	416	423	500	617	700
Jasper.....	460	499	556	663	752	Lancaster.....	339	427	500	688	757
Lee.....	342	419	500	615	770	McCormick.....	420	441	506	700	723
Marion.....	413	414	500	607	624	Marlboro.....	415	416	500	631	748
Newberry.....	414	450	500	636	783	Oconee.....	328	384	504	625	887
Orangeburg.....	416	450	500	621	770	Union.....	416	417	500	691	776

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

SOUTH CAROLINA continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Williamsburg	435	436	524	628	715

SOUTH DAKOTA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Meade County, SD HMFA	331	395	511	743	829	Meade
Rapid City, SD HMFA	468	545	687	910	935	Pennington
Sioux City, IA-NE-SD MSA	399	469	615	774	797	Union
Sioux Falls, SD MSA	477	501	640	836	925	Lincoln, McCook, Minnehaha, Turner

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Aurora	326	379	499	639	683	Beadle	415	416	499	726	823
Bennett	376	391	499	668	743	Bon Homme	326	379	499	639	683
Brookings	325	408	502	708	882	Brown	365	392	516	655	778
Brule	326	379	499	639	683	Buffalo	326	379	499	639	683
Butte	376	391	499	668	743	Campbell	363	380	499	659	783
Charles Mix	326	379	499	639	683	Clark	334	388	499	675	796
Clay	381	406	533	735	935	Codington	372	435	572	739	844
Corson	376	391	499	668	743	Custer	376	391	499	668	743
Davison	346	406	533	684	735	Day	363	380	499	659	783
Deuel	334	388	499	675	796	Dewey	376	391	499	668	743
Douglas	326	379	499	639	683	Edmunds	363	380	499	659	783
Fall River	370	386	507	658	732	Faulk	363	380	499	659	783
Grant	334	388	499	675	796	Gregory	326	379	499	639	683
Haakon	376	391	499	668	743	Hamlin	334	388	499	675	796
Hand	363	380	499	659	783	Hanson	326	379	499	639	683
Harding	376	391	499	668	743	Hughes	333	417	515	646	666
Hutchinson	326	379	499	639	683	Hyde	326	379	499	639	683
Jackson	376	391	499	668	743	Jerauld	363	380	499	659	783
Jones	376	391	499	668	743	Kingsbury	334	388	499	675	796
Lake	334	388	499	675	796	Lawrence	353	428	527	734	784
Lyman	326	379	499	639	683	McPherson	363	380	499	659	783
Marshall	363	380	499	659	783	Mellette	376	391	499	668	743
Miner	334	388	499	675	796	Moody	334	388	499	675	796
Perkins	376	391	499	668	743	Potter	376	391	499	668	743
Roberts	363	380	499	659	783	Sanborn	326	379	499	639	683
Shannon	376	391	499	668	743	Spink	363	380	499	659	783
Stanley	326	379	499	639	683	Sully	326	379	499	639	683
Todd	376	391	499	668	743	Tripp	326	379	499	639	683
Walworth	363	380	499	659	783	Yankton	354	420	545	714	734
Ziebach	376	391	499	668	743						

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

TENNESSEE

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Chattanooga, TN-GA MSA	488	516	608	748	880	Hamilton, Marion, Sequatchie
Clarksville, TN-KY HMFA	485	505	586	847	872	Montgomery
Cleveland, TN MSA	417	426	549	689	876	Bradley, Polk
Hickman County, TN HMFA	320	445	493	719	741	Hickman
Jackson, TN MSA	448	489	617	826	848	Chester, Madison
Johnson City, TN MSA	348	420	521	647	807	Carter, Unicoi, Washington
Kingsport-Bristol-Bristol, TN-VA MSA	376	404	502	673	804	Hawkins, Sullivan
Knoxville, TN MSA	427	491	592	793	819	Anderson, Blount, Knox, Loudon, Union
Macon County, TN HMFA	311	379	479	570	634	Macon
Memphis, TN-MS-AR HMFA	548	596	662	882	910	Fayette, Shelby, Tipton
Morristown, TN MSA	408	410	492	645	727	Grainger, Hamblen, Jefferson
Nashville-Davidson--Murfreesboro, TN HMFA	528	603	693	899	925	Cannon, Cheatham, Davidson, Dickson, Robertson, Rutherford, Sumner, Trousdale, Williamson, Wilson
Smith County, TN HMFA	411	412	493	658	679	Smith
Stewart County, TN HMFA	314	409	483	659	679	Stewart

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Bedford	389	477	599	750	772	Benton	378	379	479	592	650
Bledsoe	313	393	479	629	648	Campbell	398	399	479	617	734
Carroll	397	398	479	591	660	Claiborne	311	397	479	641	719
Clay	388	388	479	622	640	Cocke	312	386	479	574	782
Coffee	427	428	514	697	761	Crockett	398	432	479	625	645
Cumberland	397	398	479	679	840	Decatur	358	394	479	616	701
DeKalb	398	399	479	691	714	Dyer	323	379	497	663	724
Fentress	388	388	479	622	640	Franklin	329	395	508	739	890
Gibson	392	401	479	602	665	Giles	337	396	522	628	646
Greene	311	392	479	649	667	Grundy	313	393	479	629	648
Hancock	397	398	479	613	738	Hardeman	346	429	479	649	841
Hardin	351	391	479	635	654	Haywood	401	416	544	650	714
Henderson	335	444	518	617	637	Henry	313	366	482	576	702
Houston	378	379	479	592	650	Humphreys	398	431	479	683	705
Jackson	388	388	479	622	640	Johnson	310	386	479	642	673
Lake	356	398	479	622	659	Lauderdale	421	422	508	617	638
Lawrence	330	370	479	593	676	Lewis	320	373	481	613	631
Lincoln	397	398	479	585	603	McMinn	422	423	509	609	811
McNairy	311	366	479	692	712	Marshall	387	411	539	648	813
Maury	413	516	636	810	834	Meigs	313	393	479	629	648
Monroe	378	379	481	575	734	Moore	419	420	502	663	684
Morgan	395	396	479	599	698	Obion	329	397	479	632	666
Overton	312	393	479	585	602	Perry	320	373	481	613	631
Pickett	388	388	479	622	640	Putnam	398	399	497	715	767
Rhea	310	383	479	636	654	Roane	419	432	502	671	689
Scott	398	405	479	634	844	Sevier	480	520	586	705	1030
Van Buren	388	388	479	622	640	Warren	387	392	504	675	803

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

TENNESSEE continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Wayne	320	373	481	613	631
White	359	365	479	677	696
Weakley	348	428	479	701	844

TEXAS

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Abilene, TX MSA	414	435	549	715	904	Callahan, Jones, Taylor
Amarillo, TX MSA	425	461	575	792	888	Armstrong, Carson, Potter, Randall
Aransas County, TX HMFA	377	468	557	812	837	Aransas
Atascosa County, TX HMFA	328	382	504	637	655	Atascosa
Austin County, TX HMFA	491	492	592	786	810	Austin
*Austin-Round Rock, TX MSA	601	685	836	1137	1315	Bastrop, Caldwell, Hays, Travis, Williamson
Beaumont-Port Arthur, TX MSA	442	496	593	735	762	Hardin, Jefferson, Orange
Brazoria County, TX HMFA	518	577	663	914	982	Brazoria
Brownsville-Harlingen, TX MSA	388	448	513	634	717	Cameron
Calhoun County, TX HMFA	358	424	544	685	918	Calhoun
College Station-Bryan, TX MSA	517	585	714	905	932	Brazos, Burleson, Robertson
Corpus Christi, TX HMFA	545	560	695	954	1040	Nueces, San Patricio
*Dallas, TX HMFA	591	658	798	1059	1283	Collin, Dallas, Delta, Denton, Ellis, Hunt, Kaufman, Rockwall
El Paso, TX MSA	460	492	587	842	998	El Paso
*Fort Worth-Arlington, TX HMFA	565	605	745	1010	1135	Johnson, Parker, Tarrant
*Houston-Baytown-Sugar Land, TX HMFA	569	633	768	1024	1287	Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, Waller
Kendall County, TX HMFA	683	684	823	1198	1445	Kendall
Killeen-Temple-Fort Hood, TX HMFA	447	494	628	914	1101	Bell, Coryell
Lampasas County, TX HMFA	328	417	504	735	861	Lampasas
Laredo, TX MSA	437	479	573	749	981	Webb
Longview, TX HMFA	462	485	557	763	784	Gregg, Upshur
Lubbock, TX MSA	402	489	618	875	903	Crosby, Lubbock
McAllen-Edinburg-Mission, TX MSA	490	538	635	761	875	Hidalgo
Medina County, TX HMFA	443	492	579	692	842	Medina
Midland, TX MSA	392	424	558	813	963	Midland
Odessa, TX MSA	364	386	506	729	847	Ector
Rusk County, TX HMFA	430	431	517	619	637	Rusk
San Angelo, TX MSA	394	454	578	827	903	Irion, Tom Green
San Antonio, TX HMFA	521	579	715	922	1120	Bandera, Bexar, Comal, Guadalupe, Wilson
Sherman-Denison, TX MSA	509	536	630	828	958	Grayson
Texarkana, TX-Texarkana, AR MSA	439	443	546	666	725	Bowie
Tyler, TX MSA	464	545	614	841	919	Smith
Victoria, TX HMFA	416	479	613	763	904	Goliad, Victoria
Waco, TX MSA	505	506	629	788	813	McLennan
Wichita Falls, TX MSA	455	478	569	799	822	Archer, Clay, Wichita
Wise County, TX HMFA	453	454	546	667	741	Wise

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Anderson	450	471	543	715	937
Angelina	429	489	547	708	730
Baylor	342	405	504	642	762
Andrews	418	429	504	675	753
Bailey	389	433	504	656	831
Bee	419	420	504	677	758

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

TEXAS continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Blanco	400	430	544	714	818	Borden	416	417	504	650	671
Bosque	418	419	504	612	734	Brewster	367	383	504	603	653
Briscoe	410	413	504	671	692	Brooks	418	450	504	720	802
Brown	400	435	548	697	800	Burnet	408	477	627	789	811
Camp	421	422	519	708	731	Cass	329	454	504	692	815
Castro	410	413	504	671	692	Cherokee	410	449	504	674	701
Childress	410	413	504	671	692	Cochran	389	433	504	656	831
Coke	393	452	575	827	902	Coleman	400	430	544	714	818
Collingsworth	410	413	504	671	692	Colorado	403	445	504	666	684
Comanche	407	437	517	658	718	Concho	416	417	504	650	671
Cooke	463	464	585	722	744	Cottle	342	405	504	642	762
Crane	418	443	504	654	777	Crockett	416	417	504	650	671
Culberson	418	443	504	654	777	Dallam	376	412	544	650	667
Dawson	416	417	504	650	671	Deaf Smith	328	418	504	732	834
DeWitt	373	387	504	658	712	Dickens	389	433	504	656	831
Dimmit	413	415	504	686	813	Donley	410	413	504	671	692
Duval	348	437	504	671	715	Eastland	407	437	517	658	718
Edwards	413	415	504	686	813	Erath	406	440	549	670	690
Falls	331	452	509	649	674	Fannin	436	440	524	653	673
Fayette	416	472	571	709	730	Fisher	389	390	504	721	783
Floyd	389	433	504	656	831	Foard	342	405	504	642	762
Franklin	376	432	522	639	769	Freestone	331	452	509	665	686
Frio	403	495	602	762	907	Gaines	418	446	504	654	783
Garza	389	433	504	656	831	Gillespie	425	497	653	904	931
Glasscock	416	417	504	650	671	Gonzales	345	394	504	733	754
Gray	390	391	504	633	653	Grimes	447	490	546	711	732
Hale	339	428	504	617	689	Hall	410	413	504	671	692
Hamilton	400	430	544	714	818	Hansford	410	413	504	671	692
Hardeman	342	405	504	642	762	Harrison	404	407	536	693	713
Hartley	410	413	504	671	692	Haskell	389	390	504	721	783
Hemphill	410	413	504	671	692	Henderson	430	445	585	767	791
Hill	328	455	504	714	779	Hockley	393	417	504	700	721
Hood	468	508	565	746	991	Hopkins	374	432	527	668	925
Houston	484	520	583	698	756	Howard	418	421	504	708	727
Hudspeth	418	443	504	654	777	Hutchinson	420	421	505	604	751
Jack	342	405	504	642	762	Jackson	328	424	504	614	887
Jasper	419	420	504	623	721	Jeff Davis	418	443	504	654	777
Jim Hogg	418	450	504	720	802	Jim Wells	337	453	504	670	691
Karnes	373	385	504	660	714	Kenedy	418	450	504	720	802
Kent	389	390	504	721	783	Kerr	506	548	616	795	819
Kimble	416	417	504	650	671	King	389	433	504	656	831
Kinney	413	415	504	686	813	Kleberg	430	460	517	755	910

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

TEXAS continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Knox	342	405	504	642	762
Lamb	389	433	504	656	831
Lavaca	403	445	504	666	684
Leon	447	490	546	711	732
Lipscomb	410	413	504	671	692
Llano	519	523	688	823	848
Lynn	389	433	504	656	831
McMullen	348	437	504	671	715
Marion	421	422	519	708	731
Mason	416	417	504	650	671
Maverick	420	421	504	732	755
Milam	328	405	504	652	693
Mitchell	389	390	504	721	783
Moore	356	437	504	734	755
Motley	389	433	504	656	831
Navarro	470	479	578	702	725
Nolan	391	392	504	650	883
Oldham	410	413	504	671	692
Panola	419	454	504	613	885
Pecos	416	454	504	611	740
Presidio	418	443	504	654	777
Reagan	416	417	504	650	671
Red River	376	432	522	639	769
Refugio	348	437	504	671	715
Runnels	416	417	504	650	671
San Augustine	417	418	504	655	883
Schleicher	416	417	504	650	671
Shackelford	389	390	504	721	783
Sherman	410	413	504	671	692
Starr	418	456	504	735	888
Sterling	416	417	504	650	671
Sutton	416	417	504	650	671
Terrell	418	443	504	654	777
Throckmorton	389	390	504	721	783
Trinity	484	520	583	698	756
Upton	416	417	504	650	671
Val Verde	358	429	506	629	733
Walker	498	533	644	829	1073
Washington	474	539	597	838	864
Wheeler	410	413	504	671	692
Willacy	418	454	504	733	816
Wood	379	382	504	734	884

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Lamar	377	437	548	690	772
La Salle	413	415	504	686	813
Lee	403	459	509	696	718
Limestone	328	456	504	645	668
Live Oak	348	437	504	671	715
Loving	418	443	504	654	777
McCulloch	418	420	504	734	757
Madison	447	490	546	711	732
Martin	416	417	504	650	671
Matagorda	328	431	504	734	886
Menard	416	417	504	650	671
Mills	400	430	544	714	818
Montague	381	487	543	685	952
Morris	376	432	522	639	769
Nacogdoches	406	509	600	716	982
Newton	417	418	504	655	883
Ochiltree	410	413	504	704	725
Palo Pinto	424	425	527	728	748
Parmer	410	413	504	671	692
Polk	419	424	504	603	621
Rains	421	422	525	708	729
Real	413	415	504	686	813
Reeves	418	446	504	646	783
Roberts	410	413	504	671	692
Sabine	417	418	504	655	883
San Saba	400	430	544	714	818
Scurry	333	394	504	733	805
Shelby	418	420	504	724	883
Somervell	407	437	517	660	718
Stephens	375	383	504	694	754
Stonewall	389	390	504	721	783
Swisher	410	413	504	671	692
Terry	388	432	504	662	829
Titus	392	465	552	664	969
Tyler	418	419	504	649	841
Uvalde	329	448	504	657	884
Van Zandt	444	447	546	763	786
Ward	419	424	504	628	745
Wharton	404	454	504	667	687
Wilbarger	327	390	504	647	722
Winkler	418	443	504	654	777
Yoakum	389	433	504	656	831

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

TEXAS continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Young	329	383	504	640	744
Zavala	413	415	504	686	813
Zapata	418	450	504	720	802

UTAH

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Logan, UT-ID MSA	456	492	615	825	1018	Cache
Ogden-Clearfield, UT MSA	431	519	639	879	1039	Davis, Morgan, Weber
Provo-Orem, UT MSA	525	578	675	982	1183	Juab, Utah
Salt Lake City, UT HMFA	545	592	714	1005	1170	Salt Lake
St. George, UT MSA	522	547	650	945	1063	Washington
Summit County, UT HMFA	660	916	1018	1425	1786	Summit
Tooele County, UT HMFA	490	548	652	824	1142	Tooele

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Beaver	499	501	612	867	922
Carbon	444	445	535	703	825
Duchesne	461	501	555	717	975
Garfield	499	501	612	867	922
Iron	457	482	555	809	975
Millard	499	501	612	867	922
Rich	465	494	618	831	1008
Sanpete	499	501	612	867	922
Uintah	431	468	519	681	767
Wayne	499	501	612	867	922
Box Elder	388	475	598	791	920
Daggett	461	501	555	720	975
Emery	461	501	555	720	975
Grand	462	503	558	719	979
Kane	499	501	612	867	921
Piute	499	501	612	867	922
San Juan	461	501	555	720	975
Sevier	499	501	612	867	922
Wasatch	517	604	796	951	1142

VERMONT

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Components of FMR AREA within STATE
Burlington-South Burlington, VT MSA	708	783	983	1258	1411	Chittenden County towns of Bolton town, Buels gore, Burlington city, Charlotte town, Colchester town, Essex town, Hinesburg town, Huntington town, Jericho town, Milton town, Richmond town, St. George town, Shelburne town, South Burlington city, Underhill town, Westford town, Williston town, Winooski city Franklin County towns of Bakersfield town, Berkshire town, Enosburg town, Fairfax town, Fairfield town, Fletcher town, Franklin town, Georgia town, Highgate town, Montgomery town, Richford town, St. Albans city, St. Albans town, Sheldon town, Swanton town Grand Isle County towns of Alburg town, Grand Isle town, Isle La Motte town, North Hero town, South Hero town

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

VERMONT continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	Towns within nonmetropolitan counties
Addison County, VT	496	621	747	982	1310	Addison town, Bridport town, Bristol town, Cornwall town, Ferrisburg town, Goshen town, Granville town, Hancock town, Leicester town, Lincoln town, Middlebury town, Monkton town, New Haven town, Orwell town, Panton town, Ripton town, Salisbury town, Shoreham town, Starksboro town, Vergennes city, Waltham town, Weybridge town, Whiting town
Bennington County, VT	495	620	722	941	1105	Arlington town, Bennington town, Dorset town, Glastenbury town, Landgrove town, Manchester town, Peru town, Pownal town, Readsboro town, Rupert town, Sandgate town, Searsburg town, Shaftsbury town, Stamford town, Sunderland town, Winhall town, Woodford town
Caledonia County, VT	469	487	611	774	801	Barnet town, Burke town, Danville town, Groton town, Hardwick town, Kirby town, Lyndon town, Newark town, Peacham town, Ryegate town, St. Johnsbury town, Sheffield town, Stannard town, Sutton town, Walden town, Waterford town, Wheelock town
Essex County, VT	482	542	658	839	984	Averill town, Avery's gore, Bloomfield town, Brighton town, Brunswick town, Canaan town, Concord town, East Haven town, Ferdinand town, Granby town, Guildhall town, Lemington town, Lewis town, Lunenburg town, Maidstone town, Norton town, Victory town, Warner's grant, Warren's gore
Lamoille County, VT	489	588	684	953	1201	Belvidere town, Cambridge town, Eden town, Elmore town, Hyde Park town, Johnson town, Morristown town, Stowe town, Waterville town, Wolcott town
Orange County, VT	521	588	685	954	983	Bradford town, Braintree town, Brookfield town, Chelsea town, Corinth town, Fairlee town, Newbury town, Orange town, Randolph town, Strafford town, Thetford town, Topsham town, Tunbridge town, Vershire town, Washington town, West Fairlee town, Williamstown town
Orleans County, VT	351	485	542	685	861	Albany town, Barton town, Brownington town, Charleston town, Coventry town, Craftsbury town, Derby town, Glover town, Greensboro town, Holland town, Irasburg town, Jay town, Lowell town, Morgan town, Newport city, Newport town, Troy town, Westfield town, Westmore town
Rutland County, VT	447	585	680	899	1151	Benson town, Brandon town, Castleton town, Chittenden town, Clarendon town, Danby town, Fair Haven town, Hubbardton town, Ira town, Killington town, Mendon town, Middletown Springs town, Mount Holly town, Mount Tabor town, Pawlet town, Pittsfield town, Pittsford town, Poultney town, Proctor town, Rutland city, Rutland town, Shrewsbury town, Sudbury town, Tinmouth town, Wallingford town, Wells town, West Haven town, West Rutland town
Washington County, VT	491	574	719	971	1087	Barre city, Barre town, Berlin town, Cabot town, Calais town, Duxbury town, East Montpelier town, Fayston town, Marshfield town, Middlesex town, Montpelier city, Moretown town, Northfield town, Plainfield town, Roxbury town, Waitsfield town, Warren town, Waterbury town, Woodbury town, Worcester town
Windham County, VT	582	607	797	963	993	Athens town, Brattleboro town, Brookline town, Dover town,

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

VERMONT continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	Towns within nonmetropolitan counties
						Dummerston town, Grafton town, Guilford town, Halifax town, Jamaica town, Londonderry town, Marlboro town, Newfane town, Putney town, Rockingham town, Somerset town, Stratton town, Townshend town, Vernon town, Wardsboro town, Westminster town, Whitingham town, Wilmington town, Windham town
Windsor County, VT	548	614	722	983	1169	Andover town, Baltimore town, Barnard town, Bethel town, Bridgewater town, Cavendish town, Chester town, Hartford town, Hartland town, Ludlow town, Norwich town, Plymouth town, Pomfret town, Reading town, Rochester town, Royalton town, Sharon town, Springfield town, Stockbridge town, Weathersfield town, Weston town, West Windsor town, Windsor town, Woodstock town

VIRGINIA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Blacksburg-Christiansburg-Radford, VA HMFA	488	534	598	820	1051	Montgomery, Radford city
Charlottesville, VA MSA	557	669	792	1026	1136	Albemarle, Fluvanna, Greene, Nelson, Charlottesville city
Danville, VA MSA	353	405	523	652	700	Pittsylvania, Danville city
Franklin County, VA HMFA	326	390	502	600	640	Franklin
Giles County, VA HMFA	327	424	502	640	883	Giles
Harrisonburg, VA MSA	451	501	610	855	878	Rockingham, Harrisonburg city
Kingsport-Bristol-Bristol, TN-VA MSA	376	404	502	673	804	Scott, Washington, Bristol city
Louisa County, VA HMFA	462	524	597	714	735	Louisa
Lynchburg, VA MSA	450	461	556	686	765	Amherst, Appomattox, Bedford, Campbell, Bedford city, Lynchburg city
Pulaski County, VA HMFA	381	403	502	719	773	Pulaski
*Richmond, VA HMFA	651	705	788	1051	1255	Amelia, Caroline, Charles, Chesterfield, Cumberland, Dinwiddie, Goochland, Hanover, Henrico, King and Queen, King William, New Kent, Powhatan, Prince George, Sussex, Colonial Heights city, Hopewell city, Petersburg city, Richmond city
Roanoke, VA HMFA	446	474	613	778	849	Botetourt, Craig, Roanoke, Roanoke city, Salem city
*Virginia Beach-Norfolk-Newport News, VA-NC MSA	700	735	844	1164	1458	Gloucester, Isle of Wight, James, Mathews, Surry, York, Chesapeake city, Hampton city, Newport News city, Norfolk city, Poquoson city, Portsmouth city, Suffolk city, Virginia Beach city, Williamsburg city
Warren County, VA HMFA	473	550	685	963	993	Warren
*Washington-Arlington-Alexandria, DC-VA-MD HMFA	995	1134	1286	1659	2171	Arlington, Clarke, Fairfax, Fauquier, Loudoun, Prince William, Spotsylvania, Stafford, Alexandria city, Fairfax city, Falls Church city, Fredericksburg city, Manassas city, Manassas Park city
Winchester, VA-WV MSA	491	510	673	929	956	Frederick, Winchester city

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

VIRGINIA continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Accomack	343	469	528	642	790
Augusta	438	451	588	841	967
Bland	418	433	502	640	711
Buchanan	418	433	502	640	711
Carroll	417	453	502	602	669
Culpeper	631	642	760	983	1044
Essex	404	499	614	836	861
Grayson	418	433	502	640	711
Halifax	326	453	502	674	882
Highland	429	446	554	765	923
Lancaster	403	496	604	743	800
Lunenburg	431	445	519	647	896
Mecklenburg	329	410	506	621	828
Northampton	403	496	604	736	800
Nottoway	418	451	502	713	816
Page	340	397	521	672	692
Prince Edward	487	488	587	703	940
Richmond	403	496	604	736	800
Russell	327	434	502	614	634
Smyth	415	451	502	638	825
Tazewell	418	419	502	645	729
Wise	418	426	502	653	823
Buena Vista city	401	451	502	731	881
Covington city	326	418	502	610	636
Franklin city	363	502	557	689	980
Lexington city	401	451	502	731	881
Norton city	418	426	502	653	823
Waynesboro city	438	451	588	841	967

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Alleghany	326	418	502	610	636
Bath	429	446	554	765	923
Brunswick	431	445	519	647	896
Buckingham	418	451	502	645	816
Charlotte	418	451	502	645	816
Dickenson	418	448	502	655	674
Floyd	461	502	556	773	979
Greensville	432	469	520	628	780
Henry	387	403	502	644	737
King George	636	637	766	1114	1147
Lee	325	393	502	645	683
Madison	443	494	597	826	853
Middlesex	403	496	604	736	800
Northumberland	403	496	604	736	800
Orange	403	554	617	898	1083
Patrick	416	453	502	622	641
Rappahannock	443	494	597	826	853
Rockbridge	401	451	502	731	881
Shenandoah	414	443	542	723	801
Southampton	363	502	557	689	980
Westmoreland	408	497	627	860	886
Wythe	326	413	502	658	883
Clifton Forge city	326	418	502	610	636
Emporia city	432	469	520	628	780
Galax city	417	453	502	602	669
Martinsville city	387	403	502	644	737
Staunton city	438	451	588	841	967

WASHINGTON

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Bellingham, WA MSA	535	591	741	1081	1218	Whatcom
Bremerton-Silverdale, WA MSA	566	635	782	1119	1222	Kitsap
Kennewick-Richland-Pasco, WA MSA	473	516	647	875	1036	Benton, Franklin
Lewiston, ID-WA MSA	438	455	570	809	986	Asotin
Longview, WA MSA	417	524	609	887	1012	Cowlitz
Mount Vernon-Anacortes, WA MSA	534	661	820	1122	1400	Skagit
Olympia, WA MSA	532	597	763	1108	1340	Thurston
Portland-Vancouver-Beaverton, OR-WA MSA	550	638	737	1073	1289	Clark, Skamania
Seattle-Bellevue, WA HMFA	623	710	854	1207	1474	King, Snohomish
Spokane, WA MSA	425	498	656	901	1021	Spokane
*Tacoma, WA HMFA	541	632	788	1148	1292	Pierce
Wenatchee, WA MSA	486	514	650	877	1009	Chelan, Douglas

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

WASHINGTON continued

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Yakima, WA MSA	451	529	684	901	950	Yakima

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Adams	379	452	579	777	801	Clallam	429	474	617	901	929
Columbia	390	456	601	812	969	Ferry	379	448	579	777	801
Garfield	390	456	601	812	969	Grant	385	458	593	801	822
Grays Harbor	391	459	603	849	873	Island	550	551	665	968	1168
Jefferson	489	600	733	1066	1097	Kittitas	437	509	671	899	933
Klickitat	505	513	609	855	881	Lewis	422	540	649	867	907
Lincoln	379	448	579	777	801	Mason	475	559	670	915	1084
Okanogan	420	506	595	814	896	Pacific	415	447	586	831	864
Pend Oreille	379	448	579	777	801	San Juan	598	643	795	1142	1395
Stevens	375	452	577	790	863	Wahkiakum	420	522	610	888	1019
Walla Walla	390	456	601	864	891	Whitman	422	465	603	851	1043

WEST VIRGINIA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Boone County, WV HMFA	311	403	477	590	654	Boone
Charleston, WV HMFA	412	450	562	716	737	Clay, Kanawha, Lincoln, Putnam
Cumberland, MD-WV MSA	365	442	519	700	817	Mineral
Huntington-Ashland, WV-KY-OH MSA	365	432	519	640	661	Cabell, Wayne
Jefferson County, WV HMFA	423	571	650	949	1143	Jefferson
Martinsburg, WV HMFA	483	545	655	876	1051	Berkeley, Morgan
Morgantown, WV MSA	433	450	533	691	820	Monongalia, Preston
Parkersburg-Marietta-Vienna, WV-OH MSA	379	405	519	689	744	Pleasants, Wirt, Wood
Weirton-Steubenville, WV-OH MSA	344	421	519	648	704	Brooke, Hancock
Wheeling, WV-OH MSA	337	406	519	652	761	Marshall, Ohio
Winchester, VA-WV MSA	491	510	673	929	956	Hampshire

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Barbour	367	383	477	625	658	Braxton	367	383	477	625	658
Calhoun	349	416	505	656	754	Doddridge	331	421	497	598	708
Fayette	397	398	477	590	634	Gilmer	367	383	477	625	658
Grant	419	483	543	711	882	Greenbrier	379	431	477	573	754
Hardy	419	483	543	711	882	Harrison	411	412	494	619	692
Jackson	349	416	505	656	754	Lewis	376	407	477	598	615
Logan	333	404	477	586	602	McDowell	398	412	477	651	827
Marion	341	436	524	627	763	Mason	396	404	477	604	645
Mercer	396	411	477	645	817	Mingo	311	418	477	601	780
Monroe	396	430	477	594	615	Nicholas	396	430	477	607	664
Pendleton	419	483	545	711	882	Pocahontas	396	412	477	584	693
Raleigh	403	428	483	617	635	Randolph	377	378	487	628	646

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

WEST VIRGINIA continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Ritchie	349	416	505	656	754	Roane	349	416	505	656	754
Summers	396	430	477	594	615	Taylor	331	421	497	595	708
Tucker	367	383	477	625	658	Tyler	349	416	505	656	754
Upshur	310	387	477	641	661	Webster	396	412	477	584	693
Wetzel	311	425	477	607	691	Wyoming	398	412	477	651	827

WISCONSIN

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Appleton, WI MSA	474	487	604	871	896	Calumet, Outagamie
Columbia County, WI HMFA	416	486	640	864	892	Columbia
Duluth, MN-WI MSA	361	440	555	697	888	Douglas
Eau Claire, WI MSA	374	446	558	756	787	Chippewa, Eau Claire
Fond du Lac, WI MSA	453	485	584	767	832	Fond du Lac
Green Bay, WI HMFA	472	483	608	855	881	Brown, Kewaunee
Iowa County, WI HMFA	400	467	615	735	756	Iowa
Janesville, WI MSA	444	519	646	846	870	Rock
Kenosha County, WI HMFA	594	618	767	1055	1213	Kenosha
La Crosse, WI-MN MSA	370	433	570	756	929	La Crosse
Madison, WI HMFA	525	656	775	1040	1288	Dane
*Milwaukee-Waukesha-West Allis, WI MSA	510	608	726	915	942	Milwaukee, Ozaukee, Washington, Waukesha
Minneapolis-St. Paul-Bloomington, MN-WI MSA	600	707	858	1123	1262	Pierce, St. Croix
Oconto County, WI HMFA	386	468	519	672	700	Oconto
Oshkosh-Neenah, WI MSA	419	493	583	765	991	Winnebago
Racine, WI MSA	474	554	695	865	949	Racine
Sheboygan, WI MSA	377	484	572	707	868	Sheboygan
Wausau, WI MSA	374	466	575	768	849	Marathon

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Adams	399	438	541	704	726	Ashland	401	403	519	660	893
Barron	345	435	519	662	681	Bayfield	354	414	519	664	689
Buffalo	369	419	535	678	708	Burnett	354	414	519	664	689
Clark	335	397	519	709	731	Crawford	431	461	519	644	794
Dodge	527	529	637	806	871	Door	389	498	599	804	902
Dunn	403	434	545	795	816	Florence	347	419	519	660	693
Forest	399	438	541	704	726	Grant	431	432	519	672	911
Green	388	418	549	697	814	Green Lake	395	453	525	687	838
Iron	354	414	519	664	689	Jackson	369	419	535	678	708
Jefferson	454	532	701	840	1059	Juneau	350	431	537	707	729
Lafayette	385	406	522	668	749	Langlade	431	432	519	685	746
Lincoln	432	433	519	756	779	Manitowoc	352	413	543	649	808
Marinette	432	467	519	680	701	Marquette	408	457	556	716	795
Menominee	408	457	556	716	795	Monroe	363	424	559	709	775
Oneida	395	432	567	725	998	Pepin	369	419	535	678	708

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

WISCONSIN continued

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Polk	402	470	618	760	784
Price	354	414	519	664	689
Rusk	354	414	519	664	689
Sawyer	354	417	519	664	689
Taylor	354	414	519	664	689
Vernon	412	414	519	656	715
Walworth	467	550	717	895	923
Waupaca	358	449	546	713	734
Wood	351	431	534	650	712
Portage	462	468	559	740	761
Richland	365	407	519	665	687
Sauk	400	532	610	820	846
Shawano	357	421	519	648	744
Trempealeau	408	409	519	709	730
Vilas	399	438	541	737	759
Washburn	354	414	519	664	689
Waushara	408	457	556	716	795

WYOMING

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Casper, WY MSA	370	405	512	745	898	Natrona
Cheyenne, WY MSA	473	499	633	862	1110	Laramie

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Albany	409	469	595	817	865
Campbell	456	491	550	745	811
Converse	333	412	512	698	900
Fremont	401	403	512	642	818
Hot Springs	410	428	512	668	800
Lincoln	448	475	540	721	853
Park	380	437	514	646	851
Sheridan	408	440	541	692	845
Sweetwater	336	408	512	716	743
Uinta	356	450	512	699	830
Weston	410	428	512	668	800
Big Horn	410	428	512	668	800
Carbon	333	398	512	642	780
Crook	410	428	512	668	800
Goshen	424	425	512	631	869
Johnson	407	423	522	663	792
Niobrara	410	428	512	668	800
Platte	410	428	512	668	800
Sublette	451	475	551	721	854
Teton	697	778	978	1289	1327
Washakie	410	428	512	668	800

GUAM

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Pacific Islands	709	761	929	1354	1618

PUERTO RICO

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Aguadilla-Isabela-San Sebastián, PR MSA	312	339	376	483	541	Aguada, Aguadilla, Añasco, Isabela, Lares, Moca, Rincón, San Sebastián
Arecibo, PR HMFA	328	356	396	540	633	Arecibo, Camuy, Hatillo
Barranquitas-Aibonito-Quebradillas, PR HMFA	324	349	389	495	569	Aibonito, Barranquitas, Ciales, Maunabo, Orocovis, Quebradillas
Caguas, PR HMFA	361	391	435	603	726	Caguas, Cayey, Cidra, Gurabo, San Lorenzo

SCHEDULE B - FY 2007 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING

PUERTO RICO continued

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Fajardo, PR MSA	375	408	453	659	794	Ceiba, Fajardo, Luquillo
Guayama, PR MSA	329	355	395	561	695	Arroyo, Guayama, Patillas
Mayagüez, PR MSA	345	374	416	497	686	Hormigueros, Mayagüez
Ponce, PR MSA	383	415	460	639	729	Juana Díaz, Ponce, Villalba
San Germán-Cabo Rojo, PR MSA	315	327	379	496	534	Cabo Rojo, Lajas, Sabana Grande, San Germán
San Juan-Guaynabo, PR HMFA	419	455	506	670	792	Aguas Buenas, Barceloneta, Bayamón, Canóvanas, Carolina, Cataño, Comerío, Corozal, Dorado, Florida, Guaynabo, Humacao, Juncos, Las Piedras, Loíza, Manatí, Morovis, Naguabo, Naranjito, Río Grande, San Juan, Toa Alta, Toa Baja, Trujillo Alto, Vega Alta, Vega Baja, Yabucoa
Yauco, PR MSA	305	322	366	461	587	Guánica, Guayanilla, Peñuelas, Yauco

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Adjuntas	304	328	366	501	544	Coamo	304	328	366	501	544
Culebra	304	328	366	501	544	Jayuya	304	328	366	501	544
Las Marías	304	328	366	501	544	Maricao	304	328	366	501	544
Salinas	304	328	366	501	544	Santa Isabel	304	328	366	501	544
Utuado	304	328	366	501	544	Vieques	304	328	366	501	544

VIRGIN ISLANDS

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
St. Criox	494	515	624	779	892	St. John	562	671	864	1070	1119
St. Thomas	562	671	864	1070	1119						

Note1: The FMRs for unit sizes larger then 4 BRs are calculated by adding 15% to the 4 BR FMR for each extra bedroom.
Note2: 50th percentile FMRs are indicated by an * before the FMR Area name.
Note3: HMFA stands for HUD Metro FMR Area

05/15/2006

SCHEDULE D - FY 2007 FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES IN THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

State	Area Name	Space Rent
California	*Orange County, CA HMFA	$660
	*Riverside-San Bernardino-Ontario, CA MSA	$427
	*San Diego-Carlsbad-San Marcos, CA MSA	$683
	Los Angeles-Long Beach, CA HMFA	$543
	Napa, CA MSA	$485
	Vallejo-Fairfield, CA MSA	$485
Colorado	Boulder, CO MSA	$422
Maryland	St. Mary's	$413
New York	Utica-Rome, NY MSA	$260
Oregon	Bend, OR MSA	$303
	Salem, OR MSA	$408
Pennsylvania	Adams	$465
Washington	Olympia, WA MSA	$474
West Virginia	Logan	$374
	McDowell	$374
	Mercer	$374
	Mingo	$374
	Wyoming	$374

* 50th percentile FMR areas.

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Vol. 71, No. 115

Thursday, June 15, 2006

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FEDERAL REGISTER PAGES AND DATE, JUNE

31069–31914 1
31915–32264 2
32265–32414 5
32415–32800 6
32801–33146 7
33147–33374 8
33375–33592 9
33593–33988 12
33989–34230 13
34231–34506 14
34507–34786 15

CFR PARTS AFFECTED DURING JUNE

At the end of each month, the Office of the Federal Register publishes separately a List of CFR Sections Affected (LSA), which lists parts and sections affected by documents published since the revision date of each title.

3 CFR

Proclamations:
8026 32799
8027 32801
8028 33373
8029 33589
8030 33591

Executive Orders:
13222 (See Memorandum of May 12, 2006) 31909
13404 33593

Administrative Orders:
Memorandums:
Memorandum of May 12, 2006 31909

5 CFR

211 33375
1201 34231

6 CFR

25 33147

7 CFR

205 32803
272 33376
273 33376
301 33168
319 33172
955 34507
979 33178
1210 34232
1410 31915
1421 32415
1427 32415
1980 33181
4279 33181

8 CFR

274a 34510

Proposed Rules:
274a 34281

Proposed Rules:
250 33344
3411 32479

9 CFR

93 ..... 31069, 34517
94 31069

Proposed Rules:
94 34537
160 31109
161 31109
162 31109

10 CFR

73 33989
170 33190
171 33190

Proposed Rules:
20 34024
32 34024
35 34285

11 CFR

109 33190

12 CFR

229 32265

Proposed Rules:
611 34549
612 34549
613 34549
614 34549
1732 31121

13 CFR

Proposed Rules:
121 34550
125 34550
127 34550

14 CFR

23 ..... 34235, 34237, 34517
39 ..... 31070, 31918, 32266, 32268, 32427, 32434, 32807, 32811, 32815, 32818, 33595, 33598, 33600, 33602, 33604, 33606, 33608, 33611, 33614, 33992, 33994, 34000, 34003, 34004, 34006
71 ..... 31919, 31920, 32270, 32271, 32822, 32823, 32824, 32825, 32826
97 ..... 34243, 34245
121 31921

Proposed Rules:
23 ..... 34288, 34292
39 ..... 31978, 31980, 32484, 32487, 32489, 32491, 32492, 32873, 33260, 33262, 33264, 33267, 33270, 33412, 33658, 33661, 33663, 34025, 34026, 34563
71 ..... 31983, 32876, 33665, 33666, 33667, 34296
77 34028
91 32877
121 32877
125 32877
135 32877

15 CFR

4 31073
736 ..... 32272, 33211
738 33614
742 33614
744 ..... 32272, 33211
745 33614
756 34008
774 33614
902 33211

16 CFR

410 34247

Proposed Rules:
18 34045
437 31124
Ch. II 32882

17 CFR

200 33384

18 CFR

Proposed Rules:
35 ....32636, 33102
37 32636
366 31125
367 31125
368 31125
369 31125
375 31125

19 CFR

101 33235
141 31921
142 31921
Proposed Rules:
12 31125

20 CFR

Proposed Rules:
401 32494
402 32494

21 CFR

50 32827
73 31927
203 34249
520 ....33236, 33237
522 32436
558 ....31073, 34519
874 32832

22 CFR

40 34519
41 34519
42 34519
62 33237

23 CFR

Proposed Rules:
450 33510
500 33510
665 34297

24 CFR

115 33138
203 33138
320 32388
Proposed Rules:
81 33144
203 32392
291 32392
3282 34464
3286 34476

25 CFR

Proposed Rules:
502 33668
546 33668

26 CFR

1 ....31074, 31268, 32437, 33239, 34009
602 ....31268, 34009
Proposed Rules:
1 ....31128, 31985, 32495, 33273, 34046, 34047

27 CFR

9 ....33239, 34522, 34525, 34527

29 CFR

458 31929
4000 31077
4006 31077
4007 31077
4022 34532
4044 34532

30 CFR

57 33387
925 33243
943 34251
944 33249
Proposed Rules:
924 33273
948 31996

32 CFR

199 ....31942, 31943
216 31082

33 CFR

100 32836
165 ....31085, 31088, 31945, 32838, 32839, 33622, 34255
Proposed Rules:
117 32883
165 ....31999, 32002, 32004

34 CFR

304 32396

36 CFR

1151 33254

37 CFR

201 31089
202 31089
212 31089
Proposed Rules:
1 32285
41 32285

40 CFR

51 31092
52 ....31093, 31097, 32274, 32448, 33622, 33625, 34011, 34014, 34257, 34259
60 ....31100, 33388
61 32276
69 32450
80 31947
82 32840
93 31092
122 33628
155 34262
180 ....31102, 32841, 32846, 32849, 34263, 34267
372 32464
704 33640
707 33640
717 33640
720 33640
721 ....33640, 34015
723 33640
761 33630
790 33640
799 33640
Proposed Rules:
52 ....31129, 32291, 33413, 33668, 33669, 34050, 34297
60 ....32885, 33804
63 ....33804, 34422
70 32006
71 32006
80 32015
85 33804
90 33804
122 32887
180 ....32895, 32899, 33416
1048 33804
1065 33804
1068 33804

42 CFR

Proposed Rules:
100 33420

44 CFR

64 33642
65 33644
67 ....33645, 33646
Proposed Rules:
67 ....33672, 33702

47 CFR

1 34272
27 34420
73 ....32853, 32854, 34279
Proposed Rules:
64 31131
73 ....32909, 34298

48 CFR

1532 32282
1552 32282

49 CFR

107 33858
171 ....32244, 33858
172 ....32244, 33858
173 ....32244, 33858
175 32244
178 33858
180 33858
192 33402
193 33402
195 33402
571 32855
1544 31964
1546 31964
1548 ....31964, 33254
Proposed Rules:
173 32909
604 32496
613 33510
655 32298

50 CFR

36 33255
223 31965
622 34534
648 33211
660 31104
679 ....31105, 34021, 34022
680 32862
Proposed Rules:
17 ....31137, 32496, 32746, 33703, 34196, 34566
226 34571
229 34299
622 33423
648 33721
660 33432
665 32911
679 33040

REMINDERS

The items in this list were editorially compiled as an aid to Federal Register users. Inclusion or exclusion from this list has no legal significance.

RULES GOING INTO EFFECT JUNE 15, 2006

AGRICULTURE DEPARTMENT

Agricultural Marketing Service

Watermelon research and promotion plan; redistricting; published 6-14-06

COMMERCE DEPARTMENT

National Oceanic and Atmospheric Administration

Fishery conservation and management:

Caribbean, Gulf, and South Atlantic fisheries—

Gulf of Mexico and South Atlantic coastal migratory pelagic resources; published 5-16-06

Northeastern United States fisheries—

Atlantic sea scallop; published 6-8-06

ENERGY DEPARTMENT

Federal Energy Regulatory Commission

Electric utilities (Federal Power Act):

Public utilities including regional transmission organizations; accounting and financial reporting requirements; rehearing order denied; published 5-16-06

Section 203 transactions; expeditious approval procedures

Rehearing order; published 5-16-06

Public Utility Holding Company Act of 2005; implementation:

Public Utility Holding Company Act of 1935; repeal; rehearing order; published 5-16-06

HEALTH AND HUMAN SERVICES DEPARTMENT

Food and Drug Administration

Animal drugs, feeds, and related products:

Lasalocid

Correction; published 6-15-06

HOMELAND SECURITY DEPARTMENT

Customs and Border Protection Bureau

Organization, functions, field organization, ports of entry, etc.:

Tri-Cities area including Tri-Cities Regional Airport, VA and TN; port of entry establishment and user-fee status termination; published 5-16-06

HOMELAND SECURITY DEPARTMENT

Immigration and Customs Enforcement Bureau

Immigration regulations:

Employment and Eligibility Verification (Form I-9); electronic signature and storage; published 6-15-06

SOCIAL SECURITY ADMINISTRATION

Supplemental security income:

Aged, blind, and disabled—

Plans to achieve self-support; time limit criteria; published 5-16-06

STATE DEPARTMENT

Visas: nomenclature changes; published 6-15-06

TRANSPORTATION DEPARTMENT

Federal Aviation Administration

Airworthiness directives:

Sikorsky; published 5-31-06

Investigative and enforcement procedures:

Civil monetary penalties inflation adjustment; published 5-16-06

TRANSPORTATION DEPARTMENT

National Highway Traffic Safety Administration

Civil monetary penalties; inflation adjustment; published 5-16-06

COMMENTS DUE NEXT WEEK

AGRICULTURE DEPARTMENT

Commodity Credit Corporation

Export programs:

Commodities procurement for foreign donation; Open for comments until further notice; published 12-16-05 [FR E5-07460]

AGRICULTURE DEPARTMENT

Cooperative State Research, Education, and Extension Service

Small Business Innovation Research Grants Program; policy directive compliance; comments due by 6-19-06; published 5-18-06 [FR 06-04649]

DEFENSE DEPARTMENT

Federal Acquisition Regulation (FAR):

Certain European Union member states; sanctions removed; comments due by 6-19-06; published 4-19-06 [FR 06-03684]

Combating trafficking in persons; comments due by 6-19-06; published 4-19-06 [FR 06-03681]

Free trade agreements—

Morocco; comments due by 6-19-06; published 4-19-06 [FR 06-03685]

Personnel, military and civilian:

Regular and reserve retired military members; management and mobilization; comments due by 6-19-06; published 4-18-06 [FR 06-03658]

ENERGY DEPARTMENT

Energy Efficiency and Renewable Energy Office

Consumer products; energy conservation program:

Classifying products as covered products; household definition; comments due by 6-19-06; published 5-4-06 [FR 06-04195]

ENVIRONMENTAL PROTECTION AGENCY

Air pollutants, hazardous; national emission standards:

Printing and publishing industry; comments due by 6-23-06; published 5-24-06 [FR 06-04822]

Air quality implementation plans; approval and promulgation; various States; air quality planning purposes; designation of areas:

Kentucky; comments due by 6-23-06; published 5-24-06 [FR 06-04820]

Air quality implementation plans; approval and promulgation; various States:

Indiana; comments due by 6-22-06; published 5-23-06 [FR 06-04764]

Hazardous waste management system:

Hazardous waste manifest system; modification; comments due by 6-19-06; published 4-18-06 [FR E6-05745]

Pesticides; tolerances in food, animal feeds, and raw agricultural commodities:

Mono- and bis-(1H, 1H, 2H, 2H- perfluoroalkyl) phosphates; comments due by 6-19-06; published 4-19-06 [FR E6-05883]

Wheat bran; comments due by 6-19-06; published 4-19-06 [FR E6-05877]

Solid wastes:

Granular mine tailings in asphalt concrete and Portland cement concrete in transportation construction projects; management criteria; comments due by 6-19-06; published 5-19-06 [FR E6-07653]

Superfund program:

National oil and hazardous substances contingency plan priorities list; comments due by 6-19-06; published 4-19-06 [FR 06-03667]

GENERAL SERVICES ADMINISTRATION

Federal Acquisition Regulation (FAR):

Certain European Union member states; sanctions removed; comments due by 6-19-06; published 4-19-06 [FR 06-03684]

Combating trafficking in persons; comments due by 6-19-06; published 4-19-06 [FR 06-03681]

Free trade agreements—

Morocco; comments due by 6-19-06; published 4-19-06 [FR 06-03685]

HOMELAND SECURITY DEPARTMENT

Customs and Border Protection Bureau

Merchandise, special classes:

Cement products from Mexico requiring Commerce Department import license; comments due by 6-21-06; published 6-1-06 [FR E6-08500]

HOMELAND SECURITY DEPARTMENT

Coast Guard

Drawbridge operations:

Washington; comments due by 6-23-06; published 5-24-06 [FR E6-07868]

Pollution:

Ballast water treatment technology and analysis methods; research and development status; comments due by 6-23-06; published 5-2-06 [FR E6-06628]

Ports and waterways safety; regulated navigation areas, safety zones, security zones, etc.:

Charleston, SC; Wando River, Cooper River, and

Charleston Harbor; comments due by 6-19-06; published 5-18-06 [FR 06-04628]
Great Lakes, OH, MI, WI, and IL; tall ships celebration; comments due by 6-22-06; published 6-2-06 [FR E6-08610]
Mackinac Bridge and Straits of Mackinac, MI; comments due by 6-23-06; published 5-24-06 [FR E6-07862]
Regattas and marine parades:
Chesapeake Bay, Cape Charles, VA; marine events; comments due by 6-19-06; published 5-19-06 [FR E6-07618]
Sacramento River Bridge-to-Bridge Waterfront Festival, CA; comments due by 6-19-06; published 5-19-06 [FR E6-07610]

HOMELAND SECURITY DEPARTMENT
U.S. Citizenship and Immigration Services
Immigration:
Genealogy Program; genealogical and historical records service; establishment; comments due by 6-19-06; published 4-20-06 [FR E6-05947]

INTERIOR DEPARTMENT
Fish and Wildlife Service
Endangered and threatened species:
Bald eagle; comments due by 6-19-06; published 5-16-06 [FR 06-04606]
Western snowy plover; Pacific Coast distinct population segment; comments due by 6-20-06; published 4-21-06 [FR 06-03793]
Endangered Species Convention:
Regulations revised; comments due by 6-19-06; published 4-19-06 [FR 06-03444]
Importation, exportation, and transportation of wildlife:
Bald eagles protection; definition; comments due by 6-19-06; published 5-16-06 [FR 06-04607]

INTERIOR DEPARTMENT
Surface Mining Reclamation and Enforcement Office
Permanent program and abandoned mine land reclamation plan submissions:
Mississippi; comments due by 6-23-06; published 5-24-06 [FR E6-07917]
Pennsylvania; comments due by 6-22-06; published 5-23-06 [FR E6-07815]

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
Federal Acquisition Regulation (FAR):
Certain European Union member states; sanctions removed; comments due by 6-19-06; published 4-19-06 [FR 06-03684]
Combating trafficking in persons; comments due by 6-19-06; published 4-19-06 [FR 06-03681]
Free trade agreements—
Morocco; comments due by 6-19-06; published 4-19-06 [FR 06-03685]

NUCLEAR REGULATORY COMMISSION
Annual financial reports submission; requirement elimination; comments due by 6-21-06; published 5-22-06 [FR 06-04737]

TRANSPORTATION DEPARTMENT
Federal Aviation Administration
Airworthiness directives:
Airbus; comments due by 6-19-06; published 5-18-06 [FR E6-07560]
B-N Group Ltd.; comments due by 6-21-06; published 6-6-06 [FR E6-08713]
Boeing; comments due by 6-19-06; published 5-5-06 [FR E6-06795]
Empresa Brasileira de Aeronautica S.A. (EMBRAER); comments due by 6-20-06; published 5-26-06 [FR E6-08117]
Goodyear Aviation; comments due by 6-19-06; published 5-3-06 [FR E6-06650]
Honeywell; comments due by 6-19-06; published 5-3-06 [FR E6-06651]
Pratt & Whitney; comments due by 6-19-06; published 4-19-06 [FR E6-05843]
Pratt & Whitney Canada; comments due by 6-20-06; published 4-21-06 [FR 06-03765]
Raytheon; comments due by 6-23-06; published 5-9-06 [FR E6-07014]
Special conditions—
Avidyne Corp., Inc.; various airplane models; comments due by 6-22-06; published 5-23-06 [FR 06-04753]
Airworthiness standards:
Class E airspace; comments due by 6-19-06; published 5-4-06 [FR E6-06730]
Special conditions—
Pilatus PC-12, PC-12/45, and PC-12/47 airplanes; comments due by 6-19-06; published 5-18-06 [FR 06-04624]
Societe de Motorisation Aeronautiques Engines, Inc., Cessna Models 182Q and 182R airplanes; comments due by 6-19-06; published 2-17-06 [FR E6-02285]

TRANSPORTATION DEPARTMENT
Federal Highway Administration
Right-of-way and environment:
Worker visibility; comments due by 6-23-06; published 4-24-06 [FR E6-06025]

TRANSPORTATION DEPARTMENT
National Highway Traffic Safety Administration
Motor vehicle safety standards:
Interior impact occupant protection; comments due by 6-23-06; published 4-24-06 [FR E6-06024]
Motorcyclist Safety Program; incentive grant criteria; comments due by 6-23-06; published 5-24-06 [FR 06-04792]

TREASURY DEPARTMENT
Merchandise, special classes:
Cement products from Mexico requiring Commerce Department import license; comments due by 6-21-06; published 6-1-06 [FR E6-08500]

LIST OF PUBLIC LAWS

This is a continuing list of public bills from the current session of Congress which have become Federal laws. It may be used in conjunction with "P L U S" (Public Laws Update Service) on 202–741–6043. This list is also available online at *http://www.archives.gov/federal-register/laws.html*.

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S. 1736/P.L. 109–229

To provide for the participation of employees in the judicial branch in the Federal leave transfer program for disasters and emergencies. (May 31, 2006; 120 Stat. 390)

Last List May 31, 2006

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