(d) This AD results from reports of five events involving fractured compressor discharge pressure (CDP) restoring spring assembly. We are issuing this AD to prevent loss of engine thrust control that could lead to loss of control 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.

Replacing the CDP Restoring Spring Assembly on CF6–50A Engines and –50C Series Engines

(f) For CF6–50A model engines and –50C series engines that have an MEC that has a P/N listed in Table 1 of this AD, replace the CDP restoring spring assembly as follows in Table 2 of this AD:

TABLE 2.—COMPLIANCE SCHEDULE FOR CF6–50A AND –50C ENGINES

If the CDP restoring spring assembly in your MEC	Then	By	Use
(1) Was already replaced using GEAE CF6–50 S/B 73–0119, dated March 21, 2005.	Re-mark the MEC	The next time the MEC is routed for repair such as the next MEC shop visit.	Paragraph 3.A. of the Accomplishment Instructions of SB No. CF6–50 S/B 73–0119, Revision 02, dated March 9, 2007.
(2) Was already replaced within 10,000 or fewer hours time-in-service (TIS) before the effective date of this AD, and the replacement spring assembly (P/N 3018–248) had zero hours TIS.	Replace the spring assembly and re-mark the MEC.	The first MEC shop visit or engine shop visit after the MEC exceeds 10,000 hours TIS, but do not exceed 20,000 hours TIS.	Paragraph 3.A. of the Accomplishment Instructions of SB No. CF6–50 S/B 73–0119, Revision 02, dated March 9, 2007.
(3) Has more then 10,000 hours TIS.	Replace the spring assembly and re-mark the MEC.	The next MEC shop visit or engine shop visit whichever occurs first.	Paragraph 3.A. of the Accomplishment Instructions of SB No. CF6–50 S/B 73–0119, Revision 02, dated March 9, 2007.

Replacing the CDP Restoring Spring Assembly on CF6–45A and –50E Series Engines

(g) For CF6–45A series and –50E series engines that have an MEC that has a P/N listed in Table 1 of this AD, replace the CDP restoring spring assembly as follows in Table 3 of this AD:

TABLE 3.—COMPLIANCE SCHEDULE FOR CF6–45A AND –50E ENGINES

If the CDP restoring spring assembly in your MEC	Then	By	Use
(1) Was already replaced within 10,000 or fewer hours time-in-service (TIS) before the effective date of this AD, and the replacement spring assembly (P/N 3018–248) had zero hours TIS.	Replace the spring assembly and re-mark the MEC.	The first MEC shop visit or engine shop visit after the MEC exceeds 10,000 hours TIS, but do not exceed 20,000 hours TIS.	Paragraph 3.A. of the Accomplishment Instructions of SB No. CF6–50 S/B 73–0120, dated March 21, 2007.
(2) Has more then 10,000 hours TIS.	Replace the spring assembly and re-mark the MEC.	The next MEC shop visit or engine shop visit whichever occurs first.	Paragraph 3.A. of the Accomplishment Instructions of SB No. CF6–50 S/B 73–0120, dated March 21, 2007.

Definition

(h) For the purpose of this AD, a shop visit is induction of the engine or MEC into the shop for any cause.

Installation Prohibition

(i) After the effective date of the AD, do not install an MEC that:

(1) Has not complied with SB No. CF6–50 S/B 73–0119, Revision 02, dated March 9, 2007 or earlier revision, or SB No. CF6–50 S/B 73–0120, dated March 21, 2007, or,

(2) Has not had the CDP restoring spring replaced with a spring assembly, P/N 3018–248, or FAA-approved equivalent spring assembly, within the previous 10,000 hours of MEC operation.

Alternative Methods of Compliance

(j) The Manager, Engine Certification Office, has the authority to approve alternative methods of compliance for this AD if requested using the procedures found in 14 CFR 39.19.

Related Information

(k) None.

Issued in Burlington, Massachusetts, on May 23, 2007.

Fran A. Favara,

Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. E7–10512 Filed 5–30–07; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF STATE

22 CFR Part 62

RIN: 1400–AC29

[Public Notice 5819]

Exchange Visitor Program—Sanctions and Terminations

AGENCY: Department of State.

ACTION: Proposed rule with request for comment.

SUMMARY: The U.S. Department of State (Department) is proposing to revise its regulations presently set forth at 22 CFR Part 62, Subpart D (Sanctions) and 22 CFR Part 62, Subpart E (Termination and Revocation of Programs). The

revised § 62.50 will retain many, but not all, of the provisions of the current regulations, and modifies the reasons for which sanctions may be imposed. One difference in the proposed regulation is the substitution of a panel of three Review Officers to conduct a ''paper review'' in lieu of a trial-type hearing. This streamlined review process will continue to provide full procedural due process rights. Subpart E, § 62.60 proposes to amend existing regulations to provide for program termination in the case of failure to file an annual management audit, in program categories requiring such audits. A new § 62.62 will provide for termination or denial of redesignation for an entire class of designated programs, if the Department determines that they compromise the national security of the United States, or no longer further the public diplomacy mission of the Department.

DATES: The Department will accept comments from the public up to 60 days from May 31, 2007.

ADDRESSES: You may submit comments, identified by any of the following methods:

- *Persons with access to the internet may also view this notice and provide comments by going to the regulations.gov Web site at: http://www.regulations.gov/index.cfm*
- *Mail (paper, disk, or CD–ROM submissions):* U.S. Department of State, Office of Exchange Coordination and Designation, SA–44, 301 4th Street, SW., Room 734, Washington, DC 20547
- *E-mail: jexchanges@state.gov.* You must include the RIN (1400–AC29) in the subject line of your message.

FOR FURTHER INFORMATION CONTACT: Stanley S. Colvin, Director, Office of Exchange Coordination and Designation, U.S. Department of State, SA–44, 301 4th Street, SW., Room 734, Washington, DC 20547, (202) 203–7415; or e-mail at *jexchanges@state.gov.*

SUPPLEMENTARY INFORMATION: The Department of State is authorized to facilitate and direct educational and cultural exchange activities in order to develop and promote mutual understanding between the people of the United States and other countries of the world, and thus directly impact the relationships between the United States and foreign governments. Educational and cultural exchange is the cornerstone of United States public diplomacy, an integral component of the foreign affairs function of the Department. As set forth in the Regulations, educational and cultural exchanges assist the Department in furthering the foreign policy objectives of the United States. (22 CFR 62.1)

The Department designates U.S. government, academic, and private sector entities to conduct educational and cultural exchange programs pursuant to a broad grant of authority provided by the Mutual Educational and Cultural Exchange Act of 1961, as amended (Fulbright-Hays Act), 22 U.S.C. 2451 *et seq.*; the Immigration and Nationality Act, 8 U.S.C. § 1101(a)(15)(J); the Foreign Affairs Reform and Restructuring Act of 1998, Pub. L. 105–277; as well as other statutory enactments, Reorganization Plans and Executive Orders. Under those authorities, designated program sponsors facilitate the entry into the United States of more than 300,000 exchange participants each year.

The former United States Information Agency (USIA) and, as of October 1, 1999, its successor, the U.S. Department of State, have promulgated regulations governing the Exchange Visitor Program. Those regulations now appear at 22 CFR Part 62. Regulations governing sanctions appear at 22 CFR 62.50, and regulations governing termination of a sponsor's designation, at 22 CFR 62.60 through 62.62. The ultimate goals of the sanctions regulations are to further the foreign policy interests of the United States, including protecting the health, safety and welfare of Exchange Visitor Program participants. These regulations largely have remained unchanged since 1993, when USIA undertook a major regulatory reform of the Exchange Visitor Program.

The Fulbright-Hays Act is the organic legislation underpinning the entire Exchange Visitor Program. Section 101 of that Act sets forth its purpose: ''to enable the Government of the United States to increase mutual understanding between the people of the United States and the people of other countries by means of educational and cultural exchange. * * *'' The Act authorizes the President to provide for such exchanges if it would strengthen international cooperative relations. The language of the Act and its legislative history make it clear that the Congress considered international educational and cultural exchanges to be a significant part of the public diplomacy efforts of the President in connection with Constitutional prerogatives in conducting foreign affairs. Thus, exchange visitor programs that do not further the public diplomacy goals of the United States should not be designated initially, or retain their designation. Accordingly, it is imperative that the Department have the power to revoke program designations or deny applications for program redesignation when it determines that such programs do not serve the country's public diplomacy goals.

The overwhelming majority of designated exchange visitor programs have been a credit to this country's public diplomacy efforts. They adhere to the Department's regulations and clearly further the goals of the Fulbright-Hays Act. Indeed, since 1993, when the Exchange Visitor Program regulations were substantially revised, there have been only five programs whose designations have been revoked. Several programs facing the threat of revocation voluntarily surrendered their designation. However, the Department's Office of Exchange Coordination and Designation (the Office) has imposed lesser sanctions pursuant to current § 62.50 on more than 100 exchange visitor programs since 1993 for various regulatory violations. The experience of the last 12 years has demonstrated that the current sanction regulations, particularly those governing lesser sanctions, have been useful in deterring bad acts and rehabilitating otherwise productive public diplomacy programs. Nevertheless, after 12 years of service, the sanction regulations need clarification and fine-tuning.

The proposed regulations slightly modify two of the existing reasons for which the Department may sanction a sponsor, by eliminating the requirement that violations, or patterns of violations, of Part 62 be willful or negligent. Sponsors are required to demonstrate thorough knowledge of Part 62's requirements, and thus any violation or pattern of violation would, arguably, be willful or negligent. Moreover, given the critical role the Exchange Visitor Program plays in the Department's public diplomacy mission, the Department must have the discretion to sanction a sponsor when appropriate, whether or not willfulness or negligence is shown.

In addition, under the proposed regulation the Department may sanction a sponsor for two new reasons. The Department may sanction a sponsor for conducting its program in such a way as to undermine the foreign policy objectives of the United States, or compromise the national security interests of the United States.

The existing provision for ''lesser sanctions'' is incorporated in the proposed regulation, with minor modification. As the term implies, such sanctions are imposed for less serious violations of 22 CFR Part 62. The Office will continue to impose lesser sanctions on designated program sponsors that the

Office believes have inherent merit, but which have indulged in troublesome practices that threaten their continued designation. Lesser sanctions may include up to a 15 percent (15%) initial reduction in the authorized number of exchange visitors in the sponsor's program or in its geographic area of recruiting or activity, with the imposition of subsequent additional reductions in ten percent (10%) increments if violations continue. The proposed regulation provides that recipients of lesser sanctions will have an opportunity to plead their cases in opposition to or mitigation of the sanctions, in a written submission to the Office, which may lead to the Office's modification or withdrawal of the sanction. The decision of the Office is the final agency decision with regard to lesser sanctions.

The proposed regulation provides for four major sanctions: suspension of a program designation, revocation of a program designation, denial of an application for program redesignation, and suspension or revocation of the appointment of a Responsible or Alternate Responsible Officer. The procedures for the major sanctions are essentially the same, with the major difference being that the Office may impose suspension with immediate effectiveness, and a sponsor's initial opposition, submitted to the PDAS, or subsequent request for review by the Review Officer panel does not stay the effective date of that sanction. In addition, the procedure for imposing a suspension, opposition by the sponsor, and decision by the PDAS to confirm, modify or withdraw the suspension, are substantially expedited. This allows the Department to respond quickly when it appears that a sponsor has endangered the health, safety, or welfare of an exchange visitor, or damaged the national security interests of the United States, and also assures the sponsor of a speedy decision by the PDAS.

The process for reviewing the decision of the PDAS is essentially the same for all major sanctions. The PDAS must serve on the sponsor a written notice confirming, modifying or withdrawing the sanction, setting out the grounds of the decision, specifying the effective date, and explaining the procedures for requesting review. A timely request by the sponsor for review stays the effective date of the sanction except, as noted above, in the case of suspension. Upon receipt of a request for review, the Department must constitute a panel of three Review Officers, one each designated by the Under Secretary of State for Public Diplomacy and Public Affairs, the Assistant Secretary for Consular Affairs, and the Legal Adviser. After the panel notifies the parties that it has been constituted, the sponsor files a written submission setting out its arguments for reversal or modification of the sanction, with supporting documentary evidence; the PDAS then files a written submission in response. Additional submissions are allowed only at the request of the Review Officers. The Review Officers may determine, in their discretion, to schedule a short meeting whose purpose is limited to clarification of the written submissions. There will be no transcript of such meeting, and no one may submit evidence. Within 30 days after the meeting, or if none is scheduled, after the last written submission, the panel issues a signed, written decision.

22 CFR 62.50 currently contemplates a trial-type hearing for review of sanction decisions by the PDAS. These trial-type procedures are not required by any applicable statute. The Department has found them to be unwieldy, burdensome and time-consuming, both for itself and for sponsors. The sanction process, including a paper review, set out in this proposed rule would ensure sponsors of adequate notice, an opportunity to be heard, and a reasoned decision made upon a clear, manageable record. The Department believes that these provisions protect sponsors from the possibility of any sanction that might be deemed to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law, and thus satisfy the requirements of procedural due process.

The proposed regulation also modifies Subpart E. Current § 62.60 lists circumstances in which a program designation terminates automatically, not as a result of the imposition of a sanction. These circumstances currently are: voluntary termination; inactivity for a specified period; failure to file annual reports for two consecutive years; change of ownership or control; failure to remain in compliance with local, state, federal or professional requirements necessary to carry out the program activity, including loss of accreditation or licensure; and failure to apply for redesignation prior to the conclusion of the current designation period. These provisions are continued, with minor revisions, in the proposed rule. In addition, § 62.60 is amended to include termination of program designation for failure to submit a management audit, in any program category requiring such an audit. Currently this is a requirement only for sponsors of Au Pair programs, but the Department is in the process of revising Subpart A to include the requirement of an annual management audit for additional categories. Finally, a new § 62.62 is proposed, providing for instances in which the Department determines that an entire program category compromises the national security of the United States, or no longer furthers the public diplomacy mission of the Department. Such a determination is inherently within the discretion of the Department, and the proposed rule makes this explicit. Under the proposed rule, if the Department makes such a determination it may either revoke the designations of all programs within the affected class, or deny applications for redesignation within that class, as current designation periods expire.

Regulatory Analysis

Administrative Procedure Act, Unfunded Mandates Reform Act of 1995, and Small Business Regulatory Enforcement Fairness Act of 1996

The Department has determined that this Proposed Rule involves a foreign affairs function of the United States and is consequently exempt from the procedures required by 5 U.S.C. 553 pursuant to 5 U.S.C. 553(a)(1). Nonetheless, because of its importance to the public, the Department has elected to solicit comments during a 60-day comment period.

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 sector. This rule will not result in any such expenditure, nor will it significantly or uniquely affect small businesses.

The Proposed Rule has been found not to be a major rule within the meaning of the Small Business Regulatory Enforcement Fairness Act of 1996. It will not have a substantial effect on the States, the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, it has been determined that the Proposed Rule does not have sufficient federalism implications to warrant application of the consultation provisions of Executive Orders 12372 and 13132.

Regulatory Flexibility Act/Executive Order 13272: Small Business

Since this rulemaking is exempt from 5 U.S.C 553, and no other law requires

the Department to give notice of proposed rulemaking, this rulemaking also is not subject to the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) or Executive Order 13272, section 3(b). [Nonetheless, the Department has analyzed the provisions of the Proposed Rule and certifies that they will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Executive Order 12866, as Amended

The Department does not consider this Proposed Rule to be a ''significant regulatory action'' under Executive Order 12866, as amended, § 3(f), Regulatory Planning and Review. In addition, the Department is exempt from Executive Order 12866 except to the extent that it is promulgating regulations in conjunction with a domestic agency that are significant regulatory actions. The Department has nevertheless reviewed the Proposed Rule to ensure its consistency with the regulatory philosophy and principles set forth in that Executive Order.

Executive Order 12988

The Department has reviewed this Proposed Rule in light of §§ 3(a) and 3(b)(2) of Executive Order 12988 to eliminate ambiguity, minimize litigation, establish clear legal standards, and reduce burden.

Executive Orders 12372 and 13132

This regulation will not have substantial direct effects 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 rule does not have sufficient federalism implications to require consultations or warrant the preparation of a federalism summary impact statement. The regulations implementing Executive Order 12372 regarding intergovernmental consultation on Federal programs and activities do not apply to this regulation.

Paperwork Reduction Act

This Proposed 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 Part 62

Cultural Exchange Programs.

Accordingly, 22 CFR part 62 is proposed to be amended as follows:

PART 62—EXCHANGE VISITOR PROGRAM

1. The Authority citation for part 62 is proposed to be amended as follows:

Authority: 8 U.S.C. 1101(a)(15)(J), 1182, 1184, 1258; 22 U.S.C. 1431–1442, 2451–2460; Foreign Affairs Reform and Restructuring Act of 1998, Pub. L. 105–277, Div. G, 112 Stat. 2681–761 *et seq.*; Reorganization Plan No. 2 of 1977, 3 CFR, 1977 Comp. p. 200; E.O. 12048 of March 27, 1978; 3 CFR, 1978 Comp. p. 168; the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) of 1996, Pub. L. 104–208, Div. C, 110 Stat. 3009–546, as amended; Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT ACT) (Pub. L. 107–56), Sec. 416, 115 Stat. 354; and the Enhanced Border Security and Visa Entry Reform Act of 2002, Pub. L. 107–173, 116 Stat. 543.

2. Section 62.50 is revised to read as follows:

§ 62.50 Sanctions.

(a) *Reasons for sanctions.* The Department of State (Department) may impose sanctions against a sponsor upon a finding by its Office of Exchange Coordination and Designation (the Office) that the sponsor has:

(1) Violated one or more provisions of this part;

(2) Evidenced a pattern of failure to comply with one or more provisions of this Part;

(3) Committed an act of omission or commission, which has or could have the effect of endangering the health, safety, or welfare of an exchange visitor; or

(4) Otherwise conducted its program in such a way as to undermine the foreign policy objectives of the United States, compromise the national security interests of the United States, or bring the Department or the Exchange Visitor Program into notoriety or disrepute.

(b) *Lesser sanctions.* (1) In order to ensure full compliance with the regulations in this Part, the Department, in its discretion and depending on the nature and seriousness of the violation, may impose any or all of the following sanctions (''lesser sanctions'') on a sponsor upon a finding that the sponsor engaged in any of the acts or omissions set forth in paragraph (a)of this section:

(i) A written reprimand to the sponsor, with a warning that repeated or persistent violations of the regulations in this Part may result in suspension or revocation of the sponsor's Exchange Visitor Program designation, or other sanctions as set forth herein;

(ii) A declaration placing the exchange visitor sponsor's program on probation, for a period of time determined by the Department in its discretion, signifying a pattern of violation of regulations such that further violations could lead to suspension or revocation of the sponsor's Exchange Visitor Program designation, or other sanctions as set forth herein;

(iii) A corrective action plan designed to cure the sponsor's violations; or

(iv) Up to a 15 percent (15%) reduction in the authorized number of exchange visitors in the sponsor's program or in the geographic area of its recruitment or activity. If the sponsor continues to violate the regulations in this Part, the Department may impose subsequent additional reductions, in ten percent (10%) increments, in the authorized number of exchange visitors in the sponsor's program or in the geographic area of its recruitment or activity.

(2) Within ten (10) days after service of the written notice to the sponsor imposing any of the sanctions set forth in this paragraph, the sponsor may submit to the Office a statement in opposition to or mitigation of the sanction. Such statement shall not exceed 20 pages in length, double-spaced and, if appropriate, may include additional documentary material. Sponsors shall include with all documentary material an index of the documents and a summary of the relevance of each document presented. Upon review and consideration of such submission, the Office may, in its discretion, modify, withdraw, or confirm such sanction. All materials the sponsor submits shall become a part of the sponsor's file with the Office.

(3) The decision of the Office is the final Department decision with regard to lesser sanctions in paragraphs (b)(1)(i) through (iv) of this section.

(c) *Suspension.* (1) Upon a finding that a sponsor has committed a serious act of omission or commission which has or could have the effect of endangering the health, safety, or welfare of an exchange visitor, or of damaging the national security interests of the United States, the Office may serve the sponsor with written notice of its decision to suspend the designation of the sponsor's program for a period not to exceed 120 days. Such notice shall specify the grounds for the sanction and the effective date thereof, advise the sponsor of its right to oppose the suspension, and identify the procedures for submitting a statement of opposition thereto. Suspension under this paragraph need not be preceded by the imposition of any other sanction or notice

(2)(i) Within five (5) days after service of such notice, the sponsor may submit

to the Principal Deputy Assistant Secretary for Educational and Cultural Affairs a statement in opposition to the Office's decision. Such statement shall not exceed 20 pages in length, double-spaced, and if appropriate, may include additional documentary material. Sponsors shall include with all documentary material an index of the documents and a summary of the relevance of each document presented. The submission of a statement in opposition to the Office's decision shall not serve to stay the effective date of the suspension.

(ii) Within five (5) days after receipt of, and upon consideration of, such opposition, the Principal Deputy Assistant Secretary shall confirm, modify or withdraw the suspension by serving the sponsor with a written decision. Such decision shall specify the grounds therefor, and advise the sponsor of the procedures for requesting review of the decision.

(iii) All materials the sponsor submits shall become a part of the sponsor's file with the Office.

(3) The procedures for review of the decision of the Principal Deputy Assistant Secretary are set forth in paragraphs (d)(3), (d)(4), (g) and (h) in this section, except that the submission of a request for review shall not serve to stay the suspension.

(d) *Revocation of designation.* (1) Upon a finding of any act or omission set forth at paragraph (a) of this section, the Office may serve a sponsor with not less than 30 days' written notice of its intent to revoke the sponsor's Exchange Visitor Program designation. Such notice shall specify the grounds for the proposed sanction and its effective date, advise the sponsor of its right to oppose the proposed sanction, and identify the procedures for submitting a statement of opposition thereto. Revocation of designation under this paragraph need not be preceded by the imposition of any other sanction or notice.

(2) (i) Within ten (10) days after service of such written notice of intent to revoke designation, the sponsor may submit to the Principal Deputy Assistant Secretary for Educational and Cultural Affairs a statement in opposition to or mitigation of the proposed sanction, which may include a request for a meeting.

(ii) The submission of such statement shall serve to stay the effective date of the proposed sanction pending the decision of the Principal Deputy Assistant Secretary.

(iii) The Principal Deputy Assistant Secretary shall provide a copy of the statement in opposition to or mitigation of the proposed sanction to the Office. The Office shall submit a statement in response, and shall provide the sponsor with a copy thereof.

(iv) A statement in opposition to or mitigation of the proposed sanction, or statement in response thereto, shall not exceed 25 pages in length, double-spaced and, if appropriate, may include additional documentary material. Any additional documentary material shall include an index of the documents and a summary of the relevance of each document presented.

(v) Upon consideration of such statements, the Principal Deputy Assistant Secretary shall modify, withdraw, or confirm the proposed sanction by serving the sponsor with a written decision. Such decision shall specify the grounds therefore, identify its effective date, advise the sponsor of its right to request review, and identify the procedures for requesting such review.

(vi) All materials the sponsor submits shall become a part of the sponsor's file with the Office.

(3) Within ten (10) days after service of such written notice of the decision of the Principal Deputy Assistant Secretary, the sponsor may submit a request for review with the Principal Deputy Assistant Secretary. The submission of such request for review shall serve to stay the effective date of the decision pending the outcome of the review.

(4) Within ten (10) days after receipt of such request for review, the Department shall designate a panel of three Review Officers pursuant to paragraphs of this section, and the Principal Deputy Assistant Secretary shall forward to them all notices, statements, and decisions submitted or provided pursuant to the preceding sections of this paragraph. Thereafter, the review shall be conducted pursuant to paragraph (h) of this section.

(e) *Denial of application for redesignation.* Upon a finding of any act or omission set forth at § 62.50(a), the Office may serve a sponsor with not less than 30 days' written notice of its intent to deny the sponsor's application for redesignation. Such notice shall specify the grounds for the proposed sanction and its effective date, advise the sponsor of its right to oppose the proposed sanction, and identify the procedures for submitting a statement of opposition thereto. Denial of redesignation under this paragraph need not be preceded by the imposition of any other sanction or notice. The procedures for opposing a proposed denial of redesignation are set forth in paragraphs (d)(2), (d)(4), (g) and (h) of this section

(f) *Responsible officers.* The Office may direct a sponsor to suspend or revoke the appointment of a Responsible Officer or Alternate Responsible Officer for any of the reasons set forth in § 62.50(a). The procedures for suspending or revoking a Responsible Officer or Alternate Responsible Officer are set forth at paragraphs (d), (g), and (h) of this section.

(g) *Review officers.* A panel of three Review Officers shall hear sponsors' requests for review pursuant to § 62.50(c), (d), (e), and (f). The Under Secretary of State for Public Diplomacy and Public Affairs shall designate one senior official from an office reporting to him/her, other than the Bureau of Educational and Cultural Affairs, as a member of the Panel. The Assistant Secretary of State for Consular Affairs and the Legal Adviser shall each designate one senior official from their bureaus as members of the panel

(h) *Review.* The review Officers may affirm, modify, or reverse the sanction imposed by the Principal Deputy Assistant Secretary for Educational and Cultural Affairs. The following procedures shall apply to the review:

(1) Upon its designation, the panel of Review Officers shall promptly notify the Principal Deputy Assistant Secretary and the sponsor in writing of the identity of the Review Officers and the address to which all communications with the Review Officers shall be directed.

(2) Within 15 days after service of such notice, the sponsor may submit to the Review Officers four (4) copies of a statement identifying the grounds on which the sponsor asserts that the decision of the Principal Deputy Assistant Secretary should be reversed or modified. Any such statement shall not exceed 25 pages in length, double-spaced; and any attachments thereto shall not exceed 50 pages. Sponsors shall include with all attachments an index of the documents and a summary of the relevance of each document presented. The Review Officers shall transmit one copy of any such statement to the Principal Deputy Assistant Secretary, who shall, within 15 days after receipt of such statement, submit four (4) copies of a statement in response. Any such statement shall not exceed 25 pages in length, double-spaced; and any attachments thereto shall not exceed 50 pages. The Principal Deputy Assistant Secretary shall include with all attachments an index of the documents and a summary of the relevance of each document presented. The Review Officers shall transmit one copy of any such statement to the

sponsor. No other submissions shall be made unless specifically authorized by the Review Officers

(3) If the Review Officers determine, in their sole discretion, that a meeting for the purpose of clarification of the written submissions should be held, they shall schedule a meeting to be held within twenty (20) days after the receipt of the last written submission. The meeting shall be limited to no more than two hours. The purpose of the meeting shall be limited to the clarification of the written submissions. No transcript shall be taken and no evidence, either through documents or by witnesses, shall be received. The sponsor and the representative of the Principal Deputy Assistant Secretary may attend the meeting on their own behalf and may be accompanied by counsel.

(4) Following the conclusion of the meeting, or the submission of the last written submission if no meeting is held, the Review Officers shall promptly review the submissions of the sponsor and the Principal Deputy Assistant Secretary, and shall issue a signed written decision within thirty (30) days, stating the basis for their decision. A copy of the decision shall be delivered to the Principal Deputy Assistant Secretary and the sponsor.

(5) If the Review Officers decide to affirm or modify the sanction, a copy of their decision shall also be delivered to the Department of Homeland Security's U.S. Citizenship and Immigration Services (USCIS), and to the Bureau of Consular Affairs of the Department of State. The Office, at its discretion, may further distribute the decision.

(6) Unless otherwise indicated, the sanction, if affirmed or modified, shall be effective as of the date of the Review Officers' written decision, except in the case of suspension of program designation, which shall be effective as of the date specified pursuant to paragraph (c) of this section.

(i) *Effect of suspension, revocation, or denial of redesignation.* A sponsor against which an order of suspension, revocation, or denial of redesignation has become effective shall not thereafter issue any Certificate of Eligibility for Exchange Visitor Status (form DS–2019) or advertise, recruit for, or otherwise promote its program. Under no circumstances shall the sponsor facilitate the entry of an exchange visitor into the United States. An order of suspension, revocation, or denial of redesignation shall not in any way diminish or restrict the sponsor's legal or financial responsibilities to existing program applicants or participants.

(j) *Miscellaneous.*

(1) *Computation of time.* In computing any period of time prescribed or allowed by these regulations, the day of the act or event from which the designated period of time begins to run is not included. The last day of the period so computed is included unless it is a Saturday, a Sunday, or a federal legal holiday, in which event the period runs until the end of the next day which is not one of the aforementioned days. When the period of time prescribed or allowed is fewer than 11 days, intermediate Saturdays, Sundays, or federal legal holidays are excluded in the computation.

(2) *Service of notice on sponsor.* Service of notice on a sponsor pursuant to this section may be accomplished through written notice by mail, delivery, or facsimile, upon the president, managing director, General Counsel, responsible officer, or alternate responsible officer of the sponsor.

3. Subpart E is revised to read as follows:

Subpart E—Termination and Revocation of Programs

Sec.

§ 62.60 Termination of designation.

Designation shall be terminated automatically upon the occurrence of any of the circumstances set forth in this section.

(a) *Voluntary termination.* A sponsor notifies the Department of its intent to terminate its designation voluntarily and withdraws its program in SEVIS. The sponsor's designation shall terminate upon receipt of such notification. Such sponsor may reapply for program designation.

(b) *Inactivity.* A sponsor fails to comply with the minimum program size or duration requirements, as specified in § 62.8 (a) and (b), in any 12-month period. Such sponsor may reapply for program designation.

(c) *Failure to file annual reports.* A sponsor fails to file annual reports for two (2) consecutive years. Such sponsor is eligible to reapply for program designation upon the filing of the past due annual reports.

(d) *Failure to file an annual management audit.* A sponsor fails to file an annual management audit, if such audits are required in the relevant program category. Such sponsor is eligible to reapply for program designation upon the filing of the past due management audit.

(e) *Change in ownership or control.* A major change in ownership or control occurs. An exchange visitor program designation is not assignable or transferable. However, the successor sponsor may apply to the Department for redesignation, and it may continue the exchange visitor activities while approval of the application for redesignation is pending.

(1) With respect to a for-profit corporation, a major change in ownership or control shall be deemed to have occurred when thirty-three and one-third percent or more of its stock is sold or otherwise transferred within a 12-month period;

(2) With respect to a not-for-profit corporation, a major change of control shall be deemed to have occurred when fifty-one percent or more of the board of trustees or other like body, vested with its management, is replaced within a 12-month period.

(f) *Non-compliance with other requirements.* A sponsor fails to remain in compliance with local, state, federal, or professional requirements necessary to carry out the activity for which it is designated, including loss of accreditation or licensure.

(g) *Failure to apply for redesignation.* A sponsor fails to apply for redesignation pursuant to the terms and conditions of § 62.7, prior to the conclusion of its current designation period. If so terminated, the former sponsor may apply for a new designation, but the program activity shall be suspended during the pendency of the application.

§ 62.61 Revocation.

The Department may terminate a sponsor's program designation by revocation for cause as specified in § 62.50. Such sponsor may not apply for a new designation for five years following the effective date of the revocation.

§ 62.62 Termination of, or denial of redesignation for, a class of designated programs.

The Department may, in its sole discretion, determine that a class of designated programs compromises the national security of the United States, or no longer furthers the public diplomacy mission of the Department of State. Upon such a determination, the Office shall:

(a) Give all sponsors of such programs not less than 30 days' written notice of the revocation of Exchange Visitor Program designations for such

programs, specifying therein the grounds and effective date for such revocations; or

(b) Give any sponsor of such programs not less than 30 days' written notice of its denial of the sponsor's application for redesignation, specifying therein the grounds for such denial and effective date of such denial. Revocation of designation or denial of redesignation on the above-specified grounds for a class of designated programs is the final decision of the Department.

§ 62.63 Responsibilities of the sponsor upon termination or revocation.

Upon termination or revocation of its program designation, a sponsor must:

(a) Fulfill its responsibilities to all exchange visitors who are in the United States at the time of the termination or revocation; and

(b) Notify exchange visitors who have not entered the United States that the program has been terminated unless a transfer to another designated program can be obtained.

Dated: 23, 2007.

Stanley S. Colvin,

Director, Office of Exchange Coordination and Designation, Bureau of Educational and Cultural Affairs, Department of State.

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PENSION BENEFIT GUARANTY CORPORATION

29 CFR Parts 4006 and 4007

RIN 1212–AB11

Premium Rates; Payment of Premiums; Variable-Rate Premium; Pension Protection Act of 2006

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Proposed rule.

SUMMARY: This is a proposed rule to amend PBGC's regulations on Premium Rates and Payment of Premiums. The amendments would implement provisions of the Pension Protection Act of 2006 (Pub. L. 109–280) that change the variable-rate premium for plan years beginning on or after January 1, 2008, and make other changes to the regulations. (Other provisions of the Pension Protection Act of 2006 that deal with PBGC premiums are the subject of separate rulemaking proceedings.)

DATES: Comments must be submitted on or before July 30, 2007.

ADDRESSES: Comments, identified by Regulatory Information Number (RIN) 1212–AB11, may be submitted by any of the following methods:

- *Federal eRulemaking Portal: http://www.regulations.gov.* Follow the Web site instructions for submitting comments.
- *E-mail: reg.comments@pbgc.gov.*
- *Fax:* 202–326–4224.
- *Mail or Hand Delivery:* Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005–4026.

All submissions must include the Regulatory Information Number for this rulemaking (RIN 1212–AB11). Comments received, including personal information provided, will be posted to *http://www.pbgc.gov*. Copies of comments may also be obtained by writing to Disclosure Division, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005–4026, or calling 202–326–4040 during normal business hours. (TTY and TDD users may call the Federal relay service toll-free at 1–800–877–8339 and ask to be connected to 202–326–4040.)

FOR FURTHER INFORMATION CONTACT: John H. Hanley, Director, Legislative and Regulatory Department; or Catherine B. Klion, Manager, or Deborah C. Murphy, Attorney, Regulatory and Policy Division, Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005–4026; 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:

Background

Pension Benefit Guaranty Corporation (PBGC) administers the pension plan termination insurance program under Title IV of the Employee Retirement Income Security Act of 1974 (ERISA). Pension plans covered by Title IV must pay premiums to PBGC. The flat-rate premium applies to all covered plans; the variable-rate premium applies only to single-employer plans. Section 4006 of ERISA deals with premium rates, including the computation of premiums. Section 4007 of ERISA deals with the payment of premiums, including premium due dates and interest and penalties on premiums not timely paid, and with recordkeeping and audits.

On August 17, 2006, the President signed into law the Pension Protection Act of 2006, Pub. L. 109–280 (PPA 2006). PPA 2006 makes changes to the funding rules in Title I of ERISA and in the Internal Revenue Code of 1986 (Code) on which the variable-rate premium is based. Section 401(a) of PPA 2006 amends the variable-rate premium provisions of section 4006 of ERISA to conform to those changes in the funding rules and to eliminate the full-funding limit exemption from the variable-rate premium. This proposed rule would amend PBGC's regulations on Premium Rates (29 CFR part 4006) and Payment of Premiums (29 CFR part 4007) to implement the amendment to ERISA section 4006 made by PPA 2006. (PPA 2006 also includes other provisions affecting PBGC premiums that are not addressed in this rule, including provisions that cap the variable-rate premium for certain plans of small employers, make permanent the new ''termination premium'' (created by the Deficit Reduction Act of 2005) that is payable in connection with certain distress and involuntary plan terminations, and authorize PBGC's payment of interest on refunds of overpaid premiums. Those provisions are or will be the subject of other rulemaking actions.)

Overview of Proposed Regulatory Changes

For purposes of determining a plan's variable-rate premium (VRP) for a premium payment year beginning after 2007, the proposed rule would require unfunded vested benefits (UVBs) to be measured as of the funding valuation date for the premium payment year. The asset measure underlying the UVB calculation would be determined for premium purposes the same way it is determined for funding purposes, except that any averaging method adopted for funding purposes would be disregarded. The liability measure underlying the UVB calculation would be determined for premium purposes the same way it is determined for funding purposes, except that only vested benefits would be included and a special premium discount rate structure would be used. Filers would be able to make an election (irrevocable for five years) to use funding discount rates for premium purposes instead of the special premium discount rates.

The proposed rule would revise the premium due date and penalty structure to give some plans more time to file and others the ability to make estimated VRP filings and then follow up with adjusted final filings without penalty. Three special relief rules for VRP filers would be eliminated as no longer appropriate or necessary, and two new relief rules would be added.

The proposed rule would also explain when certain benefits are considered ''vested'' and would make some other changes unrelated to PPA 2006. For example, the proposed regulation would