

TABLE 3—SERVICE BULLETINS—Continued

Document	Date
Airbus Service Bulletin A330-55-3032	December 22, 2003.
Airbus Service Bulletin A340-55-4029	December 22, 2003.

Issued in Renton, Washington, on August 30, 2010.
Ali Bahrami,
*Manager, Transport Airplane Directorate,
Aircraft Certification Service.*
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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Parts 742, 744, and 746

[Docket No. 100719301-0303-02]

Effects of Foreign Policy-Based Export Controls

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Request for comments.

SUMMARY: The Bureau of Industry and Security (BIS) is reviewing the foreign policy-based export controls in the Export Administration Regulations to determine whether they should be modified, rescinded or extended. To help make these determinations, BIS is seeking public comments on how existing foreign policy-based export controls have affected exporters and the general public.

DATES: Comments must be received by October 8, 2010.

ADDRESSES: Comments may be sent by e-mail to publiccomments@bis.doc.gov or on paper to Regulatory Policy Division, Bureau of Industry and Security, Department of Commerce, 14th Street & Pennsylvania Avenue, NW., Room 2705, Washington, DC 20230. Include the phrase “FPBEC Comment” in the subject line of the e-mail message or on the envelope if submitting comments on paper. All comments must be in writing (either e-mail or on paper). All comments, including Personal Identifying Information (e.g., name, address) voluntarily submitted by the commenter will be a matter of public record and will be available for public inspection and copying. Do not submit Confidential Business Information or otherwise sensitive or protected information.

FOR FURTHER INFORMATION CONTACT:
Director, Foreign Policy Division, Office

of Nonproliferation Controls and Treaty Compliance, Bureau of Industry and Security, telephone 202-482-4252. Copies of the current Annual Foreign Policy Report to the Congress are available at http://www.bis.doc.gov/news/2010/2010_fpreport.pdf and copies may also be requested by calling the Office of Nonproliferation and Treaty Compliance at the number listed above.

SUPPLEMENTARY INFORMATION: Foreign policy-based controls in the Export Administration Regulations (EAR) are implemented pursuant to section 6 of the Export Administration Act of 1979, as amended, (50 U.S.C. app. sections 2401–2420 (2000)) (EAA). The current foreign policy-based export controls maintained by the Bureau of Industry and Security (BIS) are set forth in the EAR (15 CFR parts 730–774), including in parts 742 (CCL Based Controls), 744 (End-User and End-Use Based Controls) and 746 (Embargoes and Other Special Controls). These controls apply to a range of countries, items, activities and persons, including: Entities acting contrary to the national security or foreign policy interests of the United States (§ 744.11); certain general purpose microprocessors for “military end-uses” and “military end-users” (§ 744.17); significant items (SI): Hot section technology for the development, production, or overhaul of commercial aircraft engines, components, and systems (§ 742.14); encryption items (§ 742.15); crime control and detection items (§ 742.7); specially designed implements of torture (§ 742.11); certain firearms and related items based on the Organization of American States Model Regulations for the Control of the International Movement of Firearms, their Parts and Components and Munitions included within the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (§ 742.17); regional stability items (§ 742.6); equipment and related technical data used in the design, development, production, or use of certain rocket systems and unmanned air vehicles (§§ 742.5 and 744.3); chemical precursors and biological agents, associated equipment, technical data, and software related to the production

of chemical and biological agents (§§ 742.2 and 744.4) and various chemicals included on the list of those chemicals controlled pursuant to the Chemical Weapons Convention (§ 742.18); nuclear propulsion (§ 744.5); aircraft and vessels (§ 744.7); restrictions on exports and reexports to certain persons designated as proliferators of weapons of mass destruction (§ 744.8); communication intercepting devices, software and technology (§ 742.13); embargoed countries (part 746); countries designated as supporters of acts of international terrorism (§§ 742.8, 742.9, 742.10, 742.19, 746.2, 746.4, 746.7, and 746.9); certain entities in Russia (§ 744.10); individual terrorists and terrorist organizations (§§ 744.12, 744.13 and 744.14); certain persons designated by Executive Order 13315 (“Blocking Property of the Former Iraqi Regime, Its Senior Officials and Their Family Members”) (§ 744.18); certain sanctioned entities (§ 744.20); and certain cameras to be used by military end-users or incorporated into a military commodity (§ 744.9). Attention is also given in this context to the controls on nuclear-related commodities, technology, end-uses and end-users (§§ 742.3 and 744.2), which are, in part, implemented under section 309(c) of the Nuclear Non Proliferation Act (42 U.S.C. 2139a).

Under the provisions of section 6 of the EAA, export controls maintained for foreign policy purposes require annual extension. Section 6 of the EAA requires a report to Congress when foreign policy-based export controls are extended. The EAA expired on August 20, 2001. Executive Order 13222 of August 17, 2001 (3 CFR, 2001 Comp., p. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of Notice of August 12, 2010 (75 FR 50681 (August 16, 2010)), continues the EAR and, to the extent permitted by law, the provisions of the EAA, in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701–1706 (2000)). The Department of Commerce, insofar as appropriate, follows the provisions of section 6 of the EAA by reviewing its foreign policy-based export controls, requesting public comments on such controls, and preparing a report to be submitted to

Congress. In January 2010, the Secretary of Commerce, on the recommendation of the Secretary of State, extended for one year all foreign policy-based export controls then in effect. BIS is now soliciting public comment on the effects of extending or modifying the existing foreign policy-based export controls for another year. Among the criteria considered in determining whether to continue or revise U.S. foreign policy-based export controls are the following:

1. The likelihood that such controls will achieve their intended foreign policy purposes, in light of other factors, including the availability from other countries of the goods, software or technology proposed for such controls;
2. Whether the foreign policy objective of such controls can be achieved through negotiations or other alternative means;
3. The compatibility of the controls with the foreign policy objectives of the United States and with overall U.S. policy toward the country subject to the controls;
4. Whether the reaction of other countries to the extension of such controls is not likely to render the controls ineffective in achieving the intended foreign policy objective or be counterproductive to U.S. foreign policy interests;
5. The comparative benefits to U.S. foreign policy objectives versus the effect of the controls on the export performance of the United States, the competitive position of the United States in the international economy, the international reputation of the United States as a supplier of goods and technology; and

6. The ability of the United States to effectively enforce the controls.

BIS is particularly interested in receiving comments on the economic impact of proliferation controls. BIS is also interested in industry information relating to the following:

1. Information on the effect of foreign policy-based export controls on sales of U.S. products to third countries (*i.e.*, those countries not targeted by sanctions), including the views of foreign purchasers or prospective customers regarding U.S. foreign policy-based export controls.

2. Information on controls maintained by U.S. trade partners. For example, to what extent do U.S. trade partners have similar controls on goods and technology on a worldwide basis or to specific destinations?

3. Information on licensing policies or practices by our foreign trade partners that are similar to U.S. foreign policy-based export controls, including license review criteria, use of conditions, and

requirements for pre- and post-shipment verifications (preferably supported by examples of approvals, denials and foreign regulations).

4. Suggestions for revisions to foreign policy-based export controls that would bring them more into line with multilateral practice.

5. Comments or suggestions as to actions that would make multilateral controls more effective.

6. Information that illustrates the effect of foreign policy-based export controls on trade or acquisitions by intended targets of the controls.

7. Data or other information on the effect of foreign policy-based export controls on overall trade at the level of individual industrial sectors.

8. Suggestions as to how to measure the effect of foreign policy-based export controls on trade.

9. Information on the use of foreign policy-based export controls on targeted countries, entities, or individuals.

BIS is also interested in comments relating generally to the extension or revision of existing foreign policy-based export controls.

Parties submitting comments are asked to be as specific as possible. All comments received before the close of the comment period will be considered by BIS in reviewing the controls and developing the report to Congress.

All comments received in response to this notice will be displayed on BIS's Freedom of Information Act (FOIA) Web site at <http://www.bis.doc.gov/foia>.

Dated: August 30, 2010.

Kevin J. Wolf,

Assistant Secretary for Export Administration.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 31

[REG-146893-02, REG-115037-00]

RIN 1545-BJ32

Treatment of Services Under Section 482; Allocation of Income and Deductions From Intangibles

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Withdrawal of notice of proposed rulemaking.

SUMMARY: This document withdraws proposed regulations published in the **Federal Register** on September 10, 2003 (68 FR 53448), related to the treatment

of controlled services transactions under section 482 and the allocation of income from intangibles, in particular with respect to contributions by a controlled party to the value of an intangible that is owned by another controlled party. The IRS and Treasury Department are withdrawing those proposed regulations because they have been superseded.

FOR FURTHER INFORMATION CONTACT:

Gregory A. Spring (202) 435-5265 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On September 10, 2003, the Treasury Department and the IRS published in the **Federal Register** (68 FR 53448, REG-146893-02 and REG-115037-00) proposed regulations relating to the treatment of controlled services transactions and the allocation of income from intangible property, in particular with respect to contributions by a controlled party to the value of intangible property owned by another controlled party. On August 4, 2006, the Treasury Department and the IRS published in the **Federal Register** (71 FR 44466, TD 9278, REG-146893-02, REG-115037-00, and REG-138603-03) temporary regulations relating to the treatment of controlled services transactions, the allocation of income from intangible property, and stewardship expenses under Treas. Reg. § 1.861-8(e)(4). A notice of proposed rulemaking cross-referencing the temporary regulations was published in the **Federal Register** on the same day (71 FR 44247). Written comments responding to the notice of proposed rulemaking were received, and a public hearing was held on October 27, 2006. That notice of proposed rulemaking superseded the proposed regulations published in the **Federal Register** on September 10, 2003.

On August 4, 2009, the Treasury Department and the IRS published in the **Federal Register** (74 FR 38830, TD 9456) final regulations that are generally consistent with the proposed regulations that were published on August 4, 2006, in the **Federal Register** (71 FR 44247), and removed the corresponding temporary regulations.

List of Subjects

26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

26 CFR Part 31

Employment taxes, Income taxes, Penalties, Pensions, Railroad retirement, Reporting and recordkeeping