

TABLE 1.—INSTALLED ENGINES

| On the effective date of this AD, if | Then: |
|--|---|
| (1) Both engines installed on the airplane have 1st stage turbine rotor blades that exceed 5,800 hours TIS. | Replace the engine that has the higher blade life within 50 hours TIS or 6 weeks after the effective date of this AD, whichever occurs first. |
| (2) One engine installed on the airplane has 1st stage turbine rotor blades that exceed 5,800 hours TIS, and the other engine has 1st stage turbine rotor blades that exceed 4,600 hours TIS. | Replace the engine that has the higher blade life within 100 hours TIS or 4 months after the effective date of this AD, whichever occurs first. |
| (3) One engine installed on the airplane has 1st stage turbine rotor blades that exceed 5,800 hours TIS, and the other engine has 1st stage turbine rotor blades with fewer than 4,600 hours TIS. | Replace the engine that has the higher blade life within 200 hours TIS or 6 months after the effective date of this AD, whichever occurs first. |
| (4) One engine installed on the airplane has 1st stage turbine rotor blades that exceed 4,600 hours TIS, but have fewer than 5,800 hours TIS, and the other engine has 1st stage turbine rotor blades with fewer than 4,600 hours TIS. | Replace the engine that has the higher blade life by the earliest of: (i) 5,800 hours TIS, or (ii) Within 200 hours TIS after the effective date of this AD, or (iii) Within 6 months after the effective date of this AD. |

(h) For any engine with 1st stage turbine rotor blades that have 4,600 hours TIS or fewer on the effective date of this AD, replace the blades as specified in (g)(1) through (g)(4) of Table 1 or within 3 years after the effective date of this AD, whichever occurs earlier.

Installation of Engines After the Effective Date of This AD

(i) After the effective date of this AD, do not install any engine that has 1st stage turbine rotor blades, P/Ns V926000, V926293, and V926319, that exceed 4,600 hours TIS, except as allowed in Table 1 of this AD.

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

Material Incorporated by Reference

(k) None.

Related Information

(l) Civil Aviation Authority airworthiness directive AD 004-01-2001, dated January 2001, also addresses the subject of this AD.

Issued in Burlington, Massachusetts, on June 16, 2004.

Mark C. Fulmer,

Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.

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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Parts 740 and 746

[Docket No. 040610179-4179-01]

RIN 0694-AD17

Revision of Export and Reexport Restrictions on Cuba

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: This rule places new limits on gift parcels and personal baggage and revises licensing policy regarding vessels going to Cuba. These changes are being made to implement the President's May 6, 2004 direction with respect to certain recommendations in the May 2004 Report to the President from the Commission on Assistance to a Free Cuba.

DATES: This rule is effective June 30, 2004.

FOR FURTHER INFORMATION CONTACT: Brian Nilsson, Foreign Policy Division, Office of Nonproliferation and Treaty Compliance, Bureau of Industry and Security, Department of Commerce, P.O. Box 273, Washington, DC 20044; Telephone: (202) 482-5485, or e-mail: bnilsson@bis.doc.gov.

SUPPLEMENTARY INFORMATION:

Background

On October 10, 2003, the President announced the creation of the Commission for Assistance to a Free Cuba. The purpose of the Commission was to identify ways to hasten Cuba's transition to a free and open society and identify U.S. Government programs that could assist the Cuban people during the transition. The Commission was tasked with preparing a report to the President recommending a comprehensive plan to achieve these aims. The report was delivered to the President on May 1, 2004.

Among other things, the Commission found that, although gift parcels provide

a critical humanitarian benefit to the Cuban people, they directly benefit the Castro regime in two ways. Such parcels decrease the burden on the Cuban regime to provide for the basic needs of its people, enabling the regime to dedicate more of its limited resources to strengthening its repressive apparatus. Moreover, through delivery charges, the regime is able to generate additional sources of much needed hard foreign currency. As a result, the Commission set forth a number of recommendations for addressing these issues.

On May 6, 2004, the President directed the implementation of certain of the Commission Report's recommendations. This rule is being published to implement those recommendations as they related to the Export Administration Regulations (EAR).

Amendments to License Exception GFT

This rule narrows the list of eligible commodities that can be included in gift parcels to Cuba under License Exception GFT (§ 740.12 of the EAR). The eligible categories are now limited to: food (including vitamins), medicine, medical supplies and equipment (including hospital supplies and equipment and equipment for the handicapped), receive-only radio equipment for reception of commercial/civil AM/FM and short wave publicly available frequency bands, and batteries for such equipment. This rule removes, seeds, clothing, personal hygiene items, veterinary medicines and supplies, fishing equipment and supplies, and soap-making equipment from the list of commodities that may be sent to Cuba in gift parcels. This rule does not limit the export of food to Cuba, except for eliminating the use of License Exception GFT to send any item to certain Cuban Communist Party or Government officials.

This rule limits the delivery of gift parcels to Cuba containing items other than food to once per month per household, instead of once per month per individual recipient. A household, for purposes of gift parcels to Cuba, is defined as all individuals living in common at a unique address. This rule also specifies that a gift parcel recipient must be a grandparent, grandchild, parent, sibling, spouse, or child of the donor. Finally, this rule makes License Exception GFT unavailable to send gift parcels to certain Cuban government officials or Communist Party members. This rule is not intended to limit the ability of non-governmental organizations to provide humanitarian support or assistance to pro-democracy or civil society groups. Therefore, it

does not change the “humanitarian donations” provisions of License Exception GFT (§ 740.12(b) of the EAR) nor does it place any new limits on the review policy for applications for licenses for exports and reexports to provide support for the Cuban people as described in § 746.2(b)(4) of the EAR.

This rule also makes all commodities listed on the Commerce Control List (CCL) ineligible for export or reexport to Cuba under the gift parcel provisions of License Exception GFT. For all other destinations, only commodities listed on the CCL with a reason for control based on one or more multilateral export control regimes (*i.e.*, the Wassenaar Arrangement (reason for control: National Security—NS); the Nuclear Suppliers’ Group (reason for control: Nuclear Nonproliferation—NP); the Australia Group (reasons for control: Chemical and Biological Weapons—CB); and the Missile Technology Control Regime (reason for control: Missile Technology—MT)) are ineligible for inclusion in a gift parcel sent under this license exception. This rule does not change the requirement that commodities sent in gift parcels be of a type and in quantities normally given as gifts between individuals and that non-food items be limited in value to \$200 per gift parcel.

Amendment to License Exception BAG

This rule also limits the amount of baggage taken by individuals leaving the United States for travel to Cuba pursuant to License Exception BAG (§ 740.14 of the EAR) to 44 pounds per traveler, except if authorized by the Office of Foreign Assets Control of the Department of the Treasury to engage in travel-related transactions pursuant to a general or specific license in one of the following categories: 31 CFR 515.562 (official business of the U.S. government, foreign governments, and certain intergovernmental organizations), 31 CFR 515.563 (journalistic activity), 31 CFR 515.566 (religious activities), 31 CFR 515.574 (support for the Cuban people), 31 CFR 515.575 (humanitarian projects), or 31 CFR 515.545 (exportation, importation, or transmission of informational material).

Note: Other travelers seeking to take more than 44 lbs of baggage would require a license from BIS pursuant to § 746.2 of the EAR.

Amendments to § 746.2 of the EAR

This rule also eliminates the illustrative Composite Theoretical Performance (CTP) level from the licensing policy criteria in § 746.2(b) of

the EAR regarding applications for licenses to export or reexport computers to human rights groups, or to individuals and non-governmental organizations that promote independent activity intended to strengthen civil society in Cuba.

Prior to this rule, all aircraft or vessels (boats) traveling from the United States to Cuba required a BIS license and were subject to a general policy of denial under § 746.2(b) of the EAR. This rule states a new licensing policy for applications for exports of aircraft or vessels on temporary sojourn to Cuba. Such applications will be considered on a case-by-case basis if the purpose of the export is to deliver humanitarian goods or services, or if the approval of such application is consistent with the foreign policy interests of the United States.

Statutory Authority

Although the Export Administration Act of 1979 (EAA), as amended, expired on August 20, 2001, Executive Order 13222 of August 17, 2001 (3 CFR, 2001 Comp., p. 783 (2002)) as extended by the Notice of August 7, 2003 (3 CFR, 2003 Comp., p. 328 (2004)), continues the EAR in effect under the International Emergency Economic Powers Act (IEEPA).

Rulemaking Requirements

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

2. Notwithstanding any other provision of law, no person is required to respond to nor be subject to a penalty for failure to comply with a collection of information, subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (PRA), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number. This regulation involves collections previously approved by the OMB under control numbers 0694–0088, “Multi-Purpose Application,” which carries a burden hour estimate of 58 minutes to prepare and submit form BIS–748. Miscellaneous and recordkeeping activities account for 12 minutes per submission. Burden hours associated with the Paperwork Reduction Act and Office of Management and Budget control number 0694–0088 are not impacted by this regulation. Send comments regarding these burden estimates or any other aspect of these collections of information, including suggestions for reducing the burden, to David Rostker, OMB Desk Officer, by e-mail at david_rostker@omb.eop.gov or

by fax to (202) 395–7285; and to the Regulatory Policy Division, Bureau of Industry and Security, Department of Commerce, P.O. Box 273, Washington, DC 20044.

3. This rule does not contain policies with Federalism implications as this term is defined in Executive Order 13132.

4. The provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, the opportunity for public participation, and a delay in effective date, are inapplicable because this regulation involves a military or foreign affairs function of the United States (see 5 U.S.C. 553(a)(1)). Further, no other law requires that a notice of proposed rulemaking and an opportunity for public comment be given for this rule. Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule by 5 U.S.C. 553, or by any other law, the analytical requirements of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, are not applicable.

List of Subjects

15 CFR Part 740

Administrative practice and procedure, Exports, Foreign trade, Reporting and recordkeeping requirements.

15 CFR Part 746

Embargoes, Exports, Foreign trade, Reporting and recordkeeping requirements.

■ Accordingly, parts 740 and 746 of the Export Administration Regulations (15 CFR parts 730–799) are amended as follows:

PART 740—[AMENDED]

■ 1. The authority citation for part 740 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; Sec. 901–911, Pub. L. 106–387; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2003, 68 FR 47833, 3 CFR, 2003 Comp., p. 328.

■ 2. In § 740.12 revise paragraph (a)(2)(i), remove the example to paragraph (a), revise paragraph (a)(2)(iii), and add a new paragraph (a)(2)(v) to read as follows:

§ 740.12 Gift parcels and humanitarian donations (GFT).

(a) * * *

(2) * * *

(i) *Commodity limitations.*

(A) *Prohibited commodities.*

(1) For Cuba, no commodity listed on the Commerce Control List may be included in a gift parcel.

(2) For all other destinations, no commodity controlled for chemical and biological weapons (CB), missile technology (MT), national security (NS), or nuclear proliferation (NP) reasons on the Commerce Control List (Supplement no. 1 to part 774 of the EAR) may be included in a gift parcel.

(B) *Eligible commodities.* The commodity must be of a type and in quantities normally given as gifts between individuals. In addition, eligible commodities are as follows:

(1) For Cuba, the only eligible commodities are food (including vitamins), medicines, medical supplies and devices (including hospital supplies and equipment and equipment for the handicapped), receive-only radio equipment for reception of commercial/civil AM/FM and short wave publicly available frequency bands, and batteries for such equipment.

(2) For all other destinations, eligible commodities include all items described in paragraph (a)(2)(i)(B)(1) of this section, clothing, personal hygiene items, seeds, veterinary medicines and supplies, fishing equipment and supplies, and soap-making equipment; as well as all other items normally sent as gifts. Gold bullion, gold tael, and gold bars are prohibited as are items intended for resale or reexport.

Example to paragraphs (a)(2)(i)(B)(1) and (2) of this section. A watch or piece of jewelry is normally sent as a gift. However, multiple watches, either in one package or in subsequent shipments, would not qualify for such gift parcels because the quantity exceeds that normally given between individuals. Similarly, a sewing machine or bicycle, within the dollar limits of this License Exception, may be an appropriate gift. However, subsequent shipments of the same item to the same donee would not be a gift normally given between individuals.

(3) For purposes of paragraph (a)(2)(i)(B)(2) of this section, clothing is appropriate, except that export of military wearing apparel to Country Groups D:1 or E:2 under this License Exception is specifically prohibited, regardless of whether all distinctive U.S. military insignia, buttons, and other markings are removed.

(ii) * * *

(iii) *Frequency.* (A) Cuba. Except for gift parcels of food, not more than one gift parcel may be sent from the same donor to the same household in any one calendar month. For purposes of paragraph (a) of this section, the term household is defined as all individuals

living in common at a unique address. There is no frequency limit on gift parcels of food to Cuba.

(B) For all destinations other than Cuba, not more than one gift parcel may be sent from the same donor to the same donee in any one calendar month.

(C) Parties seeking authorization to exceed these frequency limits due to compelling humanitarian concerns (e.g., for certain gifts of medicine) should submit a license application (BIS-748P) with complete justification.

(iv) * * *

(v) *Additional restrictions on Cuba.*

(A) Limits on gift parcel recipients. A gift parcel may be sent only to a grandparent, grandchild, parent, sibling, spouse, or child of the donor. (B) Government and Communist Party officials to whom gift parcels may not be sent under this license exception.

(1) No gift parcel may be sent to any of the following officials of the Cuban Government: Ministers and vice-ministers; members of the Council of State; members of the Council of Ministers; members and employees of the National Assembly of People's Power; members of any provincial assembly; local sector chiefs of the Committees for the Defense of the Revolution; Director Generals and sub-Director Generals and higher of all Cuban ministries and state agencies; employees of the Ministry of the Interior (MININT); employees of the Ministry of Defense (MINFAR); secretaries and first secretaries of the Confederation of Labor of Cuba (CTC) and its component unions; chief editors, editors and deputy editors of Cuban state-run media organizations and programs, including newspapers, television, and radio; or members and employees of the Supreme Court (Tribuno Supremo Nacional).

(2) No gift parcel may be sent to any of the following officials or Members of the Cuban Communist Party: members of the Politburo; the Central Committee; Department Heads of the Central Committee; employees of the Central Committee; and the secretaries and first secretaries of provincial Party central committees.

* * * * *

■ 3. In § 740.14, add a new paragraph (g) to read as follows:

§ 740.14 Baggage (BAG).

* * * * *

(g) *Special provision: Cuba.* Baggage taken by individuals leaving the United States for travel to Cuba pursuant to this License Exception is limited to 44 pounds per traveler, except if authorized by the Office of Foreign Assets Control of the Department of the

Treasury to engage in travel-related transactions pursuant to a general or specific license in one of the following categories: 31 CFR 515.562 (official business of the U.S. government, foreign governments, and certain intergovernmental organizations), 31 CFR 515.563 (journalistic activity), 31 CFR 515.566 (religious activities), 31 CFR 515.574 (support for the Cuban people), 31 CFR 515.575 (humanitarian projects), or 31 CFR 515.545 (exportation, importation, or transmission of informational material).

Note: Other travelers seeking to take more than 44 lbs of baggage would require a license from BIS pursuant to § 746.2 of the EAR.

PART 746—[AMENDED]

■ 4. The authority citation for part 746 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 287c; 22 U.S.C. 6004; Sec. 901-911, Pub. L. 106-387; Sec. 221, Pub. L. 107-56; E.O. 12854, 58 FR 36587, 3 CFR 1993 Comp., p. 614; E.O. 12918, 59 FR 28205, 3 CFR, 1994 Comp., p. 899; E.O. 13222, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2003, 68 FR 47833, 3 CFR, 2003 Comp., p. 328.

■ 5. In § 746.2 revise the second sentence of paragraph (b)(4)(i) and add a new paragraph (b)(5) to read as follows:

§ 746.2 Cuba.

* * * * *

(b) * * *

(4) * * *

(i) * * * Examples of such commodities include fax machines, copiers, computers, business/office, software document scanning equipment, printers, typewriters, and other office or office communications equipment.

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(5) Applications for exports of aircraft or vessels on temporary sojourn to Cuba either to deliver humanitarian goods or services, or consistent with the foreign policy interests of the United States, will be considered on a case-by-case basis.

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Dated: June 18, 2004.

Peter Lichtenbaum,
Assistant Secretary for Export Administration.

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