

copy of a purchase order required by paragraph (b)(1) of this section; and

(4) If the replacement parts or components are shipped, the exporter must use the U. S. Postal Service, or only those freight forwarders registered with the Directorate of Defense Trade Controls and eligible, or licensed customs brokers that are subject to background investigation and have passed a comprehensive examination administered by U.S. Customs and Border Protection. If export is by hand carry, the exporter must ensure that the AES filing is completed at the time of export; and

(5) Maintain records, to be provided on request to the Directorate of Defense Trade Controls, U.S. Immigration and Customs Enforcement, U.S. Customs and Border Protection, and other authorized U.S. law enforcement agencies, that support the exporter's authority to use the exemption in accordance with the requirements of paragraphs (a)(1) through (9) and (b)(1) and (2) of this section.

(c) The authority to use this exemption may be revoked at any time by the Managing Director, Directorate of Defense Trade Controls, if the exporter is found to be not in compliance with the requirements listed in this section.

## PART 126—GENERAL POLICIES AND PROVISIONS

3. The authority citation for part 126 continues to read as follows:

**Authority:** Secs. 2, 38, 40, 42 and 71, Pub. L. 90-629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2780, 2791 and 2797); E.O. 11958, 42 FR 4311; 3 CFR, 1977 Comp., p.79; 22 U.S.C. 2651a; 22 U.S.C. 287c; E.O. 12918, 59 FR 28205; 3 CFR, 1994 Comp., p.899; Sec. 1225, Pub. L. 108-375.

4. Part 126 is amended by adding and reserving §§ 126.16–126.18 to read as follows:

**§ 126.16 [Reserved]**

**§ 126.17 [Reserved]**

**§ 126.18 [Reserved]**

5. Add § 126.19 to read as follows:

### **§ 126.19 Policy on the export and re-export of defense articles incorporated into commodities "subject to the EAR."**

(a) A license or other approval from the Department of State is not required for the export or re-export of a defense article(s) that has/have been incorporated into an end-item subject to the Export Administration Regulations (EAR) (*see* 15 CFR 734.3), when all of the following conditions are met:

(1) The end-item would be rendered inoperable, for purposes of intended applications or enhanced capabilities

for which the defense article was incorporated into the end-item, by the removal of the defense article(s); and

(2) "Technology" subject to the EAR for the "production," "development," or "use" (as defined in 15 CFR 772.1) of the end-item does not include any technical data (as defined by § 120.10) or "technical assistance" (as defined in 15 CFR 772.1) qualifying as defense services (as defined by § 120.9) about the defense article(s) incorporated into the end-item; and

(3) Incorporation of the defense article(s) does/do not provide, nor is it related to, a military application or "military end-use" (as defined in 15 CFR 744.21), or does not result in a "military commodity" (as defined in 15 CFR § 772.1); and

(4) The value of the defense articles is less than 1% of the value of the end-item.

(b) A license or other approval from the Department of State is not required for the export or re-export of a defense article(s) that has/have been incorporated into a component (as defined in ITAR § 121.8(b)) subject to the EAR or an end-item subject to the EAR, when all the following conditions are met:

(1) The defense article would be destroyed (i.e., rendered useless beyond the possibility of restoration) by its removal from the component, major assembly or end-item;

(2) "Technology" subject to the EAR for the "production," "development," or "use" (as defined in 15 CFR 772.1) of the component, or major assembly does not include any technical data (as defined by § 120.10) or "technical assistance" (as defined in 15 CFR 772.1) qualifying as defense services (as defined by § 120.9) about the defense article incorporated into the component or major assembly; and

(3) Incorporation of the defense article does not provide, nor is it related to, a military application or "military end-use" (as defined in 15 CFR 744.21), or does not result in a "military commodity" (as defined in 15 CFR 772.1).

(c) A license or other approval from the Department of State is required for the export or re-export of the defense article when exported or re-exported as a replacement part or component for a component, major assembly, or end-item subject to the EAR.

Dated: March 4, 2011.

**Ellen O. Tauscher,**

*Under Secretary, Arms Control and International Security, Department of State.*

[FR Doc. 2011-5821 Filed 3-14-11; 8:45 am]

**BILLING CODE 4710-25-P**

## DEPARTMENT OF STATE

### 22 CFR Chapter I

### 28 CFR Chapter XI

[Public Notice: 7351]

### Department of State Retrospective Review under E.O. 13563

**AGENCY:** Department of State.

**ACTION:** Request for information and comment.

**SUMMARY:** As part of its implementation of Executive Order 13563, "Improving Regulation and Regulatory Review," issued by the President on January 18, 2011, the Department of State (DOS) is seeking comments and information from interested parties to assist DOS in reviewing its existing regulations to determine if any of them should be modified or repealed. The purpose of this review is to make DOS's regulatory program more effective and less burdensome in achieving its regulatory objectives.

**DATES:** Written comments and information are requested on or before March 31, 2011.

**ADDRESSES:** Interested persons are encouraged to submit comments, identified by "Regulatory Review," by any of the following methods:

*Docket:* For access to the docket to read background documents or comments received, go to the Federal e-Rulemaking Portal at <http://www.regulations.gov> and search on docket number DOS-2011-0047.

*Mail:* U.S. Department of State, A/GIS/DIR, SA-22, Washington, DC 20522-2201.

*E-Mail:* [RegulatoryReview@State.gov](mailto:RegulatoryReview@State.gov). Include "Regulatory Review" in the subject line of the message.

**FOR FURTHER INFORMATION CONTACT:** Thelma Furlong, 202-216-9600.

**SUPPLEMENTARY INFORMATION:** On January 18, 2011, the President issued Executive Order 13563, "Improving Regulation and Regulatory Review," to ensure that Federal regulations seek more affordable, less intrusive means to achieve policy goals, and that agencies give careful consideration to the benefits and costs of those regulations. The Executive Order can be found at: <http://www.gpo.gov/fdsys/pkg/FR-2011-01-21/pdf/2011-1385.pdf>.

To implement the Executive Order, the Department is taking two immediate steps to launch its retrospective review of existing regulatory and reporting requirements. *First*, the Department issues this Request for Information (RFI) seeking public comment on how best to

review its existing regulations and to identify whether any of its existing regulations should be modified or repealed. *Second*, the Department has created a link on the DOS Internet site to an e-mail in-box at [RegulatoryReview@State.gov](mailto:RegulatoryReview@State.gov), which interested parties can use to identify to DOS—on a continuing basis—regulations that may be in need of review in the future. These steps will help the Department ensure that its regulations remain necessary, properly tailored, and have up-to-date requirements that effectively achieve regulatory objectives without imposing unwarranted costs.

#### Request for Information

Pursuant to the Executive Order, the Department is developing a preliminary plan for the periodic review of its existing regulations and reporting obligations. The Department's goal is to create a systematic method for identifying those significant rules that are obsolete or simply no longer make sense. While this review will focus on the elimination of rules that are no longer warranted, DOS will also consider strengthening, complementing, or modernizing rules where necessary or appropriate—including, as relevant, undertaking new rulemakings.

Consistent with the Department's commitment to public participation in the rulemaking process, the Department is beginning this process by soliciting views from the public on how best to conduct its analysis of existing DOS rules and how best to identify those rules that might be modified or repealed. It is also seeking views from the public on specific rules or Department-imposed obligations that should be altered or eliminated. In short, engaging the public in an open, transparent process is a crucial first step in DOS's review of its existing regulations.

#### List of Questions for Commenters

The following list of questions is intended solely to assist in the formulation of comments and is not intended to be exhaustive or restrict the issues that the public might want to address. The Department requests that anyone submitting comments specify the regulation or reporting requirement at issue, providing legal citation when known, and the reasons why the regulation or reporting requirement should be modified or repealed.

(1) How can the Department best promote meaningful periodic reviews of its existing rules and how can it best identify those rules that might be modified or repealed?

(2) What factors should the agency consider in selecting and prioritizing rules and reporting requirements for review?

(3) Are there regulations that simply make no sense or have become unnecessary, ineffective, or ill advised and, if so, what are they?

(4) Are there rules that are still necessary, but have not operated as well as expected such that a stronger or different approach is justified?

(5) Does the Department currently collect information that it does not need or use effectively to achieve regulatory objectives?

(6) Are there regulations, reporting requirements, or regulatory processes that are unnecessarily complicated or could be streamlined to achieve regulatory objectives in more efficient ways?

(7) Can new technologies be leveraged to modify or do away with existing regulatory or reporting requirements?

(8) How can the Department best obtain and consider accurate, objective information and data about the costs, burdens, and benefits of existing regulations? Are there existing sources of data the Department can use to evaluate the post-promulgation effects of regulations over time?

(9) Are there regulations that are working well that can be expanded or used as a model to fill gaps in other DOS regulatory programs?

(10) Are there other concerns that DOS should consider consistent with Executive Order 13563?

The Department notes that this RFI is issued solely for information and program-planning purposes. While responses to this RFI do not bind DOS to any further actions related to the response, all submissions will be made publicly available on <http://www.regulations.gov>.

Dated: March 3, 2011.

**Patrick F. Kennedy,**

*Under Secretary, Office of the Undersecretary for Management, Department of State.*

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**BILLING CODE 4710-24-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 301

[REG-140108-08]

RIN 1545-BI29

#### Disclosure of Information to State Officials Regarding Tax-Exempt Organizations

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This document contains proposed regulations that amend existing regulations to reflect changes to section 6104(c) of the Internal Revenue Code (Code) made by the Pension Protection Act of 2006 (PPA). These rules provide guidance to states regarding the process by which they may obtain or inspect certain returns and return information (including information about final and proposed denials and revocations of tax-exempt status) for the purpose of administering state laws governing certain tax-exempt organizations and their activities. These regulations will affect such exempt organizations, as well as those state agencies choosing to obtain information from the Internal Revenue Service (IRS) under section 6104(c).

**DATES:** Written or electronic comments and requests for a public hearing must be received by June 13, 2011.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG-140108-08), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-140108-08), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC, or sent electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG-140108-08).

#### FOR FURTHER INFORMATION CONTACT:

Concerning submission of comments, Oluwafunmilayo Taylor, (202) 622-7180 (not a toll-free number); concerning the proposed regulations, Casey Lothamer, (202) 622-6070 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

##### I. In General

This document contains proposed amendments to 26 CFR part 301 under section 6104(c), which will replace