

Class B limited partners to the Early Stage SBIC is reduced dollar for dollar as the parent fund contributes capital to the SBIC. The Model LPA contains required provisions for drop-down funds.

f. The Class B limited partners' commitments to the SBIC applicant must be expressed as a specific dollar amount (not just as the "proportionate share" of parent fund's commitment).

g. The total dollar amount of Class B commitments must be equal to the Class A limited partner's unfunded commitment to the SBIC. SBA will not require Class B commitments if the SBIC's Regulatory Capital will not include any unfunded commitments from the Class A limited partner.

C. *Capitalization.* Applicants must raise the minimum \$20 million in Regulatory Capital by the time the license application is submitted.

1. Capital commitments from limited partners must be made directly to the SBIC (and its parent fund, in the case of a drop-down) with no intermediaries involved.

2. The Early Stage SBIC applicant must have the unconditional ability to legally enforce collection of each capital commitment.

3. Capital Certificate. Capital commitments must be documented in the capital certificate (Exhibit K of SBA Form 2183) and comply with the following:

a. A signed Capital Certificate must be submitted with the license application.

b. The only permitted condition on private capital commitments is:

i. Receipt of Early Stage SBIC license.

c. Individual investors must list primary residence address, not a business address.

d. Street addresses are required (no P.O. Box addresses).

4. A dual commitment may be obtained to back up the commitment of any direct investor in the SBIC who is not an Institutional Investor.

5. Capital commitments by the principals, general partner, or their affiliates must be payable in cash when called (cannot be satisfied with notes or management fee waivers).

D. *General Partner*

1. All principals must:

a. Hold direct ownership interests in and be the direct individual managers of the general partner, with no intervening entities.

b. Receive carried interest directly from the general partner; for drop-down SBICs, carried interest may be received from the parent fund's general partner.

2. A maximum of 25% of the carried interest may be allocated to non-principals.

3. Any provision to remove or terminate a principal must be spelled out within the general partner's organizational document and must not be tied to events occurring under other agreements (e.g., a principal's employment agreement with the management company).

E. *Investment Advisor* ("Management Company"). Ownership of the Management Company that is highly disproportionate to the ownership of the general partner (e.g., one principal is the 100% owner) is not viewed favorably by SBA, but may be acceptable if there are adequate checks and balances on the powers of the dominant owner. Areas that cannot be subject to unilateral decision-making include the following:

1. Power to remove or terminate other principals.

2. Power to change the composition of the Early Stage SBIC's investment committee.

V. **Early Stage SBIC Licensing Evaluation Criteria**

A. *General Criteria.* SBA will evaluate an Early Stage SBIC license applicant based on the submitted application materials, Investment Committee interviews with the applicant's management team, and the results of background investigations, public record searches, and other due diligence conducted by SBA and other Federal agencies. SBA will evaluate an Early Stage SBIC license applicant based on the same factors applicable to other license applicants, as set forth in 13 CFR § 107.305, with particular emphasis on managers' skills and experience in evaluating and investing in early stage companies. As discussed in the Final Rule, evaluation criteria fall into four areas: (A) Management Team; (B) Track Record; (C) Proposed Investment Strategy; and (D) Organizational Structure and Fund Economics. You should review these regulations prior to completing your MAQ.

B. *Managing SBA Leverage.* SBA will pay particular attention to how a team's investment strategy works with proposed SBA leverage. Early Stage Debenture leverage either requires a 5 year interest and annual charge reserve from the date of issue or is structured with an original issue discount that covers the interest and annual charges for the first 5 years. In either case, Early Stage SBICs must identify how quarterly interest payments beginning in the 6th year from Debenture issue will be met. Sources of liquidity to make interest payments may include (a) private capital; (b) realizations; or (c) current income. As part of your plan of operations, you should carefully

consider how your investment strategy will work with SBA leverage and make appropriate suggestions to manage risk. Risk mitigation strategies might include making some investments in current pay instruments, taking down less than a full tier of leverage (i.e., leverage less than 100% of Regulatory Capital), taking leverage down later in the fund's life, lowering management expenses, and reserving more private capital. The strategies you choose to employ should be appropriate for your management team's track record and investment strategy.

C. *SBA Diversification Rights.* Per 13 CFR 107.320, SBA reserves the right to maintain diversification among Early Stage SBICs with respect to (i) the year in which they commence operations ("vintage year") and (ii) geographic location.

1. *Vintage Year Diversification.* Vintage year has a major impact on the return expectations of a fund and excessive concentration in a single year could substantially increase program risk. Therefore, SBA reserves the right, when licensing Early Stage SBICs, to maintain diversification across vintage years. SBA believes that it will be able to manage vintage year diversification through its call process. If SBA receives an extraordinary number of qualified applicants in FY 2014, it may not approve all such applicants.

2. *Geographic Diversification.* All Early Stage SBICs must first meet SBA's basic licensing criteria. After those criteria are met, SBA reserves the right to maintain diversification among Early Stage SBICs with respect to the geographic location in which the Early Stage SBIC expects to invest.

Javier Saade,

Associate Administrator, Office of Investment and Innovation.

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DEPARTMENT OF STATE

[Public Notice 8619]

In the Matter of the Designation of Ziyad al-Nakhalah Also Known as Ziyad Rushdi al-Nakhalah Also Known as Ziyad Rushdi Husayn Also Known as Abu Tariq as a Specially Designated Global Terrorist Pursuant to Section 1(b) of Executive Order 13224, as Amended

Acting under the authority of and in accordance with section 1(b) of Executive Order 13224 of September 23, 2001, as amended by Executive Order 13268 of July 2, 2002, and Executive

Order 13284 of January 23, 2003, I hereby determine that the individual known as Ziyad al-Nakhalah, also known as Ziyad Rushdi al-Nakhalah, also known as Ziyad Rushdi Husayn, also known as Abu Tariq, committed, or poses a significant risk of committing, acts of terrorism that threaten the security of U.S. nationals or the national security, foreign policy, or economy of the United States.

Consistent with the determination in section 10 of Executive Order 13224 that “prior notice to persons determined to be subject to the Order who might have a constitutional presence in the United States would render ineffectual the blocking and other measures authorized in the Order because of the ability to transfer funds instantaneously,” I determine that no prior notice needs to be provided to any person subject to this determination who might have a constitutional presence in the United States, because to do so would render ineffectual the measures authorized in the Order.

This notice shall be published in the **Federal Register**.

Dated: January 28, 2014.

John F. Kerry,

Secretary of State.

[FR Doc. 2014-02287 Filed 2-3-14; 8:45 am]

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DEPARTMENT OF STATE

[Public Notice 8618]

Department of State FY12 Service Contract Inventory

AGENCY: Department of State.

ACTION: Notice of the release of the Department of State FY 12 Service Contract Inventory.

SUMMARY: The Department of State has publically released its Service Contract Inventory for FY 13 and its analysis of the FY 12 inventory. They are available here: http://csm.state.gov/content.asp?content_id=135&menu_id=71.

Section 743 of Division C of the FY 2010 Consolidated Appropriations Act, Public Law 111-117, requires Department of State, and other civilian agencies, to submit an annual inventory of service contracts. A service contract inventory is a tool to assess an agency in its ability to contract services in support of its mission and operation and whether the contractors' skills are being utilized in an appropriate manner.

DATES: The FY 13 inventory and FY 12 analysis is available on the

Department's Web site as of January 30, 2014.

FOR FURTHER INFORMATION CONTACT: Barry Thomas, Division Chief, A/EX/CSM, 202-485-7190, BarryTD2@state.gov.

Dated: January 30, 2014.

Barry Thomas,

Division Chief, A/EX/CSM, Department of State.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Agency Information Collection Activities: Requests for Comments; Clearance of Renewed Approval of Information Collection: Certification: Pilots and Flight Instructors

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, FAA invites public comments about our intention to request the Office of Management and Budget (OMB) approval to renew an information collection. The **Federal Register** Notice with a 60-day comment period soliciting comments on the following collection of information was published on November 27, 2013, vol. 78, no. 229, page 71023-71024. 14 CFR part 61 prescribes certification standards for pilots, flight instructors, and ground instructors. The information collected is used to determine compliance with applicant eligibility.

DATES: Written comments should be submitted by March 6, 2014.

FOR FURTHER INFORMATION CONTACT: Kathy DePaepe at (405) 954-9362, or by email at: Kathy.DePaepe@faa.gov.

SUPPLEMENTARY INFORMATION:

OMB Control Number: 2120-0021.

Title: Certification: Pilots and Flight Instructors.

Form Numbers: FAA Form 8710-1.

Type of Review: Renewal of an information collection.

Background: Title 14 of the Code of Federal Regulations part 61 (14 CFR part 61) Certification: Pilots, Flight Instructors, and Ground Instructors prescribes minimum standards and requirements for the issuance of airman certificates, and establishes procedures for applying for airman certificates. The Airman Certificate and/or Rating Application form and the required

records, logbooks and statements required by the federal regulations are submitted to Federal Aviation Administration (FAA) Flight Standards District Offices or its representatives to determine qualifications of the applicant for issuance of a pilot or instructor certificate, or rating or authorization.

Respondents: Approximately 175,000 certificated pilots.

Frequency: Information is collected on occasion.

Estimated Average Burden per Response: Approximately 2.15 hours.

Estimated Total Annual Burden: 301,344 hours.

ADDRESSES: Interested persons are invited to submit written comments on the proposed information collection to the Office of Information and Regulatory Affairs, Office of Management and Budget. Comments should be addressed to the attention of the Desk Officer, Department of Transportation/FAA, and sent via electronic mail to oir_submission@omb.eop.gov, or faxed to (202) 395-6974, or mailed to the Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 17th Street NW., Washington, DC 20503.

Public Comments Invited: You are asked to comment on any aspect of this information collection, including (a) Whether the proposed collection of information is necessary for FAA's performance; (b) the accuracy of the estimated burden; (c) ways for FAA to enhance the quality, utility and clarity of the information collection; and (d) ways that the burden could be minimized without reducing the quality of the collected information. The agency will summarize and/or include your comments in the request for OMB's clearance of this information collection.

Issued in Washington, DC, on January 29, 2014.

Albert R. Spence,

FAA Assistant Information Collection Clearance Officer, IT Enterprises Business Services Division, ASP-110.

[FR Doc. 2014-02326 Filed 2-3-14; 8:45 am]

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