

**PART 39—AIRWORTHINESS
DIRECTIVES**

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

2. FAA amends Section 39.13 by adding a new AD to read as follows:

2000-20-13 British Aerospace:

Amendment 39-11924; Docket No. 2000-CE-12-AD.

(a) *What airplanes are affected by this AD?* This AD affects Models HP137 Mk1, Jetstream Series 200 airplanes, and Jetstream Models 3101 and 3201 airplanes, all serial numbers excluding 936 and 940, certificated in any category.

(b) *Who must comply with this AD?* Anyone who wishes to operate any of the above airplanes on the U.S. Register must comply with this AD.

(c) *What problem does this AD address?*

The actions specified by this AD are intended to detect, correct, and prevent further cracking in the rudder quadrant structure caused by incorrectly installed D-washers. Cracks in this structure could result in loss of rudder control with consequent airplane control problems.

(d) *What actions must I accomplish to address this problem?* To address this problem, you must accomplish the following:

Actions	Compliance times	Procedures
(1) Inspect the upper edge member radii and bottom diaphragm radii adjacent to the rudder artificial feel assembly attachments at the rudder quadrant support for cracks and inspect the D-washers to assure correct installation.	Within 90 calendar days after November 27, 2000 (the effective date of this AD).	Accomplish in accordance with the "ACCOMPLISHMENT INSTRUCTIONS: Part 1—Inspection" section of British Aerospace Mandatory Alert Service Bulletin 53-JA-990842, Revision 1, dated February 21, 2000.
(2) If cracks are found in the area of the upper edge member radii on the rudder quadrant support structure, replace this component by incorporating material Kit No. '53-JA-990842PT2'.	Before further flight after the inspection where the cracked part was detected.	Accomplish in accordance with the "ACCOMPLISHMENT INSTRUCTIONS: Part 2—Replacement of the right upper edge member if cracks are found at Part 1" section of British Aerospace Mandatory Alert Service Bulletin 53-JA-990842, Revision 1, dated February 21, 2000.
(3) If cracks are found in the area of the bottom diaphragm on the rudder quadrant support structure, replace this component by incorporating material Kit No. '53-JA-990842PT3'.	Before further flight after the inspection where the cracked part was detected.	Accomplish in accordance with the "ACCOMPLISHMENT INSTRUCTIONS: Part 3—Replacement of the bottom diaphragm of the rudder quadrant support structure" section of British Aerospace Mandatory Alert Service Bulletin 53-JA-990842, Revision 1, dated February 21, 2000.
(4) Remove any incorrectly installed D-washer and replace with a new D-washer. This replacement is accomplished by incorporating material Kit No. '53-JA-990842PT4'.	Before further flight after the inspection where the incorrect installation was detected.	Accomplish in accordance with the "ACCOMPLISHMENT INSTRUCTIONS: Part 4—Removal and replacement of D-washers" section of British Aerospace Mandatory Alert Service bulletin 53-JA-990842, Revision 1, dated February 21, 2000.

(e) *Can I comply with this AD in any other way?* You may use an alternative method of compliance or adjust the compliance time if:

(1) Your alternative method of compliance provides an equivalent level of safety; and

(2) The Manager, Small Airplane Directorate approves your alternative. Submit your request through an FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Small Airplane Directorate.

Note 1: This AD applies to each airplane identified in paragraph (a) of this AD, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (e) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if you have not eliminated the unsafe condition, specific actions you propose to address it.

(f) *Where can I get information about any already-approved alternative methods of compliance?* Contact S.M. Nagarajan, Aerospace Engineer, FAA, Small Airplane

Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329-4145; facsimile: (816) 329-4090.

(g) *What if I need to fly the airplane to another location to comply with this AD?* The FAA can issue a special flight permit under sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate your airplane to a location where you can accomplish the requirements of this AD.

(h) *Are any service bulletins incorporated into this AD by reference?* Actions required by this AD must be done in accordance with British Aerospace Mandatory Alert Service Bulletin 53-JA-990842, Revision 1, dated February 21, 2000. The Director of the Federal Register approved this incorporation by reference under 5 U.S.C. 552(a) and 1 CFR part 51. You can get copies from British Aerospace Regional Aircraft, Prestwick International Airport, Ayrshire, KA9 2RW, Scotland. You can look at copies at the FAA, Central Region, Office of the Regional Counsel, 901 Locust, Room 506, Kansas City, Missouri, or at the Office of the Federal Register, 800 North Capitol Street, NW, suite 700, Washington, DC 20001.

(i) *When does this amendment become effective?* This amendment becomes effective on November 27, 2000.

Note 2: The subject of this AD is addressed in British AD Number 006-12-99, not dated.

Issued in Kansas City, Missouri, on September 28, 2000.

Michael Gallagher,
Manager, Small Airplane Directorate, Aircraft Certification Service.

[FR Doc. 00-25554 Filed 10-12-00; 8:45 am]

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DEPARTMENT OF COMMERCE**Bureau of Export Administration**

15 CFR Parts 734, 738, 740, 742, 743, 744, 748, and 774

[Docket No. 000204027-0266-02]

RIN 0694-AC14

Revisions to License Exception CTP

AGENCY: Bureau of Export Administration, Commerce.

ACTION: Final rule.

SUMMARY: The Bureau of Export Administration (BXA) is amending the

Export Administration Regulations (EAR) by revising License Exception CTP to reflect continuing technological advancement in the computer industry. High Performance Computers (HPCs) with a composite theoretical performance (CTP) of up to 45,000 millions of theoretical operations per second (MTOPS) can be exported to Computer Tier 2 countries under License Exception CTP, and HPCs with a CTP up to 28,000 MTOPS can be exported Computer Tier 3 destinations under License Exception CTP. The civil-military distinction for computer Tier 3 end-users and end-uses is removed. Effective February 26, 2001, this rule also raises the advance notification level for HPC exports to Computer Tier 3 countries to 28,000 MTOPS. As required by the National Defense Authorization Act of 1998 (NDAA), changes in the advance notification level for HPC exports to Tier 3 destinations are only effective 180 days following the submission by the President of a report to Congress. The President sent the report to Congress on August 30, 2000. This rule moves Argentina from Computer Tier 2 to Computer Tier 1. This rule also moves Estonia from Computer Tier 3 to Computer Tier 2, effective December 28, 2000.

DATES: This rule is effective October 13, 2000.

FOR FURTHER INFORMATION CONTACT:

James A. Lewis, Office of Strategic Trade and Foreign Policy Controls, Bureau of Export Administration, Telephone: (202) 482-0092.

SUPPLEMENTARY INFORMATION:

Background

On August 3, 2000, the President announced significant changes to export control policy for HPCs. The new policy continues the Administration's commitment, as announced on July 1, 1999, to review and update its HPC policy every six months to reflect rapid advancements in microprocessor technology, as well as identify any risk posed by HPC exports to certain end-users and countries. This policy strengthens America's high-tech competitiveness, while maintaining export controls to protect U.S. national security.

The Administration, in consultation with the national security community and industry, has determined the following adjustments are warranted. Effective immediately, the upper License Exception CTP level for Computer Tier 2 countries is raised from 33,000 to 45,000 MTOPS and the upper License Exception CTP level for Computer Tier 3 countries is raised from

20,000 to 28,000 MTOPS. For purposes of License Exception CTP eligibility, this rule removes the distinction between military and civil end-users and end-uses in Computer Tier 3 countries. Effective February 26, 2001, this rule raises the advance notification level for HPC exports to Computer Tier 3 countries from 12,500 to 28,000 MTOPS. As required by the NDAA, changes in the advance notification level for HPC exports to Tier 3 destinations are only effective 180 days following the President's submission of a report to Congress. The President sent this report to Congress on August 30, 2000. This new level reflects the Administration's determination that widespread commercial availability of computers with performance capabilities up to 28,000 MTOPS makes that a realistic and enforceable control level.

The Administration has decided to combine the Tier 3 civil and military licensing thresholds, as agencies have determined that the previous distinction, based on the judgement that there is a difference in the availability and ease of upgrade/assembly between four and eight processor systems, is no longer valid. Agencies now judge that this distinction no longer exists due to improvement in, and the world-wide availability of single processors, boards, chipsets, and operating systems. Removal of the distinction will allow agencies to focus export control resources on meaningful control levels.

This rule removes Argentina from Computer Tier 2 and places it in Computer Tier 1, and removes Estonia from Computer Tier 3 and places it in Computer Tier 2. However, due to requirements in the 1998 NDAA, removing Estonia from Computer Tier 3 is not effective until 120 days after the Congress receives a report justifying such a removal. On August 30, 2000, the President informed the Congress of his intent to remove Estonia from Computer Tier 3; thus, Estonia will be moved to Computer Tier 2 effective December 28, 2000.

Finally, this rule raises the CTP levels under License Exception TSR relating to items controlled under ECCNS 4D003 and 4E003 on the Commerce Control List to 33,000 MTOPS. This update reflects the rapid advances in HPC technology and aligns the level with our domestic policy and our multilateral Wassenaar Arrangement obligations. Requirements for reporting exports in § 743.1(c)(2) remain consistent with our Wassenaar Arrangement obligations.

Due to advancement in HPC and microprocessor technology, the United States will review these levels to

determine if further adjustments are warranted. In particular, agencies will review control levels by December 2000 to determine if further changes are warranted; additional countries may also be moved between tiers.

Although the Export Administration Act (EAA) expired on August 20, 1994, the President invoked the International Emergency Economic Powers Act and continued in effect the EAR, and to the extent permitted by law, the provisions of the EAA, as amended, in Executive Order 12924 of August 19, 1994, as extended by the President's notices of August 15, 1995 (60 FR 42767), August 14, 1996 (61 FR 42527), August 13, 1997 (62 FR 43629), August 13, 1998 (63 FR 44121), August 10, 1999 (64 FR 44101), and August 8, 2000 (65 FR 48347).

Rulemaking Requirements

1. This final rule has been determined to be significant for 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 unless that collection of information displays a current valid OMB Control Number. This regulation involves collections previously approved by the Office of Management and Budget under control numbers 0694-0088, "Multi-Purpose Application," which carries a burden hour estimate of 45 minutes per manual submission and 40 minutes per electronic submission. Miscellaneous and recordkeeping activities account for 12 minutes per submission. Information is also collected under OMB control number 0694-0107, "National Defense Authorization Act," Advance Notifications and Post-Shipment Verification Reports, which carries a burden hour estimate of 15 minutes per report. This rule also involves collections of information under OMB control number 0694-0073, "Export Controls of High Performance Computers" and OMB control number 0694-0093, "Import Certificates and End-User Certificates".

3. This rule does not contain policies with Federalism implications sufficient to warrant preparation of a Federalism assessment under Executive Order 13132.

4. The provisions of the Administrative Procedure Act requiring notice of proposed rule making, 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 rule making and an opportunity for public comment be given for this rule. Because a notice of proposed rule making and opportunities 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 inapplicable.

Therefore, this regulation is issued in final form. Although there is no formal comment period, public comments on this regulation are welcome on a continuing basis. Comments should be submitted to Office of Exporter Services, Bureau of Export Administration, Department of Commerce, P.O. Box 273, Washington, DC 20044.

List of Subjects

15 CFR Parts 734 and 738

Administrative practice and procedure, Exports, Foreign trade.

15 CFR Parts 740, 743 and 748

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

15 CFR Part 742

Exports, Foreign trade.

15 CFR Parts 744 and 774

Exports, Foreign trade, Reporting and recordkeeping requirements.

Accordingly, parts 734, 738, 740, 742, 743, 744, 748, and 774 of the Export Administration Regulations (15 CFR Parts 730–799) are amended as follows:

1. The authority citation for 15 CFR part 734 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 12924, 59 FR 43437, 3 CFR, 1994 Comp., p. 917; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13020, 61 FR 54079, 3 CFR, 1996 Comp., p. 219; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; Notice of November 10, 1999, 64 FR 61767, 3 CFR, 1999 Comp., p. 318; Notice of August 3, 2000 (65 FR 48347, August 8, 2000).

2. The authority citation for 15 CFR Part 738 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 10 U.S.C. 7420; 10 U.S.C. 7430(e); 18 U.S.C. 2510 *et seq.*; 22 U.S.C. 287c; 22 U.S.C. 3201 *et seq.*; 22 U.S.C. 6004; 30 U.S.C. 185(s), 185(u); 42 U.S.C. 2139a; 42 U.S.C. 6212; 43 U.S.C. 1354; 46 U.S.C. app. 466c; 50 U.S.C. app. 5; E.O. 12924, 59 FR 43437, 3 CFR, 1994 Comp., p. 917; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; Notice of August 3, 2000 (65 FR 48347, August 8, 2000).

3. The authority citation for 15 CFR Part 740 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 12924, 59 FR 43437, 3 CFR, 1994 Comp., p. 917; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; Notice of August 3, 2000 (65 FR 48347, August 8, 2000).

4. The authority citation for 15 CFR Part 742 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 18 U.S.C. 2510 *et seq.*; 22 U.S.C. 3201 *et seq.*; 42 U.S.C. 2139a; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12924, 59 FR 43437, 3 CFR, 1994 Comp., p. 917; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; Notice of November 10, 1999, 64 FR 61767, 3 CFR, 1999 Comp., p. 318; Notice of August 3, 2000 (65 FR 48347, August 8, 2000).

5. The authority citation for 15 CFR part 743 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 12924, 59 FR 43437, 3 CFR, 1994 Comp., p. 917; Notice of August 3, 2000 (65 FR 48347, August 8, 2000).

6. The authority citation for 15 CFR part 744 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. 3201 *et seq.*; 42 U.S.C. 2139a; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12924, 59 FR 43437, 3 CFR, 1994 Comp., p. 917; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; Notice of November 10, 1999, 64 FR 61767, 3 CFR, 1999 Comp., p. 318; Notice of August 3, 2000 (65 FR 48347, August 8, 2000).

7. The authority citation for 15 CFR part 748 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 12924, 59 FR 43437, 3 CFR, 1994 Comp., p. 917; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; Notice of August 3, 2000 (65 FR 48347, August 8, 2000).

8. The authority citation for part 774 is revised to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 10 U.S.C. 7420; 10 U.S.C. 7430(e); 18 U.S.C. 2510 *et seq.*; 22 U.S.C. 287c; 22 U.S.C. 3201 *et seq.*; 22 U.S.C. 6004; 30 U.S.C. 185(s), 185(u); 42 U.S.C. 2139a; 42 U.S.C. 6212; 43 U.S.C. 1354; 46 U.S.C. app. 466c; 50 U.S.C. app. 5; E.O. 12924, 59 FR 43437, 3 CFR, 1994 Comp., p. 917; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; Notice of August 3, 2000 (65 FR 48347, August 8, 2000).

PART 734—[AMENDED]

§ 734.4 [Amended]

9. Section 734.4 is amended by revising the phrase “20,000 MTOPS” in paragraph (a) to read “28,000 MTOPS”.

PART 738—[AMENDED]

10. Supplement No. 1 to Part 738 is amended by revising the phrase “greater than 33,000 MTOPS” in the second footnote to read “greater than 45,000 MTOPS”.

PART 740—[AMENDED]

11. Section 740.7 is amended by revising the first sentence of paragraph (a) and paragraphs (b)(1), (c), (d)(1), (d)(2), (d)(4), (d)(5)(i), and (d)(5)(v) introductory text to read as follows:

§ 740.7 Computers (CTP).

(a) *Scope.* License Exception CTP authorizes exports and reexports of computers and specially designed components therefor, exported or reexported separately or as part of a system for consumption in Computer Tier countries as provided by this section. * * *

(b) *Computer Tier 1—(1) Eligible countries.* The countries that are eligible to receive exports and reexports under this License Exception are Argentina, Australia, Austria, Belgium, Brazil, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Liechtenstein, Luxembourg, Mexico, Monaco, Netherlands, New Zealand, Norway, Poland, Portugal, San Marino, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and Vatican City.
* * * * *

(c) *Computer Tier 2—(1) Eligible countries.* The countries that are eligible to receive exports under this License Exception include Antigua and Barbuda, Bahamas, Barbados, Bangladesh, Belize, Benin, Bhutan, Bolivia, Botswana, Brunei, Burkina Faso, Burma, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Chile, Colombia, Congo, Costa Rica, Cote d'Ivoire, Cyprus, Dominica, Dominican Republic, Ecuador, El Salvador, Equatorial Guinea, Eritrea, Ethiopia, Fiji, Gabon, Gambia (The), Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hong Kong, Indonesia, Jamaica, Kenya, Kiribati, Korea (Republic of), Lesotho, Liberia, Madagascar, Malawi, Malaysia, Maldives, Mali, Malta, Marshall Islands, Mauritius, Micronesia (Federated States of), Mozambique, Namibia, Nauru,

Nepal, Nicaragua, Niger, Nigeria, Palau, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Romania, Rwanda, St. Kitts & Nevis, St. Lucia, St. Vincent and Grenadines, Sao Tome & Principe, Senegal, Seychelles, Sierra Leone, Singapore, Slovakia, Slovenia, Solomon Islands, Somalia, South Africa, Sri Lanka, Surinam, Swaziland, Taiwan, Tanzania, Togo, Tonga, Thailand, Trinidad and Tobago, Tuvalu, Uganda, Uruguay, Venezuela, Western Sahara, Western Samoa, Zaire, Zambia, and Zimbabwe. As of December 26, 2000, Estonia is a Computer Tier 2 country.

(2) *Eligible computers.* The computers eligible for License Exception CTP to Tier 2 destinations are those having a CTP greater than 6,500 MTOPS, but less than or equal to 45,000 MTOPS.

(d) *Computer Tier 3*—(1) *Eligible countries.* The countries that are eligible to receive exports and reexports under this License Exception are Afghanistan, Albania, Algeria, Andorra, Angola, Armenia, Azerbaijan, Bahrain, Belarus, Bosnia & Herzegovina, Bulgaria, Cambodia, China (People's Republic of), Comoros, Croatia, Djibouti, Egypt, Estonia, Georgia, India, Israel, Jordan, Kazakhstan, Kosovo (Serbian province of), Kuwait, Kyrgyzstan, Laos, Latvia, Lebanon, Lithuania, Macau, Macedonia (The Former Yugoslav Republic of), Mauritania, Moldova, Mongolia, Montenegro, Morocco, Oman, Pakistan, Qatar, Russia, Saudi Arabia, Serbia, Tajikistan, Tunisia, Turkmenistan, Ukraine, United Arab Emirates, Uzbekistan, Vanuatu, Vietnam, and Yemen. Until December 26, 2000, Estonia is a Computer Tier 3 country. As of December 26, 2000, Estonia is moved to Computer Tier 2.

(2) *Eligible computers.* The computers eligible for License Exception CTP to Tier 3 destinations are those having a CTP greater than 6,500 MTOPS, but less than or equal to 28,000 MTOPS, subject to the restrictions in paragraph (d)(3) of this section.

(4) *Supporting documentation.* Prior to February 26, 2001, exports of computers with a CTP greater than 12,500 MTOPS, as described by paragraph (d)(2) of this section, to the People's Republic of China must be supported by a PRC End-User Certificate, regardless of value. See § 748.10(c)(3) of the EAR for information on obtaining the PRC End-User Certificate.) Exporters are required to obtain a PRC End-User Certificate before exporting computers regardless of value to the People's Republic of China. Exporters are also required to provide the PRC End-User Certificate Number to

BXA as part of their post-shipment report (see paragraph (d)(5) of this section). When providing the PRC End-User Certificate Number to BXA, you must identify the transaction in the post shipment report to which that PRC End-User Certificate Number applies. The original PRC End-User Certificate shall be retained in the exporter's files in accordance with the recordkeeping provisions of § 762.2 of the EAR.

(5) *NDAA notification*—(i) *General requirement.* The National Defense Authorization Act (NDAA) of FY98 (Public Law 105–85, 111 Stat. 1629) enacted on November 18, 1997 requires advance notification of certain exports and reexports of computers to Computer Tier 3 countries. Prior to February 26, 2001, advance notification is required for all exports and reexports of computers with a CTP greater than 12,500 but less than or equal to 28,000 MTOPS to Computer Tier 3 destinations. For each such transaction destined to Computer Tier 3, prior to using License Exception CTP, you must first notify BXA by submitting a completed Multipurpose Application Form (BXA–748P). The Multipurpose Application Form must be completed including all information required for a license application according to the instructions described in Supplement No. 1 to part 748 of the EAR, with two exceptions. You (the applicant as listed in Block 14) shall in Block 5 (Type of Application) mark the box “Other.” This designator will permit BXA to route the NDAA notice into a special processing procedure. (Blocks 6 and 7, regarding support documentation, may be left blank.) BXA will not initiate the registration of an NDAA notice unless all information on the Multipurpose Application form is complete. Beginning on February 26, 2001, advance notification is not required for exports and reexport of computers with a CTP less than or equal to 28,000 MTOPS to Computer Tier 3 destinations. You must also provide a notice using this procedure prior to exporting or reexporting items that you know will be used to enhance beyond 12,500 MTOPS the CTP of a previously exported or reexported computer. Beginning on February 26, 2001, you must obtain a license prior to exporting or reexporting items that you know will be used to enhance beyond 28,000 MTOPS the CTP of a previously exported or reexported computer.

(v) *Post-shipment verification.* This section outlines special post-shipment reporting requirements for exporters of certain computers to destinations in

Computer Tier 3. Exporters must file post-shipment reports for computer exports, as well as exports of items used to enhance previously exported or reexported computers, according to the following schedule: for exports occurring on or after January 23, 2000, but on or before August 13, 2000, reports are required for computers with a CTP greater than 6,500 MTOPS; for exports occurring on or after August 14, 2000, but on or before February 25, 2001, reports are required for computers with a CTP greater than 12,500 MTOPS; and for exports occurring on or after February 26, 2001, reports are required for computers with a CTP greater than 28,000 MTOPS. Post-shipment reports must be submitted in accordance with the provisions of this paragraph (d)(5)(v), and all relevant records of such exports must be kept in accordance with part 762 of the EAR.

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§ 740.11 [Amended]

12. Section 740.11 is amended by revising the phrase “33,000 MTOPS” in paragraphs (a)(2)(ii) and (a)(2)(iii) and in paragraph (c)(2)(i) to read “45,000 MTOPS”.

13. Supplement No. 1 to section 740.11 is amended by revising the phrase “33,000 MTOPS” in paragraphs (a)(1)(ii), (a)(1)(iii), (b)(1)(ii), and (b)(1)(iii) to read “45,000 MTOPS”.

14. Section 740.16 is amended by revising the phrase “10,000 MTOPS” in paragraph (b)(1) to read “45,000 MTOPS”.

PART 742—[AMENDED]

15. Section 742.12 is amended by revising the phrase “greater than 33,000” in paragraph (b)(2)(i) to read “greater than 45,000”; and by revising paragraphs (b)(3)(i)(B), (b)(3)(i)(C), and (b)(3)(iv) introductory text to read as follows:

§ 742.12 High performance computers.

* * * * *

- (b) * * *
- (3) * * *
- (i) * * *

(B) A license is required to export or reexport computers with a CTP greater than 28,000 MTOPS to a country in Computer Tier 3.

(C) Prior to February 26, 2001, a license may be required to export or reexport computers with a CTP greater than 12,500 MTOPS to countries in Computer Tier 3 pursuant to the NDAA (see § 740.7(d)(5) of the EAR). Beginning on February 26, 2001, a license is required to export or reexport computers with a CTP greater than

28,000 MTOPS to countries in Computer Tier 3.

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(iv) *Post-shipment verification.* This section outlines special post-shipment reporting requirements for exporters of certain computers to destinations in Computer Tier 3. Exporters must file post-shipment reports for computer exports, as well as exports of items used to enhance previously exported or reexported computers, according to the following schedule: for exports occurring on or after January 23, 2000, but on or before August 13, 2000, reports are required for computers with a CTP greater than 6,500 MTOPS; for exports occurring on or after August 14, 2000, but on or before February 25, 2001, reports are required for computers with a CTP greater than 12,500 MTOPS; and for exports occurring on or after February 26, 2001, reports are required for computers with a CTP greater than 28,000 MTOPS. Post-shipment reports must be submitted in accordance with the provisions of this paragraph (b)(3)(iv), and all relevant records of such exports must be kept in accordance with part 762 of the EAR.

* * * * *

PART 743—[AMENDED]

§ 743.1 [Amended]

16. § 743.1 is amended by revising the phrase “provisions of § 740.7(d)(4)(v)” to read “provisions of § 740.7(d)(5)(v)” in the Note to paragraph (c)(2).

PART 744—[AMENDED]

17. Supplement No. 4 to part 744 is amended by revising the phrase “For computers above the Tier 3 military level described in § 742.12(b)(3)(i)(B)” in the License requirement column for the Israeli entity “Ben Gurion University, Israel” to read “For computers above the Tier 3 level described in § 742.12(b)(3)(i)(B)”.

PART 748—[AMENDED]

18. Section 748.10 is amended by revising paragraph (b)(3) as follows:

§ 748.10 Import and End-User Certificates.

* * * * *

(b) * * *

(3) Your transaction involves an export to the People’s Republic of China of a computer, you must obtain a PRC End-User Certificate, regardless of dollar value, as follows:

(i) For license applications submitted on or before February 25, 2001, a PRC End-User Certificate is required for computers with a Composite Theoretical

Performance (CTP) greater than 12,500 Million Operations Per Second (MTOPS) and for license applications submitted on or after February 26, 2001, a PRC End-User Certificate is required for computers with a CTP greater than 28,000 MTOPS;

(ii) For exports under License Exception CTP occurring on or before February 25, 2001, a PRC End-User Certificate is required for computers with a CTP of greater than 12,500 MTOPS.

* * * * *

PART 774—[AMENDED]

19. In Supplement No. 1 to part 774 (the Commerce Control List), Category 4—Computers is amended by revising the “License Requirements” section of Export Control Classification Numbers (ECCNs) of 4A001 and 4A002, the “License Exceptions” section of ECCN 4A003, and the “License Requirements” and “License Exceptions” sections of ECCNs 4D001 and 4E001, to read as follows:

4A001 Electronic computers and related equipment, and “electronic assemblies” and specially designed components therefor.

License Requirements

Reason for Control: NS, MT, AT, NP, XP.

Control(s)	Country chart
NS applies to entire entry	NS Column 2
MT applies to items in 4A001.a when the parameters in 4A101 are met or exceeded.	MT Column 1
AT applies to entire entry	AT Column 1

NP applies to electronic computers with a CTP greater than 6,500 Mtops, unless a License Exception is available. See § 742.3(b) of the EAR for information on applicable licensing review policies.

XP applies to electronic computers with a CTP greater than 6,500 Mtops, unless a License Exception is available. XP controls vary according to destination and end-user and end-use. See § 742.12 of the EAR for additional information.

License Requirement Notes: See § 743.1 of the EAR for reporting requirements for exports under License Exceptions.

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4A002 “Hybrid computers” and “electronic assemblies” and specially designed components therefor.

License Requirements

Reason for Control: NS, MT, AT, NP, XP.

Control(s)	Country chart
NS applies to entire entry	NS Column 2
MT applies to hybrid computers combined with specially designed “software”, for modeling, simulation, or design integration of complete rocket systems and unmanned air vehicle systems that are usable in systems controlled for MT reasons.	MT Column 1
AT applies to entire entry	AT Column 1

NP applies to hybrid computers with a CTP greater than 6,500 Mtops, unless a License Exception is available. See § 742.3(b) of the EAR for information on applicable licensing review policies.

XP applies to hybrid computers with a CTP greater than 6,500 Mtops, unless a License Exception is available. XP controls vary according to destination and end-user and end-use. See § 742.12 of the EAR for additional information.

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4A003 “Digital computers”, “electronic assemblies”, and related equipment therefor, and specially designed components therefor.

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License Exceptions

LVS: \$5000; N/A for MT and “digital” computers controlled by 4A003.b and having a CTP exceeding 12,500 MTOPS; or “electronic assemblies” controlled by 4A003.c and capable of enhancing performance by aggregation of “computing elements” so that the CTP of the aggregation exceeds 12,500 MTOPS.

GBS: Yes, for 4A003.d, .e, and .g and specially designed components therefor, exported separately or as part of a system.

CTP: Yes, for computers controlled by 4A003.a, .b and .c, to the exclusion of other technical parameters, with the exception of parameters specified as controlled for Missile Technology (MT) concerns and 4A003.e (equipment performing analog-to-digital or digital-to-analog conversions exceeding the limits of 3A001.a.5.a). See § 740.7 of the EAR.

CIV: Yes, for 4A003.d (having a 3–D vector rate less than or equal to 100 M vectors/sec), .e, and .g.

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4D001 “Software” specially designed or modified for the “development”, “production” or “use” of

equipment or “software” controlled by 4A001 to 4A004, or 4D (except 4D980, 4D993 or 4D994).

License Requirements

Reason for Control: NS, MT, CC, AT, NP, XP.

Control(s)	Country chart
NS applies to “software” for commodities or software controlled by 4A001 to 4A004, 4D001 to 4D003.	NS Column 1
MT applies to “software” for equipment controlled by 4A001 to 4A003 for MT reasons.	MT Column 1
CC applies to “software” for computerized finger-print equipment controlled by 4A003 for CC reasons.	CC Column 1
AT applies to entire entry	AT Column 1

NP applies to “software” for computers with a CTP greater than 6,500 Mtops, unless a License Exception is available. See § 742.3(b) of the EAR for information on applicable licensing review policies.

XP applies to “software” for computers with a CTP greater than 6,500 Mtops, unless a License Exception is available. XP controls vary according to destination and end-user and end-use. See § 742.12 of the EAR for additional information.

License Requirement Notes: See § 743.1 of the EAR for reporting requirements for exports under License Exceptions.

License Exceptions

CIV: N/A

TSR: Yes, except for the following:

- (1) “Software” controlled for MT reasons;
- (2) “Software” for equipment or “software” requiring a license; or
- (3) Exports and reexports to destinations outside of Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, Portugal, Spain, Sweden, or the United Kingdom of “software” specially designed for the “development” or “production” of equipment controlled as follows:
 - (a) “Digital” computers controlled by 4A003.b and having a CTP exceeding 33,000 MTOPS; or
 - (b) “Electronic assemblies” controlled by 4A003.c and capable of enhancing performance by aggregation of “computing elements” so that the CTP of the aggregation exceeds 33,000 MTOPS.

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4E001 “Technology” according to the General Technology Note, for the

“development”, “production” or “use” of equipment or “software” controlled by 4A (except 4A980, 4A993 or 4A994) or 4D (except 4D980, 4D993, 4D994).

License Requirements

Reason for Control: NS, MT, CC, AT, NP, XP.

Control(s)	Country chart
NS applies to “technology” for commodities or software controlled by 4A001 to 4A004, 4D001 to 4D003.	NS Column 1
MT applies to “technology” for items controlled by 4A001 to 4A003, 4A101, 4D001, 4D102 or 4D002 for MT reasons.	MT Column 1
CC applies to “technology” for computerized finger-print equipment controlled by 4A003 for CC reasons.	CC Column 1
AT applies to entire entry ..	AT Column 1

NP applies to “technology” for computers with a CTP greater than 6,500 Mtops, unless a License Exception is available. See § 742.3(b) of the EAR for information on applicable licensing review policies.

XP applies to “technology” for computers with a CTP greater than 6,500 Mtops, unless a License Exception is available. XP controls vary according to destination and end-user and end-use. See § 742.12 of the EAR for additional information.

License Requirement Notes: See § 743.1 of the EAR for reporting requirements for exports under License Exceptions.

License Exceptions

CIV: N/A.

TSR: Yes for “technology” directly related for hardware exported under a License Exception.

N/A for the following:

- (1) “Technology” controlled for MT reasons; or
- (2) Exports and reexports to destinations outside of Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, Portugal, Spain, Sweden, or the United Kingdom of “technology” for the “development” or “production” of the following items:
 - (a) “Digital” computers controlled by 4A003.b and having a CTP exceeding 33,000 MTOPS;
 - (b) “Electronic assemblies” controlled by 4A003.c and capable of enhancing performance by aggregation of “computing

elements” so that the CTP of the aggregation exceeds 33,000 MTOPS; or
(c) “Software” specially designed for the “development” or “production” of equipment listed in paragraphs (a) or (b) above.

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Dated: October 5, 2000.

R. Roger Majak,

Assistant Secretary for Export Administration.

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FEDERAL TRADE COMMISSION

16 CFR Parts 1 and 311

Federal Civil Penalties Inflation Adjustment Act of 1990; and Debt Collection Improvement Act of 1996

AGENCY: Federal Trade Commission (FTC).

ACTION: Final rule amendments.

SUMMARY: These rule amendments adjust the dollar amounts of civil penalties under statutes within the FTC’s jurisdiction to reflect inflation that has occurred since the Commission last made such inflation adjustments in 1996.

EFFECTIVE DATE: November 20, 2000.

FOR FURTHER INFORMATION CONTACT: Alex Tang, Attorney, Office of General Counsel, FTC, 600 Pennsylvania Avenue, NW, Washington, DC 20580, (202) 326-2447, atang@ftc.gov.

SUPPLEMENTARY INFORMATION: The Federal Civil Penalties Inflation Adjustment Act of 1990 (FCPIAA), as amended by the Debt Collection Improvement Act of 1996 (DCIA), 28 U.S.C. 2461 note, requires each federal agency to issue regulations adjusting civil monetary penalty amounts within its jurisdiction for inflation at least once every four years, using the June consumer price index (CPI) published by the United States Department of Labor, Bureau of Labor Statistics. The last time the Commission adjusted its civil penalties was in 1996, when it published the initial adjustments required by the Act. See 61 FR 54548 (Oct. 21, 1996), 55840 (Oct. 29, 1996) (correction); Commission Rule 1.98, 16 CFR 1.98 (inflation adjustments of civil monetary penalty amounts).

The Commission is now amending Rule 1.98 to reflect the 10.02% increase in the relevant CPI since 1996 (*i.e.*, from 156.7 in June 1996 to 172.4 in June 2000), with the amount of each increase being rounded in accordance with