

duties under the duty-deferral program provisions of the North American Free Trade Agreement (NAFTA). The document prescribed the documentary and other requirements that must be followed when merchandise is withdrawn from a U.S. duty-deferral program either for exportation to another NAFTA country or for entry into a duty-deferral program of another NAFTA country, the procedures that must be followed in filing a claim for a waiver or reduction of duties collected on such merchandise, and the procedures for finalization of duty collections and duty waiver or reduction claims. The document prescribed a January 1, 1996, effective date for the interim regulatory amendments.

The discussion of the Paperwork Reduction Act within the **SUPPLEMENTARY INFORMATION** portion of the document included figures regarding the reporting and/or recordkeeping burden associated with the information collection requirements under the interim regulatory texts, as reported to the Office of Management and Budget (OMB); however, the document incorrectly stated the hours reported to OMB with regard to the estimated total annual reporting and/or recordkeeping burden which should have read "213,960" hours. In addition, within the text of interim § 181.53(b)(4) as set forth in the document, the reference in the introductory sentence to "paragraph (e)(1) or (e)(2)" should have read "paragraph (b)(4)(i) or (b)(4)(ii)". This document corrects these two errors.

#### Corrections of Publication

Accordingly, the document published in the Federal Register as T.D. 96-14 on January 30, 1996 (61 FR 2908) is corrected as set forth below.

#### **Correction to the SUPPLEMENTARY INFORMATION Section**

On page 2910, in the second column under the heading Paperwork Reduction Act, the figure "405,070 hours" after "Estimated total annual reporting and/or recordkeeping burden:" is corrected to read "213,960 hours".

#### **Correction to the Interim Regulations**

On page 2913, in the second column, in the introductory sentence of § 181.53(b)(4), the reference "paragraph (e)(1) or (e)(2)" is corrected to read "paragraph (b)(4)(i) or (b)(4)(ii)".

Dated: February 8, 1996.  
Stuart P. Seidel,  
*Assistant Commissioner, Office of  
Regulations and Rulings.*  
[FR Doc. 96-3591 Filed 2-15-96; 8:45 am]  
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## DEPARTMENT OF STATE

### 22 CFR Part 42

[Public Notice 2336]

#### **Bureau of Consular Affairs; Visas: Documentation of Immigrants Under the Immigration and Nationality Act as Amended; Correction**

**AGENCY:** Bureau of Consular Affairs, Department of State.

**ACTION:** Correction to final rule.

**SUMMARY:** This document corrects the final rule published in the Federal Register on January 22, 1996 [61 FR 1523] which promulgates changes to the regulations implementing the Diversity Immigrant Program provided for in INA 201(a)(3), 201(e), 203(c), and 204(a)(1)(G), as amended. This document corrects the effective date of the final rule by amending it to read January 22, 1996.

**EFFECTIVE DATE:** The effective date published in the Department of State rule published at 61 FR 1523 was incorrectly printed as February 21, 1996. The correct effective date is January 22, 1996.

**FOR FURTHER INFORMATION CONTACT:** Cornelius D. Scully, III, Director, Office of Legislation, Regulations, and Advisory Assistance, Bureau of Consular Affairs, Department of State, (202) 663-1184.

**SUPPLEMENTARY INFORMATION:** The Department's Public Notice 2319 published at 61 FR 1523 incorrectly showed an effective date of February 21, 1996. The effective date of this rule should be January 22, 1996. This rule amends § 42.33 of 22 CFR Part 42. This rule modified the petitioning procedure by requiring aliens petitioning for selection to compete for visas, sign their petition and include a photograph. This rule also proves authority for collection of a processing fee in case it should be decided that a fee should be charged.

Dated: February 9, 1996.  
Mary A. Ryan,  
*Assistant Secretary for Consular Affairs.*  
[FR Doc. 96-3414 Filed 2-15-96; 8:45 am]  
BILLING CODE 4110-06-P

## Bureau of Political Military Affairs

### 22 CFR Parts 123 and 126

[Public Notice 2294]

#### **Amendment to the International Traffic in Arms Regulations**

**AGENCY:** Department of State.

**ACTION:** Final rule.

**SUMMARY:** This rule would amend the International Traffic in Arms Regulations (ITAR) by establishing an exemption for the temporary export of cryptographic products for personal use. The effect of the change would be to ease the burden on U.S. citizens and lawful permanent residents who have the need to temporarily export cryptographic products when leaving the U.S. for brief periods of time.

**EFFECTIVE DATE:** February 16, 1996.

**FOR FURTHER INFORMATION CONTACT:** Rose Biancanello, Deputy Director for Licensing, Office of Defense Trade Controls, Department of State, (703) 875-6643 or FAX (703) 875-6647.

**SUPPLEMENTARY INFORMATION:** The U.S. Government has since 1993, at the direction of the President, been reviewing the U.S. policy regarding the domestic use of, and export controls on, cryptographic technology. While U.S. national security and foreign policy compel maintaining appropriate export controls on cryptography, the Department of State has continued to reform the export control procedures applicable to those products incorporating cryptography which are controlled by the ITAR in Category XIII(b)(1). For example, on September 2, 1994, the Department published (at 59 FR 45621) a final rule change which created a new Section 124.15. The section provides for a new arrangement by which the Department of State may provide approval for category XIII(b)(1) cryptography products to be distributed by U.S. manufacturers directly to foreign end users without obtaining an individual license for each transaction.

After extensive review, the Department of State has decided to further amend the regulations to provide for an exemption for the temporary export of cryptographic products for personal use. The exemption does not apply to other circumstances, for example, those in which a person contemplates sales, marketing or demonstration. Nor does the exemption apply to exports to destinations listed in Section 126.1 of the ITAR which are prohibited by a United Nations Security Council Resolution or to which the export (or for which the issuance of a

license for the export) would be prohibited by a U.S. statute (e.g., by Section 40 of the Arms Export Control Act, 22 U.S.C. 2780, to countries that have been determined to have repeatedly provided support for acts of international terrorism, i.e., Cuba, Iran, Iraq, Libya, North Korea, Sudan and Syria).

This rule amends Part 123 to add a new Section 123.27 to reduce the burden on individual users of cryptographic products by providing an exemption for the temporary export for personal use of products covered by Category XIII(b)(1) when the product remains in the possession of the exporter or the possession of another U.S. citizen or lawful permanent resident traveling with him/her. For purposes of this exemption, a product is considered to be in the possession of the exporter if the exporter takes normal precautions to ensure the security of the product by locking the product in a hotel room, safe, or other comparably secure location; and, while in transit, the exporter keeps the product in his/her carry-on luggage or locked in baggage accompanying the exporter which has been checked with the carrier.

This amendment involves a foreign affairs function of the United States and thus is excluded from the procedures of Executive Order 12866 (58 FR 51735) and 5 U.S.C. 553 and 554.

However, interested parties are invited to submit written comments to the Department of State, Director, Office of Defense Trade Controls, Attn: Regulatory Change, Personal Use Cryptographic Products, Room 200, SA-6, Washington, DC 20520-0602.

This rule affects collection of information subject to the Paperwork Reduction Act (44 U.S.C. 3501 et seq), and will serve to reduce the burden on exporters by adding an exemption which will remove the current requirement for a license.

#### Paperwork Reduction Act

The record-keeping requirement contained in section 123.27(b) has been approved by OMB and has a control number of 1405-0103. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

#### List of Subjects

##### 22 CFR Part 123

Arms and munitions, Exports, Reporting and recordkeeping requirements.

##### 22 CFR Part 126

Arms and munitions, Exports.

Accordingly, for the reasons set forth in the preamble, title 22, chapter I, subchapter M, of the Code of Federal Regulations, is amended as set forth below:

#### PART 123—LICENSES FOR THE EXPORT OF DEFENSE ARTICLES

1. The authority citation for part 123 continues to read as follows:

Authority: Secs. 2 and 38, Pub. L. 90-629, 90 Stat. 744 (22 U.S.C. 2752, 2778); E.O. 11958, 42 FR 4311, 3 CFR 1977 Comp. 79; 22 U.S.C. 2658.

2. A new § 123.27 is added to read as follows:

##### § 123.27 Temporary export for personal use of Category XIII(b)(1) cryptographic products.

(a) District Directors of Customs may permit a U.S. citizen or a U.S. person who is a lawful permanent resident as defined by 8 U.S.C. 1101(a)(20) to temporarily export from the United States without a license not more than one each of any unclassified Category XIII(b)(1) cryptographic hardware product and not more than a single copy of each type of unclassified Category XIII(b)(1) cryptographic software product provided that:

(1) The software product(s) are to be used only on a simultaneously temporarily exported Category XIII(b)(1) hardware product or a simultaneously exported item on the Commerce Control List (CCL); and

(2) The cryptographic products covered by Category XIII(b)(1) are not destined for export to a destination listed in § 126.1 of the ITAR (22 CFR 126.1) which is prohibited by a United Nations Security Council Resolution or to which the export (or for which the issuance of a license for the export) would be prohibited by a U.S. statute (e.g., by Section 40 of the Arms Export Control Act, 22 U.S.C. 2780, to countries that have been determined to have repeatedly provided support for acts of international terrorism—currently Cuba, Iran, Iraq, Libya, North Korea, Sudan and Syria); and

(3)(i) The encryption products remain in the possession of the exporting person or the possession of another U.S. citizen or lawful permanent resident traveling with him/her, are for their exclusive use and not for copying, demonstration, marketing, sale, re-export or transfer of ownership or control. The export of cryptographic products identified in Category XIII(b)(1) in any other circumstances, for example, those in which a person

contemplates sales, marketing, or demonstration must be licensed in accordance with policies and procedures established in this subchapter.

(ii) *Special definition.* For purposes of paragraph (a)(3)(i) of this section, a product is considered to be in the possession of the exporter if:

(A) The exporter takes normal precautions to ensure the security of the product by locking the product in a hotel room, safe, or other comparably secure location; and

(B) While in transit, the exporter keeps the product in his/her carry-on luggage or locked in baggage accompanying the exporter which has been checked with the carrier; and

(4) At the time of export from the U.S. and import into the U.S., the cryptographic products are with the individual's accompanying baggage or effects. They may not be exported or imported in unaccompanied baggage, mailed or transmitted by any other means (e.g., electronically); and, the cryptographic products must be returned to the U.S. at the completion of the stay abroad; and

(5) The exporter, upon request of a U.S. Customs officer, will submit the products to inspection at the time of export and/or import.

(b) Use of this exemption requires the exporter, in lieu of filing a Shippers' Export Declaration, to maintain, for a period of 5 years from the date of each temporary export, a record of that temporary export and the subsequent import. Included in this record must be a self certification that the individual complied with the conditions of paragraph (a) of this section and a self certification that he/she has no reason to believe that any of the temporarily exported cryptographic products were stolen, lost, copied, sold or otherwise compromised or transferred while abroad. The record should include the following information: A description of the unclassified cryptographic products; the countries entered, including the dates of entry and exit for each foreign country; and, the dates of temporary export from and subsequent import into the United States.

(c) In any instance where a product exported under this exemption is stolen, lost, copied, sold or otherwise compromised or transferred while abroad, the exporting person must, within 10 days of his/her return to the United States, report the incident to the Department of State, Office of Defense Trade Controls, Washington, D.C. 20520-0602. Also, any person who knows or has reason to know that cryptographic products exported under

this exemption are being transferred, exported, or used for any other activity which must be licensed or otherwise authorized in writing by the Department of State, should immediately inform the Department of State, Office of Defense Trade Controls, Washington D.C. 20520-0602.

## **PART 126—GENERAL POLICIES AND PROVISIONS**

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

Authority: Secs. 2, 38, 40, 42 and 71, Arms Export Control Act, Pub. L. 90-629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2780, 2791 and 2797); E.O. 11958, 41 FR 4311; E.O. 11322, 32 FR 119; 22 U.S.C. 2658; 22 U.S.C. 287c; E.O. 12918, 59 FR 28205.

2. Section 126.1(a) is amended by designating the three sentences of the undesignated paragraph as the third, fourth and fifth sentences of paragraph (a) and by adding a new sixth sentence at the end of paragraph (a) to read as follows:

### **§ 126.1 Prohibited exports and sales to certain countries.**

(a) \* \* \* With regard to § 123.27 the exemption does not apply with respect to articles originating in or for export to countries prohibited by a United Nations Security Council Resolution or to which the export (or for which the issuance of a license for the export) would be prohibited by a U.S. statute (e.g., by Section 40 of the Arms Export Control Act, 22 U.S.C. 2780, to countries that have been determined to have repeatedly provided support for acts of international terrorism, i.e., Cuba, Iran, Iraq, Libya, North Korea, Sudan and Syria).

\* \* \* \* \*

Dated: November 17, 1995.

Lynn E. Davis,

*Under Secretary for Arms Control and International Security Affairs.*

[FR Doc. 96-3190 Filed 2-15-96; 8:45 am]

BILLING CODE 4710-25-M

## **DEPARTMENT OF THE TREASURY**

### **Fiscal Service**

#### **31 CFR Parts 357 and 370**

#### **Regulations Governing Book-Entry Treasury Bonds, Notes and Bills; Regulations Governing Payments by the Automated Clearing House Method**

**AGENCY:** Bureau of the Public Debt, Fiscal Service, Treasury.

**ACTION:** Final rule.

**SUMMARY:** The purpose of this final rule is to amend the general regulations governing book-entry Treasury securities, which apply to investors in the TREASURY DIRECT system, to require the Bureau of the Public Debt to send prenotification messages when an investor has requested that payments on his account be made by the Automated Clearing House (ACH) method, and to modify the number of days required to wait after a prenotification message is sent before live dollar entries can be initiated. This amendment will bring the procedures for prenotification messages for TREASURY DIRECT ACH payments in conformity with the procedures for the National Automated Clearing House Association (NACHA). Part 370 governs payments by the ACH method when such payments are made by Treasury on account of United States securities, including ACH payments in the TREASURY DIRECT system. This rule affects only ACH payments in the TREASURY DIRECT system. Because the amended Part 357 will contain some prenotification procedures inconsistent with Part 370, Part 370 will indicate that it applies to ACH payments made by Treasury on account of United States securities, except as otherwise provided.

**EFFECTIVE DATE:** February 16, 1996.

**FOR FURTHER INFORMATION CONTACT:** Maureen Parker, Director, Division of Securities Systems, Bureau of the Public Debt, Parkersburg, West Virginia, 26106-1328, (304) 480-7761 or Susan Klimas, Attorney-Adviser, Office of the Chief Counsel, Bureau of the Public Debt, (304) 480-5192.

**SUPPLEMENTARY INFORMATION:** This final rule amends the general regulations governing book-entry Treasury securities to require that, when payments are made by the ACH method, prenotification messages be sent by the Bureau of the Public Debt to the financial institution to which such payments are to be directed, and to change the current waiting period after a prenotification message is sent before live dollar entries can be transmitted from 15 days to 10 days, to conform with the standard practice of NACHA. Prior to this amendment, the regulations provided for prenotification messages to be sent, but did not specifically require such messages. Accordingly, Part 357 is amended by changing § 357.26(b)(3) to provide that prenotification messages must be sent and to require a 10 day waiting period after the prenotification message is sent before a live money transfer can be made. Additionally, the provisions of 31 CFR 370.5 relating to the sending of prenotification messages, which were formerly incorporated by

reference, are added to this regulation. Because the amended Part 357, governing the TREASURY DIRECT system, will contain some procedures inconsistent with Part 370, which applies to payments made by the Bureau of the Public Debt by the ACH method of payment, Part 370 is amended to indicate that it applies except as otherwise provided.

### **Procedural Requirements**

It has been determined that this final rule does not meet the criteria for a "significant regulatory action," as defined in Executive Order 12866. Therefore, the regulatory review procedures contained therein do not apply.

This rule relates to matters of public contract and procedures for U.S. securities, as well as the borrowing power and fiscal authority of the United States. Accordingly, pursuant to 5 U.S.C. 553(a)(2), the notice, public comment and delayed effective date provisions of the Administrative Procedure Act do not apply. As no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*) do not apply.

There are no new collections of information contained in this Final Rule, and, therefore, the Paperwork Reduction Act (44 U.S.C. 3504(h)) does not apply.

List of Subjects in 31 CFR Parts 357 and 370

Banks, Banking, Bonds, Federal Reserve System, Government securities, Electronic funds transfer, Government securities, Securities.

Dated: January 11, 1996.

Gerald Murphy,

*Fiscal Assistant Secretary.*

For the reasons set out in the preamble, 31 CFR Parts 357 and 370 are amended as follows:

## **PART 357—GENERAL REGULATIONS GOVERNING BOOK-ENTRY TREASURY BONDS, NOTES AND BILLS**

1. The authority citation for Part 357 continues to read as follows:

Authority: 31 U.S.C. Chapter 31, 5 U.S.C. 301 and 12 U.S.C. 391.

2. Section 357.26(b)(3) is revised to read as follows:

### **§ 357.26 Payments.**

\* \* \* \* \*

(b) \* \* \*

(3) *Prenotification.* A prenotification message must be sent to the financial