

TABLE II.—LUMP SUM VALUATIONS

[In using this table: (1) For benefits for which the participant or beneficiary is entitled to be in pay status on the valuation date, the immediate annuity rate shall apply; (2) For benefits for which the deferral period is  $y$  years (where  $y$  is an integer and  $0 < y \leq n_1$ ), interest rate  $i_1$  shall apply from the valuation date for a period of  $y$  years, and thereafter the immediate annuity rate shall apply; (3) For benefits for which the deferral period is  $y$  years (where  $y$  is an integer and  $n_1 + 1 < y \leq n_1 + n_2$ ), interest rate  $i_2$  shall apply from the valuation date for a period of  $y - n_1$  years, interest rate  $i_1$  shall apply for the following  $n_1$  years, and thereafter the immediate annuity rate shall apply; (4) For benefits for which the deferral period is  $y$  years (where  $y$  is an integer and  $y > n_1 + n_2$ ), interest rate  $i_3$  shall apply from the valuation date for a period of  $y - n_1 - n_2$  years, interest rate  $i_2$  shall apply for the following  $n_2$  years, interest rate  $i_1$  shall apply for the following  $n_1$  years, and thereafter the immediate annuity rate shall apply.]

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)					
	On or after	Before		$i_1$	$i_2$	$i_3$	$n_1$	$n_2$	
48	10-1-97	11-1-97	4.75	4.00	4.00	4.00	7	8	

Issued in Washington, D.C., on this 10th day of September 1997.

**David M. Strauss,**

*Executive Director, Pension Benefit Guaranty Corporation.*

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## DEPARTMENT OF THE TREASURY

### Office of Foreign Assets Control

#### 31 CFR Chapter V

#### **Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Narcotics Traffickers, and Blocked Vessels: Additional Designations and Removal of Two Individuals**

**AGENCY:** Office of Foreign Assets Control, Treasury.

**ACTION:** Amendment of final rule.

**SUMMARY:** The Treasury Department is adding to appendices A and B to 31 CFR chapter V the name of one entity and one individual who have been determined to act for or on behalf of, or to be owned or controlled by, the Government of Libya. In addition, two individuals previously designated as specially designated narcotics traffickers are being removed from the appendices.

**EFFECTIVE DATE:** September 9, 1997.

**FOR FURTHER INFORMATION CONTACT:** Office of Foreign Assets Control, Department of the Treasury, Washington, DC 22201; tel.: 202/622-2520.

#### **SUPPLEMENTARY INFORMATION:**

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#### **Background**

Appendices A and B to 31 CFR chapter V contain the names of blocked persons, specially designated nationals, specially designated terrorists, and specially designated narcotics traffickers designated pursuant to the various economic sanctions programs administered by the Office of Foreign Assets Control ("OFAC") (62 FR 34934, June 27, 1997). Pursuant to the Libyan Sanctions Regulations, 31 CFR part 550, one Italian entity and one Italian individual are added to the appendices as persons who have been determined to act for or on behalf of, or to be owned or controlled by, the Government of Libya ("specially designated nationals"

or "SDNs"). Any property subject to the jurisdiction of the United States in which an SDN has an interest is blocked, and U.S. persons are prohibited from engaging in any transaction or in dealing in any property in which an SDN has an interest.

In addition, pursuant to the Narcotics Trafficking Sanctions Regulations, 31 CFR part 536, and upon review of compliance with and enforcement of Executive Order 12978 of October 21, 1995, "Blocking Assets and Prohibiting Transactions with Significant Narcotics Traffickers," the names of two individuals previously designated as specially designated narcotics traffickers ("SDNTs") are being removed from the appendices. All real and personal property of these individuals, including all accounts not otherwise subject to blocking in which they have any interest, are unblocked; and all lawful transactions involving U.S. persons and these individuals are authorized.

Designations of foreign persons blocked pursuant to the Order are effective upon the date of determination by the Director of the Office of Foreign Assets Control, acting under authority delegated by the Secretary of the Treasury. Public notice of blocking is effective upon the date of filing with the **Federal Register**, or upon prior actual notice.

Since this regulation involves a foreign affairs function, the provisions of Executive Order 12866 and the Administrative Procedure Act (5 U.S.C. 553), requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601-612) does not apply.

For the reasons set forth in the preamble, and under the authority of (1) 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C.

1601-1641, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12978, 60 FR 54579, 3 CFR, 1995 Comp., p. 415, with respect to the SDNT entries, and (2) 3 U.S.C. 301; 18 U.S.C. 2332d; 22 U.S.C. 287c, 2349aa-8 and 2349aa-9; 31 U.S.C. 321(b); 49 U.S.C. App. 1514; 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12543, 51 FR 875, 3 CFR, 1986 Comp., p. 181; E.O. 12544, 51 FR 1235, 3 CFR, 1986 Comp., p. 183; E.O. 12801, 57 FR 14319, 3 CFR, 1992 Comp., p. 294, with respect to the Libyan entries, appendices A and B to 31 CFR chapter V are amended as set forth below:

1. Appendices A and B to 31 CFR chapter V are amended by adding the following names inserted in alphabetical order (1) in appendix A, section I, and (2) under the heading "Italy" in appendix B:

BORTOLOTTI PETROLI S.p.A., Via San Desiderio, 11, 25020 Flero, Italy; Magazzino con Vendita Ingrosso, Via Garibaldi, 51, 25030 Paratico, Italy; Deposito, Via Zette, 14/A, 25087 Salo, Italy [SDN]

GIOVANNI IANORA, D.O.B. June 5, 1943, Via A. Costa 17, Milan, Italy; (individual)[SDN]

2. Appendices A and B to 31 CFR chapter V are amended by (1) removing the entries in the names "RODRIGUEZ MORENO, Stephanie (Stethanine)" and "SANTACRUZ CASTRO, Sandra" from appendix A and (2) under the heading "Colombia" in appendix B, removing the entries in the names "RODRIGUEZ MORENO, Stephanie (Stethanine); and "Santacruz Castro, Sandra".

Dated: August 22, 1997.

**R. Richard Newcomb,**

*Director, Office of Foreign Assets Control.*

Approved: August 29, 1997.

**James E. Johnson,**

*Assistant Secretary (Enforcement).*

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## **PANAMA CANAL COMMISSION**

### **35 CFR Part 104**

**RIN 3207-AA40**

#### **Vessel Transit Reservation System**

**AGENCY:** Panama Canal Commission.

**ACTION:** Final rule.

**SUMMARY:** This document announces the final rule constituting the Panama Canal Vessel Transit Reservation System, which allows vessels to reserve transit slots in advance of arrival at the Panama Canal and be moved through the Canal on pre-assigned dates.

**DATES:** The effective time and date of the final rule is 12:00 Midnight (2400 hrs) (Panama time), September 30, 1997.

**FOR FURTHER INFORMATION CONTACT:** Chief of the Economic Research and Market Development Division, Panama Canal Commission, Unit 2300, APO AA 34011-2300, Telephone 011-507-272-3586; Fax 011-507-272-1622; E-mail: pcc.epem@pananet.com

**SUPPLEMENTARY INFORMATION:** On April 15, 1997, the Panama Canal Commission (PCC) published in the **Federal Register** (Volume 62, Number 72, Pages 18275-18277), an interim rule to test a revised vessel transit reservation system, which test commenced at 2:00 P.M. (1400 hrs), April 21, 1997. The 120-day test period ended on August 20, 1997. The test comment period, however, pursuant to Marine Director's Notice To Shipping Nos. N-7-97, Rev. 3 (dtd 8/8/97) and N-7-97, Rev. 4 (dtd 8/22/97), was extended to close of business, September 5, 1997.

Throughout the comment period, PCC received both formal and informal comments, in writing and orally, from ship agents, owners and operators and maritime industry trade groups. These comments included proposals that PCC abolish the vessel transit reservation system and revert to a first come-first serve system, that PCC delay full implementation of the system for cruise line customers, complaints about various components of the test system, and suggestions and proposals to improve and facilitate implementation of the test system on a permanent basis.

During the test, PCC gained valuable hands-on experience with all operational aspects of the test system. The empirical, statistical and other data gathered during the test was beneficial in assessing the actual impact of the test system on a representative cross-section of Canal customers.

Specifically, the test revealed that overall utilization of the 21 reserved transit slots available for all three booking periods did not appreciably change in the second and third booking periods. The (new) first booking period was utilized principally by passenger vessels. The test also revealed that, based on current Canal capacity, 21 reserved transit slots is the maximum number that the system can accommodate, consistent with safe and efficient operation of the Canal. On the other hand, allocation of the 21 reserved transit slots among the three booking periods is an area in which operational considerations afford PCC some flexibility. PCC, therefore, will continue to monitor and, where appropriate, may periodically change the number of

reserved transit slots allocated among the three booking periods, as well as allocations among various vessel types. Any such changes will be announced in future Marine Director's notices to shipping.

Changing the number of days that comprise each of the three booking periods, as some customers urged, would not have any foreseeable adverse impact on Canal operations. Any such changes, however, while no doubt benefiting some customers, would negatively impact others. Balancing fairness and equity for all Canal customers, the final rule does not change the length of any of the three booking periods.

Missing from the interim rule was criteria for canceling transit "condition 3", which triggers the additional booking fee whenever the total number of vessels awaiting transit at both termini of the Canal is projected by Canal authorities to be, within 2 days, 90 or more vessels for at least 2 consecutive days (hereafter, "premium booking fee"). Seesaw declarations and cancellations of condition 3 in response to fluctuating vessel arrivals/departures disrupted orderly operation of the system and, on occasion, resulted in hardship for some customers required to pay the premium fee. PCC, therefore, will adopt an implementation provision (to be announced in a Marine Director's notice to shipping), stating that, following invocation, Canal authorities will revoke condition 3 whenever the number of vessels awaiting transit is projected to be reduced to 80 or fewer vessels.

Concerning the premium booking fee, this feature of the test, by far, generated the most comment and criticism from Canal customers. Consideration was given to eliminating or reducing the amount of the fee. After careful review and reconsideration, however, PCC reaffirms its original assessment, made on the basis of objective economic data, that payment of the current premium booking fee to secure expeditious transit of the Canal during periods when condition 3 is in effect, affords customers who utilize this service tangible economic benefits, when compared to the high costs of transit delays of uncertain duration during such periods. Nevertheless, PCC is sensitive to customer complaints that the factors which cause condition 3 to be invoked are largely beyond their control. Consequently, PCC will redouble efforts to schedule maintenance, Canal improvement projects and other activities that adversely impact transit operations, to the extent practicable, so as to minimize