

would have to return any premium received under certain conditions. These conditions are: (1) If the borrower prepays the loan for any reason during the first 90 days after the settlement of the Secondary Market sale; or (2) if the borrower fails to make when due, the first three monthly payments within the month after the Secondary Market sale and the borrower enters uncured default within 275 days after the settlement date of the Secondary Market sale. This warranty provision, added to the Form 1086, helped to encourage investor participation in the Secondary Market by extending investment protection beyond the principal amount of the guaranteed portion to the premium paid by the investor.

It is SBA's understanding that under new FASB guidelines for the accounting treatment of a Secondary Market sale, as detailed in FAS 166, a lender may not treat any premium received as income until the expiration of the warranty period. In addition, if the lender sells the loan and retains cash flow in excess of the minimum servicing fee, the transaction is considered a borrowing and the lender must continue to retain capital to support it. As a result, the lender would have to hold more capital because the original loan would still be on the books along with the new borrowing.

In light of the foregoing, SBA is soliciting views from the public on the effect of FAS 166 on SBA Lender and investor participation in the SBA 7(a) loan program and the SBA Secondary Market Program. In addition, SBA is soliciting views from the public on the need to modify the structure of the 7(a) loan program and/or the SBA Secondary Market program. Commenters are encouraged to submit suggestions that could minimize any adverse impact of FAS 166 on the 7(a) loan program and/or SBA Secondary Market participants.

SBA has received several unsolicited suggestions on how to address this issue. Some of the suggestions may require regulatory changes; others may require form or contractual changes. SBA has not taken a position on any of these proposals. SBA is seeking additional suggestions and ideas on how to address the ramifications of FAS 166 on the 7(a) loan program and the SBA Secondary Market Program, as well as comments on the specific proposals received to date, which are as follows:

1. *Eliminate the warranty period from the Form 1086 and the SBA Secondary Market Program.* Under this proposal, SBA would modify the Form 1086 to remove the warranty language. The warranty provision afforded investors some protection against early

prepayment and may have discouraged lenders from selling guaranteed portions of loans they knew were susceptible to early default. However, after the warranty language was implemented, Congress added a subsidy recoupment fee (prepayment penalty) for borrowers, which may have reduced the need for the warranty provision. The subsidy recoupment fee is charged to the borrower if it prepays a loan in the first three years of the life of the loan. Secondary Market sales tend to occur in the first year of the life of the loan. Thus, borrowers have a financial incentive not to prepay early in the life of the loan that did not exist when the warranty language was originally added to the Form 1086. It is also possible that SBA's establishment of the Office of Credit Risk Management (OCRM) has reduced the need for the warranty provision as OCRM monitors lender activity and has the ability to scrutinize prepayment activity, including a pattern of early prepayments.

2. *Permit or Require SBA Secondary Market Broker Dealers to provide the warranty to their customers.* If SBA were to permit or require broker dealers to provide the warranty protection, the selling lender would no longer be in the position of having to return any funds received from a secondary market sale. SBA understands that many broker dealers are currently holding many loans in excess of ninety (90) days while they create pools, so many loans may actually be in the broker dealer's inventory during the warranty period. While this change would result in a liability for the broker dealers, the broker dealer may be in a good position to know which lender's loans tend to prepay or default during the warranty period. This option would require modification of the Form 1086 by SBA.

3. *Permit a private sector insurance fund to repay investors when a premium is lost during the 90 day warranty period.* Under this proposal, lenders would pay a portion of the premium received into an insurance fund that would be run by an entity not related to SBA or to SBA participating lenders. If a borrower prepays or defaults, the investor would file a claim with the insurance fund. SBA's role in the implementation of such an option would consist only of removing the warranty language from the Form 1086; the fund would be established and run by a private sector entity.

4. *Make the warranty period optional.* Under this proposal, SBA would modify the Form 1086 and related documents to allow the buyers and sellers to decide whether they wanted a warranty included in the terms of the agreement

for a particular sale. Commenters are requested to provide suggestions on how warranty information for a particular sale could be communicated to potential purchasers under this proposal as such purchasers would need to know in advance whether a particular certificate included a warranty. Implementing this change would require modifications to both the Form 1086 and SBA's contract with its Fiscal and Transfer Agent.

Commenters are encouraged to submit other suggestions or actions that could minimize any adverse impact of FAS 166 on the 7(a) loan program and/or SBA Secondary Market participants. SBA is also seeking comments on whether the existing warranty should be left in place as it is currently structured.

**Authority:** 15 U.S.C. 634(b)(7)

Dated: March 5, 2010.

**Eric R. Zarnikow,**

*Associate Administrator of Capital Access.*

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**BILLING CODE 8025-01-P**

## DEPARTMENT OF STATE

[Public Notice 6924]

### Bureau of Political-Military Affairs; Statutory Debarment Under the Arms Export Control Act and the International Traffic in Arms Regulations

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given that the Department of State has imposed statutory debarment pursuant to § 127.7(c) of the International Traffic in Arms Regulations ("ITAR") (22 CFR parts 120 to 130) on persons convicted of violating, attempting to violate or conspiring to violate Section 38 of the Arms Export Control Act, as amended, ("AECA") (22 U.S.C. 2778).

**DATES:** *Effective Date:* Date of conviction as specified for each person.

**FOR FURTHER INFORMATION CONTACT:** Lisa Studtmann, Director, Office of Defense Trade Controls Compliance, Bureau of Political-Military Affairs, Department of State, (202) 663-2980.

**SUPPLEMENTARY INFORMATION:** Section 38(g)(4) of the AECA, 22 U.S.C. 2778(g)(4), prohibits the Department of State from issuing licenses or other approvals for the export of defense articles or defense services where the applicant, or any party to the export, has been convicted of violating certain statutes, including the AECA. In implementing this provision, Section 127.7 of the ITAR provides for "statutory

debarment" of any person who has been convicted of violating or conspiring to violate the AECA. Persons subject to statutory debarment are prohibited from participating directly or indirectly in the export of defense articles, including technical data, or in the furnishing of defense services for which a license or other approval is required.

Statutory debarment is based solely upon conviction in a criminal proceeding, conducted by a United States Court, and as such the administrative debarment procedures outlined in Part 128 of the ITAR are not applicable.

The period for debarment will be determined by the Assistant Secretary for Political-Military Affairs based on the underlying nature of the violations, but will generally be for three years from the date of conviction. At the end of the debarment period, export privileges may be reinstated only at the request of the debarred person followed by the necessary interagency consultations, after a thorough review of the circumstances surrounding the conviction, and a finding that appropriate steps have been taken to mitigate any law enforcement concerns, as required by Section 38(g)(4) of the AECA. Unless export privileges are reinstated, however, the person remains debarred.

Department of State policy permits debarred persons to apply to the Director, Office of Defense Trade Controls Compliance, for reinstatement beginning one year after the date of the debarment. Any decision to grant reinstatement can be made only after the statutory requirements of Section 38(g)(4) of the AECA have been satisfied.

Exceptions, also known as transaction exceptions, may be made to this debarment determination on a case-by-case basis at the discretion of the Assistant Secretary of State for Political-Military Affairs, after consulting with the appropriate U.S. agencies. However, such an exception would be granted only after a full review of all circumstances, paying particular attention to the following factors: Whether an exception is warranted by overriding U.S. foreign policy or national security interests; whether an exception would further law enforcement concerns that are consistent with the foreign policy or national security interests of the United States; or whether other compelling circumstances exist that are consistent with the foreign policy or national security interests of the United States, and that do not conflict with law enforcement concerns. Even if

exceptions are granted, the debarment continues until subsequent reinstatement.

Pursuant to Section 38(g)(4) of the AECA and Section 127.7(c) of the ITAR, the following persons are statutorily debarred as of the date of their AECA conviction:

(1) Jesus Lorenzo Torres-Lopez, November 19, 2009, U.S. District Court, District of Arizona, Case # CR 09-00616-002-TUC-JMR (HCE).

(2) Peter K. Spitz, November 25, 2008, U.S. District Court, Southern District of Florida, Case # 0:08-CR-60128-COHN.

(3) Traian Bujduveanu, June 12, 2009, U.S. District Court, Southern District of Florida, Case # 1:08-20612-CR-SEITZ-002.

(4) Ugur Yildiz, December 23, 2009, U.S. District Court, Northern District of Illinois, Case # 08 CR 480-1.

(5) Bing Xu, July 2, 2009, U.S. District Court, District of New Jersey, Case # CR-08-240-01 (RMB).

(6) Artur (AKA Alex) Solomonyan, March 6, 2009, U.S. District Court, Southern District of New York, Case # S1:05 cr 00327-01 (RJH).

(7) Christiaan Dewet (AKA David) Spies, July 16, 2009, U.S. District Court, Southern District of New York, Case # S1:05 cr 00327-02 (RJH).

(8) Ioseb (AKA Soso) Kharabadze, March 11, 2009, U.S. District Court, Southern District of New York, Case # S1:05 cr 00327-03 (RJH).

(9) John Reece Roth, July 28, 2009, U.S. District Court, Eastern District of Tennessee, Case # 3:08-CR-00069-1.

(10) Jose Luis Hernandez-Ochoa, December 19, 2008, U.S. District Court, Southern District of Texas, Case # 7:07CR00586-001.

(11) Luis Miguel Hernandez-Hernandez, December 19, 2008, U.S. District Court, Southern District of Texas, Case # 7:07CR00586-002.

(12) Fernando Venegas-Arias, December 31, 2008, U.S. District Court, Southern District of Texas, Case # 7:07CR00586-003.

(13) Pedro Javier Lopez-Lopez, December 31, 2008, U.S. District Court, Southern District of Texas, Case # 7:07CR00586-004.

(14) Amado Iracheta-Delgado, April 9, 2009, U.S. District Court, Southern District of Texas, Case # 7:07CR00595-001.

(15) Laiza Moreno, April 9, 2009, U.S. District Court, Southern District of Texas, Case # 7:07CR00595-002.

(16) Julio Cesar Tamez-Hernandez, February 16, 2009, U.S. District Court, Southern District of Texas, Case # 7:07CR01349-001.

(17) Obed Damian Guajardo-Silva, February 16, 2009, U.S. District Court,

Southern District of Texas, Case # 7:07CR01349-002.

(18) Juan Carlos Bocanegra, August 12, 2009, U.S. District Court, Southern District of Texas, Case # 7:08CR00005-001.

(19) Ramon Salazar-Rostro, January 19, 2009, U.S. District Court, Southern District of Texas, Case # 7:08CR00956-001.

(20) Justo Manuel Fernandez-Hernandez, February 25, 2009, U.S. District Court, Southern District of Texas, Case # 1:08CR01058-001.

(21) Alejandro Reyes-Baez, June 1, 2009, U.S. District Court, Southern District of Texas, Case # 7:08CR01617-001.

(22) Nestor Rangel, June 12, 2009, U.S. District Court, Southern District of Texas, Case # 7:08CR01617-002.

(23) Juan Vasquez, August 12, 2009, U.S. District Court, Southern District of Texas, Case # 7:08CR01610-001.

(24) Reynol Garcia, June 12, 2009, U.S. District Court, Southern District of Texas, Case # 7:08CR01754-001.

(25) Antonio Rodriguez-Capetillo, January 16, 2010, U.S. District Court, Southern District of Texas, Case # 7:08CR01415-001.

(26) Mario Hector Quilantan-Garcia, December 9, 2009, U.S. District Court, Southern District of Texas, Case # 7:09CR00874-001.

(27) Pedro Cayetano Gonzalez-Flores, December 31, 2009, U.S. District Court, Southern District of Texas, Case # 7:09CR01019-001.

(28) Roberto Carlos Garcia-Salazar, January 31, 2009, U.S. District Court, Southern District of Texas, Case # 7:08CR01045-001.

(29) Manuel Rangel Rivera, January 9, 2009, U.S. District Court, Western District of Texas, Case # DR-07-CR-668(1)-AML.

(30) Ding Zhengxing (AKA Zhengxing Ding and Zheng Xing Ding), July 21, 2009, U.S. District Court, Western District of Texas, Case # EP-07-CR-3289-FM(1).

(31) Su Yang (AKA Yang Su), May 22, 2009, U.S. District Court, Western District of Texas, Case # EP-07-CR-3289-FM(3).

(32) Taipan Enterprises, Ltd., January 7, 2010, U.S. District Court, Eastern District of Virginia, Case # 1:10CR00002-001.

As noted above, at the end of the three-year period following the date of conviction, the above named persons/entities remain debarred unless export privileges are reinstated.

Debarred persons are generally ineligible to participate in activity regulated under the ITAR (*see e.g.*, sections 120.1(c) and (d), and 127.11(a)).

Also, under Section 127.1(c) of the ITAR, any person who has knowledge that another person is subject to debarment or is otherwise ineligible may not, without disclosure to and written approval from the Directorate of Defense Trade Controls, participate, directly or indirectly, in any export in which such ineligible person may benefit therefrom or have a direct or indirect interest therein.

This notice is provided for purposes of making the public aware that the persons listed above are prohibited from participating directly or indirectly in activities regulated by the ITAR, including any brokering activities and in any export from or temporary import into the United States of defense articles, related technical data, or defense services in all situations covered by the ITAR. Specific case information may be obtained from the Office of the Clerk for the U.S. District Courts mentioned above and by citing the court case number where provided.

Dated: March 10, 2010.

**Andrew J. Shapiro,**

*Assistant Secretary, Bureau of Political-Military Affairs, Department of State.*

[FR Doc. 2010-6067 Filed 3-18-10; 8:45 am]

**BILLING CODE 4710-25-P**

## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[STB Finance Docket No. 35358]

#### Regional Transportation District—Acquisition Exemption—BNSF Railway Company in Jefferson County, CO

Regional Transportation District (RTD),<sup>1</sup> has filed a verified notice of exemption under 49 CFR 1150.41 to acquire from BNSF Railway Company (BNSF) a segment of the property, approximately 9.55 miles in length, known as the Golden Subdivision in Jefferson County, CO, extending from milepost 6.3, in Utah Junction, CO, to the end of the line at approximately milepost 15.85, in Golden, CO. RTD will acquire the Golden Subdivision in two separate but contiguous segments, including: (1) The Gold Corridor East portion between milepost 6.3 and milepost 10.83; and (2) the Gold Corridor West portion between milepost 10.83 and milepost 15.85.<sup>2</sup> According to

RTD, BNSF will retain an exclusive freight easement for the trackage on the Golden Subdivision, and BNSF will retain the exclusive right to operate freight service on the entire line.

RTD states that RTD and BNSF anticipate that they will execute three agreements in conjunction with this transaction before consummating the transaction on or about April 5, 2010, after the April 4, 2010 effective date of this exemption (30 days after the exemption was filed). These agreements include: (a) Purchase and Sale Agreement; (b) Relocation and Construction Agreement; and (c) Joint Corridor Use Agreement. According to RTD, it will acquire no right or obligation to provide freight rail service on the Golden Subdivision, and it is acquiring the property for the purpose of providing intrastate passenger commuter rail operations.<sup>3</sup> RTD certifies that, because it will conduct no freight operations on the line segments being acquired, its annual revenues from freight operations as a result of this transaction will not result in the creation of a Class I or Class II rail carrier.

If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke does not automatically stay the transaction. Petitions for stay must be filed no later than March 26, 2010 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35358, must be filed with the Surface Transportation Board, 395 E Street, SW., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Charles A. Spitulnik, 1001 Connecticut Avenue, NW., Suite 800, Washington, DC 20036.

Board decisions and notices are available on our Web site at [www.stb.dot.gov](http://www.stb.dot.gov).

Decided: March 15, 2010.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

**Kulunie L. Cannon,**

*Clearance Clerk.*

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**BILLING CODE 4915-01-P**

Range Subdivision and will continue its existing freight operations on that line.

<sup>3</sup> RTD states that it will separately file a motion to dismiss this notice of exemption because it avers that it will not become a rail carrier providing transportation subject to Board jurisdiction.

## DEPARTMENT OF TRANSPORTATION

### Office of the Secretary

#### Application of Charter Air Transport, Inc. for Commuter Authority

##### Correction

In notice document 2010-5555 appearing on page 12328 in the issue of Monday, March 15, 2010, make the following correction:

In the second column, in the first paragraph, in the first line, “(insert date 5 business days from publication)” should read “March 22, 2010”.

[FR Doc. C1-2010-5555 Filed 3-18-10; 8:45 am]

**BILLING CODE 1505-01-D**

## DEPARTMENT OF TRANSPORTATION

### Pipeline and Hazardous Materials Safety Administration

#### Office of Hazardous Materials Safety; Notice of Application for Special Permits

**AGENCY:** Pipeline and Hazardous Materials Safety Administration (PHMSA), DOT.

**ACTION:** List of applications for modification of special permits.

**SUMMARY:** In accordance with the procedures governing the application for, and the processing of, special permits from the Department of Transportation's Hazardous Material Regulations (49 CFR Part 107, Subpart B), notice is hereby given that the Office of Hazardous Materials Safety has received the applications described herein. This notice is abbreviated to expedite docketing and public notice. Because the sections affected, modes of transportation, and the nature of application have been shown in earlier Federal Register publications, they are not repeated here. Requests for modification of special permits (e.g. to provide for additional hazardous materials, packaging design changes, additional mode of transportation, etc.) are described in footnotes to the application number. Application numbers with the suffix “M” denote a modification request. These applications have been separated from the new application for special permits to facilitate processing.

**DATES:** Comments must be received on or before April 5, 2010.

*Address Comments to:* Record Center, Pipeline and Hazardous Materials, Safety Administration, U.S. Department of Transportation, Washington, DC 20590.

<sup>1</sup> RTD is a political subdivision of the State of Colorado.

<sup>2</sup> RTD will also acquire an easement over a portion of BNSF's Front Range Subdivision from milepost 0 to approximately milepost 6.3, for the operation of passenger commuter rail service. RTD states BNSF will retain its fee interest in the Front