For the Commission by the Division of Market Regulation, pursuant to delegated authority.[7]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–11745 Filed 5–1–98; 8:45 am]

BILLING CODE 8010–01–M

SMALL BUSINESS ADMINISTRATION

Capstone Ventures SBIC, L.P. (License No. 09/79–0413)

Notice of Issuance of a Small Business Investment Company License

On September 19, 1997, an application was filed by Capstone Ventures SBIC, L.P., at 3000 Sand Hill Road, Bldg. 1, Suite 290, Menlo Park, California 94025, with the Small Business Administration (SBA) pursuant to Section 107.300 of the Regulations governing small business investment companies (13 CFR 107.300 (1997)) for a license to operate as a small business investment company.

Notice is hereby given that, pursuant to Section 301(c) of the Small Business Investment Act of 1958, as amended, after having considered the application and all other pertinent information, SBA issued License No. 09/79–0413 on April 7, 1998, to Capstone Ventures SBIC, L.P. to operate as a small business investment company.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

Dated: April 22, 1998.

Don A. Christensen,

Associate Administrator for Investment.

[FR Doc. 98–11794 Filed 5–1–98; 8:45 am]

BILLING CODE 8025–01–P

DEPARTMENT OF STATE

[Public Notice 2798]

Bureau of Political-Military Affairs; Imposition of Missile Proliferation Sanctions Against Entities in North Korea and Pakistan

AGENCY: Department of State.

ACTION: Notice.

SUMMARY: The United States Government has determined that entities in North Korea and Pakistan have engaged in missile technology proliferation activities that require imposition of sanctions pursuant to the Arms Export Control Act, as amended, and the Export Administration Act of 1979, as amended (as carried out under Executive Order 12424 of August 19, 1994).

EFFECTIVE DATE: April 17, 1998.

FOR FURTHER INFORMATION CONTACT: Vann H. Van Diepen, Office of Chemical, Biological and Missile Nonproliferation, Bureau of Political-Military Affairs, Department of State, (202–647–1142).

SUPPLEMENTARY INFORMATION: Pursuant to Section 73(a)(1) of the Arms Export Control Act (22 U.S.C. 2797b(a)(1)), Section 11B(b)(1) of the Export Administration Act of 1979 (50 U.S.C. app. 2401b(b)(1)), as carried out under Executive Order 12924 of August 19, 1994 (hereinafter cited as the ''Export Administration Act of 1979''), and Executive Order 12851 of June 11, 1993, the United States Government determined on April 17, 1998, that the following foreign persons have engaged in missile technology proliferation activities that require the imposition of the sanctions described in Sections 73(a)(2) (B) and (C) of the Arms Export Control Act (22 U.S.C. 2797b(a)(2) (B) and (C)) and Sections 11B(b)(1)(B) (ii) and (iii) of the Export Administration Act of 1979 (50 U.S.C. app. 2410b(b)(1)(B) (ii) and (iii)) on these entities:

1. Changgwang Sinyong Corporation (a.k.a. North Korea Mining Development Trading Corporation) (North Korea) and its sub-units, successors, and affiliated companies; and

2. Khan Research Laboratories (Pakistan) and its sub-units and successors.

Accordingly, the following sanctions are being imposed on these entities:

(A) New individual licenses for export to the entities described above of items controlled pursuant to the Export Administration Act of 1979 will be denied for two years;

(B) New licenses for export to the entities described above of items controlled pursuant to the Arms Export Control Act will be denied for two years;

(C) No United States Government contracts involving the entities described above will be entered into for two years; and

(D) No products produced by the entities described above will be imported into the United States for two years.

With respect to items controlled pursuant to the Export Administration Act of 1979, the export sanction only applies to exports made pursuant to individual export licenses.

Additionally, because of the definition of ''person'' in section 74(8)(B) of the Arms Export Control Act (22 U.S.C. 2797c(8)(B)) and North Korea's status as a country with a non-market economy that is not a former member of the Warsaw Pact, the following sanctions shall be applied to all activities of the North Korean government relating to the development of production of missile equipment or technology and all activities of the North Korean government affecting the development or production of electronics, space systems or equipment, and military aircraft:

(A) New licenses for export to the government activities described above of items controlled pursuant to the Arms Export Control Act will be denied for two years;

(B) No U.S. Government contracts involving the government activities described above will be entered into for two years; and

(C) No products produced by the government activities described above will be imported into the United States for two years.

These measures shall be implemented by the responsible agencies as provided in Executive Order 12851 of June 11, 1993.

Dated: April 24, 1998.

Eric D. Newsom,

Acting Assistant Secretary of State for Political Military Affairs.

[FR Doc. 98–11935 Filed 5–1–98; 8:45 am]

BILLING CODE 4710–25–M

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA–97–3052; Notice 2]

Kolcraft Enterprises, Inc.; Grant of Application for Decision of Inconsequential Noncompliance

Kolcraft Enterprises of Chicago, Illinois, has determined that approximately 107,000 child restraint systems fail to comply with Federal Motor Vehicle Safety Standard (FMVSS) No. 213, ''Child Restraint Systems,'' and has filed an appropriate report pursuant to 49 CFR part 573, ''Defects and Noncompliance Reports.'' Kolcraft has also applied to be exempted from the notification and remedy requirements of 49 U.S.C. Chapter 301—''Motor Vehicle Safety'' on the basis that the noncompliance is inconsequential to motor vehicle safety.

Notice of receipt of the application was published, with a 30-day comment period, on November 25, 1997, in the

[7] 17 CFR 200.30–3(a)(12).

Federal Register (62 FR 59755). NHTSA received no comments.

FMVSS No. 213, paragraph S5.7, requires that each material used in a child restraint system shall conform to S4 of FMVSS No. 302, ''Flammability of Interior Materials.'' This specifies that any material that does not adhere to other material(s) at every point of contact shall meet the burn rate requirements of S4.3 when tested separately. Materials are to be tested as a composite only if the material adheres to other material(s) at every point of contact.

The Kolcraft child restraints affected and the dates of production are as follows: Plus 4, Infant Rider (Models 36822–HY and 13x22–HY; 1/96 to 4/97); Plus 4, Infant Rider (Models 36820–LM and 13822–LM; 2/96 to 4/97); Plus 4, Travel-About, Infant Rider (Models 36820–RF and 138x2–RF; 3/96 to 4/97); Plus 4, Plus 5, Infant Rider, Travel-About (Models 368xx–SE and 13xx2–SE; 2/96 to 12/96); Rock n' Ride (Model 13100–PJ; 1/96 to 5/97; no longer in production); and Performa (Model 23305–TU; 3/96 to 10/96). The seat covers are constructed either of fabric, fiberfill and backing (scrim) or of vinyl, foam, and vinyl backing. In each of the affected models, one or more of the filling, face, or backing materials exceeded the 4 inches per minute burn rate when tested in accordance with S5 of FMVSS No. 302. Kolcraft estimates that about 107,000 child restraints potentially contain the non-compliant materials.

Kolcraft supports its application for inconsequential noncompliance with the following:

Kolcraft tested all potentially affected child restraint seat covers in the composite state and disaggregated state, and confirmed that all seat covers comply with the flammability standards of FMVSS No. 302 when tested in the composite state (as incorporated into FMVSS No. 213). Kolcraft also found that all potentially affected child restraint seat covers passed the cigarette burn test contained in California Technical Bulletin 116 when tested in the composite state.

Kolcraft maintains that the construction of the potentially affected seat covers makes it very unlikely that the various layers of its child restraint seat covers would ever be exposed to fire separately. The layers of fabric are securely bonded or sewn together around the entire perimeter of the seat cover and other areas. Kolcraft contends that it is unlikely that a large section of the fabric would be torn away, and extremely remote that that particular portion would be exposed to a potential ignition source. The most common source of ignition, and the source that FMVSS No. 302 is primarily designed to protect against, is a lighted cigarette. As stated above, all of Kolcraft's child restraints passed the cigarette burn test contained in California Technical Bulletin 116.

Kolcraft also contends that the frequency of incidents involving nonconforming materials or equipment should be a factor in determining whether noncompliance has an impact on safety. Kolcraft notes that, to its knowledge, there has not been one incident of a child injured by a fire that originated in a child restraint in the last 19 years.

Based on the above factors, Kolcraft contends that its child restraint seat pads, by virtue of complying with the flammability requirements of FMVSS No. 302 when tested in the composite state and by passing the cigarette burn test contained in California Technical Bulletin 116, comply with the purpose and intent of FMVSS Nos. 213 and 302, and therefore, the noncompliance is inconsequential to motor vehicle safety.

The agency has reviewed Kolcraft's application and has determined that the noncompliance is inconsequential to motor vehicle safety. NHTSA agrees with Kolcraft that the noncompliant seat covers are unlikely to pose a flammability risk when they are securely sewn to the seat, which is the normal condition for these seats.

Kolcraft supported this point by performing flammability testing under two conditions: first on the seat and cover as a composite, i.e., as it exists on a child seat with the items sewn together; and second, by performing the cigarette burn test contained in California Technical Bulletin 116 on the seat covers in the composite state. In both cases, the seat cover burned at a rate below the four inches per minute maximum set out in FMVSS No. 302.

The agency granted an application for inconsequential noncompliance submitted by Century Products Co. (60 FR 41148) in which the circumstances were identical to those in this application. The granting of Century's application was based, in part, on the agency's decision to grant a petition for inconsequential noncompliance submitted by PACCAR (57 FR 45868) in which the circumstances were similar to those presented in the Century, and now, Kolcraft application. PACCAR manufactures mattresses for the sleeper areas of certain truck tractors. A small portion of the material used in the construction of the mattresses, and subject to the requirements of FMVSS No. 302, failed the burn rate test. The agency determined that ignition of the noncompliant material was unlikely and, due to the small volume of the material, would not pose the threat of a serious fire if ignited. As a result of this analysis, the PACCAR petition was granted.

The circumstances here are similar to those in which the agency granted a petition for inconsequentiality by General Motors in connection with a noncompliance of the upper beam indicator, 56 FR 33323 (1991). The indicator was noncompliant only when the cigarette lighter was operating. The agency determined that the possibility of the upper beams being operated simultaneously with the cigarette lighter posed a very limited safety hazard. Similarly, it is unlikely that the various layers of the child restraint seat covers large enough to cause serious burn injuries would be separated from the remainder of the seat cover. Further, even if a large section of the seat cover was torn away, NHTSA considers the possibility that this material would be exposed to a potential ignition source to be extremely remote.

Although it is possible that fuel-fed fires from vehicle crashes could consume a vehicle's interior, the flammability of the seat cover materials would be irrelevant to the severity of such a fire and to the potential injuries incurred by a child.

NHTSA's evaluation of the consequentiality of this noncompliance should not be interpreted as a diminution of the agency's concern for child safety. Rather, it represents NHTSA's assessment of the gravity of the noncompliance based upon the likely consequences. Ultimately, the issue is whether this particular noncompliance is likely to increase the risk to safety. Although empirical results are not determinative, the absence of any reports of fires originating in these child restraints supports the agency's decision that the noncompliance does not have a consequential effect on safety.

For the above reasons, the agency has determined that Kolcraft has met its burden of persuasion that the noncompliance at issue here is inconsequential to motor vehicle safety and its application is granted. Accordingly, Kolcraft is hereby exempted from the notification and remedy provisions of 49 U.S.C. 30118 and 30120.

Authority: 49 U.S.C. 30118(d), 30120(h) delegations of authority at 49 CFR 1.50 and 501.8.

Issued on: April 27, 1998.

L. Robert Shelton,

Associate Administrator for Safety Performance Standards.

[FR Doc. 98–11783 Filed 5–1–98; 8:45 am]

BILLING CODE 4910–59–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Petition for Modification of Exemption From the Vehicle Theft Prevention Standard; General Motors Corp.

AGENCY: National Highway Traffic Safety Administration (NHTSA) Department of Transportation (DOT).

ACTION: Grant of petition for exemption.

SUMMARY: This notice grants in full the petition of General Motors Corporation (GM) for an exemption of a high-theft line, the Oldsmobile Alero (formerly the Oldsmobile Achieva), from the parts-marking requirements of the Federal Motor Vehicle Theft Prevention Standard. This petition is granted because the agency has determined that the antitheft device to be placed on the line as standard equipment is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard. GM requested confidential treatment for some of the information and attachments submitted in support of its petition. In a letter to GM dated November 26, 1997, the agency granted the petitioner's request for confidential treatment of most aspects of its petition.

DATES: The exemption granted by this notice is effective beginning with model year (MY) 1999.

FOR FURTHER INFORMATION CONTACT: Ms. Rosalind Proctor, Office of Planning and Consumer Programs, NHTSA, 400 Seventh Street, S.W., Washington, DC 20590. Ms. Proctor's telephone number is (202) 366–0846. Her fax number is (202) 493–2739.

SUPPLEMENTARY INFORMATION: In a petition dated October 25, 1997, General Motors Corporation (GM) informed the agency of its planned nameplate change for its Oldsmobile Achieva car line beginning with model year (MY) 1999. GM also informed the agency that the nameplate for the Oldsmobile Achieva will be changed to Oldsmobile Alero, and that the Alero car line will be a continuation of the Achieva line. The Achieva car line is subject to the parts-marking requirements of the theft prevention standard.

In its petition dated October 25, 1997, GM requested an exemption from the parts-marking requirements of the Theft Prevention Standard (49 CFR part 541) for the Oldsmobile Alero car line. The petition is pursuant to 49 CFR part 543, Exemption From Vehicle Theft Prevention Standard, based on the installation of an antitheft device as standard equipment for the entire line.

GM's submittal is considered a complete petition, as required by 49 CFR 543.7, in that it met the general requirements contained in § 543.5 and the specific content requirements of § 543.6.

In its petition, GM provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for the new line. GM will install its ''Passlock'' antitheft device as standard equipment on its MY 1999 Oldsmobile Alero car line.

In order to ensure the reliability and durability of the device, GM conducted tests based on its own specified standards. GM provided a detailed list of the tests conducted. GM stated its belief that the device is reliable and durable since the device complied with GM's specified requirements for each test.

GM compared the ''Passlock'' device proposed for the Alero car line with its first generation ''PASS-Key'' and ''PASS-Key II'' devices which the agency has determined to be as effective in reducing and deterring motor vehicle theft as would compliance with the parts-marking requirements. GM believes that its ''Passlock'' antitheft device will be at least as effective as the ''PASS-Key'' and ''PASS-Key II'' devices.

The following GM car lines have the ''Passlock'' device as standard equipment and have been granted a full exemption from the parts-marking requirements: The Chevrolet Cavalier, beginning with MY 1997 (see 61 FR 12132, March 25, 1996) and the Pontiac Sunfire, beginning with MY 1998 (see 62 FR 20240, April 25, 1997). The ''Passlock'' device provides the same kind of functionality as the ''PASS-Key'' and ''PASS-Key II'' devices, but features a coded lock cylinder rather than an electrically coded ignition key. The ''Passlock'' device utilizes an electronic sensor located near the ignition lock instead of a coded key, allowing the device to incorporate a standard key. GM stated that when the sensor detects proper lock rotation, it sends a code to the controller. If the correct code is received, fuel is enabled. If an incorrect code is received, fuel is disabled.

GM also stated that the theft rates, as reported by the National Crime Information Center, are lower for GM models equipped with ''PASS-Key''-like devices which have been granted exemptions from the parts-marking requirements than theft rates for similar, earlier models that have been parts-marked. Therefore, GM concludes that the ''PASS-Key''-like devices are more effective in deterring motor vehicle theft than the parts-marking requirements of 49 CFR part 541. GM also concluded that based on the system performance of the ''PASS-Key''-like devices on other GM models, and the similarity of design and functionality of the device on the Oldsmobile Alero to the ''PASS-Key'' device, GM believes that the agency should determine that the ''Passlock'' device will be at least as effective in reducing and deterring motor vehicle theft as the parts-marking requirements of the Theft Prevention Standard (49 CFR part 541).

Based on comparison of the reduction in theft rates of Corvettes using a passive antitheft system and audible/visible alarm with the reduction in theft rates for Chevrolet Camaro and Pontiac Firebird models equipped with a passive antitheft device without an alarm, GM believes that an alarm or similar attention attracting device is not necessary and does not compromise the antitheft performance of these systems.

The agency notes that the reason that the vehicle lines whose theft data GM cites in support of its petition received only a partial exemption from parts-marking was that the agency did not believe that the antitheft device on these vehicles (''PASS-Key'' and ''PASS-Key II'') by itself would be as effective as parts-marking in deterring theft because it lacked an alarm system. On that basis, it decided to require GM to mark the vehicle's most interchangeable parts (the engine and the transmission), as a supplement to the antitheft device. Like those earlier antitheft devices GM used, the new ''Passlock'' device on which this petition is based also lacks an alarm system. Accordingly, it cannot perform one of the functions listed in 49 CFR Part 542.6(a)(3), that is, to call attention to unauthorized attempts to enter or move the vehicle.

Since deciding those petitions, however, the agency became aware that theft data shows declining theft rates for GM vehicles equipped with either version of the ''PASS-Key'' system. Based on that data, it concluded that the lack of a visual or audio alarm had not prevented the antitheft system from being effective protection against theft and granted two GM petitions for full exemptions for car lines equipped with ''PASS-Key II''. See 60 FR 25939 (May 15, 1995) granting in full the petition for