continue meeting the requirements in §120.40 of this subchapter; or

PART 124—AGREEMENTS, OFF-SHORE PROCUREMENT, AND OTHER DEFENSE SERVICES

9. The authority citation for part 124 continues to read as follows:


10. Section 124.1 is amended as follows:

a. Add two sentences at the end of paragraph (a).

b. Revise paragraph (b).

The addition and revision read as follows:

§124.1 Manufacturing license agreements and technical assistance agreements.

(a) * * * The provision of defense services by a natural U.S. person may be authorized on a Form DSP–5. Natural U.S. persons employed as regular employees of a foreign subsidiary or affiliate listed on the registration of a U.S. person may receive authorization to provide defense services via an agreement between the registered U.S. person and the foreign subsidiary or affiliate, provided the registered U.S. person accepts responsibility for, and demonstrates ability to ensure, the natural U.S. person’s compliance with the provisions of this subchapter.

(b) Classified Articles. Copies of approved agreements involving the release of classified defense articles will be forwarded by the applicant to the Defense Security Service of the Department of Defense.

* * * * *

11. Section 124.17 is added to read as follows:

§124.17 Exemption for natural U.S. persons employed by foreign persons.

(a) A natural U.S. person employed by a foreign person may furnish defense services to and on behalf of the foreign person without a license if all of the following conditions are met:

(1) The employer is located within a NATO or EU country, Australia, Japan, New Zealand, and/or Switzerland, and the defense services are provided only in these countries;

(2) The end user(s) of the associated defense article(s) are located within NATO, EU, Australia, Japan, New Zealand, and/or Switzerland;

(3) No U.S.-origin defense articles, to include technical data, are transferred from the U.S. persons to the employer without separate authorization;

(b) No classified, SME, or MT technical data is transferred (even if separately authorized) in connection with the furnishing of defense services; and

(c) Foreign Military Sales Program. A license from the Directorate of Defense Trade Controls is not required if the classified or unclassified defense article or defense service to be transferred was sold, leased, or loaned by the Department of Defense to a foreign country or international organization under the Foreign Military Sales (FMS) Program of the Arms Export Control Act pursuant to a Letter of Offer and Acceptance (LOA) authorizing such transfer (permanent or temporary), which meets the criteria stated below:

(7) Natural U.S. persons employed by foreign persons may provide defense services to and on behalf of their employers without a license if all of the following conditions are met:

(i) The defense services are provided in support of an active FMS contract and are identified in an executed LOA;

(ii) No U.S.-origin defense articles are transferred from the U.S. person to the employer, without separate authorization;

(iii) The provision of defense services is not to a country identified in §126.1;

(iv) No classified or SME technical data is disclosed (even if separately authorized) in connection with the furnishing of defense services; and

(v) The U.S. person furnishing the defense services maintains records of such activities and complies with registration requirements in accordance with part 122 of this subchapter.

12. The authority citation for part 125 continues to read as follows:


§125.4 [Amended]

13. Section 125.4 is amended by removing and reserving paragraphs (b)(2) and (b)(12).

PART 126—GENERAL POLICIES AND PROVISIONS

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


15. Section 126.6 is amended by revising paragraph (c) introductory text and adding paragraph (c)(7) to read as follows:

(c) Foreign Military Sales Program. A license from the Directorate of Defense Trade Controls is not required if the classified or unclassified defense article or defense service to be transferred was sold, leased, or loaned by the Department of Defense to a foreign country or international organization under the Foreign Military Sales (FMS) Program of the Arms Export Control Act pursuant to a Letter of Offer and Acceptance (LOA) authorizing such transfer (permanent or temporary), which meets the criteria stated below:

(7) Natural U.S. persons employed by foreign persons may provide defense services to and on behalf of their employers without a license if all of the following conditions are met:
the toll-free Federal Relay Service at 1–800–877–8339.

SUPPLEMENTARY INFORMATION:

I. Background

The Native American Housing and Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) (NAHASDA) changed the way that housing assistance is provided to Native Americans. NAHASDA eliminated several separate assistance programs and replaced them with a single block grant program, known as the Indian Housing Block Grant (IHBG) program. The regulations governing the IHBG formula allocation are codified in subpart D of part 1000 of HUD’s regulations in title 24 of the Code of Federal Regulations. In accordance with section 106 of NAHASDA, HUD developed the regulations with active tribal participation using the procedures of the Negotiated Rulemaking Act of 1990 (5 U.S.C. 561–570).

Under the IHBG program, HUD makes assistance available to eligible Indian tribes for affordable housing activities. The amount of assistance made available to each Indian tribe is determined using a formula that was developed as part of the NAHASDA negotiated process. Based on the amount of funding appropriated for the IHBG program, HUD calculates the annual grant for each Indian tribe and provides this information to the Indian tribes. An Indian Housing Plan for the Indian tribe is then submitted to HUD. If the Indian Housing Plan is found to be in compliance with statutory and regulatory requirements, the grant is made.

On July 3, 2012 at 77 FR 39452, HUD announced its intention to establish a negotiated rulemaking committee for the purpose of developing regulatory changes to the formula allocation for the IHBG program. On June 12, 2013 at 78 FR 35178, HUD announced the list of proposed members for the negotiated rulemaking committee, and requested additional public comment on the proposed membership. On July 30, 2013 at 78 FR 45903, HUD announced the final list of committee members to revise the allocation formula used under the IHBG.

Committee meetings have taken place on August 27–28, 2013, September 17–19, 2013, April 23–24, 2014, June 11–13, 2014, July 29–31, 2014, and August 26–28, 2014. All of the Committee meetings were announced in the Federal Register and were open to the public.¹

II. Seventh Committee Meetings

The seventh meeting of the IHBG Formula Negotiation Rulemaking Committee will be held on Tuesday, August 11, 2015, Wednesday, August 12, 2015, and Thursday, August 13, 2015. On each day, the session will begin at approximately 8:30 a.m., and adjourn at approximately 5:30 p.m. The meeting will take place at the Hilton Scottsdale, 6333 North Scottsdale Road, Scottsdale, Arizona. These meetings will be open to the public without advance registration. Public attendance may be limited to the space available. Members of the public may make statements during the meetings, to the extent time permits, and file written statements with the committee for its consideration. Written statements should be submitted to the address listed in the FOR FURTHER INFORMATION section of this document.

III. Future Committee Meetings

Notices of all future meetings will be published in the Federal Register. HUD will make every effort to publish such notices at least 15 calendar days prior to each meeting.

Dated: May 13, 2015.

Lourdes Castro Ramirez, Principal Deputy Assistant Secretary for Public and Indian Housing.