

feasibility of weaponizing commercially available products containing ammonium nitrate before establishing a threshold percentage and quantity of ammonium nitrate that would be subject to regulation. DHS entered into an interagency agreement with the Department of Energy (DOE) on July 12, 2012 to obtain the technical expertise of Sandia National Laboratories (SNL) and to perform testing and collect data on the feasibility of weaponizing commercially available products, chemicals, and mixtures containing ammonium nitrate. The Department initiated this activity to inform both the Ammonium Nitrate Security Program rulemaking and other DHS bombing prevention and chemical security initiatives.

SNL performed a literature review to determine areas in need of technical assessments. SNL then designed technical assessments to determine the effects of total mass, physical form, and dilution on the detonability of ammonium nitrate mixtures using materials and under conditions realistic to terrorism bomb design or otherwise favorable to support detonation. SNL's technical assessments and results were reviewed on two occasions by a panel of subject matter experts, which included Federal employees from the Department of Homeland Security, the Department of Justice, the Department of Defense, the Department of State, and the Office of the Director of National Intelligence. SNL then produced a final technical report detailing the technical assessment test plans, performance, data, and a summary of the review and assessment of technical data performed by the panel.

The SNL test results showed that formulations of ammonium nitrate and pre-fabricated ammonium nitrate mixtures with various fuels would detonate with one pound of ammonium nitrate, the lowest mass tested. The results also showed that a minimum concentration level of 15% ammonium nitrate diluted with dolomite in a mixture containing a fuel detonated and that dilutions of ammonium sulfate detonated at a concentration level of 25% ammonium nitrate. When presented with the results of the testing, the panel of subject matter experts concluded that mixtures containing one pound of ammonium nitrate were detonable on the test diagnostics and that a minimum detonable level of 10% ammonium nitrate by weight could be technically defended, providing a small margin of safety beyond the 15% level, which showed a weak detonation.

The Department believes that release of SNL's final report will provide

important information to those who manufacture, store, process, or engage in other transactions involving ammonium nitrate. The Department is releasing SNL's final report in a redacted format to protect information that could reasonably be expected to harm national security and/or endanger individuals' lives or physical safety because it could allow adversaries to develop effective, optimized improvised explosive devices (IEDs).

#### Public Participation

As noted, the SNL technical report was developed to contribute to the Department's body of knowledge on the detonability of ammonium nitrate and to inform the rulemaking process. The Department is therefore adding the report to the public docket for the proposed rule and is requesting comment from the public on the report and its potential application to the proposed definition of ammonium nitrate. The Department is specifically requesting comment on the scientific methodology and test plans SNL employed, technical data generated by SNL and test results, and factors affecting detonability thresholds. The Department would also like comment on the appropriateness of the proposed ammonium nitrate definition in light of the newly available evidence in the report, such as whether the report supports changes to the proposed mixture and weight thresholds, and the potential economic impacts of any changes to the proposed definition.

Comments that will provide the most assistance to the Department will refer to a specific section, appendix, figure, and/or table of the technical report, explain the reason for any comments, and include other information or authority that supports such comments.

This Notice is issued under the authority of 6 U.S.C. 488a.

Dated: May 28, 2019.

**David Wulf,**

*Director, Infrastructure Security Compliance Division, Infrastructure Security Division, Cybersecurity and Infrastructure Security Agency, Department of Homeland Security.*

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## SMALL BUSINESS ADMINISTRATION

### 13 CFR Part 115

[Docket No. SBA-2019-0001]

RIN 3245-AH08

#### Streamlining Surety Bond Guarantee Program

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Advance notice of proposed rulemaking.

**SUMMARY:** The U.S. Small Business Administration (SBA) is soliciting comments from the public on identifying which of SBA's regulations relating to SBA's Surety Bond Guarantee Program (SBG) should be repealed, replaced, or modified because they are obsolete, unnecessary, ineffective, or burdensome. SBA is also soliciting comments from the public on how SBA can improve the surety bond products, procedures, forms, and reporting requirements of the SBG Program.

**DATES:** Comments must be received on or before August 2, 2019.

**ADDRESSES:** You may submit comments, identified by RIN 3245-AH08, docket number [SBA-2019-0001] by any of the following methods:

- **Federal eRulemaking Portal:** <http://www.regulations.gov>. Follow the instructions for submitting comments.

- **Mail:** Jerianne Perry, Management Analyst, Office of Surety Guarantees, U.S. Small Business Administration, 409 3rd Street SW, 8th floor, Washington, DC 20416.

- **Hand Delivery/Courier:** Jerianne Perry, Management Analyst, Office of Surety Guarantees, U.S. Small Business Administration, 409 3rd Street SW, 8th floor, Washington, DC 20416.

All comments will be posted on <http://www.regulations.gov>. If you wish to submit confidential business information (CBI) as defined in the User Notice at <http://www.regulations.gov>, please submit the information to Jerianne Perry, Management Analyst, Office of Surety Guarantees, U.S. Small Business Administration, 409 3rd Street SW, 8th Floor, Washington, DC 20416, or send an email to [Jerianne.perry@sba.gov](mailto:Jerianne.perry@sba.gov). Highlight the information that you consider to be CBI and explain why you believe SBA should hold this information as confidential. SBA will review the information and make the final determination on whether it will publish the information.

**FOR FURTHER INFORMATION CONTACT:** Jerianne Perry, Management Analyst, Office of Surety Guarantees, at (202) 401-8275 or [Jerianne.perry@sba.gov](mailto:Jerianne.perry@sba.gov).

**SUPPLEMENTARY INFORMATION:****I. General Information**

The U.S. Small Business Administration (SBA) guarantees bid, payment, and performance bonds for small and emerging contractors who cannot obtain surety bonds through regular commercial channels. SBA's guarantee, authorized pursuant to Part B of Title IV of the Small Business Investment Act of 1958, 15 U.S.C. 694a *et seq.*, gives Sureties an incentive to provide bonding for small businesses and, thereby, assists small businesses in obtaining greater access to contracting opportunities. SBA's guarantee is an agreement between a Surety and SBA that SBA will assume a certain percentage of the Surety's loss should a contractor default on the underlying contract. SBA is authorized to guarantee a Surety for a contract up to \$6.5 million and, with the certification of a contracting officer of a Federal agency, up to \$10 million. For more information about SBA's Surety Bond Guarantee Program, see <https://www.sba.gov/funding-programs/surety-bonds>.

The regulations governing the Surety Bond Guarantee (SBG) Program are codified in 13 CFR part 115: Subpart A of part 115 contains provisions that apply to all surety bond guarantees; subpart B contains provisions that apply to the bond guarantees subject to prior approval by SBA; and subpart C contains provisions that apply to the bond guarantees that Preferred Surety Bond Sureties may issue under delegated authority. SBA is inviting comments from the public on identifying which of these regulations should be repealed, replaced, or modified because they are obsolete, unnecessary, ineffective, or burdensome. (In 2017, SBA published a similar request that covered all the agency's programs and regulations, *see* 82 FR 38618 (August 15, 2017), but SBA received no comments on part 115. By focusing only on the SBG Program, SBA believes that this request is more likely to receive the attention of interested parties.) In addition, SBA is interested in receiving comments from the public on how SBA can improve the surety bond products, procedures, forms, and reporting requirements of the SBG Program.

SBA is also considering whether to make changes to certain specific regulations and invites comments from the public on these issues. For example, SBA has received requests from Prior Approval Sureties to change the criteria in § 115.30(d)(2) for using the Quick Bond Guarantee Application and Agreement (SBA Form 990A), including

increasing the maximum contract amount of \$400,000, the maximum contract period of 12 months, the \$1,000 per day limit on liquidated damages, and eliminating the prohibition against contracts involving demolition.

In addition, under § 115.14(a)(3), a contractor loses eligibility for future SBA assistance if the Surety has established a claim reserve of at least \$1,000 for an outstanding SBA-guarantee bond. SBA is considering whether the claim reserve amount is set at the correct amount to mitigate future risk and, if not, what the amount should be. SBA is also considering whether the regulations that set the minimum amount for collecting or refunding the Principal and Surety guarantee fees, including §§ 115.32(d)(2) and (3) and 115.67(a) and (b), should be changed by increasing the amount from the current \$40.

**II. List of Questions for Commenters**

The list of questions below is meant to assist in the formulation of public comments and is not intended to restrict the issues that may be addressed. SBA requests that commenters identify the specific regulation at issue and explain, in as much detail as possible, why the regulation should be streamlined, expanded, or repealed, including estimated cost savings and benefits to small businesses and other stakeholders.

1. Are there regulations in 13 CFR part 115 that have become unnecessary or ineffective and, if so, what are they?
2. Are there regulations in 13 CFR part 115 that can be repealed without impairing SBA's Surety Bond Guarantee Program and, if so, what are they?
3. Are there regulations in 13 CFR part 115 that have become outdated and, if so, how can they be modernized to better accomplish their regulatory objectives?
4. Are there regulations in 13 CFR part 115 that are still necessary, but which have not operated as well as expected such that a modified approach is justified, and what is that approach?
5. Are there regulations or regulatory processes in 13 CFR part 115 that are too complicated or could be streamlined to achieve regulatory objectives more efficiently?
6. Are there any technological developments that can be leveraged to modify, streamline, or repeal any existing regulatory requirements in 13 CFR part 115?

7. Should SBA make changes to any of the criteria set forth in § 115.30(d)(2) under which a Prior Approval Surety may use the Quick Bond Guarantee Application and Agreement (SBA Form

990A)? If yes, describe the change and provide the reason for your response.

8. Under § 115.14(a)(3), a contractor (and its affiliates) loses eligibility for further SBA bond guarantees if the Surety has established a claim reserve for an SBA-guaranteed bond of at least \$1,000. Should SBA change the claim reserve amount? If so, describe the change and provide the reasons for your response.

9. Should SBA increase the minimum amount for collecting or refunding Principal and Surety guarantee fees from \$40? If yes, what should the amount be? Please provide reasons for your response.

10. In addition to the types of bonds that are currently offered through the SBG Program, are there any other surety bond products that you would like SBA to offer through its SBG Program that would assist small businesses in need of government assistance? If so, describe the product and how it would benefit small businesses.

Interested parties are invited to provide any other comments that they may have relating to the concerns described in this advance notice of proposed rulemaking. We ask that you provide a brief justification for any suggested changes.

**Authority:** 15 U.S.C. 692, 694 and 695; Sec. 12079, Pub. L. 110-246, 122 Stat. 1651; E.O. 13771; E.O. 13777.

Dated: May 23, 2019.

**Christopher M. Pilkerton,**  
*Acting Administrator.*

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**DEPARTMENT OF TRANSPORTATION****Federal Aviation Administration****14 CFR Part 71**

[Docket No. FAA-2019-0347; Airspace  
Docket No. 19-AEA-6]

**RIN 2120-AA66**

**Proposed Establishment of Class E  
Airspace; Cortland, Elmira, Ithaca, and  
Endicott, NY**

**AGENCY:** Federal Aviation  
Administration (FAA), DOT.

**ACTION:** Notice of proposed rulemaking  
(NPRM).

**SUMMARY:** This action proposes to establish Class E airspace extending upward from 700 feet above the surface at Cortland County Airport-Chase Field, Cortland, NY, Elmira/Corning Regional Airport, Elmira/Corning, NY, Ithaca