

regulatory impact analysis is not required.

List of Subjects in 31 CFR Part 103

Administrative practice and procedure, Authority delegations (Government agencies), Insurance companies, Currency, Investigations, Law enforcement, Reporting and recordkeeping requirements.

Authority and Issuance

For the reasons set forth in the preamble, part 103 of title 31 of the Code of Federal Regulations is proposed to be amended as follows:

PART 103—FINANCIAL RECORDKEEPING AND REPORTING OF CURRENCY AND FINANCIAL TRANSACTIONS

1. The authority citation for part 103 continues to read as follows:

Authority: 12 U.S.C. 1829b and 1951–1959; 31 U.S.C. 5311–5332; title III, secs. 312, 314, 352, Pub. L. 107–56, 115 Stat. 307.

2. Subpart I of part 103 is amended by adding new § 103.137 to read as follows:

§ 103.137 Anti-money laundering programs for insurance companies.

(a) *Definitions.* For purposes of this section:

(1) *Annuity contract* means any agreement between the insurer and the insured whereby the insurer promises to pay out a stipulated income or a varying income stream for a period of time.

(2) *Insurance company.* (i) Except as provided in paragraph (a)(2)(ii) of this section, the term “insurance company” means any person engaged within the United States as a business in:

- (A) The issuing, underwriting, or reinsuring of a life insurance policy;
- (B) The issuing, granting, purchasing, or disposing of any annuity contract; or
- (C) The issuing, underwriting, or reinsuring of any insurance product with investment features similar to those of a life insurance policy or an annuity contract, or which can be used to store value and transfer that value to another person.

(ii) An insurance company shall not mean an agent or broker of any business described in paragraph (a)(2)(i) of this section.

(3) *Life insurance policy* means an agreement whereby the insurer is obligated to indemnify or to confer a benefit upon the insured or beneficiary to the agreement contingent upon the death of the insured, including any investment component of the policy.

(4) *United States* has the same meaning as provided in § 103.11(nn).

(b) *Anti-money laundering program requirements for insurance companies.*

Each insurance company, as defined by paragraph (a)(2) of this section, shall develop and implement a written anti-money laundering program reasonably designed to prevent the insurance company from being used to facilitate money laundering or the financing of terrorist activities. The program must be approved by senior management. An insurance company shall make its anti-money laundering program available to the Department of the Treasury or its designee upon request.

(c) *Minimum requirements.* At a minimum, the program required by paragraph (b) of this section shall:

(1) Incorporate policies, procedures, and internal controls based upon the insurance company’s assessment of the money laundering and terrorist financing risks associated with its products, customers, distribution channels, and geographic locations. For purposes of making the risk assessment required by this paragraph (c)(1), an insurance company shall consider all relevant information. Policies, procedures, and internal controls developed and implemented by an insurance company under this section shall include provisions for complying with the requirements of subchapter II of chapter 53 of title 31, United States Code and this part, and must ensure that the insurance company obtains all the information necessary to make its anti-money laundering program effective.

(2) Designate a compliance officer who will be responsible for ensuring that:

- (i) The anti-money laundering program is implemented effectively;
- (ii) The anti-money laundering program is updated as necessary; and
- (iii) Appropriate persons are educated and trained in accordance with paragraph (c)(3) of this section.

(3) Provide for on-going education and training of appropriate persons concerning their responsibilities under the program.

(4) Provide for independent testing to monitor and maintain an adequate program. The scope and frequency of the testing shall be commensurate with the risks posed by the financial services provided by the insurance company. Such testing may be conducted by an officer or employee of the insurance company, so long as the tester is not the person designated in paragraph (c)(2) of this section.

(d) *Anti-money laundering program requirements for insurance companies registered or required to register with the Securities and Exchange Commission.* An insurance company that is registered or is required to register with the Securities and Exchange Commission

shall be deemed to have satisfied the requirements of this section for those activities regulated by the Securities and Exchange Commission to the extent that the company complies with the anti-money laundering program requirements applicable to such activities that are imposed by the Securities and Exchange Commission or by a self-regulatory organization registered with the Securities and Exchange Commission.

Dated: September 18, 2002.

James F. Sloan,

Director, Financial Crimes Enforcement Network.

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DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 165

[CGD14–02–002]

RIN 2115–AA97

Regulated Navigation Areas and Security Zones; Escorted Vessels—Philippine Sea, Guam, Apra Harbor, Guam and Tanapag Harbor, Saipan, Commonwealth Northern Mariana Islands

AGENCY: Coast Guard, DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard proposes to establish regulated navigation areas (RNAs) and security zones for vessels determined to be in need of a Coast Guard escort by the Captain of the Port (COTP) Guam. The security zones for these escorted vessels will close all waters of Philippine Sea, Guam, Apra Harbor, Guam (including Cabras Island Channel), and Tanapag Harbor, Saipan, Commonwealth Northern Mariana Islands, within a 100-yard radius around an escorted vessel while in the RNA. This action is necessary to protect personnel, vessels, and facilities from sabotage or other subversive acts, accidents, or other events of a similar nature. The RNAs will require vessels within 500 yards of an escorted vessel to travel at minimum safe speed and the security zones will prohibit unauthorized entry within a 100-yard radius of an escorted vessel in these RNAs. This rule is not intended to replace or modify the existing RNAs and zones found in 33 CFR § 165.1401, 33 CFR § 165.1402, and 33 CFR § 165.1404. **DATES:** Comments and related materials must reach the Coast Guard on or before November 25, 2002.

ADDRESSES: You may mail comments and material to Commanding Officer, Coast Guard Marine Safety Office Guam, PSC 455 Box 176, FPO AP 96540-1057. Marine Safety Office Guam maintains the public docket for this rulemaking. Comments and material received from the public, as well as documents indicated in this preamble as being available in the docket, will become part of this docket and will be available for inspection or copying at this location between 7 a.m. and 3:30 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Lieutenant Fred Meadows, Coast Guard Marine Safety Office Guam at (671) 339-2001.

SUPPLEMENTARY INFORMATION:

Request for Comments

We encourage you to participate in this rulemaking by submitting comments and related material. If you do so, please include your name and address, identify the docket number for this rulemaking (CGD14-02-001), indicate the specific section of this document to which each comment applies, and give the reason for each comment. Please submit all comments and related material in an unbound format, no larger than 8½ by 11 inches, suitable for copying. If you would like to know your submission reached us, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period. We may change this proposed rule in view of them.

In our final rule, we will include a concise general statement of comments received and identify any changes from the proposed rule based on the comments. If we make the final rule effective in less than thirty (30) days after publication in the **Federal Register**, we will explain our good cause for doing so as required by 5 U.S.C. 553(d)(3).

Public Meeting

We do not now plan to hold a public meeting. But you may submit a request for a meeting by writing to Marine Safety Office Guam at the address under **ADDRESSES** explaining why one would be beneficial. If we determine that one would aid this rulemaking, we will hold one at a time and place announced by a separate notice in the **Federal Register**.

Background and Purpose

Terrorist incidents within the United States on September 11, 2001 have called for the implementation of measures to protect U.S. seaports and

transportation infrastructure. In addition, national security and intelligence officials warn that future terrorist attacks against civilian targets are anticipated and that U.S. seaports are particularly vulnerable. These rules are intended to provide for the safety and security of the public, maritime commerce, and transportation by protecting persons, vessels, and seaport facilities in the waters of Philippine Sea, Guam, Apra Harbor, Guam, and Tanapag Harbor, Saipan, Commonwealth Northern Mariana Islands (CNMI). These rules are intended to enable the COTP Guam to provide effective port security, while minimizing the public's confusion and ease the administrative burden of implementing separate temporary security zones for each escorted vessel.

Discussion of Proposed Rule

The Coast Guard proposes to establish RNAs and security zones for vessels determined by the COTP to be in need of a Coast Guard escort. The security zones will close all waters of Philippine Sea, Guam, Apra Harbor, Guam (including Cabras Island Channel), and Tanapag Harbor, Saipan (CNMI), within a 100-yard radius around each escorted vessel in transit, at anchor, or while moored in a regulated navigation area. These security zones are necessary to protect personnel, vessels, seaport facilities, and other transportation infrastructure from acts of sabotage or other subversive acts, accidents, or other events of a similar nature. These security zones extend from the surface of the water to the ocean floor. Entry into these zones is prohibited unless authorized by the COTP Guam. Representatives of the COTP will enforce these security zones. The COTP may be assisted by other federal or state agencies. Periodically, by Broadcast Notice to Mariners, the Coast Guard will announce the existence or status of the security zones in this rule. The RNAs will require vessels within 500 yards of an escorted vessel to travel at minimum safe speed and the security zones will prohibit unauthorized entry within a 100-yard radius of an escorted vessel in these RNAs.

Regulatory Evaluation

The proposed rule is not a "significant regulatory action" under section 3(f) of Executive Order 12866, Regulatory Planning and Review, and does not require an assessment of potential costs and benefits under section 6(a)(3) of that Order. The Office of Management and Budget has not reviewed it under that Order. It is not "significant" under the regulatory

policies and procedures of the Department of Transportation (DOT) (44 FR 11040, February 26, 1979). The U.S. Coast Guard expects the economic impact of this proposed rule to be so minimal that a full Regulatory Evaluation under paragraph 10(e) of the regulatory policies and procedures of DOT is unnecessary. This expectation is based on the limited duration of the zones. Vessels will also be able to transit the RNAs freely outside of any security zones. In addition, the COTP may allow vessels in the security zones on a case-by-case basis.

Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601-612), we considered whether this rule would have a significant economic impact on a substantial number of small entities. The term "small entities" comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000. The Coast Guard certifies under 5 U.S.C. 605(b) that this proposed rule will not have a significant economic impact on a substantial number of small entities. No small business impacts are anticipated due to the small size of the zones and the short duration of the security zones in any one area.

Assistance for Small Entities

Under section 231(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Public Law 104-121), we want to assist small entities in understanding this proposed rule so that they can better evaluate its effects on them and participate in the rulemaking. If the proposed rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please contact Lieutenant Fred Meadows, Coast Guard Marine Safety Office Guam, at (671) 339-2001.

Collection of Information

This proposed rule would call for no new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520).

Federalism

A rule has implications for federalism under Executive Order 13132, Federalism, if it has a substantial direct effect on State or local government and would either preempt State law or impose a substantial direct cost of compliance on them. The Coast Guard

has analyzed this proposed rule under that Order and has determined that it does not have implications for federalism.

Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) requires Federal agencies to assess the effects of their discretionary regulatory actions. In particular, the Act addresses actions that may result in the expenditure by a State, local, or tribal government, in the aggregate, or by the private sector of \$100,000,000 or more in any one year. Though this proposed rule will not result in such expenditure, we do discuss the effects of this rule elsewhere in this preamble.

Taking of Private Property

This proposed rule will not affect a taking of private property or otherwise have taking implications under Executive Order 12630, Governmental Actions and Interference with Constitutionally Protected Property Rights.

Civil Justice Reform

This proposed rule meets applicable standards in sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden.

Protection of Children

We have analyzed this proposed rule under Executive Order 13045, Protection of Children from Environmental Health Risks and Safety Risks. This rule is not an economically significant rule and does not create an environmental risk to health or risk to safety that may disproportionately affect children.

Indian Tribal Governments

This proposed rule does not have tribal implications under Executive Order 13175, Consultation and Coordination with Indian Tribal Governments, because it does not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes. We invite your comments on how this proposed rule might impact tribal governments, even if that impact may not constitute a “tribal implication” under the Order.

Energy Effects

We have analyzed this proposed rule under Executive Order 13211, Actions

Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use. We have determined that it is not a “significant energy action” under that Order because it is not a “significant regulatory action” under Executive Order 12866 and is not likely to have a significant adverse effect on the supply, distribution, or use of energy. It has not been designated by the Administrator of the Office of Information and Regulatory Affairs as a significant energy action. Therefore, it does not require a Statement of Energy Effects under Executive Order 13211.

Environment

We have considered the environmental impact of this proposed rule and concluded that, under figure 2–1, paragraph (34)(g) of Commandant Instruction M16475.1D, this rule is categorically excluded from further environmental documentation. A “Categorical Exclusion Determination” is available in the docket where indicated under **ADDRESSES**.

List of Subjects in 33 CFR Part 165

Harbors, Marine safety, Navigation (water), Reporting and recordkeeping requirements, Security measures, Waterways.

For the reasons set out in the preamble, the Coast Guard proposes to amend 33 CFR part 165 as follows:

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

1. The authority citation for part 165 continues to read as follows:

Authority: 33 U.S.C. 1231; 50 U.S.C. 191; 33 CFR 1.05–1(g), 6.04–1, 6.04–6, and 160.5; 49 CFR 1.46.

2. Add § 165.1405 to read as follows:
§ 165.1405 Regulated Navigation Areas and Security Zones; Designated Escorted Vessels—Philippine Sea and Apra Harbor, Guam (including Cabras Island Channel), and Tanapag Harbor, Saipan, Commonwealth Northern Mariana Islands (CNMI). (a) *Regulated navigation area.* The following areas, designated by coordinates referencing World Geodetic Datum (1984), are regulated navigation areas (RNAs).

(1) *Philippine Sea, Guam*—All waters from the surface to the bottom of the Philippine Sea, Guam, encompassed by lines connecting the following points, beginning at 13°27′10″ N, 144°35′05″ E, thence easterly to 13°27′17″ N, 144°37′27″ E, thence south westerly to 13°26′52″ N, 144°37′05″ E, thence westerly to 13°26′37″ N, 144°35′05″ E, thence due north back to point of origin.

(2) *Apra Harbor, Guam*—All waters from surface to bottom of Apra Harbor,

Guam, shoreward of the COLREGS Demarcation as described in 33 CFR 80.

(3) *Tanapag Harbor*—The waters from surface to bottom of Tanapag Harbor, Saipan (CNMI), encompassed by lines connecting the following points, beginning at 15°12′10″ N, 145°40′28″ E, thence north easterly to 15°14′08″ N, 145°42′00″ E, thence due east to 15°14′08″ N, 145°44′02″ E, thence south easterly to 15°13′54″ N, 144°44′20″ E, thence south westerly along the shoreline to 15°13′11″ N, 145°43′01″ E, thence southwesterly to 15°12′10″ N, 145°40′28″ E.

(4) *Cabras Island Channel, Guam*—All waters from surface to bottom of Cabras Island Channel, Guam, beginning at point 13°27′34″ N, 144°39′39″ E and extending southeasterly to position 13°27′24″ N, 144°39′59″ E then heading easterly along the shoreline to position 13°27′31″ N, 144°40′22″ E then heading north to position 13°27′37″ N, 144°40′22″ E following the shoreline in a westerly direction back to point of origin.

(b) *Security zones.* A 100-yard radius security zone is established around, and is centered on, each escorted vessel within the regulated navigation areas in paragraph (a) of this section. A security zone is activated when an escorted vessel enters an RNA and remains active until the escorted vessel leaves the RNA. This is a moving security zone when the escorted vessel is in transit and becomes a fixed zone when the escorted vessel is anchored or moored. A security zone will not extend beyond the boundary of the RNA in this section.

(c) *Definitions.* As used in this section:

(1) *Escorted Vessel* means any vessel operating in the RNA deemed by the COTP to be in need of escort protection for security reasons or under other circumstances. A designated representative aboard a Coast Guard cutter or patrol boat will accompany vessels deemed in need of escort protection into the RNA.

(2) *Navigation rules* mean international and inland navigation rules in 33 CFR chapter I, subchapters D and E.

(3) *Vessel* means every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water, except U.S. Coast Guard or U.S. naval vessels.

(4) *Designated representative* means any Coast Guard commissioned, warrant, or petty officer that has been authorized to act on behalf of the COTP.

(d) *Regulations.* (1) No person or vessel may enter into the security zones under this section unless authorized by

the COTP Guam or a designated representative.

(2) A vessel in the RNA established under paragraph (a) of this section operating within 500 yards of an escorted vessel must proceed at a minimum speed necessary to maintain a safe course, unless required to maintain speed by the navigation rules.

(3) When an escorted vessel in the RNA approaches within 100 yards of a vessel that is moored, or anchored in a designated anchorage area, the stationary vessel must stay moored or anchored while it remains within the escorted vessel's security zone unless it is either ordered by, or given permission from the COTP Guam or a designated representative to do otherwise.

(4) The COTP will inform the public of the existence or status of the security zones around escorted vessels in the RNA periodically by Broadcast Notice to Mariners.

(5) Persons or vessels that must enter a security zone or exceed speed limits established in this section may contact the COTP at command center telephone number (671) 339-6100 or on VHF channel 16 (156.8 Mhz) to request permission.

(6) All persons and vessels within 500 yards of an escorted vessel in the RNA must comply with the orders of the COTP Guam or his designated representatives.

(e) *Authority.* In addition to 33 U.S.C. 1231 and 50 U.S.C. 191, the authority for this section includes 33 U.S.C. 1226.

Dated: September 12, 2002.

G.A. Wiltshire,

*Acting Captain, U.S. Coast Guard,
Commander, Fourteenth Coast Guard District.*
[FR Doc. 02-24444 Filed 9-25-02; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[TX-144-1-7574; FRL-7383-6]

Proposed Approval and Promulgation of Implementation Plans; Texas; Environmental Speed Limit Revision; and Voluntary Mobile Emission Reduction Program Commitment for the Houston/Galveston (HG) Ozone Nonattainment Area

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The EPA proposes to approve revisions to the Texas State Implementation Plan (SIP). This

proposal covers two separate actions. We are proposing approval, through parallel processing, of: a revision to the SIP that would retain the 55 miles per hour (mph) speed limit for vehicles weighing greater than or equal to 10,000 pounds gross vehicle weight rating and would postpone implementation of speed limit reductions for vehicles weighing less than 10,000 pounds until May 01, 2005 (Dual Speed Limit Option). In the alternative, we are requesting comment on a revision to the SIP which would suspend the 55 mph speed limit for all vehicles until May 1, 2005 and in the interim implement an increase in the current environmental speed limit (ESL) of 55 mph to a 5 mph reduction from the speed limits posted before May 1, 2002. Both of these options would be applicable in the counties of Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery and Waller; and clarification of a State enforceable commitment to remedy any shortfalls in the emission reductions attributed to the Voluntary Mobile Emission Reduction Program (VMEP) in the Houston/Galveston (HG) nonattainment area so as to achieve all necessary reductions by the attainment date.

These new rules are consistent with attainment of the National Ambient Air Quality Standard (NAAQS) for ozone in the HG area. The EPA is proposing approval of these revisions to the Texas SIP to regulate emissions of nitrogen oxides (NO_x) and volatile organic compounds (VOC) in accordance with the requirements of the Federal Clean Air Act (the Act).

DATES: Written comments must be received on or before October 28, 2002.

ADDRESSES: Written comments should be addressed to Mr. Thomas H. Diggs, Chief, Air Planning Section (6PD-L), at the EPA Region 6 Office listed below. Copies of documents relevant to this action are available for public inspection during normal business hours at the following locations:

Environmental Protection Agency, Region 6, Air Planning Section (6PD-L), 1445 Ross Avenue, Dallas, Texas 75202-2733. Texas Commission on Environmental Quality, Office of Air Quality, 12124 Park 35 Circle, Austin, Texas 78753. Anyone wanting to examine these documents should make an appointment with the appropriate office at least two working days in advance.

FOR FURTHER INFORMATION CONTACT:

Peggy Wade, Air Planning Section (6PD-L), EPA Region 6, 1445 Ross Avenue, Dallas, Texas 75202-2733, telephone (214) 665-7247, e-mail address: Wade.Peggy@epa.gov.

SUPPLEMENTARY INFORMATION:

Throughout this document "we," "us," and "our" refers to EPA. This document concerns control of Air Pollution of NO_x and VOCs from mobile sources in the HG area for attainment demonstration purposes.

What Action Are We Taking Today?

On July 16, 2002, the Chairman of the Texas Commission on Environmental Quality (TCEQ) submitted to EPA for parallel processing two proposed rule revisions to the SIP. These rule revisions concern the delayed implementation of the 55 mph speed limit for vehicles weighing less than 10,000 pounds; and, clarification of a rule to commit the state to remedy any shortfalls in the emission reductions attributed to the VMEP so as to achieve all necessary reductions by the attainment date.

On September 16, 2002, the Executive Director of the TCEQ submitted to EPA an additional option to the environmental speed limit which is under consideration by the TCEQ, in response to comments received on the Dual Speed Limit option. This proposed option would suspend the 55 mph speed limit for all vehicles until May 1, 2005, and, in the interim, would increase the current environmental speed limit of 55 mph to 5 mph below the original posted speed limit. EPA is taking comment on this option.

These revisions are consistent with attainment of the ozone standard in the HG area. The EPA is proposing to approve these revisions to the Texas SIP to regulate emissions of NO_x and VOCs in accordance with the requirements of the Federal Clean Air Act (the Act). For more information on the SIP revision, please refer to the State's June 26, 2002 proposed SIP revision and the September 16, 2002 supplemental information.

These revisions to the HG SIP that we are proposing approval of today are being parallel processed. Parallel processing means that EPA proposes action on a portion of the state revision before the revision becomes final under state law. Under parallel processing, EPA takes final action on its proposal if the final, adopted state submission is substantially unchanged from the submission on which the proposed rulemaking was based, or if significant changes in the final submission are anticipated and adequately described in EPA's proposed rulemaking or result from corrections determined by the State to be necessary through review of issues described in EPA's proposed rulemaking. As described above, the Executive Director of TCEQ is