

101–410, as amended, 28 U.S.C. 2461 note), provides that:

\* \* \* \* \*

(3) A civil penalty not to exceed \$1,075,000 per violation may be imposed by the Secretary of the Treasury on any person who violates any license, order, rule, or regulation issued in compliance with the provisions of the Foreign Narcotics Kingpin Designation Act.

**Note to paragraph (a)(3).** The current \$1,075,000 civil penalty cap may be adjusted for inflation pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990.

\* \* \* \* \*

Dated: October 1, 2003.

**R. Richard Newcomb,**

*Director, Office of Foreign Assets Control.*

Approved: October 15, 2003.

**Juan C. Zarate,**

*Deputy Assistant Secretary (Terrorist Financing and Financial Crimes), Department of the Treasury.*

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## DEPARTMENT OF THE TREASURY

### Office of Foreign Assets Control

#### 31 CFR Parts 575

#### Removal of Certain Provisions of the Iraqi Sanctions Regulations; Interpretive Guidance

**AGENCY:** Office of Foreign Assets Control, Treasury.

**ACTION:** Interim final rule.

**SUMMARY:** The Office of Foreign Assets Control (“OFAC”) of the Department of the Treasury is amending the Iraqi Sanctions Regulations to remove provisions that preceded the substantial lifting of economic sanctions in late May 2003. OFAC also is publishing interpretive guidance concerning secondary-market transactions in Iraqi debt.

**DATES:** Effective October 28, 2003. Written comments must be received no later than December 29, 2003.

**ADDRESSES:** Comments may be submitted to the Chief of Records, ATTN: Request for Comments, Office of Foreign Assets Control, Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220. Alternatively, comments may be submitted via facsimile to the Chief of Records at 202/622–1657 or via OFAC’s Web site <<http://www.treas.gov/offices/eotffc/ofac/comment.html>>.

**FOR FURTHER INFORMATION CONTACT:** OFAC’s Chief of Licensing, tel. 202/

622–2480, Chief of Policy Planning and Program Management, tel. 202/622–2500, or Chief Counsel, tel. 202/622–2410.

#### SUPPLEMENTARY INFORMATION:

##### Background

On August 2, 1990, the President issued Executive Order 12722, declaring a national emergency with respect to Iraq. This order was issued under the authority of, *inter alia*, the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3 of the U.S. Code and imposed economic sanctions, including a complete trade embargo, with respect to Iraq. In keeping with United Nations Security Council Resolution 661 of August 6, 1990, and under the United Nations Participation Act (22 U.S.C. 287c), the President also issued Executive Order 12724 of August 9, 1990, which imposed additional restrictions. The Iraqi Sanctions Regulations, 31 CFR part 575 (the “Regulations”), implement Executive Orders 12722 and 12724 and are administered by the Treasury Department’s Office of Foreign Assets Control (“OFAC”).

On May 22, 2003, the United Nations Security Council adopted Resolution 1483, which substantially lifted the multilateral economic sanctions with respect to Iraq. On May 23, 2003, OFAC issued a general license that reflected Resolution 1483 by authorizing most transactions that had been prohibited by the Regulations. This general license was published in the **Federal Register** on June 27, 2003, as new section 575.533 of the Regulations (68 FR 38188–38190).

Section 575.533 supercedes prior substantive licensing provisions of the Regulations. OFAC is removing and reserving previous substantive licensing provisions—*i.e.*, sections 575.505, 575.506, 575.507, 575.508, 575.509, 575.510, 575.511, 575.513, 575.514, 575.517, 575.518, 575.519, 575.520, 575.521, 575.522, 575.523, 575.524, 575.525, 575.526, 575.527, 575.528, 575.529, 575.530, 575.531, and 575.532—in an effort to clarify that the operative authorization now appears in section 575.533.

OFAC also is removing certain definitions that are no longer relevant because they pertain to other regulatory provisions that have been removed. The following outdated definitions are being removed: section 575.307 (defining “Government of Kuwait”), section 575.325 (defining “986 Escrow Account” and “United Nations Iraq

Account,” both of which refer to a defunct account), and sections 575.327 and 575.328 (defining “Memorandum of Understanding” and “Guidelines,” both of which refer to outdated procedures for approving certain transactions involving Iraq).

OFAC expects to make other conforming amendments to the Regulations in the near future and welcomes public comments on this endeavor.

OFAC also is publishing interpretive guidance concerning the scope of section 575.533. The new section 575.419 published today describes the circumstances in which U.S. persons may trade in Iraqi commercial or sovereign debt.

#### Request for Comments

Because these regulations involve a foreign affairs function, the provisions of Executive Order 12866 and the Administrative Procedure Act (5 U.S.C. 553) (the “APA”) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. However, because of the importance of the issues addressed in these regulations, they are being issued in interim form and comments will be considered in the development of a final rule. Accordingly, OFAC encourages interested persons who wish to comment to do so at the earliest possible time to permit the fullest consideration of their views. Comments may address the impact of the regulations on the submitter’s activities, whether of a commercial, non-commercial or humanitarian nature, as well as changes that would improve the clarity and organization of the regulations.

The period for submission of comments will close December 29, 2003. The address for submitting comments appears near the beginning of this document. OFAC will consider all comments received before the close of the comment period in developing final regulations. Comments received after the end of the comment period will be considered if possible, but their consideration cannot be assured. OFAC will not accept public comments accompanied by a request that a part or all of the submission be treated confidentially because of its business proprietary nature or for any other reason. OFAC will return such a submission to the originator without considering the comments in the development of final regulations. In the interest of accuracy and completeness, OFAC requires comments in written form.

All public comments on these regulations will be a matter of public record. Copies of the public record concerning these regulations will be made available not sooner than January 26, 2004 and will be obtainable from OFAC's Web site <http://www.treas.gov/ofac>. If that service is unavailable, written requests for copies may be sent to Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Ave, NW, Washington, DC 20220, Attn: Chief, Records Division.

#### Electronic Availability

This document is available as an electronic file on The Federal Bulletin Board the day of publication in the **Federal Register**. By modem, dial 202/512-1387 and type "/GO FAC," or call 202/512-1530 for disk or paper copies. This file is available for downloading without charge in ASCII and Adobe Acrobat readable (\*.PDF) formats. For Internet access, the address for use with the World Wide Web, Telnet, or FTP protocol is [fedbbs.access.gpo.gov](http://fedbbs.access.gpo.gov). This document and additional information concerning OFAC are available from OFAC's Web site <http://www.treas.gov/ofac>.

#### Paperwork Reduction Act

The collections of information related to these regulations can be found in 31 CFR part 501. Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information have been previously approved by the Office of Management and Budget under control number 1505-0164.

#### List of Subjects

##### 31 CFR Part 575

Administrative practice and procedure, Banks, banking, Blocking of assets, Exports, Foreign trade, Humanitarian aid, Imports, Iran, Iraq, Oil imports, Penalties, Petroleum, Petroleum products, Reporting and recordkeeping requirements, Specially designated nationals, Terrorism, Travel restrictions.

■ For the reasons stated in the preamble, 31 CFR part 575 is amended as set forth below:

#### PART 575—IRAQI SANCTIONS REGULATIONS

■ 1. The authority citation for 31 CFR part 575 continues to read as follows:

**Authority:** 3 U.S.C. 301; 18 U.S.C. 2332d; 22 U.S.C. 287c; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-513, 104 Stat. 2047-2055 (50 U.S.C. 1701 note); E.O. 12722, 55 FR 31803, 3 CFR,

1990 Comp., p. 294; E.O. 12724, 55 FR 33089, 3 CFR, 1990 Comp., p. 297; E.O. 12817, 57 FR 48433, 3 CFR, 1992 Comp., p. 317.

#### Subpart C—General Definitions

§§ 575.307, 575.325, 575.327 and 575.328  
[Removed and reserved]

■ 2. Remove and reserve §§ 575.307, 575.325, 575.327, and 575.328.

#### Subpart D—Interpretations

■ 3. Add a new § 575.419 to subpart D to read as follows:

##### § 575.419 Transactions in Iraqi debt.

Section 575.533 authorizes U.S. persons to trade in Iraqi commercial or sovereign debt in secondary markets, subject to the following conditions:

(a) Such debt was not held in the United States or within the possession or control of a U.S. person as of May 23, 2003, *see* § 575.533(b)(1), (c); and

(b) Unless licensed or otherwise authorized by the Office of Foreign Assets Control, no U.S. person is permitted to enter into any transaction, including an attempt to collect on debt, with persons or organizations determined by the Director of the Office of Foreign Assets Control to be included within § 575.306, persons on the Defense Department's 55-person Watch List, or persons identified by the 661 Committee pursuant to paragraphs 19 and 23 of United Nations Security Council Resolution 1483, adopted May 22, 2003, *see* § 575.533(b)(3).

#### Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

§§ 575.505—575.511, 575.513, 575.514, 575.517—575.532 [Removed and reserved]

■ 4. Remove and reserve §§ 575.505, 575.506, 575.507, 575.508, 575.509, 575.510, 575.511, 575.513, 575.514, 575.517, 575.518, 575.519, 575.520, 575.521, 575.522, 575.523, 575.524, 575.525, 575.526, 575.527, 575.528, 575.529, 575.530, 575.531, and 575.532.

Dated: September 9, 2003.

R. Richard Newcomb,

Director, Office of Foreign Assets Control.

Approved: October 15, 2003.

Juan C. Zarate,

Deputy Assistant Secretary (Terrorist Financing and Financial Crimes), Department of the Treasury.

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#### DEPARTMENT OF HOMELAND SECURITY

##### Coast Guard

##### 33 CFR Part 117

[CGD05-03-050]

RIN 1625-AA-09

#### Drawbridge Operation Regulations; Great Channel Between Stone Harbor and Nummy Island, NJ

AGENCY: Coast Guard, DHS.

ACTION: Temporary final rule.

**SUMMARY:** The Commander, Fifth Coast Guard District, is temporarily changing the regulations governing the operation of the Cape May Bridge across Great Channel at mile 0.7 between Stone Harbor and Nummy Island, New Jersey. The bridge area will be closed to navigation beginning 8 a.m. on October 16, 2003, through 11 p.m. on May 14, 2004. This closure is necessary to facilitate extensive mechanical rehabilitation and to maintain the bridge's operational integrity.

**DATES:** This temporary rule is effective from 8 a.m. on October 16, 2003, to 11 p.m. on May 14, 2004.

**ADDRESSES:** Comments and materials received from the public, as well as documents indicated in this preamble as being available in the docket, are part of docket (CGD05-03-050) and are available for inspection or copying at the Commander (oan-b), Fifth Coast Guard District, Federal Building, 4th Floor, 431 Crawford Street, Portsmouth, Virginia 23703-5004, between 8 a.m. and 4 p.m., Monday through Friday, except Federal holidays.

#### FOR FURTHER INFORMATION CONTACT:

Linda L. Bonenberger, Bridge Management Specialist, Fifth Coast Guard District, at (757) 398-6227.

#### SUPPLEMENTARY INFORMATION:

##### Regulatory History

On June 11, 2003, we published a notice of proposed rulemaking (NPRM) entitled "Drawbridge Operation Regulations; Great Channel Between Stone Harbor and Nummy Island, New Jersey" in the **Federal Register** (68 FR 34877). We received no comments on the proposed rule. No public hearing was requested nor held.

#### Good Cause for Making Rule Effective in Less Than 30 Days

Under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective less than 30 days after publication in the **Federal Register**. A 30 day delayed effective