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Background

On August 22, 1996, the Office of Foreign Assets Control issued the Terrorism List Governments Sanctions Regulations, 31 CFR part 596 (the "Regulations"), implementing section 321 of the Antiterrorism and Effective Death Penalty Act of 1996 (Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d)). Section 596.504 authorizes U.S. persons to engage in all financial transactions with a terrorism list government that is not otherwise subject to sanctions contained in 31 CFR chapter V, currently the Governments of Syria and Sudan, except for a transfer from a terrorism list government constituting a donation to a U.S. person, or a payment that a U.S. person knows or has reason to know poses the risk of furthering terrorist acts in the United States. This final rule adds § 596.505 to the Regulations, generally authorizing donations from the Governments of Syria and Sudan in the form of stipends and scholarships for their respective nationals enrolled as students in accredited educational institutions in the United States. Representations made by an accredited educational institution concerning the status of a student may be relied upon in determining the applicability of this general license.

The general license contained in § 596.505 was originally issued by the Office of Foreign Assets Control on October 24, 1996, as General License No. 1. General License No. 1 may continue to be relied upon for transactions within its scope occurring between October 24, 1996, and the effective date of this final rule.

Since the Regulations involve a foreign affairs function, Executive Order 12886 and the provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601-612) does not apply.

No collection of information is contained in this final rule.

List of Subjects in 31 CFR Part 596

Administrative practice and procedure, Banking and finance, Cuba, Fines and penalties, Iran, Iraq, Libya, North Korea, Reporting and recordkeeping requirements, Syria, Sudan, Terrorism, Transfer of assets.

For the reasons set forth in the preamble, 31 CFR part 596 is amended as follows:

PART 596—TERRORISM LIST GOVERNMENTS SANCTIONS REGULATIONS

1. The authority citation for part 596 continues to read as follows:

Authority: Pub. L. 104-132, 110 Stat. 1214, 1254 (18 U.S.C. 2332d).

Subpart E—Licenses, Authorizations and Statements of Licensing Policy

2. Section 596.505 is added to subpart E to read as follows:

§ 596.505 Certain transactions related to stipends and scholarships authorized.

(a) United States persons are authorized to engage in all financial transactions with respect to stipends and scholarships covering tuition and related educational, living and travel expenses provided by the Government of Syria to Syrian nationals or the Government of Sudan to Sudanese nationals who are enrolled as students in an accredited educational institution in the United States. Representations made by an accredited educational institution concerning the status of a student may be relied upon in determining the applicability of this section.

(b) Nothing in this section authorizes a transaction prohibited by § 596.504(a)(2).

Dated: November 27, 1996.
R. Richard Newcomb,
Director, Office of Foreign Assets Control.
Approved: December 3, 1996.
James E. Johnson,
Assistant Secretary (Enforcement).
[FR Doc. 96-32858 Filed 12-20-96; 2:47 pm]
BILLING CODE 4810-25-F

DEPARTMENT OF DEFENSE

Office of the Secretary

32 CFR Part 269

Inflation Adjustment of Civil Monetary Penalties

AGENCY: Office of the Secretary, Department of Defense.

ACTION: Final rule.

SUMMARY: This final rule adjusts the amount of each statutory civil penalty subject to Department of Defense jurisdiction in accordance with the requirements of the Federal Civil Penalties Inflation Adjustment Act of 1990 as amended by the Debt Collection Improvement Act of 1996.

EFFECTIVE DATE: January 27, 1997.

FOR FURTHER INFORMATION CONTACT: Mr. Tom Summers, Directorate for Accounting Policy, Office of the Deputy Chief Financial Officer, Office of the Under Secretary of Defense (Comptroller), 1100 Defense Pentagon, Room 3A882, Washington, DC 20301-1100, (703) 697-0586 (e-mail address: summerst@ousdc.osd.mil).

SUPPLEMENTARY INFORMATION: The Federal Civil Penalties Inflation Adjustment Act of 1990 (FCPIAA), Public Law 101-410, 104 Stat. 890, 28 U.S.C. 2461, as amended by the Debt Collection Improvement Act of 1996 (DCIA), Public Law 104-134, April 26, 1996, requires the inflation adjustment of Civil Monetary Penalties (CMP) to ensure that they continue to maintain their deterrent value. The DCIA requires that not later than 180 days after its enactment, and at least once every 4 years thereafter, the head of each agency shall, by regulation published in the Federal Register, adjust each CMP within its jurisdiction by the inflation adjustment described in the FCPIAA. The inflation adjustment under the DCIA is to be determined by increasing the maximum CMP by the cost-of-living adjustment, rounding to amounts set forth in section 5(a) of the FCPIAA. The cost-of-living adjustment is the percentage (if any) for each CMP by which the Consumer Price Index (CPI) for the month of June of the calendar year preceding the adjustment, exceeds the CPI for the month of June of the calendar year in which the amount of such CMP was last set or adjusted pursuant to law. The first adjustment to a CMP may not exceed 10 percent of such penalty.

Any increased penalties shall apply only to violations which occur after the date on which the increase takes effect.

A typical example of an inflation adjustment of a CMP is as follows:

Title 10 U.S.C., section 1094(c)(1) imposes a maximum penalty of \$5,000 to a person who provides health care independently as a health-care professional where that person does not have a current license to provide such care. The term "health care professional" means physician, dentist, clinical psychologist or nurse and any other person providing direct patient care as may be designated by the

Secretary of Defense in regulations. The penalty was set in 1985. The CPI for June 1985 and 322.3. The CPI for June 1995 is 456.7. The inflation factor, therefore, is 456.7/322.3 or 1.42. The maximum penalty amount after increase and statutory rounding would be \$7,000 (1.42×5,000). The new maximum penalty amount after applying the 10 percent limit on an initial increase is \$5,500.

A similar calculation was done with respect to each CMP subject to the jurisdiction of the Department of Defense. In compliance with the DCIA, the Department of Defense hereby is amending its regulations by creating this new part.

This final rule has been issued without prior public notice or opportunity for public comment. The Administrative Procedure Act (5 U.S.C. 553(b)(B)) does not require that process "when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest." In this instance, the Department of Defense finds for good cause, that solicitation of public comment on this final rule is unnecessary and impractical. The Congress has required that the agency issue the amendments contained the rule, and provided no discretion to the agency regarding the substance of the amendments. All that is required of the Department of Defense for determination of the amount of the inflation adjustment are ministerial computations.

It has been determined that 32 CFR part 269 is not a significant rule as defined under section 3(f)(1) through 3(f)(4) of Executive order 12866. The rule does not:

- (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy; a sector of the economy; productivity; competition; jobs; the environment; public health or safety; or State, local or tribal governments or communities;
- (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- (3) Materially alter the budgetary impact of entitlement, grants, user fees, or loan programs, or the rights and obligations of recipients thereof; or
- (4) Raise novel legal or policy issues arising out of legal mandate, the President's priorities, or the principles set forth in Executive Order 12866.

The Department of Defense certifies that this rule is not subject to the Regulatory Flexibility Act (5 U.S.C. 601) because it would not, if promulgated, have a significant economic impact on a substantial number of small entities. This rule implements statutory authority intended to protect the Department's programs from abusive practices, but will have no adverse or disproportionate economic impact on small businesses.

The Department of Defense certifies that this rule does not impose any reporting or recordkeeping requirements under the Paperwork Reduction Act of 1995.

List of Subjects in 32 CFR Part 269

Administrative practice and procedure, penalties.

Accordingly, Title 32, Chapter I, subchapter M of the Code of Federal Regulations, is amended to add part 269 to read as follows:

PART 269—CIVIL MONETARY PENALTY INFLATION ADJUSTMENT

Sec.

- 269.1 Scope and purpose.
 - 269.2 Definitions.
 - 269.3 Civil monetary penalty inflation adjustment.
 - 269.4 Cost of living adjustments of civil monetary penalties.
 - 269.5 Application of increase to violations.
- Authority: 28 U.S.C. 2461.

§ 269.1 Scope and purpose.

The purpose of this part is to establish a mechanism for the regular adjustment for inflation of civil monetary penalties and to adjust such penalties in conformity with the Federal Civil Penalties Inflation Adjustment Act of 1990, 46 U.S.C. 2461, as amended by the Debt Collection Improvement Act of 1996, Public Law 104-134, April 26, 1996, in order to maintain the deterrent effect of civil monetary penalties and to promote compliance with the law.

§ 269.2 Definitions.

- (a) *Department.* The Department of Defense.
- (b) *Civil monetary penalty.* Any penalty, fine, or other sanction that:
 - (1)(i) Is for a specific monetary amount as provided by Federal law; or
 - (ii) Has a maximum amount provided by Federal law;
 - (2) Is assessed or enforced by the Department pursuant to Federal law; and
 - (3) Is assessed or enforced pursuant to an administrative proceeding or a civil action in the Federal Courts.

(c) *Consumer Price Index.* The index for all urban consumers published by the Department of Labor.

§ 269.3 Civil monetary penalty inflation adjustment.

The Department shall, not later than 180 days after the enactment of the Debt Collection Improvement Act on April 23, 1996, and at least once every 4 years thereafter—

(a) By regulation adjustment each civil monetary penalty provided by law within the jurisdiction of the Department of Defense by the inflation adjustment described in § 269.4; and

(b) Publish each such update in the Federal Register.

§ 269.4 Cost of living adjustments of civil monetary penalties.

(a) The inflation adjustment under § 269.3 shall be determined by increasing the maximum civil monetary penalty for each civil monetary penalty by the cost-of-living adjustment. Any increase determined under this paragraph shall be rounded to the nearest:

- (1) Multiple of \$10 in the case of penalties less than or equal to \$100;
- (2) Multiple of \$100 in the case of penalties greater than \$100 but less than or equal to \$1,000;
- (3) Multiple of \$1,000 in the case of penalties greater than \$1,000 but less than or equal to \$10,000;
- (4) Multiple of \$5,000 in the case of penalties greater than \$10,000 but less than or equal to \$100,000;
- (5) Multiple of \$10,000 in the case of penalties greater than \$100,000 but less than or equal to \$200,000; and
- (6) Multiple of \$25,000 in the case of penalties greater than \$200,000.

(b) For purposes of paragraph (a) of this section, the term "cost-of-living adjustment" means the percentage (if any) for each civil monetary penalty by which the Consumer Price Index for the month of June of the calendar year preceding the adjustment, exceeds the Consumer Price Index for the month of June of the calendar year in which the amount of such civil monetary penalty was last set or adjusted pursuant to law.

(c) *Limitation on initial adjustment.* The first adjustment of civil monetary penalty pursuant to § 269.3 may not exceed 10 percent of such penalty.

(d) *Inflation adjustment.* Maximum civil monetary penalties within the jurisdiction of the Department of Defense are adjusted for inflation as follows:

United States Code citation	Civil monetary penalty description	Maximum penalty amount as of 10/23/96	New adjusted maximum penalty amount
10 U.S.C. 1094(c)(1)	Unlawful Provision of Health Care	\$5,000	\$5,500
10 U.S.C. 1102(k)	Wrongful Disclosure—Medical Records:		
	First Offense	3,000	3,300
	Subsequent Offense	20,000	22,000
31 U.S.C. 1352	Use of Appropriated Funds to Influence Contract:		
	Minimum	10,000	11,000
	Maximum	100,000	110,000
31 U.S.C. 3721(i)	Personal Property Loss Claims from Government Personnel	1,000	1,100
31 U.S.C. 3802(a)(1)	Program Fraud Civil Remedies Act/Violation Involving False Claim	5,000	5,500
31 U.S.C. 3802(a)(2)	Program Fraud Civil Remedies Act/Violation Involving False Statement	5,000	5,500
33 U.S.C. 1319(g)(2)(A)	§ 404 Permit Condition Violation, Class I (per violation amount)	10,000	11,000
33 U.S.C. 1319(g)(2)(A)	§ 404 Permit Condition Violation, Class I (maximum amount)	25,000	27,500
33 U.S.C. 1319(g)(2)(B)	§ 404 Permit Condition Violation, Class II (per day amount)	10,000	11,000
33 U.S.C. 1319(g)(2)(B)	§ 404 Permit Condition Violation, Class II (maximum amount)	125,000	137,500

§ 269.5 Application of increase to violations.

Any increase in a civil monetary penalty under this part shall apply only to violations which occur after the date the increase takes effect.

Dated: December 18, 1996.
 L.M. Bynum,
Alternate OSD Federal Register Liaison Officer, Department of Defense.
 [FR Doc. 96-32564 Filed 12-24-96; 8:45 am]
BILLING CODE 5000-04-M

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 100

[CGD 05-96-113]

RIN 2115 7E46

Special Local Regulations for Marine Events; New Year's Eve Fireworks, Delaware River, Philadelphia, PA

AGENCY: Coast Guard, DOT.

ACTION: Notice of implementation.

SUMMARY: This notice implements 33 CFR 100.509 for the New Year's Eve Fireworks Display, to be held at Penns Landing, in the Delaware River, Philadelphia, Pennsylvania on December 31, 1996. These special local regulations are needed to control vessel traffic in the vicinity of Penns Landing due to the confined nature of the waterway and expected vessel congestion during the event. The effect will be to restrict general navigation in the regulated area for the safety of spectators and other vessels transiting the event area.

EFFECTIVE DATES: 33 CFR 100.509 is effective from 11 p.m., December 31, 1996 until 1:30 a.m., January 1, 1997.

FOR FURTHER INFORMATION CONTACT:

Chief Warrant Officer T.J. Donovan, marine events coordinator, Commander, Coast Guard Group Philadelphia, 1 Washington Ave., Philadelphia, PA 19147-4395, (215) 271-4940.

SUPPLEMENTARY INFORMATION: The Philadelphia Convention and Visitors Bureau will sponsor the Neighbors in the New Year fireworks display, to be launched from a barge anchored off Penns Landing, on the Delaware River, Philadelphia, Pennsylvania. A large number of spectator vessels are expected to be in the area to watch the fireworks. Therefore, to ensure the safety of spectators and transiting vessels, 33 CFR 100.509 will be in effect for the duration of the event. Under provisions of 33 CFR 100.509, a vessel may not enter the area between Pier 30 and the Benjamin Franklin Bridge unless it is registered as a participant with the event sponsor or it receives permission from the Coast Guard patrol commander. These restrictions will be in effect for a limited period and should not result in significant disruption of maritime traffic.

Dated: December 5, 1996.
 T.M. Cross,
Captain U.S.C.G., Commander, Fifth Coast Guard District, Acting.
 [FR Doc. 96-32845 Filed 12-24-96; 8:45 am]
BILLING CODE 4910-14-M

33 CFR Part 100

[CGD01-96-139]

RIN 2115-AE46

Special Local Regulation: Fireworks Displays Within the First Coast Guard District

AGENCY: Coast Guard, DOT.

ACTION: Notice of implementation.

SUMMARY: This document provides notice of the dates and times of the special local regulations contained in 33 CFR 100.114, "Fireworks Displays within the First Coast Guard District." All vessels will be restricted from entering the area of navigable water within a 500 yard radius of the fireworks launch platform for each event listed in the table below. Implementation of these regulations is necessary to control vessel traffic within the regulated area to ensure the safety of spectators.

EFFECTIVE DATE: The regulations in 33 CFR 100.114 are effective from one hour before the January 1, 1997 scheduled start of the event until thirty minutes after the last firework is exploded for each event listed in the table below. The events are listed alphabetically with their corresponding number listed in the special local regulation, 33 CFR 100.114.

FOR FURTHER INFORMATION CONTACT: Lieutenant Commander James B. Donovan, Office of Search and Rescue, First Coast Guard District, (617) 223-8278.

DISCUSSION OF NOTICE: This notice implements the special local regulations in 33 CFR 100.114 (61 FR 32329; June 24, 1996). All vessels are prohibited from entering a 500 yard radius of navigable water surrounding the launch platform used in each fireworks display listed below.

Table 1—Fireworks Displays

- 22. First Night Fireworks
 Date: January 1, 1997
 Time: 12:00 a.m. to 12:13 a.m.
 Location: Vicinity of New England Aquarium, Boston Harbor, MA
 Lat: 42°21'38" N Long: 071°02'48" W (NAD 1983)
- 23. First Night Mystic
 Date: January 1, 1997
 Time: 12:00 a.m. to 12:15 a.m.