

**Unfunded Mandates Reform Act of 1995**

This rule does not impose unfunded mandates as defined by the Unfunded Mandates Reform Act of 1995 (Pub L. 104-4, March 22, 1995, 109 Stat. 48). This rule will not result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million in any one year.

Additionally, the definition of "Federal mandate" in the Unfunded Mandates Reform Act excludes financial assistance of the type in which State, local, or tribal governments have authority to adjust their participation in the program in accordance with changes made in the program by the Federal government. The Federal-aid highway program permits this type of flexibility to the States.

**Executive Order 13132 (Federalism)**

This action has been analyzed in accordance with the principles and criteria contained in Executive Order 13132, and the FHWA has determined that this action does not have sufficient federalism implications to warrant the preparation of a Federalism assessment. The FHWA also determined that this action does not preempt any State law or State regulation or affect the States' ability to discharge traditional State governmental functions.

By adopting as final the interim final rule, we have permanently eliminated many of the administrative procedures and recordkeeping requirements related to the Federal-aid highway system actions.

**Executive Order 12372 (Intergovernmental Review)**

Catalog of Federal Domestic Assistance Program Number 20.205, Highway Planning and Construction. The regulations implementing Executive Order 12372 regarding intergovernmental consultation on Federal programs and activities apply to this program.

**Paperwork Reduction Act**

This action does not contain a collection of information requirement under the Paperwork Reduction Act of 1995, 44 U.S.C. 3501-3520.

**National Environmental Policy Act**

The FHWA has analyzed this action for the purpose of the National Environmental Policy Act of 1969 (42 U.S.C. 4321-4347) and has determined that this action will not have any effect on the quality of environment.

**Executive Order 13175 (Tribal Consultation)**

The FHWA has analyzed this action under Executive Order 13175, dated November 6, 2000. This action will not have substantial direct effects on one or more Indian tribes; will not impose substantial direct compliance costs on Indian tribal governments; and will not preempt tribal law. Therefore, a tribal summary impact statement is not required.

**Executive Order 13211 (Energy Effects)**

We have analyzed this action under Executive Order 13211, Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use. Although this proposal is a significant regulatory action under Executive Order 12866, we have determined that it is not a significant energy action under that order, because it is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects under Executive Order 13211 is not required.

**Executive Order 12988 (Civil Justice Reform)**

This action 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.

**Executive Order 13045 (Protection of Children)**

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

**Executive Order 12630 (Taking of Private Property)**

This action will not effect a taking of private property or otherwise have taking implications under Executive Order 12630, Government Actions and Interference with Constitutionally Protected Property Rights.

**Regulation Identification Number**

A regulation identification number (RIN) is assigned to each regulatory action listed in the Unified Agenda of Federal Regulations. The Regulatory Information Service Center publishes the Unified Agenda in April and October of each year. The RIN contained in the heading of this document can be used to cross-reference this action with the Unified Agenda.

**List of Subjects in 23 CFR Part 470**

Grant programs—transportation, Highway planning, Highways and roads.

■ In consideration of the foregoing, and under the authority of 23 U.S.C. 103(b)(2), 103(e)(1), (e)(2), and (e)(3), 103(f), 134, 135, and 315; and 49 CFR 1.48(b)(2), the interim final rule amending 23 CFR part 470, subpart A which was published at 62 FR 33351 on June 19, 1997, is adopted as a final rule without change.

Issued on: May 7, 2003.

**Mary E. Peters,**

*Federal Highway Administrator.*

[FR Doc. 03-13066 Filed 5-23-03; 8:45 am]

**BILLING CODE 4910-22-P**

**DEPARTMENT OF THE TREASURY****Office of Foreign Assets Control****31 CFR Part 575****Iraqi Sanctions Regulations; Authorizations of Non-Commercial Funds Transfers and Related Transactions, Activities by the U.S. Government and Its Contractors or Grantees, Privately Financed Humanitarian Transactions, and Certain Exports and Reexports to Iraq**

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

**ACTION:** Interim final rule.

**SUMMARY:** The Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury is amending the Iraqi Sanctions Regulations, to include four general licenses issued May 7, 2003. Subject to certain conditions, these general licenses authorize the following activities involving Iraq: non-commercial funds transfers (including family remittances) and related transactions, activities by the U.S. Government and its contractors or grantees, privately financed humanitarian transactions, and certain exports and reexports to Iraq. OFAC also is publishing a technical amendment to its regulatory definition of the terms "humanitarian activities," "humanitarian purposes," and "humanitarian support."

**DATES:** Effective May 7, 2003. Written comments must be received no later than July 28, 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/enforcement/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, upon Iraq's invasion of Kuwait, the President issued Executive Order 12722, declaring a national emergency with respect to Iraq. This order, 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, imposed economic sanctions, including a complete trade embargo, against 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, implement Executive Orders 12722 and 12724 and are administered by the Treasury Department's Office of Foreign Assets Control ("OFAC").

In light of recent developments in Iraq, OFAC issued four general licenses on May 7, 2003, to authorize additional transactions involving Iraq. The new sections published today incorporate these four general licenses into the Iraqi Sanctions Regulations.

Paragraph (a) of new § 575.529 authorizes U.S. persons to transfer funds to any person in Iraq for non-commercial humanitarian purposes, including family remittances, provided that no U.S. person may transfer more than \$500 per month to any person in Iraq. Paragraph (b) authorizes U.S. financial institutions to engage in all transactions ordinarily incident to such transfers of funds. Paragraph (c) provides that this section does not authorize transfers from blocked accounts.

Paragraph (a) of new § 575.530 authorizes activities by the U.S. government and its contractors or grantees. Paragraph (b)(1) contains a restriction on the exportation or reexportation of any goods or technology (including technical data or other information) controlled by the

Department of Commerce under the Export Administration Regulations (15 CFR chapter VII, subchapter C) for exportation to Iraq; any such exports or reexports must be separately authorized by OFAC. Paragraph (b)(2) describes the circumstances in which some exports or reexports of goods to Iraq must be submitted to the United Nations "661 Committee." Paragraph (c) requires that all payments and funds transfers initiated pursuant to this authorization, and all related documentation, reference this section number. Note 1 to section 575.530 explains that the activities of any subcontractors or other persons who are engaged to perform activities within the scope of the relevant contract or grant are also authorized and subject to the same restrictions. Note 2 to section 575.530 provides information concerning the use of U.S. passports for travel to, in, or through Iraq.

New § 575.531 authorizes all transactions that are necessary to provide privately financed humanitarian support, or to plan or prepare for the provision of humanitarian support, to the Iraqi people in Iraq. Paragraph (a) includes examples of some of the newly-authorized transactions. The note to paragraph (a) references the definition of "humanitarian support" that appears elsewhere in the Iraqi Sanctions Regulations. Paragraphs (b) and (c) contain special provisions on the exportation or reexportation of goods or technology to Iraq. Paragraph (d) provides that this new section does not authorize any transactions with persons on the Department of Defense's 55-person Watch List. Paragraph (e) requires that all payments and funds transfers initiated pursuant to this authorization, and all related documentation, reference this section number. The note to § 575.531 provides information concerning the use of U.S. passports for travel to, in, or through Iraq.

New § 575.532 authorizes the exportation from the United States or, if subject to U.S. jurisdiction, the exportation or reexportation from a third country to Iraq of any goods, subject to two conditions. First, the exportation or reexportation of any goods or technology (including technical data or other information) controlled by the Department of Commerce under the Export Administration Regulations for exportation to Iraq, or listed on the United Nations Goods Review List, must be separately authorized by OFAC. Second, any exportation or reexportation of goods to Iraq must be submitted to the United Nations 661

Committee to the extent and in the manner required under applicable UN Security Council resolutions; for information concerning this second condition, exporters or reexporters should contact the State Department office identified in § 575.532.

These new authorizations do not eliminate the need to comply with other provisions of law, including any aviation, financial, or trade requirements of agencies other than OFAC.

OFAC also is amending § 575.330, which defines the terms "humanitarian activities," "humanitarian purposes," and "humanitarian support." OFAC is amending section 575.330 to remove the phrase "[f]or purposes of §§ 575.527 and 575.528," so that the definition is not limited only to those two sections of the Iraqi Sanctions Regulations.

**Request for Comments**

Because amendment of these regulations involves 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, this rule is 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 July 28, 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 August 25, 2003, 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 in 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

■ 2. Revise § 575.330 to read as follows:

#### § 575.330 Humanitarian activities, humanitarian purposes, and humanitarian support.

The terms *humanitarian activities*, *humanitarian purposes*, and *humanitarian support* mean, as these terms have been defined by the Department of State for relevant United Nations Security Council Resolutions on Iraq, humanitarian relief, educational, cultural, recreational, and human rights-related activities, and activities to ameliorate the effects of or to investigate war crimes. Such purposes may include preparatory activities and transactions.

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

■ 3. Add a new § 575.529 to subpart E to read as follows:

#### § 575.529 Non-commercial funds transfers and related transactions.

(a) U.S. persons are authorized to transfer funds to any person in Iraq for non-commercial humanitarian purposes, including family remittances, provided that no U.S. person may transfer more than \$500 per month to any person in Iraq.

(b) U.S. financial institutions are authorized to engage in all transactions ordinarily incident to the transfer of funds authorized by paragraph (a) of this section, including the opening of new correspondent accounts for funds transfers with Iraqi financial institutions. U.S. financial institutions may rely on originators of funds transfers with regard to compliance with this part.

(c) This section does not authorize transfers from blocked accounts.

■ 4. Add a new § 575.530 to subpart E to read as follows:

#### § 575.530 Activities by the U.S. Government and its contractors or grantees.

(a) Subject to the provisions of paragraph (b) of this section, U.S. government agencies and their contractors or grantees are authorized to engage in all transactions otherwise prohibited by subpart B of this part that are within the scope of their official duties or the relevant U.S. government contracts or grants.

(b)(1) The exportation from the United States or, if subject to U.S. jurisdiction,

the exportation or reexportation from a third country to Iraq of any goods or technology (including technical data or other information) controlled by the Department of Commerce under the Export Administration Regulations (15 CFR chapter VII, subchapter C) for exportation to Iraq must be separately authorized by or pursuant to this part.

(2) If the contracting or granting U.S. government agency has determined that the relevant contract or grant is not in support of U.S. government humanitarian assistance or reconstruction efforts in Iraq, or not in support of U.S. or allied forces deployed in military contingency, humanitarian, or peacekeeping operations in Iraq, then the exportation or reexportation of any goods to Iraq must be submitted to the 661 Committee to the extent and in the manner required under applicable UN Security Council resolutions. If this paragraph (b)(2) applies to a proposed exportation or reexportation, the exporter or reexporter should contact the Office of Peacekeeping and Humanitarian Operations, Room 5323, U.S. Department of State, 2201 C Street NW., Washington, DC 20520 (tel 202/647-2708, fax 202/647-3261) for procedures concerning submissions to the 661 Committee.

(c) All payments and funds transfers initiated pursuant to this authorization, and all related documentation, must reference this section number.

**Note 1 to § 575.530:** This authorization and the restrictions on certain exportations or reexportations extend to the activities of any subcontractors or other persons who are engaged to perform activities within the scope of the relevant contract or grant. See 31 CFR 575.418.

**Note 2 to § 575.530:** U.S. citizens who wish to travel to Iraq pursuant to this authorization may be required to apply to the Department of State to have their passports validated for travel to Iraq, pursuant to 22 CFR 51.73 and 51.74 and public notices issued thereunder, including Public Notice 4283, 68 FR 8791 (February 25, 2003), as amended by Public Notice 4337, 68 FR 18722 (Apr. 16, 2003), and any subsequent public notices regarding the restriction on the use of U.S. passports for travel to, in or through Iraq. Such applications, if required, should be submitted to the Deputy Assistant Secretary for Passport Services, ATTN: Office of Passport Policy and Advisory Services, U.S. Department of State, 2401 E Street, NW., Washington, DC 20522-0907. Such applications must include the applicant's name, date and place of birth, dates of proposed travel, and purpose of the trip. This general license does not in any way create a presumption in favor of passport validation.

■ 5. Add a new § 575.531 to subpart E to read as follows:

**§ 575.531 Privately financed humanitarian transactions.**

(a) Subject to the conditions and limitations set forth in paragraphs (b)–(e) of this section, all transactions otherwise prohibited by subpart B of this part that are necessary to provide privately financed humanitarian support, or to plan or prepare for the provision of humanitarian support, to the Iraqi people in Iraq are authorized. Transactions authorized by this section include, but are not limited to, the exportation to Iraq of goods and services necessary for the provision of humanitarian support, the financing of such humanitarian support, travel-related transactions necessary to provide humanitarian support, and related funds transfers by U.S. financial institutions.

**Note to paragraph (a):** The term *humanitarian support* means, as this term has been defined by the Department of State for relevant United Nations Security Council Resolutions on Iraq, humanitarian relief, educational, cultural, recreational, and human rights-related activities, and activities to ameliorate the effects of or to investigate war crimes. Such purposes may include preparatory activities and transactions. See 31 CFR 575.330.

(b) The exportation from the United States or, if subject to U.S. jurisdiction, the exportation or reexportation from a third country to Iraq of any goods or technology (including technical data or other information) controlled by the Department of Commerce under the Export Administration Regulations (15 CFR chapter VII, subchapter C) for exportation to Iraq or listed on the United Nations Goods Review List must be separately authorized by or pursuant to this part.

(c) Any exportation or reexportation of goods to Iraq pursuant to this authorization must be submitted to the United Nations 661 Committee to the extent, and in the manner, required under applicable UN Security Council resolutions. For procedures concerning submissions to the 661 Committee, the exporter or reexporter should contact the Office of Peacekeeping and Humanitarian Operations, Room 5323, U.S. Department of State, 2201 C Street NW., Washington, DC 20520 (tel 202/647-2708, fax 202/647-3261).

(d) This section does not authorize any transactions with persons on the Department of Defense's 55-person Watch List.

(e) All payments and funds transfers initiated pursuant to this authorization, and all related documentation, must reference this section number.

**Note to § 575.531:** U.S. citizens who wish to travel to Iraq pursuant to this authorization

may be required to apply to the Department of State to have their passports validated for travel to Iraq, pursuant to 22 CFR 51.73 and 51.74 and public notices issued thereunder, including Public Notice 4283, 68 FR 8791 (February 25, 2003), as amended by Public Notice 4337, 68 FR 18722 (Apr. 16, 2003), and any subsequent public notices regarding the restriction on the use of U.S. passports for travel to, in or through Iraq. Such applications, if required, should be submitted to the Deputy Assistant Secretary for Passport Services, ATTN: Office of Passport Policy and Advisory Services, U.S. Department of State, 2401 E Street, NW., Washington, DC 20522-0907. Such applications must include the applicant's name, date and place of birth, dates of proposed travel, and purpose of the trip. This general license does not in any way create a presumption in favor of passport validation.

■ 6. Add a new § 575.532 to subpart E to read as follows:

**§ 575.532 Certain exports and reexports to Iraq.**

The exportation from the United States or, if subject to U.S. jurisdiction, the exportation or reexportation from a third country to Iraq of any goods is authorized, provided that the exportation or reexportation of any goods or technology (including technical data or other information) controlled by the Department of Commerce under the Export Administration Regulations (15 CFR chapter VII, subchapter C) for exportation to Iraq, or listed on the United Nations Goods Review List, must be separately authorized by or pursuant to this part, and any exportation or reexportation to Iraq must be submitted to the 661 Committee to the extent and in the manner required under applicable UN Security Council resolutions. For procedures concerning submissions to the 661 Committee, the exporter or reexporter should contact the Office of Peacekeeping and Humanitarian Operations, Room 5323, U.S. Department of State, 2201 C Street NW., Washington, DC 20520 (tel 202/647-2708, fax 202/647-3261).

Dated: May 9, 2003.

**R. Richard Newcomb,**

*Director, Office of Foreign Assets Control.*

Approved: May 20, 2003.

**Juan C. Zarate,**

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

[FR Doc. 03-13053 Filed 5-20-03; 3:19 pm]

**BILLING CODE 4810-25-P**

**DEPARTMENT OF DEFENSE****National Security Agency/Central Security Services****32 CFR Part 322**

[NSA Reg. 10-35]

**Privacy Act; Implementation**

**AGENCY:** National Security Agency/Central Security Services.

**ACTION:** Final rule.

**SUMMARY:** The National Security Agency/Central Security Services (NSA/CSS) is revising its Privacy Act Program procedural and exemption rules. Revisions include updating the responsibilities assigned to NSA/CSS personnel, and establishing a queue to process Privacy Act requests. Requesters will no longer be required to wait a long period of time to learn that the Agency has a no records responsive to their requests or to obtain records that require minimal review.

The NSA/CSS exemption rules have been revised to add specific subsections of 5 U.S.C. 552a from which information may be exempt, and to add the reasons for taking the specific subsections.

**EFFECTIVE DATES:** April 21, 2003.

**FOR FURTHER INFORMATION CONTACT:** Ms. Anne Hill at (301) 688-6527.

**SUPPLEMENTARY INFORMATION:** No comments were received during the public comment period; therefore, the rules are being adopted as published below.

*Executive Order 12866.* It has been determined that this Privacy Act rule for the Department of Defense does not constitute 'significant regulatory action'. Analysis of the rule indicates that it does not have an annual effect on the economy of \$100 million or more; does not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; does not materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; does not raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in Executive Order 12866 (1993).

*Regulatory Flexibility Act.*

It has been determined that this Privacy Act rule for the Department of Defense does not have significant economic impact on a substantial number of small entities because it is concerned only with the administration of Privacy Act systems of records within the Department of Defense.

*Paperwork Reduction Act.*