

(e) \* \* \*

(7) The vessel does not fish for, possess or land NE multispecies, except that Category 1 herring vessels may possess and land haddock consistent with the incidental catch allowance and bycatch cap specified in § 648.86(a)(3).

(8) All Category 1 herring vessels must notify NMFS Office of Law Enforcement through VMS of the time and place of offloading at least 12 hours prior to crossing the VMS demarcation line on their return trip to port, or, for vessels that have not fished seaward of the VMS demarcation line, at least 12 hours prior to landing. If a fishing trip is less than 12 hours in length, Category 1 herring vessels must notify NMFS Office of Law Enforcement through VMS of the time and place of offloading at least 6 hours prior to crossing the VMS demarcation line on their return trip to port, or, for vessels that have not fished seaward of the VMS demarcation line, at least 6 hours prior to landing. The Regional Administrator may adjust the prior notification minimum time through publication of a notice in the Federal Register consistent with the Administrative Procedure Act.

\* \* \* \* \*

■ 6. In § 648.83, paragraph (b)(4) is added to read as follows:

**§ 648.83 Multispecies minimum fish sizes.**

\* \* \* \* \*

(b) \* \* \*

(4) Category 1 herring vessels may possess and land haddock that measure less than the minimum fish size, consistent with the haddock incidental catch allowance and bycatch cap specified in § 648.86(a)(3).

\* \* \* \* \*

■ 7. In § 648.86, paragraph (a)(3) is added to read as follows:

**§ 648.86 Multispecies possession restrictions.**

\* \* \* \* \*

(a) \* \* \*

(3)(i) Incidental catch allowance for herring Category 1 vessels. Category 1 herring vessels defined in § 648.2 may possess and land up to 1,000 lb (454 kg) of haddock per trip, subject to the requirements specified in § 648.80(d) and (e).

(ii) *Bycatch cap.* (A) When the Regional Administrator has determined that 270,000 lb (122,470 kg) of observed and reported haddock have been landed, NMFS shall prohibit Category 1 herring vessels from entering or fishing in the GB haddock stock area defined by the coordinates specified in paragraph (b)(6)(v)(B) of this section for GB cod through a notice in the **Federal Register**

consistent with rulemaking requirements of the Administrative Procedure Act. In making this determination, the Regional Administrator shall use only haddock landings observed by NMFS approved observers and law enforcement officials, and reports of haddock bycatch submitted by vessels and dealers pursuant to the reporting requirements of this part.

(B) Upon the effective date of prohibiting Category 1 herring vessels from entering or fishing in the GB haddock stock area as described in paragraph (a)(3)(ii)(A) of this section, the haddock possession limit is reduced to 0 lb (0 kg) for all Category 1 herring vessels.

\* \* \* \* \*

[FR Doc. 05-11593 Filed 6-7-05; 4:49 pm]

**BILLING CODE 3510-22-S**

**DEPARTMENT OF THE TREASURY**

**Office of Foreign Assets Control**

**31 CFR Parts 501 and 538**

**Reporting, Procedures and Penalties Regulations and Sudanese Sanctions Regulations**

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

**ACTION:** Final rule.

**SUMMARY:** The Office of Foreign Assets Control (“OFAC”) of the U.S. Department of the Treasury is revising the Reporting, Procedures and Penalties Regulations (the “RPPR”) to make a technical change in order to remove a reference to the Government of Sudan that was used prior to the promulgation of Executive Order 13067 and the Sudanese Sanctions Regulations.

OFAC is also amending the Sudanese Sanctions Regulations, (the “SSR”). The amendments to the SSR include the issuance of two general licenses, effective June 13, 2005. One general license authorizes the operation of accounts in U.S. financial institutions under certain circumstances for individuals ordinarily resident in Sudan. The other general license authorizes U.S. depository institutions, U.S. registered brokers and dealers in securities, and U.S. registered money transmitters to process transfers of funds constituting noncommercial, personal remittances to or from Sudan or for or on behalf of individuals ordinarily resident in Sudan. Other amendments to the SSR include the removal of two regulatory provisions and the revision of a provision regarding reexportation of

U.S.-origin goods, technology or software by non-U.S. persons, and another revision of to reflect changes in OFAC’s procedure for imposing civil penalties.

**DATES:** *Effective Date:* June 13, 2005.

**FOR FURTHER INFORMATION CONTACT:** Chief of Compliance Programs, tel.: 202/622-2490, Chief of Civil Penalties, tel.: 202/622-6140, Chief of Licensing, tel.: 202/622-2480, Chief of Policy Planning and Program Management, tel.: 202/622-4855, or Chief Counsel, tel.: 202/622-2410, Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220.

**SUPPLEMENTARY INFORMATION:**

**Electronic and Facsimile Availability**

This file is available for download without charge in ASCII and Adobe Acrobat readable (\*.PDF) formats at GPO Access. GPO Access supports HTTP, FTP, and Telnet at [fedbbs.access.gpo.gov](http://fedbbs.access.gpo.gov). It may also be accessed by modem dialup at 202/512-1387 followed by typing “/GO/FAC.” Paper copies of this document can be obtained by calling the Government Printing Office at 202-512-1530. Additional information concerning the programs of the Office of Foreign Assets Control is available for download from the Office’s Internet Home Page at: <http://www.treas.gov/ofac> or via FTP at [ofacftp.treas.gov](ftp://ofacftp.treas.gov). Facsimiles of information are available through the Office’s 24-hour fax-on-demand service: call 202/622-0077 using a fax machine, a fax modem, or (within the United States) a touch-tone telephone.

**Background**

On November 3, 1997, President Clinton, invoking the authority, inter alia, of the International Emergency Economic Powers Act (50 U.S.C. 1701-1706), issued Executive Order 13067 (62 FR 59989, November 5, 1997). The order declared a national emergency with respect to the policies and actions of the Government of Sudan, “including continued support for international terrorism; ongoing efforts to destabilize neighboring governments; and the prevalence of human rights violations, including slavery and the denial of religious freedom.” To deal with this national emergency, Executive Order 13067 imposed trade sanctions with respect to Sudan and blocked all property and interests in property of the Government of Sudan in the United States or within the possession or control of U.S. persons. The Sudanese Sanctions Regulations, 31 CFR part 538 (the “SSR”), implement Executive Order 13067.

The Reporting, Procedures and Penalties Regulations, 31 CFR part 501 (the "RPPR"), set forth uniform reporting and procedural requirements applicable to all OFAC sanctions programs. OFAC is amending the RPPR to make a technical change to § 501.604 by removing a reference to the Government of Sudan from that section. Section 501.604(b) uses the Government of Sudan in an example of transactions involving funds transfers that are rejected, but not blocked. This example, however, was published before the issuance of Executive Order 13067 and OFAC's promulgation of the SSR. Executive Order 13067 and the SSR require U.S. financial institutions to block unlicensed funds transfers involving the Government of Sudan.

OFAC is also amending provisions of the SSR dealing with the transfer of funds to Sudan. First, the SSR are being amended by the removal of § 538.413, an interpretive provision stating that the transfer of funds to Sudan from the United States does not constitute an exportation of services pursuant to § 538.205. As a result of the removal of § 538.413, money transmittal services to Sudan are prohibited except as otherwise authorized.

Second, to authorize a means by which noncommercial, personal transmittals of money to Sudan may take place in a manner consistent with Executive Order 13067, OFAC is amending the SSR by issuing a general license, effective June 13, 2005. This general license, new § 538.528, authorizes U.S. depository institutions, U.S. registered brokers and dealers in securities, and U.S. registered money transmitters to process transfers of funds constituting noncommercial, personal remittances under certain circumstances to or from Sudan or for or on behalf of individuals ordinarily resident in Sudan. The general license does not authorize transfers if the underlying transaction is otherwise prohibited by subpart B of the SSR. Definitions of "U.S. depository institution," "U.S. registered broker or dealer in securities," and "U.S. registered money transmitter" are added to subpart C of the SSR to clarify the scope of the general license.

Third, § 538.412, an interpretive provision stating that the operation of accounts in financial institutions for private Sudanese persons does not constitute the exportation of a service to Sudan, is removed from subpart D of the SSR. The content of this section appears in revised form in subpart E as a new general license, § 538.527, effective June 13, 2005. Section 538.527 authorizes the operation of accounts in U.S. financial

institutions for individuals ordinarily resident in Sudan, provided that transactions through the accounts are of a personal nature. The section does not authorize account transactions for use in supporting or operating a business; nor does it authorize transfers of funds to Sudan or to or for the benefit of individuals ordinarily resident in Sudan unless authorized by § 538.528. The section also does not authorize transactions that are otherwise prohibited by subpart B of the SSR.

In addition to the changes described above, § 538.507 of the SSR is also revised to clarify the circumstances under which the reexportation of goods, technology or software of U.S. origin to Sudan or the Government of Sudan by a non-U.S. person is authorized.

Finally, §§ 538.701–.704 of the SSR are amended to reflect changes in OFAC's procedure for imposing or settling civil penalties. Sections 538.701–.704 set forth the procedure by which civil penalties will be issued or settled, as well as guidelines for responding to a prepenalty notice. The amendments do not affect the maximum penalty amounts that the SSR authorize.

#### Public Participation

Because the 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. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601–612) does not apply. However, OFAC encourages interested persons who wish to comment to do so in writing by any of the following methods:

- Agency Web site: <http://www.treas.gov/offices/enforcement/ofac/comment.html>.
- Fax: Chief of Records, 202/622–1657.
- Mail: Chief of Records, Attn: Request for Comments, Office of Foreign Assets Control, Department of the Treasury, 1500 Pennsylvania Avenue, NW., Washington, DC 20220.

OFAC will not accept public comments in languages other than English or 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 any such submission to the originator. 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 September 12, 2005 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.

#### Paperwork Reduction Act

The collections of information related to 31 CFR part 501 and 31 CFR part 538 are contained in 31 CFR part 501 (the "Reporting, Procedures and Penalties Regulations"). Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information have been approved by the Office of Management and Budget under control number 1505–0164. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

#### List of Subjects

##### 31 CFR Part 501

Administrative practice and procedure, Banks, Banking, Blocking of assets, Information, Investments, Loans, Penalties, Reporting and recordkeeping requirements, Services, Specially designated nationals, Sudan, Terrorism.

##### 31 CFR Part 538

Administrative practice and procedure, Agricultural commodities, Banks, Banking, Blocking of assets, Drugs, Exports, Foods, Foreign trade, Humanitarian aid, Imports, Information, Investments, Loans, Medical devices, Medicine, Penalties, Reporting and recordkeeping requirements, Services, Specially designated nationals, Sudan, Terrorism, Transportation.

■ For the reasons set forth in the Preamble, 31 CFR parts 501 and 538 are amended as follows:

#### PART 501—REPORTING, PROCEDURES AND PENALTIES REGULATIONS

■ 1. The authority citation for part 501 continues to read as follows:

**Authority:** 21 U.S.C. 1901–1908; 22 U.S.C. 287c; 31 U.S.C. 321(b); 50 U.S.C. 1701–1706; 50 U.S.C. App. 1–44.

■ 2. Section 501.604 is amended by revising paragraph (b) (3) to read as follows:

##### § 501.604 Reports by U.S. financial institutions on rejected funds transfers.

\* \* \* \* \*  
(b) \* \* \*

(3) Transferring unlicensed gifts or charitable donations from the Government of Syria to a U.S. person;

### PART 538—SUDANESE SANCTIONS REGULATIONS

■ 3. The authority citation for part 538 continues to read as follows:

**Authority:** 3 U.S.C. 301; 31 U.S.C. 321(b); 18 U.S.C. 2339B, 2332d; 50 U.S.C. 1601–1651, 1701–1706; Pub. L. 106–387, 114 Stat. 1549; E.O. 13067, 62 FR 59989, 3 CFR, 1997 Comp., p. 230.

#### Subpart C—General Definitions

■ 4. Section 538.317 is added to subpart C as follows:

##### § 538.317 U.S. depository institution.

The term *U.S. depository institution* means any entity (including its foreign branches) organized under the laws of the United States or of any jurisdiction within the United States, or any agency, office or branch located in the United States of a foreign entity, that is engaged primarily in the business of banking (for example, banks, savings banks, savings associations, credit unions, trust companies and United States bank holding companies) and is subject to regulation by federal or state banking authorities.

■ 5. Section 538.318 is added to subpart C as follows:

##### § 538.318 U.S. registered broker or dealer in securities.

The term *U.S. registered broker or dealer in securities* means any U.S. citizen, permanent resident alien, or entity organized under the laws of the United States or of any jurisdiction within the United States, including its foreign branches, or any agency, office or branch of a foreign entity located in the United States, that:

- (a) Is a “broker” or “dealer” in securities within the meanings set forth in the Securities Exchange Act of 1934;
- (b) Holds or clears customer accounts; and
- (c) Is registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934.

■ 3. Section 538.319 is added to subpart C as follows:

##### § 538.319 U.S. registered money transmitter.

The term *U.S. registered money transmitter* means any U.S. citizen, permanent resident alien, or entity organized under the laws of the United States or of any jurisdiction within the United States, including its foreign branches, or any agency, office or branch of a foreign entity located in the

United States, that is a money transmitter, as defined in 31 CFR 103.11(uu)(5), that is registered pursuant to 31 CFR 103.41.

#### Subpart D—Interpretations

##### § 538.412 [Removed]

■ 7. Section 538.412 is removed from subpart D.

##### § 538.413 [Removed]

■ 8. Section 538.413 is removed from subpart D.

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

■ 9. Section 538.507 is revised to read as follows:

##### § 538.507 Reexports by non-U.S. persons.

(a) *Goods and technology subject to export license application requirements under other United States regulations.* The reexportation to Sudan or the Government of Sudan by a non-U.S. person of any goods or technology exported from the United States, the exportation of which to Sudan is subject to export or reexport license application requirements, is authorized under this section provided that the goods or technology:

(1) Have been incorporated into another product outside the United States and constitute 10 percent or less by value of that product exported from a third country; or

(2) Have been substantially transformed outside the United States.

**Note to paragraph (a) of § 538.507:** Notwithstanding the authorization set forth in paragraph (a), a non-U.S. person's reexportation of goods, technology or software of U.S. origin that are subject to the Export Administration Regulations (15 CFR parts 730 through 774) may require specific authorization from the Department of Commerce, Bureau of Industry and Security.

(b) *Goods and technology not subject to export license application requirements under other United States regulations.* The reexportation to Sudan or the Government of Sudan by a non-U.S. person of any goods or technology of U.S. origin, the exportation of which to Sudan is not subject to any export license application requirements under any other United States regulations, is authorized under this section.

**Note to paragraph (b) of § 538.507:** However, the reexportation by non-U.S. persons of U.S.-origin goods, technology or software classified as EAR99 under the Export Administration Regulations (15 CFR parts 730 through 774) may require specific authorization from the Department of Commerce, Bureau of Industry and Security.

See, for example, the end-use and end-user restrictions set forth in 15 CFR part 744.

■ 10. Section 538.527 is added to subpart E to read as follows:

##### § 538.527 Operation of accounts.

The operation of an account in a U.S. financial institution for an individual ordinarily resident in Sudan who is not included within the term “Government of Sudan,” as defined in § 538.305, is authorized, provided that transactions processed through the account:

(a) Are of a personal nature and not for use in supporting or operating a business;

(b) Do not involve transfers directly or indirectly to Sudan or for the benefit of individuals ordinarily resident in Sudan unless authorized by § 538.528; and

(c) Are not otherwise prohibited by this part.

■ 11. Section 538.528 is added to subpart E to read as follows:

##### § 538.528 Noncommercial, personal remittances.

(a) U.S. depository institutions, U.S. registered brokers or dealers in securities, and U.S. registered money transmitters are authorized to process transfers of funds to or from Sudan or for or on behalf of an individual ordinarily resident in Sudan who is not included within the term “Government of Sudan,” as defined in § 538.305, in cases in which the transfer involves a noncommercial, personal remittance, provided the transfer is not by, to, or through a person who is included within the term “Government of Sudan,” as defined in § 538.305. Noncommercial, personal remittances do not include charitable donations to or for the benefit of an entity or funds transfers for use in supporting or operating a business.

**Note to paragraph (a) of § 538.528:** The institutions identified in paragraph (a) may transfer charitable donations made by U.S. persons to nongovernmental organizations in Sudan registered pursuant to § 538.521, provided that the transfer is made pursuant to § 538.521 and the terms of the registration.

(b) The transferring institutions identified in paragraph (a) of this section may rely on the originator of a funds transfer with regard to compliance with paragraph (a), provided that the transferring institution does not know or have reason to know that the funds transfer is not in compliance with paragraph (a).

(c) This section does not authorize transactions with respect to property blocked pursuant to § 538.201.

**Subpart G—Penalties**

■ 12. Section 538.701(c) is amended by revising paragraph (c) as follows:

**§ 538.701 Penalties.**

\* \* \* \* \*

(c) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any materially false, fictitious or fraudulent statement or representation or makes or uses any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

■ 13. Section 538.702 is revised to read as follows:

**§ 538.702 Prepenalty notice.**

(a) *When required.* If the Director of the Office of Foreign Assets Control has reason to believe that there has occurred a violation of any provision of this part or a violation of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the International Emergency Economic Powers Act, and the Director determines that further proceedings are warranted, the Director shall notify the alleged violator of the agency's intent to impose a monetary penalty by issuing a prepenalty notice. The prepenalty notice shall be in writing. The prepenalty notice may be issued whether or not another agency has taken any action with respect to the matter.

(b) *Contents of notice.*—(1) *Facts of violation.* The prepenalty notice shall describe the violation, specify the laws and regulations allegedly violated, and state the amount of the proposed monetary penalty.

(2) *Right to respond.* The prepenalty notice also shall inform the respondent of the respondent's right to make a written presentation within the applicable 30-day period set forth in § 538.703 as to why a monetary penalty should not be imposed or why, if imposed, the monetary penalty should be in a lesser amount than proposed.

(c) *Informal settlement prior to issuance of prepenalty notice.* At any time prior to the issuance of a prepenalty notice, an alleged violator

may request in writing that, for a period not to exceed sixty (60) days, the agency withhold issuance of the prepenalty notice for the exclusive purpose of effecting settlement of the agency's potential civil monetary penalty claims. In the event the Director grants the request, under terms and conditions within the Director's discretion, the Office of Foreign Assets Control will agree to withhold issuance of the prepenalty notice for a period not to exceed 60 days and will enter into settlement negotiations with respect to the potential civil monetary penalty claim.

■ 14. Section 538.703 is revised to read as follows:

**§ 538.703 Response to prepenalty notice; informal settlement.**

(a) *Deadline for response.* The respondent may submit a response to the prepenalty notice within the applicable 30-day period set forth in this paragraph. The Director may grant, at the Director's discretion, an extension of time in which to submit a response to the prepenalty notice. The failure to submit a response within the applicable time period set forth in this paragraph shall be deemed to be a waiver of the right to respond.

(1) *Computation of time for response.* A response to the prepenalty notice must be postmarked or date-stamped by the U.S. Postal Service (or foreign postal service, if mailed abroad) or courier service provider (if transmitted to OFAC by courier) on or before the 30th day after the postmark date on the envelope in which the prepenalty notice was mailed. If the respondent refused delivery or otherwise avoided receipt of the prepenalty notice, a response must be postmarked or date-stamped on or before the 30th day after the date on the stamped postal receipt maintained at the Office of Foreign Assets Control. If the prepenalty notice was personally delivered to the respondent by a non-U.S. Postal Service agent authorized by the Director, a response must be postmarked or date-stamped on or before the 30th day after the date of delivery.

(2) *Extensions of time for response.* If a due date falls on a federal holiday or weekend, that due date is extended to include the following business day. Any other extensions of time will be granted, at the Director's discretion, only upon the respondent's specific request to the Office of Foreign Assets Control.

(b) *Form and method of response.* The response must be submitted in typewritten form and signed by the respondent or a representative thereof. The response need not be in any

particular form. A copy of the written response may be sent by facsimile, but the original also must be sent to the Office of Foreign Assets Control Civil Penalties Division by mail or courier and must be postmarked or date-stamped, in accordance with paragraph (a) of this section.

(c) *Contents of response.* A written response must contain information sufficient to indicate that it is in response to the prepenalty notice and must identify the Office of Foreign Assets Control identification number listed on the prepenalty notice.

(1) A written response must include the respondent's full name, address, telephone number, and facsimile number, if available, or those of the representative of the respondent.

(2) A written response should either admit or deny each specific violation alleged in the prepenalty notice and also state if the respondent has no knowledge of a particular violation. If the written response fails to address any specific violation alleged in the prepenalty notice, that alleged violation shall be deemed to be admitted.

(3) A written response should include any information in defense, evidence in support of an asserted defense, or other factors that the respondent requests the Office of Foreign Assets Control to consider. Any defense or explanation previously made to the Office of Foreign Assets Control or any other agency must be repeated in the written response. Any defense not raised in the written response will be considered waived. The written response also should set forth the reasons why the respondent believes the penalty should not be imposed or why, if imposed, it should be in a lesser amount than proposed.

(d) *Failure to respond.* Where OFAC receives no response to a prepenalty notice within the applicable time period set forth in paragraph (a) of this section, a penalty notice generally will be issued, taking into account the mitigating and/or aggravating factors present in the record. If there are no mitigating factors present in the record, or the record contains a preponderance of aggravating factors, the proposed prepenalty amount generally will be assessed as the final penalty.

(e) *Informal settlement.* In addition to or as an alternative to a written response to a prepenalty notice, the respondent or respondent's representative may contact the Office of Foreign Assets Control's Civil Penalties Division as advised in the prepenalty notice to propose the settlement of allegations contained in the prepenalty notice and related matters. However, the requirements set forth in paragraph (g) of this section as

to oral communication by the representative must first be fulfilled. In the event of settlement at the prepenalty stage, the claim proposed in the prepenalty notice will be withdrawn, the respondent will not be required to take a written position on allegations contained in the prepenalty notice, and the Office of Foreign Assets Control will make no final determination as to whether a violation occurred. The amount accepted in settlement of allegations in a prepenalty notice may vary from the civil penalty that might finally be imposed in the event of a formal determination of violation. In the event no settlement is reached, the time limit specified in paragraph (a) of this section for written response to the prepenalty notice will remain in effect, unless additional time is granted by the Office of Foreign Assets Control.

(f) *Guidelines.* Guidelines for the imposition or settlement of civil penalties by the Office of Foreign Assets Control have been codified in the Appendix to 31 CFR part 501, the Reporting, Procedures and Penalties Regulations.

(g) *Representation.* A representative of the respondent may act on behalf of the respondent, but any oral communication with the Office of Foreign Assets Control prior to a written submission regarding the specific allegations contained in the prepenalty notice must be preceded by a written letter of representation, unless the prepenalty notice was served upon the respondent in care of the representative.

■ 15. Section 538.704 is revised to read as follows:

**§ 538.704 Penalty imposition or withdrawal.**

(a) *No violation.* If, after considering any response to the prepenalty notice and any relevant facts, the Director of the Office of Foreign Assets Control determines that there was no violation by the respondent named in the prepenalty notice, the Director shall notify the respondent in writing of that determination and of the cancellation of the proposed monetary penalty.

(b) *Violation.*—(1) If, after considering any written response to the prepenalty notice, or default in the submission of a written response, and any relevant facts, the Director of the Office of Foreign Assets Control determines that there was a violation by the respondent named in the prepenalty notice, the Director is authorized to issue a written penalty notice to the respondent of the determination of the violation and the imposition of the monetary penalty.

(2) The penalty notice shall inform the respondent that payment or

arrangement for installment payment of the assessed penalty must be made within 30 days of the date of mailing of the penalty notice by the Office of Foreign Assets Control.

(3) The penalty notice shall inform the respondent of the requirement to furnish the respondent's taxpayer identification number pursuant to 31 U.S.C. 7701 and that such number will be used for purposes of collecting and reporting on any delinquent penalty amount.

(4) The issuance of the penalty notice finding a violation and imposing a monetary penalty shall constitute final agency action. The respondent has the right to seek judicial review of that agency action in federal district court.

Dated: April 26, 2005.

**Robert W. Werner,**

*Director, Office of Foreign Assets Control.*

Approved: May 9, 2005.

**Juan C. Zarate,**

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

[FR Doc. 05-11637 Filed 6-8-05; 3:22 pm]

**BILLING CODE 4810-25-P**

**DEPARTMENT OF HOMELAND SECURITY**

**Coast Guard**

**33 CFR Part 165**

**[CGD09-05-014]**

**RIN 2115-AA87**

**Security Zone; Duluth Harbor, Duluth, MN**

**AGENCY:** Coast Guard, DHS.

**ACTION:** Temporary final rule.

**SUMMARY:** The Coast Guard is establishing a temporary security zone in Duluth's inner harbor for the Commissioning ceremony of the Coast Guard Cutter ALDER. The security zone is necessary to ensure the security of dignitaries attending this ceremony on June 10, 2005. The security zone is intended to restrict vessels from a portion of Duluth Harbor in Duluth, Minnesota.

**DATES:** This rule is effective from 10 a.m. (local) until 3 p.m., June 10, 2005.

**ADDRESSES:** Comments and material received from the public, as well as documents indicated in this preamble as being available in the docket, are part of docket (CGD09-05-014) and are available for inspection or copying at the U.S. Coast Guard Marine Safety Office Duluth, 600 South Lake Avenue,

Canal Park, Duluth, Minnesota 55802, between the hours of 7:30 a.m. and 3:30 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** LT Greg Schultz, U.S. Coast Guard Marine Safety Office Duluth, at (218) 720-5285.

**SUPPLEMENTARY INFORMATION:**

**Regulatory Information**

On May 13, 2005, we published a notice of proposed rulemaking in the **Federal Register** (70 FR 25514). We received no comments on the proposed rule. No public hearing was requested, and none was held. 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**. The regulation is needed to protect dignitaries during the event and a delay would be contrary to the public interest.

**Background and Purpose**

The security zone will encompass the waters of Duluth Harbor, within a 500 foot radius from a fixed point located at 46°46'17" N, 92°05'26" W. These coordinates are based upon North American Datum (NAD 1983).

Entry into, transit through, or anchoring within this security zone is prohibited unless authorized by the Captain of the Port Duluth or his designated on-scene representative. The designated on-scene representative will be the Coast Guard Patrol Commander. The Coast Guard Patrol Commander may be contacted via VHF Channel 16.

**Regulatory Evaluation**

This 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 Homeland Security (DHS).

The security zone will only be in effect for a few hours on the day of the event and vessels may easily still transit inside the Duluth Harbor.

**Small Entities**

Under the Regulatory Flexibility Act (5 U.S.C. 601-612), we have 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