Civil Monetary Penalty Adjustments for Inflation


ACTION: Final rule.

SUMMARY: This final rule is being issued to adjust for inflation each civil monetary penalty (CMP) provided by law within the jurisdiction of the United States Department of Commerce (Department of Commerce). The Department of Commerce’s 2021 adjustments for inflation to CMPs apply only to CMPs with a dollar amount, and will not apply to CMPs written as functions of violations. The Department of Commerce’s 2021 adjustments for inflation to CMPs apply only to those CMPs, including those whose associated violation predated such adjustment, which are assessed by the Department of Commerce after the effective date of the new CMP level.

DATES: This rule is effective January 15, 2021.


SUPPLEMENTARY INFORMATION:

Background

The Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101–410; 28 U.S.C. 2461), as amended by the Debt Collection Improvement Act of 1996 (Pub. L. 104–134), provided for agencies’ adjustments for inflation to CMPs to ensure that CMPs continue to maintain their deterrent value and that CMPs due to the Federal Government were properly accounted for and collected.

A CMP is defined as any penalty, fine, or other sanction that:

1. Is for a specific monetary amount as provided by Federal law, or has a maximum amount provided for by Federal law; and
2. Is assessed or enforced by an agency pursuant to Federal law; and
3. Is assessed or enforced pursuant to an administrative proceeding or a civil action in the Federal courts.

On November 2, 2015, the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Section 701 of Pub. L. 114–74) further amended the Federal Civil Penalties Inflation Adjustment Act of 1990 to improve the effectiveness of CMPs and to maintain their deterrent effect. This amendment (1) required agencies to adjust the CMP levels in effect as of November 2, 2015, with initial catch up adjustments for inflation through a final rulemaking to take effect no later than August 1, 2016; and (2) requires agencies to make subsequent annual adjustments for inflation to CMPs that shall take effect not later than January 15. The Department of Commerce’s 2020 adjustments for inflation to CMPs were published in the Federal Register on January 3, 2020, and the new CMP levels became effective January 15, 2020.

The Department of Commerce’s 2021 adjustments for inflation to CMPs apply only to CMPs with a dollar amount, and will not apply to CMPs written as functions of violations. These 2021 adjustments for inflation to CMPs apply only to those CMPs, including those whose associated violation predated such adjustment, which are assessed by the Department of Commerce after the effective date of the new CMP level.

This regulation adjusts for inflation CMPs that are provided by law within the jurisdiction of the Department of Commerce. The actual CMP assessed for a particular violation is dependent upon a variety of factors. For example, the National Oceanic and Atmospheric Administration’s (NOAA) Policy for the Assessment of Civil Administrative Penalties and Permit Sanctions (Penalty Policy), a compilation of NOAA internal guidelines that are used when assessing CMPs for violations for most of the statutes NOAA enforces, will be interpreted in a manner consistent with this regulation to maintain the deterrent effect of the CMPs. The CMP ranges in the Penalty Policy are intended to aid enforcement attorneys in determining the appropriate CMP to assess for a particular violation. The Penalty Policy is maintained and made available to the public on NOAA’s Office of the General Counsel, Enforcement Section website at: http://www.gc.noaa.gov/enforce-office.html.

The Department of Commerce’s 2021 adjustments for inflation to CMPs set forth in this regulation were determined pursuant to the methodology prescribed by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, which requires the maximum CMP, or the minimum and maximum CMP, as applicable, to be increased by the cost-of-living adjustment. The term “cost-of-living adjustment” is defined by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. For the 2021 adjustments for inflation to CMPs, the cost-of-living adjustment is the percentage for each CMP by which the Consumer Price Index for the month of October 2020 exceeds the Consumer Price Index for the month of October 2019.

Classification

Pursuant to 5 U.S.C. 553(b)(3)(B), there is good cause to issue this rule without prior public notice or opportunity for public comment because it would be impracticable and unnecessary. The Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Section 701(b)) requires agencies to make annual adjustments for inflation to CMPs notwithstanding section 553 of title 5, United States Code. Additionally, the methodology used for adjusting CMPs for inflation is given by statute, with no discretion provided to agencies regarding the substance of the adjustments for inflation to CMPs. The Department of Commerce is charged only with performing ministerial computations to determine the dollar amounts of adjustments for inflation to CMPs. Accordingly, prior public notice and an opportunity for public comment are not required for this rule. For the same reasons, there is good cause under 5 U.S.C. 553(d)(3) to waive the 30-day delay in effective date.

Paperwork Reduction Act

The provisions of the Paperwork Reduction Act of 1995, Public Law 104–13, 44 U.S.C. Chapter 35, and its implementing regulations, 5 CFR part 1320, do not apply to this rule because there are no new or revised...
recordkeeping or reporting requirements.

**Regulatory Analysis**

E.O. 12866, Regulatory Review

This rule is not a significant regulatory action as that term is defined in Executive Order 12866.

**Regulatory Flexibility Act**

Because notice of proposed rulemaking and opportunity for comment are not required pursuant to 5 U.S.C. 553, or any other law, the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601, et seq.) are inapplicable. Therefore, a regulatory flexibility analysis is not required and has not been prepared.

**List of Subjects in 15 CFR Part 6**

Civil monetary penalties, Law enforcement.


Stephen M. Kunze,

Deputy Chief Financial Officer and Director for Financial Management, Department of Commerce.

**Authority and Issuance**

For the reasons stated in the preamble, the Department of Commerce revises 15 CFR part 6 to read as follows:

**PART 6—CIVIL MONETARY PENALTY ADJUSTMENTS FOR INFLATION**

Sec.

6.1 Definitions.

6.2 Purpose and scope.

6.3 Adjustments for inflation to civil monetary penalties.

6.4 Effective date of adjustments for inflation to civil monetary penalties.

6.5 Subsequent annual adjustments for inflation to civil monetary penalties.

**Authority**


**§ 6.1 Definitions.**

(a) The Department of Commerce means the United States Department of Commerce.

(b) Civil monetary penalty means any penalty, fine, or other sanction that:

(1) Is for a specific monetary amount as provided by Federal law, or has a maximum amount provided for by Federal law; and

(2) Is assessed or enforced by an agency pursuant to Federal law; and

(3) Is assessed or enforced pursuant to an administrative proceeding or a civil action in the Federal courts.

**§ 6.2 Purpose and scope.**

The purpose of this part is to make adjustments for inflation to civil monetary penalties, as required by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101–410; 28 U.S.C. 2461), as amended by the Debt Collection Improvement Act of 1996 (Pub. L. 104–134) and the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Section 701 of Pub. L. 114–74), of each civil monetary penalty provided by law within the jurisdiction of the United States Department of Commerce (Department of Commerce).

**§ 6.3 Adjustments for inflation to civil monetary penalties.**

The civil monetary penalties provided by law within the jurisdiction of the Department of Commerce, as set forth in paragraphs (a) through (f) of this section, are hereby adjusted for inflation in 2020 in accordance with the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended, from the amounts of such civil monetary penalties that were in effect as of January 15, 2020, to the amounts of such civil monetary penalties, as thus adjusted. The year stated in parenthesis represents the year that the civil monetary penalty was last set by law or adjusted by law (excluding adjustments for inflation).


(3) 31 U.S.C. 3729(a)(1)(G), False Claims Act (1986); violation, minimum from $11,665 to $11,803; maximum from $23,331 to $23,607.

(b) Bureau of Economic Analysis. 22 U.S.C. 3105(a), International Investment and Trade in Services Act (1990); failure to furnish information, minimum from $4,819 to $4,876; maximum from $48,192 to $48,762.

(c) Bureau of Industry and Security. (1) 15 U.S.C. 5408(b)(1), Fastener Quality Act (1990); violation, maximum from $48,192 to $48,762.


(d) Census Bureau. (1) 13 U.S.C. 304, Collection of Foreign Trade Statistics (2002), each day’s delinquency of a violation; total of not to exceed maximum per violation, from $1,419 to $1,436; maximum per violation, from $14,194 to $14,362.

(2) 13 U.S.C. 305(b), Collection of Foreign Trade Statistics (2002), violation, maximum from $14,194 to $14,362.

(e) International Trade Administration. (1) 19 U.S.C. 81s, Foreign Trade Zone (1934), violation, maximum from $2,976 to $3,011.


(4) 16 U.S.C. 783, Sponge Act (1914), violation, maximum from $1,759 to $1,780.

(5) 16 U.S.C. 957(d), (e), and (f), Tuna Conventions Act of 1950 (1962): (i) Violation of 16 U.S.C. 957(a), maximum from $87,913 to $88,952.

(ii) Subsequent violation of 16 U.S.C. 957(a), maximum from $189,352 to $191,590.

(iii) Violation of 16 U.S.C. 957(b), maximum from $2,976 to $3,011.

(iv) Subsequent violation of 16 U.S.C. 957(b), maximum from $17,583 to $17,791.

(v) Violation of 16 U.S.C. 957(c), maximum from $378,706 to $383,182.

(6) 16 U.S.C. 957(i), Tuna Conventions Act of 1950, violation, maximum from $192,768 to $195,047.


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*This National Oceanic and Atmospheric Administration maximum civil monetary penalty, as prescribed by law, is the maximum civil penalty per 16 U.S.C. 1858(a), Magnuson-Stevens Fishery Conservation and Management Act civil monetary penalty (paragraph (f)(15) of this section).

* See footnote 1.


11 See footnote 1.

14 See footnote 1.

17 See footnote 1.

20 See footnote 1.


§ 6.4 Effective date of adjustments for inflation to civil monetary penalties.

The Department of Commerce’s 2021 adjustments for inflation made by § 6.3, of the civil monetary penalties there specified, are effective on January 15, 2021, and said civil monetary penalties, as thus adjusted by the adjustments for inflation made by § 6.3, apply only to those civil monetary penalties, including those whose associated violation predated such adjustment, which are assessed by the Department of Commerce after the effective date of the new civil monetary penalty level, and before the effective date of any future adjustments for inflation to civil monetary penalties thereto made subsequent to January 15, 2021 as provided in § 6.5.

§ 6.5 Subsequent annual adjustments for inflation to civil monetary penalties.

The Secretary of Commerce or his or her designee by regulation shall make subsequent adjustments for inflation to the Department of Commerce’s civil monetary penalties annually, which shall take effect not later than January 15, notwithstanding section 553 of title 5, United States Code.

This rule is effective January 11, 2021, and said civil monetary penalties, specified, are effective on January 15, 2021, and said civil monetary penalties, as thus adjusted by the adjustments for inflation made by § 6.3, apply only to those civil monetary penalties, including those whose associated violation predated such adjustment, which are assessed by the Department of Commerce after the effective date of the new civil monetary penalty level, and before the effective date of any future adjustments for inflation to civil monetary penalties thereto made subsequent to January 15, 2021 as provided in § 6.5.

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Part 744

[Docket No. 201214–0340]

RIN 0964–A139

Revisions to the Unverified List (UVL)

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: The Bureau of Industry and Security (BIS) is amending the Export Administration Regulations (EAR) by removing three (3) persons from the Unverified List (UVL). The three persons are removed from the UVL on the basis that BIS was able to verify their bona fides (i.e., legitimacy and reliability relating to the end use and end user of items subject to the EAR) through successful end-use checks.

DATES: This rule is effective January 11, 2021.