

**SUMMARY:** The Department of the Treasury's Office of Foreign Assets Control ("OFAC") is implementing Executive Order 13350 of July 29, 2004, which terminated the national emergency declared with respect to Iraq in Executive Order 12722 of August 2, 1990, and revoked that and subsequent Executive orders, by removing the Iraqi Sanctions Regulations from the Code of Federal Regulations.

**DATES:** *Effective Date:* September 13, 2010.

**FOR FURTHER INFORMATION CONTACT:** Assistant Director for Compliance, Outreach & Implementation, tel.: 202/622-2490, Assistant Director for Licensing, tel.: 202/622-2480, Assistant Director for Policy, tel.: 202/622-4855, or Chief Counsel (Foreign Assets Control), tel.: 202/622-2410 (not toll free numbers).

**SUPPLEMENTARY INFORMATION:**

**Electronic and Facsimile Availability**

This document and additional information concerning OFAC are available from OFAC's Web site (<http://www.treas.gov/ofac>). Certain general information pertaining to OFAC's sanctions programs also is available via facsimile through a 24-hour fax-on-demand service, tel.: 202/622-0077.

**Background**

As a result of the removal of the regime of Saddam Hussein and other developments in Iraq, the President issued Executive Order 13350 on July 29, 2004 (69 FR 46055, July 30, 2004). Executive Order 13350 terminated the national emergency declared with respect to Iraq in Executive Order 12722 of August 2, 1990. In addition, Executive Order 13350 revoked Executive Order 12722, Executive Order 12724 of August 9, 1990, Executive Order 12743 of January 18, 1991, Executive Order 12751 of February 14, 1991, and Executive Order 12817 of October 21, 1992. These Executive orders were all in furtherance of the national emergency declared in Executive Order 12722.

In Executive Order 12722, the President ordered the blocking of all property and interests in property that were in the United States or that came within the possession or control of United States persons, including overseas branches, of the Government of Iraq, its agencies, instrumentalities, and controlled entities, and the Central Bank of Iraq (55 FR 31803, August 3, 1990). Executive Order 12722 prohibited the importation of any goods or services of Iraqi origin into the United States and

the exportation of any goods, technology, or services from the United States to Iraq. Executive Order 12722 also prohibited transactions relating to transportation and travel to or from Iraq by United States citizens or permanent resident aliens. The subsequent Executive orders took various additional steps with respect to the situation in Iraq.

Section 207(a) of the International Emergency Economic Powers Act ("IEEPA") (50 U.S.C. 1706(a)) contains a provision that allows the President to continue to prohibit transactions involving property in which a foreign country or national thereof has an interest after a national emergency has been terminated if the President determines that the continuation of such a prohibition with respect to that property is necessary on account of claims involving such country or its nationals. Pursuant to section 207(a) of IEEPA, the President determined in Section 1 of Executive Order 13350 that continuation of prohibitions with regard to transactions involving property blocked pursuant to Executive Orders 12722 or 12724 that continued to be blocked as of July 30, 2004, was necessary on account of claims involving Iraq. The new Iraq Stabilization and Insurgency Sanctions Regulations, 31 CFR part 576, include a general license unblocking all remaining property blocked pursuant to Section 1 of Executive Order 13350. See 31 CFR 576.510.

Please note that certain transactions relating to Iraq remain subject to the Iraq Stabilization and Insurgency Regulations, 31 CFR part 576, which implement Executive Order 13303 of May 22, 2003, Executive Order 13315 of August 28, 2003, Executive Order 13350 of July 29, 2004, Executive Order 13364 of November 29, 2004, and Executive Order 13438 of July 17, 2007.

Accordingly, OFAC is removing the Iraqi Sanctions Regulations (the "Regulations") in 31 CFR part 575. The removal of part 575 from 31 CFR chapter V does not affect ongoing enforcement proceedings or prevent the initiation of enforcement proceedings where the relevant statute of limitations has not run.

**Executive Order 12866, Administrative Procedure Act, and Regulatory Flexibility Act**

Because the Regulations involve a foreign affairs function, the provisions of Executive Order 12866 and 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.

**Paperwork Reduction Act**

The Paperwork Reduction Act does not apply because this rule does not impose information collection requirements that would require the approval of the Office of Management and Budget under 44 U.S.C. 3501 *et seq.*

**List of Subjects in 31 CFR Part 575**

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

**PART 575—[REMOVED]**

■ Pursuant to 50 U.S.C. 1701 *et seq.* and Executive Order 13350, the Office of Foreign Assets Control amends 31 CFR chapter V by removing part 575 for the reasons set forth in the preamble.

Dated: September 1, 2010.

**Adam J. Szubin,**

*Director, Office of Foreign Assets Control, Department of the Treasury.*

Approved: September 2, 2010.

**Stuart A. Levey,**

*Under Secretary, Office of Terrorism and Financial Intelligence, Department of the Treasury.*

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**DEPARTMENT OF THE TREASURY**

**Office of Foreign Assets Control**

**31 CFR Part 576**

**Iraq Stabilization and Insurgency Sanctions Regulations**

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

**ACTION:** Final rule.

**SUMMARY:** The Department of the Treasury's Office of Foreign Assets Control ("OFAC") is adding the Iraq Stabilization and Insurgency Sanctions Regulations as a new part to the Code of Federal Regulations, to implement Executive Order 13303 of May 22, 2003, Executive Order 13315 of August 28, 2003, Executive Order 13350 of July 29, 2004, Executive Order 13364 of November 29, 2004, and Executive Order 13438 of July 17, 2007.

**DATES:** *Effective Date:* September 13, 2010.

**FOR FURTHER INFORMATION CONTACT:** Assistant Director for Compliance, Outreach & Implementation, tel.: 202/622-2490, Assistant Director for Licensing, tel.: 202/622-2480, Assistant Director for Policy, tel.: 202/622-4855, or Chief Counsel (Foreign Assets Control), tel.: 202/622-2410 (not toll free numbers).

**SUPPLEMENTARY INFORMATION:**

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**Background**

Following the removal from power of the regime of Saddam Hussein in Iraq, the President issued Executive Order 13303 of May 22, 2003, under the authority of, *inter alia*, the International Emergency Economic Powers Act, 50 U.S.C. 1701 *et seq.* ("IEEPA"), the National Emergencies Act, 50 U.S.C. 1601 *et seq.* ("NEA"), and section 5 of the United Nations Participation Act, 22 U.S.C. 287c ("UNPA"). In Executive Order 13303, the President found that the threat of attachment or other judicial process against the Development Fund for Iraq, Iraqi petroleum and petroleum products, and interests therein, and proceeds, obligations, or financial instruments arising from or related to the sale or marketing thereof obstructed the orderly reconstruction of Iraq, the restoration and maintenance of peace and security in the country, and the development of political, administrative, and economic institutions in Iraq. The President further determined that this situation constituted an unusual and extraordinary threat to the national security and foreign policy of the United States and declared a national emergency to deal with that threat.

To deal with this emergency, section 1 of Executive Order 13303 provided that, unless licensed or otherwise authorized, any attachment, judgment, execution, or other judicial process is prohibited and shall be deemed null and void with respect to (1) the Development Fund for Iraq, and (2) all Iraqi petroleum and petroleum products, and interests therein, and proceeds, obligations, or any financial instruments of any nature arising from or related to the sale or marketing

thereof, and interests therein, in which any foreign country or national thereof has any interest, that are in, or come within, the United States, or that are in, or come within, the possession or control of United States persons. Executive Order 13303 also provided that two earlier Executive orders that had imposed comprehensive sanctions against Iraq following the invasion of Kuwait, including a trade embargo and a blocking of Iraqi government assets (*i.e.*, Executive Order 12722 of August 2, 1990, and Executive Order 12724 of August 9, 1990), as well as a more recent Executive order confiscating and vesting title to certain blocked Iraqi property (*i.e.*, Executive Order 13290 of March 20, 2003) were not applicable to the property and interests in property described in section 1.

On August 28, 2003, the President issued Executive Order 13315, under the authority of, *inter alia*, IEEPA, the NEA, and the UNPA, and in view of United Nations Security Council Resolution ("UNSCR") 1483 of May 22, 2003. The President issued this Order to expand the scope of the national emergency declared in Executive Order 13303 to address the unusual and extraordinary threat to the national security and foreign policy of the United States posed by obstacles to the orderly reconstruction of Iraq, the restoration and maintenance of peace and security in that country, and the development of its political, administrative, and economic institutions. The President found that the removal of Iraqi property from the country by certain senior officials of the former Iraqi regime and their family members constituted such an obstacle. The President determined that the United States was engaged in armed hostilities and that it was in the interest of the United States to confiscate certain additional property of the former Iraqi regime, certain senior officials of the former regime, immediate family members of those officials, and controlled entities.

Section 1 of Executive Order 13315 blocked all property and interests in property in the United States or in the possession or control of United States persons, including any overseas branch, of: (1) The former Iraqi regime, (2) its state bodies, corporations, or agencies, (3) persons listed in the Annex to the Order, and (4) persons determined by the Secretary of the Treasury, in consultation with the Secretary of State, to be senior officials of the former Iraqi regime or their immediate family members or to be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any

of the persons listed in the Annex or determined to be subject to the Order.

Section 2 of Executive Order 13315 authorized the Secretary of the Treasury, in consultation with the Secretary of State, to confiscate property blocked pursuant to section 1 and determined to belong to a person, organization, or country that had planned, authorized, aided, or engaged in armed hostilities against the United States. Section 2 directed that all right, title, and interest in such confiscated property shall vest in the Department of the Treasury, and such vested property shall promptly be transferred to the Development Fund for Iraq.

Section 3 of Executive Order 13315 prohibited any transaction by a United States person or within the United States that evades or avoids, has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Order, as well as any conspiracy formed to violate such prohibitions. Section 4 defined certain terms used in the Order. Section 5 set forth the President's determination that the making of donations of the type specified in section 203(b)(2) of IEEPA (*i.e.*, donations of articles, such as food, clothing, and medicine, intended to be used to relieve human suffering) by or to persons determined to be subject to the sanctions would seriously impair his ability to deal with the national emergency declared in Executive Order 13303 and expanded in scope in this Order and would endanger Armed Forces of the United States that were engaged in hostilities. Accordingly, the President prohibited the donation of such items unless authorized by OFAC.

On July 29, 2004, the President issued Executive Order 13350, which, because of the removal of the regime of Saddam Hussein and other developments, terminated the national emergency that had been declared in Executive Order 12722 with respect to Iraq, and revoked that Order, Executive Order 12724, and subsequent Orders that were based on the national emergency declared in Executive Order 12722. In Executive Order 13350, the President also took certain additional steps to deal with the national emergency declared in Executive Order 13303 and expanded in Executive Order 13315, which remains in effect.

Among other things, the President's termination of the national emergency that had been declared in Executive Order 12722 and his revocation of that and related Orders ended, as of July 30, 2004, the import and export prohibitions that had been imposed pursuant to Executive Orders 12722 and 12724 and related regulations, including

the Iraqi Sanctions Regulations, 31 CFR part 575. As a practical matter, most import and export transactions had been authorized by the provisions of subpart E of part 575 since May 23, 2003. OFAC has now removed the Iraqi Sanctions Regulations from 31 CFR chapter V effective September 13, 2010.

Section 1 of Executive Order 13350 provided for the continuation of prohibitions under section 207 of IEEPA, 50 U.S.C. 1706, with regard to transactions involving property blocked pursuant to Executive Orders 12722 and 12724 that continued to be blocked as of July 30, 2004. In addition, section 1 provided that the termination of the national emergency declared in Executive Order 12722 shall not affect any action taken or proceeding pending but not finally concluded or determined as of July 30, 2004, any action or proceeding based on any act committed prior to such date, or any rights or duties that matured or penalties that were incurred prior to such date. Accordingly, property blocked pursuant to Executive Orders 12722 and 12724 as of July 30, 2004, remained blocked.

Section 2 replaced and superseded the Annex to Executive Order 13315 in its entirety with the Annex to Executive Order 13350. Section 3 amended Executive Order 13290 by substituting the national emergency declared in Executive Order 13303 and expanded in Executive Order 13315 for the one declared in Executive Order 12722. Section 4 prohibited the trade in or transfer of ownership or possession of Iraqi cultural property or other items of archeological, historical, cultural, rare scientific, and religious importance that were illegally removed, or for which a reasonable suspicion existed that they were illegally removed, from the Iraq National Museum, the National Library, and other locations in Iraq since August 6, 1990, unless licensed or authorized pursuant to Executive Order 13350 or otherwise consistent with U.S. law. Section 5 prohibited the making of donations of the type specified in section 203(b)(2) of IEEPA by or to persons determined to be subject to the sanctions imposed by Executive Order 13315, as amended by Executive Order 13350.

The President issued Executive Order 13364 on November 29, 2004, further modifying the scope of the national emergency that was declared in Executive Order 13303, expanded in Executive Order 13315, and modified in Executive Order 13350. The President found that the threat of attachment or other judicial process against the Central Bank of Iraq constituted an obstacle to the orderly reconstruction of

Iraq, the restoration and maintenance of peace and security in that country, and the development of political, administrative, and economic institutions in Iraq. Accordingly, Executive Order 13364 amended section 1 of Executive Order 13303 to extend that section's protection from attachment, judgment, execution, or other judicial process to any accounts, assets, investments, or any other property of any kind owned by, belonging to, or held by the Central Bank of Iraq, or held or otherwise controlled by any financial institution in the name or on behalf of, or otherwise for, the Central Bank of Iraq.

In addition, consistent with UNSCRs 1483 and 1546, dated May 22, 2003, and June 8, 2004, respectively, Executive Order 13364 amended section 1 of Executive Order 13303 to limit the immunity provided therein in two ways. First, it provided that the immunity from attachment for Iraqi petroleum and petroleum products and interests therein shall apply only until title passes to the initial purchaser. Second, it restricted the overall prohibition against attachment, judgment, execution, or other judicial process so that the immunity from attachment shall not apply with respect to any final judgment arising out of a contractual obligation entered into by the Government of Iraq, including any agency or instrumentality thereof, after June 30, 2004.

Finally, on July 17, 2007, the President issued Executive Order 13438, finding that acts of violence threatening the peace and stability of Iraq and undermining efforts to promote economic reconstruction and political reform in Iraq and to provide humanitarian assistance to the Iraqi people constitute an unusual and extraordinary threat to the national security and foreign policy of the United States. Accordingly, he determined that it was in the interests of the United States to take additional steps with respect to the national emergency declared in Executive Order 13303, expanded in Executive Order 13315, and relied upon for additional steps in Executive Orders 13350 and 13364.

Section 1 of Executive Order 13438 blocked the property and interests in property in the United States or in the possession or control of United States persons, including any overseas branch, of any person determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Secretary of Defense: (i) To have committed, or to pose a significant risk of committing, an act of violence that has the purpose or effect of (A)

threatening the peace or stability of Iraq or the Government of Iraq, or (B) undermining efforts to promote economic reconstruction and political reform in Iraq or to provide humanitarian assistance to the Iraqi people; (ii) to have materially assisted, sponsored, or provided financial, material, logistical, or technical support for, or goods or services in support of, such an act or acts of violence or any person whose property and interests in property are blocked pursuant to the Order; or (iii) to be owned or controlled by or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to the Order. The prohibitions in section 1 include, but are not limited to, the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property have been blocked, and the receipt of any contribution or provision of funds, goods, or services from any such person.

Acting under authority delegated to the Secretary of the Treasury by Executive Orders 13303, 13315, 13350, 13364 and 13438, OFAC is promulgating these Iraq Stabilization and Insurgency Sanctions Regulations, 31 CFR part 576 (the "Regulations"), to implement the provisions of those orders.

Subpart A of the Regulations clarifies the relation of this part to other laws and regulations. Subpart B of the Regulations sets forth: (a) The prohibitions contained in section 1 of Executive Order 13303, as amended by Executive Order 13364; (b) the prohibitions contained in section 1 of Executive Order 13315, as amended by Executive Order 13350; (c) the prohibitions contained in sections 1 and 4 of Executive Order 13350; and (d) the prohibitions contained in section 1 of Executive Order 13438. See §§ 576.201, 576.206, 576.208. Persons identified in the Annex to Executive Order 13315, as amended by Executive Order 13350, or designated by or under the authority of the Secretary of the Treasury pursuant to Executive Orders 13315 or 13438 are referred to throughout the Regulations as "persons whose property and interests in property are blocked pursuant to § 576.201(a)." The names of persons listed in or designated pursuant to Executive Orders 13315, 13350, and 13438 are published on OFAC's Specially Designated Nationals and Blocked Persons List, which is accessible via OFAC's Web site. Those names also are published in the **Federal Register** as they are added to the List, and the entire List is republished

annually as Appendix A to 31 CFR chapter V.

Subpart C of the Regulations defines key terms used throughout this part. Subpart D of the Regulations sets forth interpretive sections regarding other provisions in the Regulations. Section 576.411 of subpart D interprets a provision unique to Part 576, § 576.208, which provides that the trade in or transfer of certain Iraqi cultural property is prohibited. OFAC may establish a violation of § 576.208 separate from, and independent of, other laws and regulations that prohibit the trade in or transfer of Iraqi cultural property. Section 576.411 states that the mere compliance with certain legal, administrative, or procedural requirements, such as those set forth by U.S. Customs and Border Protection, does not preclude a violation of § 576.208.

Transactions otherwise prohibited under the Regulations but found to be consistent with U.S. policy may be authorized by one of the general licenses contained in subpart E of the Regulations or by a specific license issued pursuant to the procedures described in subpart E of part 501 of 31 CFR chapter V. In addition to the general licenses, subpart E of the Regulations also contains certain statements of licensing policy. In particular, OFAC may license or authorize, on a case-by-case basis, judicial process with regard to property and interests in property protected by § 576.206(a) to satisfy liability for damages assessed in connection with an ecological accident, including an oil spill. See § 576.508. The language in § 576.508 derives from UNSCR 1483, which requires all States to provide immunity to Iraqi petroleum, petroleum products, and natural gas in regard to any form of attachment, garnishment, or execution in their respective domestic legal systems, unless the proceeds are needed to satisfy liability for damages assessed in connection with an ecological accident that occurred after May 22, 2003.

Subpart F of the Regulations refers to subpart C of part 501 for applicable recordkeeping and reporting requirements. Subpart G of the Regulations describes the civil and criminal penalties applicable to violations of the regulations, as well as the procedures governing the potential imposition of a civil monetary penalty. Subpart H of the Regulations refers to subpart D of part 501 for applicable provisions relating to administrative procedures and sets forth a delegation of authorities. Subpart I of the Regulations

sets forth a Paperwork Reduction Act notice.

#### Public Participation

Because the Regulations involve a foreign affairs function, Executive Order 12866 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.

#### Paperwork Reduction Act

The collections of information related to the Regulations 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 previously 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 in 31 CFR Part 576

Administrative practice and procedure, Banks, Banking, Blocking of assets, Courts, Exports, Foreign trade, Imports, Iraq, Oil imports, Penalties, Petroleum, Petroleum products, Reporting and recordkeeping requirements, Specially designated nationals.

■ For the reasons set forth in the preamble, the Department of the Treasury’s Office of Foreign Assets Control adds part 576 to 31 CFR chapter V to read as follows:

### PART 576—IRAQ STABILIZATION AND INSURGENCY SANCTIONS REGULATIONS

#### Subpart A—Relation of This Part to Other Laws and Regulations

Sec.

576.101 Relation of this part to other laws and regulations.

#### Subpart B—Prohibitions

576.201 Prohibited transactions involving blocked property.

576.202 Effect of transfers violating the provisions of this part.

576.203 Holding of funds in interest-bearing accounts; investment and reinvestment.

576.204 Expenses of maintaining blocked physical property; liquidation of blocked property.

576.205 Evasions; attempts; conspiracies.

576.206 Protection granted to the Development Fund for Iraq, Iraqi Petroleum and Petroleum Products, and the Central Bank of Iraq.

576.207 Exemption for property controlled by the military forces of the United States and their coalition partners in Iraq.

576.208 Prohibited transactions related to certain Iraqi cultural property.

576.209 Exempt transactions.

#### Subpart C—General Definitions

576.301 Blocked account; blocked property.

576.302 Development Fund for Iraq.

576.303 Effective date.

576.304 Entity.

576.305 Former Iraqi regime.

576.306 Information or informational materials.

576.307 Interest.

576.308 Iraqi petroleum and petroleum products.

576.309 Licenses; general and specific.

576.310 Government of Iraq.

576.311 Person.

576.312 Property; property interest.

576.313 Transfer.

576.314 UNSC Resolution 1483.

576.315 United States.

576.316 U.S. financial institution.

576.317 United States person; U.S. person.

#### Subpart D—Interpretations

576.401 Reference to amended sections.

576.402 Effect of amendment.

576.403 Setoffs prohibited.

576.404 Termination and acquisition of an interest in property.

576.405 Transactions ordinarily incident to a licensed transaction.

576.406 Provision of services.

576.407 Offshore transactions.

576.408 Payments from blocked accounts to satisfy obligations prohibited.

576.409 Charitable contributions.

576.410 Credit extended and cards issued by U.S. financial institutions.

576.411 Prohibited transactions involving certain Iraqi cultural property.

576.412 Entities owned by a person whose property and interests in property are blocked.

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

576.501 General and specific licensing procedures.

576.502 Effect of license or authorization.

576.503 Exclusion from licenses.

576.504 Payments and transfers to blocked accounts in U.S. financial institutions.

576.505 Entries in certain accounts for normal service charges authorized.

576.506 Investment and reinvestment of certain funds.

576.507 Provision of certain legal services authorized.

576.508 Judicial process in legal proceedings involving ecological accidents.

576.509 Authorization of emergency medical services.

576.510 Unblocking certain blocked property.

- 576.511 Property controlled by the military forces of the United States and their coalition partners in Iraq.
- 576.512 Transactions with certain blocked persons authorized.

#### Subpart F—Reports

- 576.601 Records and reports.

#### Subpart G—Penalties

- 576.701 Penalties.
- 576.702 Pre-Penalty Notice; settlement.
- 576.703 Penalty imposition.
- 576.704 Administrative collection; referral to United States Department of Justice.

#### Subpart H—Procedures

- 576.801 Procedures.
- 576.802 Delegation by the Secretary of the Treasury.

#### Subpart I—Paperwork Reduction Act

- 576.901 Paperwork Reduction Act notice.

**Authority:** 3 U.S.C. 301; 22 U.S.C. 287c; 31 U.S.C. 321(b); 50 U.S.C. 1601–1651, 1701–1706; Pub. L. 110–96, 121 Stat. 1011; E.O. 13303, 68 FR 31931, 3 CFR, 2003 Comp., p. 227; E.O. 13315, 68 FR 52315, 3 CFR, 2003 Comp., p. 252; E.O. 13350, 69 FR 46055, 3 CFR, 2004 Comp., p. 196; E.O. 13364, 69 FR 70177, 3 CFR, 2004 Comp., p. 236; E.O. 13438, 72 FR 39719, 3 CFR, 2007 Comp., p. 224.

#### Subpart A—Relation of This Part to Other Laws and Regulations

##### § 576.101 Relation of this part to other laws and regulations.

This part is separate from, and independent of, the other parts of this chapter, with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures of which apply to this part. Actions taken pursuant to part 501 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part. Differing foreign policy and national security circumstances may result in differing interpretations of similar language among the parts of this chapter. No license or authorization contained in or issued pursuant to those other parts authorizes any transaction prohibited by this part. No license or authorization contained in or issued pursuant to any other provision of law or regulation authorizes any transaction prohibited by this part. No license or authorization contained in or issued pursuant to this part relieves the involved parties from complying with any other applicable laws or regulations.

**Note to § 576.101:** The Iraqi Sanctions Regulations, 31 CFR part 575, have been removed from 31 CFR chapter V.

#### Subpart B—Prohibitions

##### § 576.201 Prohibited transactions involving blocked property.

(a) All property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of U.S. persons, including their overseas branches, of the former Iraqi regime or its state bodies, corporations, or agencies, or of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in:

(1) Persons listed in the Annex to Executive Order 13315 of August 28, 2003, as amended by Executive Order 13350 of July 29, 2004; and

(2) Persons determined by the Secretary of the Treasury, in consultation with the Secretary of State,

(i) To be senior officials of the former Iraqi regime or their immediate family members; or

(ii) To be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any of the persons whose property and interests in property are blocked pursuant to paragraphs (a)(1) or (a)(2) of this section; and

(3) Persons determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Secretary of Defense,

(i) To have committed, or to pose a significant risk of committing, an act or acts of violence that have the purpose or effect of:

(A) Threatening the peace or stability of Iraq or the Government of Iraq; or

(B) Undermining efforts to promote economic reconstruction and political reform in Iraq or to provide humanitarian assistance to the Iraqi people;

(ii) To have materially assisted, sponsored, or provided financial, material, logistical, or technical support for, or goods or services in support of, such an act or acts of violence or any person whose property and interests in property are blocked pursuant to paragraph (a)(3) of this section; or

(iii) To be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to paragraph (a)(3) of this section.

**Note 1 to paragraph (a) of § 576.201:** The names of persons listed in or designated pursuant to Executive Order 13315, as amended by Executive Order 13350, or designated pursuant to Executive Order 13438 of July 17, 2007, whose property and interests in property are blocked pursuant to

paragraph (a) of this section, are published on the Office of Foreign Assets Control's Specially Designated Nationals and Blocked Persons List ("SDN" list) (which is accessible via the Office of Foreign Assets Control's Web site), published in the **Federal Register**, and incorporated into Appendix A to this chapter with the identifier "[IRAQ2]" (for persons designated pursuant to paragraphs (a)(1) and (a)(2) of this section) or "[IRAQ3]" (for persons designated pursuant to paragraph (a)(3) of this section). See § 576.412 concerning entities that may not be listed on the SDN list but whose property and interests in property are nevertheless blocked pursuant to paragraph (a) of this section.

**Note 2 to paragraph (a) of § 576.201:** The International Emergency Economic Powers Act (50 U.S.C. 1701–1706) ("IEEPA"), in section 203 (50 U.S.C. 1702), explicitly authorizes the blocking of property and interests in property of a person during the pendency of an investigation. The names of persons whose property and interests in property are blocked pending investigation pursuant to this part are published on the SDN list, published in the **Federal Register**, and incorporated into Appendix A to this chapter with the identifier "[BPI-IRAQ2]" or "[BPI-IRAQ3]."

**Note 3 to paragraph (a) of § 576.201:** Sections 501.806 and 501.807 of this chapter describe the procedures to be followed by persons seeking, respectively, the unblocking of funds that they believe were blocked due to mistaken identity, or administrative reconsideration of their status as persons whose property and interests in property are blocked pursuant to paragraph (a) of this section.

(b) All property and interests in property blocked pursuant to Executive Order 12722 of August 2, 1990, or Executive Order 12724 of August 9, 1990, that continued to be blocked as of July 30, 2004, remain blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in, except as authorized by regulations, orders, directives, rulings, instructions, licenses or otherwise, and notwithstanding any contracts entered into or any license or permit granted prior to the effective date.

**Note to paragraph (b) of § 576.201:** In § 576.510 of this part, the Office of Foreign Assets Control authorizes all transactions involving property and interests in property blocked solely pursuant to Executive Orders 12722 or 12724. The Iraqi Sanctions Regulations, 31 CFR part 575, which implemented Executive Orders 12722 and 12724, have been removed from 31 CFR chapter V.

(c) The prohibitions in paragraphs (a) and (b) of this section include, but are not limited to, prohibitions on the following transactions:

(1) The making of any contribution or provision of funds, goods, or services

by, to, or for the benefit of any person whose property and interests in property are blocked pursuant to paragraphs (a) or (b) of this section; and

(2) The receipt of any contribution or provision of funds, goods, or services from any person whose property and interests in property are blocked pursuant to paragraphs (a) or (b) of this section.

(d) Unless otherwise authorized by this part or by a specific license expressly referring to this section, any dealing in any security (or evidence thereof) held within the possession or control of a U.S. person and either registered or inscribed in the name of, or known to be held for the benefit of, or issued by, any person whose property and interests in property are blocked pursuant to paragraph (a) of this section is prohibited. This prohibition includes but is not limited to the transfer (including the transfer on the books of any issuer or agent thereof), disposition, transportation, importation, exportation, or withdrawal of, or the endorsement or guaranty of signatures on, any such security on or after the effective date. This prohibition applies irrespective of the fact that at any time (whether prior to, on, or subsequent to the effective date) the registered or inscribed owner of any such security may have or might appear to have assigned, transferred, or otherwise disposed of the security.

(e) The prohibitions in paragraphs (a) and (b) of this section apply except to the extent transactions are authorized by regulations, orders, directives, rulings, instructions, licenses, or otherwise, and notwithstanding any contracts entered into or any license or permit granted prior to the effective date.

**§ 576.202 Effect of transfers violating the provisions of this part.**

(a) Any transfer after the effective date that is in violation of any provision of this part or of any regulation, order, directive, ruling, instruction, or license issued pursuant to this part, and that involves any property or interest in property blocked pursuant to § 576.201(a) or § 576.201(b), is null and void and shall not be the basis for the assertion or recognition of any interest in or right, remedy, power, or privilege with respect to such property or property interests.

(b) No transfer before the effective date shall be the basis for the assertion or recognition of any right, remedy, power, or privilege with respect to, or any interest in, any property or interest in property blocked pursuant to § 576.201(a) or § 576.201(b), unless the person who holds or maintains such property, prior to that date, had written

notice of the transfer or by any written evidence had recognized such transfer.

(c) Unless otherwise provided, an appropriate license or other authorization issued by the Office of Foreign Assets Control before, during, or after a transfer shall validate such transfer or make it enforceable to the same extent that it would be valid or enforceable but for the provisions of IEEPA, Executive Orders 13315, 13350, or 13438, this part, and any regulation, order, directive, ruling, instruction, or license issued pursuant to this part.

(d) Transfers of property that otherwise would be null and void or unenforceable by virtue of the provisions of this section shall not be deemed to be null and void or unenforceable as to any person with whom such property is or was held or maintained (and as to such person only) in cases in which such person is able to establish to the satisfaction of the Office of Foreign Assets Control each of the following:

(1) Such transfer did not represent a willful violation of the provisions of this part by the person with whom such property is or was held or maintained (and as to such person only);

(2) The person with whom such property was held or maintained did not have reasonable cause to know or suspect, in view of all the facts and circumstances known or available to such person, that such transfer required a license or authorization issued pursuant to this part and was not so licensed or authorized, or, if a license or authorization did purport to cover the transfer, that such license or authorization had been obtained by misrepresentation of a third party or withholding of material facts or was otherwise fraudulently obtained; and

(3) The person with whom such property is or was held or maintained filed with the Office of Foreign Assets Control a report setting forth in full the circumstances relating to such transfer promptly upon discovery that:

(i) Such transfer was in violation of the provisions of this part or any regulation, ruling, instruction, license, or other direction or authorization issued pursuant to this part;

(ii) Such transfer was not licensed or authorized by the Office of Foreign Assets Control; or

(iii) If a license did purport to cover the transfer, such license had been obtained by misrepresentation of a third party or withholding of material facts or was otherwise fraudulently obtained.

**Note to paragraph (d) of § 576.202:** The filing of a report in accordance with the provisions of paragraph (d)(3) of this section shall not be deemed evidence that the terms

of paragraphs (d)(1) and (d)(2) of this section have been satisfied.

(e) Unless licensed pursuant to this part, any attachment, judgment, decree, lien, execution, garnishment, or other judicial process is null and void with respect to any property in which, on or since the effective date, there existed an interest of a person whose property and interests in property are blocked pursuant to § 576.201(a), or with respect to any property and interests in property blocked pursuant to § 576.201(b).

**§ 576.203 Holding of funds in interest-bearing accounts; investment and reinvestment.**

(a) Except as provided in paragraph (c) or (d) of this section, or as otherwise directed by the Office of Foreign Assets Control, any U.S. person holding funds, such as currency, bank deposits, or liquidated financial obligations, subject to § 576.201(a) or § 576.201(b) shall hold or place such funds in a blocked interest-bearing account located in the United States.

(b)(1) For purposes of this section, the term *blocked interest-bearing account* means a blocked account:

(i) In a federally-insured U.S. bank, thrift institution, or credit union, provided the funds are earning interest at rates that are commercially reasonable; or

(ii) With a broker or dealer registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*), provided the funds are invested in a money market fund or in U.S. Treasury bills.

(2) For purposes of this section, a rate is commercially reasonable if it is the rate currently offered to other depositors on deposits or instruments of comparable size and maturity.

(3) Funds held or placed in a blocked account pursuant to this paragraph (b) may not be invested in instruments the maturity of which exceeds 180 days. If interest is credited to a separate blocked account or subaccount, the name of the account party on each account must be the same.

(c) Blocked funds held in instruments the maturity of which exceeds 180 days at the time the funds become subject to § 576.201(a) or § 576.201(b) may continue to be held until maturity in the original instrument, provided any interest, earnings, or other proceeds derived therefrom are paid into a blocked interest-bearing account in accordance with paragraph (b) or (d) of this section.

(d) Blocked funds held in accounts or instruments outside the United States at the time the funds become subject to

§ 576.201(a) or § 576.201(b) may continue to be held in the same type of accounts or instruments, provided the funds earn interest at rates that are commercially reasonable.

(e) This section does not create an affirmative obligation for the holder of blocked tangible property, such as chattels or real estate, or other blocked property, such as debt or equity securities, to sell or liquidate such property. However, the Office of Foreign Assets Control may issue licenses permitting or directing such sales or liquidation in appropriate cases.

(f) Funds subject to this section may not be held, invested, or reinvested in a manner that provides immediate financial or economic benefit or access to any person whose property and interests in property are blocked pursuant to § 576.201(a), nor may their holder cooperate in or facilitate the pledging or other attempted use as collateral of blocked funds or other assets.

**§ 576.204 Expenses of maintaining blocked physical property; liquidation of blocked property.**

(a) Except as otherwise authorized, and notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or contract entered into or any license or permit granted prior to the effective date, all expenses incident to the maintenance of physical property blocked pursuant to § 576.201(a) or § 576.201(b) shall be the responsibility of the owners or operators of such property, which expenses shall not be met from blocked funds.

(b) Property blocked pursuant to § 576.201(a) or § 576.201(b) may, in the discretion of the Office of Foreign Assets Control, be sold or liquidated and the net proceeds placed in a blocked interest-bearing account in the name of the owner of the property.

**§ 576.205 Evasions; attempts; conspiracies.**

(a) Except as otherwise authorized, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, any transaction by any U.S. person or within the United States on or after the effective date that evades or avoids, has the purpose of evading or avoiding, or attempts to violate any of the prohibitions set forth in this part is prohibited.

(b) Except as otherwise authorized, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, any conspiracy formed to violate the

prohibitions set forth in this part is prohibited.

**§ 576.206 Protection granted to the Development Fund for Iraq, Iraqi Petroleum and Petroleum Products, and the Central Bank of Iraq.**

(a) Unless licensed or otherwise authorized pursuant to this part, and except as provided in paragraph (b) of this section, any attachment, judgment, decree, lien, execution, garnishment, or other judicial process on or after the effective date is prohibited, and shall be deemed null and void, with respect to the following:

(1) The Development Fund for Iraq;

(2) All Iraqi petroleum and petroleum products, and interests therein, but only until title passes to the initial purchaser, and proceeds, obligations, or any financial instruments of any nature whatsoever arising from or related to the sale or marketing thereof, and interests therein, in which any foreign country or a national thereof has any interest, that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons; and

(3) Any accounts, assets, investments, or any other property of any kind owned by, belonging to, or held by the Central Bank of Iraq, or held, maintained, or otherwise controlled by any financial institution of any kind in the name of, on behalf of, or otherwise for the Central Bank of Iraq.

(b) The prohibitions in paragraph (a) of this section shall not apply with respect to any final judgment arising out of a contractual obligation entered into by the Government of Iraq, including any agency or instrumentality thereof, after June 30, 2004.

**§ 576.207 Exemption for property controlled by the military forces of the United States and their coalition partners in Iraq.**

The prohibitions in § 576.201(a)(1) and (a)(2) shall not apply to property and interests in property that come under the control of the military forces of the United States and their coalition partners present in Iraq and acting in their official capacity under the command or operational control of the commander of United States Central Command.

**§ 576.208 Prohibited transactions related to certain Iraqi cultural property.**

Unless licensed or otherwise authorized pursuant to this part or otherwise consistent with U.S. law, the trade in or transfer of ownership or possession of Iraqi cultural property or other items of archeological, historical,

cultural, rare scientific, and religious importance that were illegally removed, or for which a reasonable suspicion exists that they were illegally removed, from the Iraq National Museum, the National Library, and other locations in Iraq since August 6, 1990, is prohibited.

**Note to § 576.208:** See § 576.411 for interpretive guidance on this section. Questions concerning whether particular Iraqi cultural property or other items are subject to this section should be directed to the Cultural Heritage Center, U.S. Department of State, tel. 202-632-6301, fax 202-632-6300, Web site <http://culturalheritage.state.gov>, e-mail [culprop@state.gov](mailto:culprop@state.gov).

**§ 576.209 Exempt transactions.**

(a) *Personal communications.* The prohibitions contained in § 576.201(a)(3) do not apply to any postal, telegraphic, telephonic, or other personal communication that does not involve the transfer of anything of value.

(b) *Information or informational materials.* (1) The importation from any country and the exportation to any country of any information or informational materials, as defined in § 576.306, whether commercial or otherwise, regardless of format or medium of transmission, are exempt from the prohibitions of § 576.201(a)(3).

(2) This section does not exempt from regulation or authorize transactions related to information or informational materials not fully created and in existence at the date of the transactions, or to the substantive or artistic alteration or enhancement of informational materials, or to the provision of marketing and business consulting services. Such prohibited transactions include, but are not limited to, payment of advances for information or informational materials not yet created and completed (with the exception of prepaid subscriptions for widely circulated magazines and other periodical publications); provision of services to market, produce or co-produce, create, or assist in the creation of information or informational materials; and, with respect to information or informational materials imported from persons whose property and interests in property are blocked pursuant to § 576.201(a)(3), payment of royalties with respect to income received for enhancements or alterations made by U.S. persons to such information or informational materials.

(3) This section does not exempt or authorize transactions incident to the exportation of software subject to the Export Administration Regulations, 15 CFR parts 730-774, or to the exportation of goods, technology, or software for use

in the transmission of any data, or to the provision, sale, or leasing of capacity on telecommunications transmission facilities (such as satellite or terrestrial network connectivity) for use in the transmission of any data. The exportation of such items or services and the provision, sale, or leasing of such capacity or facilities to a person whose property and interests in property are blocked pursuant to § 576.201(a) are prohibited.

(c) *Travel*. The prohibitions contained in § 576.201(a)(3) do not apply to any transactions ordinarily incident to travel to or from any country, including importation of accompanied baggage for personal use, maintenance within any country including payment of living expenses and acquisition of goods or services for personal use, and arrangement or facilitation of such travel including nonscheduled air, sea, or land voyages.

### Subpart C—General Definitions

#### § 576.301 Blocked account; blocked property.

The terms *blocked account* and *blocked property* shall mean:

(a) (1) Any account or property subject to the prohibitions in § 576.201(a) held in the name of a person whose property and interests in property are blocked pursuant to § 576.201(a), or in which such person has an interest, or

(2) Any account or property subject to the prohibitions in § 576.201(b), and

(b) With respect to which payments, transfers, exportations, withdrawals, or other dealings may not be made or effected except pursuant to an authorization or license from the Office of Foreign Assets Control expressly authorizing such action.

**Note to § 576.301:** See § 576.412 concerning the blocked status of property and interests in property of an entity that is 50 percent or more owned by a person whose property and interests in property are blocked pursuant to § 576.201(a).

#### § 576.302 Development Fund for Iraq.

The term *Development Fund for Iraq* means the fund established on or about May 22, 2003, on the books of the Central Bank of Iraq, by the Administrator of the Coalition Provisional Authority responsible for the temporary governance of Iraq and all accounts held for the fund or for the Central Bank of Iraq in the name of the fund.

#### § 576.303 Effective date.

The term *effective date* refers to the effective date of the applicable

prohibitions and directives contained in this part as follows:

(a) With respect to a person whose property and interests in property are blocked pursuant to § 576.201(a)(1), 12:01 a.m. Eastern Daylight Time (“e.d.t.”), August 29, 2003, for those persons listed on the Annex to Executive Order 13315, and 12:01 a.m., e.d.t., July 30, 2004, for those persons added to the Annex to Executive Order 13315 by Executive Order 13350;

(b) With respect to a person whose property and interests in property are otherwise blocked pursuant to § 576.201(a)(2) or (a)(3), the earlier of the date of actual or constructive notice that such person’s property and interests in property are blocked;

(c) With respect to the transactions prohibited by § 576.206(a)(1) and (a)(2), 12:01 a.m. e.d.t., May 23, 2003;

(d) With respect to the transactions prohibited by § 576.206(a)(3), 12:01 a.m. Eastern Standard Time (“e.s.t.”), November 30, 2004.

(e) With respect to the transactions prohibited by § 576.201(b) or § 576.208, 12:01 a.m. e.d.t., July 30, 2004.

#### § 576.304 Entity.

The term *entity* means a partnership, association, trust, joint venture, corporation, group, subgroup or other organization.

#### § 576.305 Former Iraqi regime.

The term *former Iraqi regime* means the Saddam Hussein regime that governed Iraq until on or about May 1, 2003.

#### § 576.306 Information or informational materials.

(a) For purposes of this part, the term *information or informational materials* includes, but is not limited to, publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds.

**Note to paragraph (a) of § 576.307:** To be considered information or informational materials, artworks must be classified under chapter heading 9701, 9702, or 9703 of the Harmonized Tariff Schedule of the United States.

(b) The term *information or informational materials*, with respect to United States exports, does not include items:

(1) That were, as of April 30, 1994, or that thereafter become, controlled for export pursuant to sections 5 of the Export Administration Act of 1979, 50 U.S.C. App. 2401–2420 (1979) (the “EAA”), or section 6 of the EAA to the extent that such controls promote the nonproliferation or antiterrorism policies of the United States; or

(2) With respect to which acts are prohibited by 18 U.S.C. chapter 37.

#### § 576.307 Interest.

Except as otherwise provided in this part, the term *interest*, when used with respect to property (e.g., “an interest in property”) means an interest of any nature whatsoever, direct or indirect.

#### § 576.308 Iraqi petroleum and petroleum products.

The term *Iraqi petroleum and petroleum products* means any petroleum, petroleum products, or natural gas originating in Iraq, including any Iraqi-origin oil inventories, wherever located.

#### § 576.309 Licenses; general and specific.

(a) Except as otherwise specified, the term *license* means any license or authorization contained in or issued pursuant to this part.

(b) The term *general license* means any license or authorization the terms of which are set forth in subpart E of this part.

(c) The term *specific license* means any license or authorization not set forth in subpart E of this part but issued pursuant to this part.

**Note to § 576.309:** See § 501.801 of this chapter for licensing procedures.

#### § 576.310 Government of Iraq.

The term *Government of Iraq* means:

(a) Any interim or permanent Iraqi government in authority after June 30, 2004, and any subdivision, agency, or instrumentality thereof; and

(b) Any partnership, association, corporation, or other organization substantially owned or controlled by the foregoing.

#### § 576.311 Person.

The term *person* means an individual or entity.

#### § 576.312 Property; property interest.

The terms *property* and *property interest* include, but are not limited to, money, checks, drafts, bullion, bank deposits, savings accounts, debts, indebtedness, obligations, notes, guarantees, debentures, stocks, bonds, coupons, any other financial instruments, bankers acceptances, mortgages, pledges, liens or other rights in the nature of security, warehouse receipts, bills of lading, trust receipts, bills of sale, any other evidences of title, ownership or indebtedness, letters of credit and any documents relating to any rights or obligations thereunder, powers of attorney, goods, wares, merchandise, chattels, stocks on hand, ships, goods on ships, real estate



mortgages, deeds of trust, vendors' sales agreements, land contracts, leaseholds, ground rents, real estate and any other interest therein, options, negotiable instruments, trade acceptances, royalties, book accounts, accounts payable, judgments, patents, trademarks or copyrights, insurance policies, safe deposit boxes and their contents, annuities, pooling agreements, services of any nature whatsoever, contracts of any nature whatsoever, and any other property, real, personal, or mixed, tangible or intangible, or interest or interests therein, present, future or contingent.

#### § 576.313 Transfer.

The term *transfer* means any actual or purported act or transaction, whether or not evidenced by writing, and whether or not done or performed within the United States, the purpose, intent, or effect of which is to create, surrender, release, convey, transfer, or alter, directly or indirectly, any right, remedy, power, privilege, or interest with respect to any property. Without limitation on the foregoing, it shall include the making, execution, or delivery of any assignment, power, conveyance, check, declaration, deed, deed of trust, power of attorney, power of appointment, bill of sale, mortgage, receipt, agreement, contract, certificate, gift, sale, affidavit, or statement; the making of any payment; the setting off of any obligation or credit; the appointment of any agent, trustee, or fiduciary; the creation or transfer of any lien; the issuance, docketing, filing, or levy of or under any judgment, decree, attachment, injunction, execution, or other judicial or administrative process or order, or the service of any garnishment; the acquisition of any interest of any nature whatsoever by reason of a judgment or decree of any foreign country; the fulfillment of any condition; the exercise of any power of appointment, power of attorney, or other power; or the acquisition, disposition, transportation, importation, exportation, or withdrawal of any security.

#### § 576.314 UNSC Resolution 1483.

The term *UNSC Resolution 1483* means United Nations Security Council Resolution No. 1483, adopted May 22, 2003.

#### § 576.315 United States.

The term *United States* means the United States, its territories and possessions, and all areas under the jurisdiction or authority thereof.

#### § 576.316 U.S. financial institution.

The term *U.S. financial institution* means any U.S. entity (including its foreign branches) that is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or credits, or purchasing or selling foreign exchange, securities, commodity futures or options, or procuring purchasers and sellers thereof, as principal or agent. It includes but is not limited to depository institutions, banks, savings banks, trust companies, securities brokers and dealers, commodity futures and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, and U.S. holding companies, U.S. affiliates, or U.S. subsidiaries of any of the foregoing. This term includes those branches, offices, and agencies of foreign financial institutions that are located in the United States, but not such institutions' foreign branches, offices, or agencies.

#### § 576.317 United States person; U.S. person.

The term *United States person* or *U.S. person* means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

#### Subpart D—Interpretations

##### § 576.401 Reference to amended sections.

Except as otherwise specified, reference to any provision in or appendix to this part or chapter or to any regulation, ruling, order, instruction, directive, or license issued pursuant to this part refers to the same as currently amended.

##### § 576.402 Effect of amendment.

Unless otherwise specifically provided, any amendment, modification, or revocation of any provision in or appendix to this part or chapter or of any order, regulation, ruling, instruction, or license issued by the Office of Foreign Assets Control does not affect any act done or omitted, or any civil or criminal proceeding commenced or pending, prior to such amendment, modification, or revocation. All penalties, forfeitures, and liabilities under any such order, regulation, ruling, instruction, or license continue and may be enforced as if such amendment, modification, or revocation had not been made.

#### § 576.403 Setoffs prohibited.

A setoff against blocked property (including a blocked account), whether by a U.S. bank or other U.S. person, is a prohibited transfer under § 576.201 if made after the effective date.

#### § 576.404 Termination and acquisition of an interest in property.

(a) Whenever a transaction licensed or authorized by or pursuant to this part results in the transfer of property (including any property interest) away from a person, such property shall no longer be deemed to be property blocked pursuant to § 576.201, unless there exists in the property another interest that is blocked pursuant to § 576.201 or any other part of this chapter, the transfer of which has not been effected pursuant to license or other authorization.

(b) Unless otherwise specifically provided in a license or authorization issued pursuant to this part, if property (including any property interest) is transferred or attempted to be transferred to a person whose property and interests in property are blocked pursuant to § 576.201(a), such property shall be deemed to be property in which that person has an interest and therefore blocked.

(c) Unless otherwise provided in a license or authorization issued pursuant to this part, Iraqi petroleum and petroleum products shall enjoy the protections of § 576.206 until title passes to the initial purchaser. For purposes of this part, an *initial purchaser* is a purchaser other than the Government of Iraq or persons acting for it or on its behalf in the marketing or sale of Iraqi petroleum and petroleum products.

#### § 576.405 Transactions ordinarily incident to a licensed transaction.

Any transaction ordinarily incident to a licensed transaction and necessary to give effect thereto is also authorized, except:

(a) An ordinarily incident transaction, not explicitly authorized within the terms of the license, by or with a person whose property and interests in property are blocked pursuant to § 576.201(a); or

(b) An ordinarily incident transaction, not explicitly authorized within the terms of the license, involving a debit to a blocked account or a transfer of blocked property.

(c)

*Example.* A license authorizing Company A, whose property and interests in property are blocked pursuant to § 576.201(a), to complete a securities sale also authorizes all activities by other parties required to

complete the sale, including transactions by the buyer, broker, transfer agents, banks, etc., provided that such other parties are not themselves persons whose property and interests in property are blocked pursuant to § 576.201(a).

**§ 576.406 Provision of services.**

(a) Except as provided in § 576.209, the prohibitions on transactions involving blocked property contained in § 576.201 apply to services performed in the United States or by U.S. persons, wherever located, including by an overseas branch of an entity located in the United States:

(1) On behalf of or for the benefit of a person whose property and interests in property are blocked pursuant to § 576.201(a); or

(2) With respect to property interests subject to § 576.201.

(b)

*Example:* U.S. persons may not, except as authorized by or pursuant to this part, provide legal, accounting, financial, brokering, freight forwarding, transportation, public relations, or other services to a person whose property and interests in property are blocked pursuant to § 576.201(a).

**Note to § 576.406:** See §§ 576.507 and 576.509 on licensing policy with regard to the provision of certain legal and medical services.

**§ 576.407 Offshore transactions.**

The prohibitions in § 576.201 on transactions or dealings involving blocked property apply to transactions by any U.S. person in a location outside the United States with respect to property held in the name of a person whose property and interests in property are blocked pursuant to § 576.201, or property in which a person whose property and interests in property are blocked pursuant to § 576.201 has or has had an interest since the effective date.

**§ 576.408 Payments from blocked accounts to satisfy obligations prohibited.**

Pursuant to § 576.201, no debits may be made to a blocked account to pay obligations to U.S. persons or other persons, except as authorized by or pursuant to this part.

**§ 576.409 Charitable contributions.**

Unless specifically authorized by the Office of Foreign Assets Control pursuant to this part, no charitable contribution of funds, goods, services, or technology, including contributions to relieve human suffering, such as food, clothing or medicine, may be made by, to, or for the benefit of, or received from, a person whose property and interests in property are blocked pursuant to § 576.201(a). For the purposes of this

part, a contribution is made by, to, or for the benefit of, or received from, a person whose property and interests in property are blocked pursuant to § 576.201(a) if made by, to, or in the name of, or received from or in the name of, such a person; if made by, to, or in the name of, or received from or in the name of, an entity or individual acting for or on behalf of, or owned or controlled by, such a person; or if made in an attempt to violate, to evade, or to avoid the bar on the provision of contributions by, to, or for the benefit of such a person, or the receipt of contributions from any such person.

**§ 576.410 Credit extended and cards issued by U.S. financial institutions.**

The prohibition in § 576.201 on dealing in property subject to that section prohibits U.S. financial institutions from performing under any existing credit agreements, including, but not limited to, charge cards, debit cards, or other credit facilities issued by a U.S. financial institution to a person whose property and interests in property are blocked pursuant to § 576.201(a).

**§ 576.411 Prohibited transactions involving certain Iraqi cultural property.**

(a) The prohibition on trade in or transfer of ownership or possession of certain Iraqi cultural property in § 576.208 is separate from, and independent of, other laws and regulations that may also prohibit the same conduct.

(b) The mere compliance with certain legal, administrative, or procedural requirements, such as the filing of a U.S. Customs and Border Protection Form 3461 (Entry/Immediate Delivery) or U.S. Customs and Border Protection Form 7501 (Entry Summary), does not render the trade in or transfer of Iraqi cultural property otherwise consistent with U.S. law for purposes of § 576.208. The trade in or transfer of Iraqi cultural property as described in § 576.208 would violate § 576.208 regardless of whether the U.S. Customs and Border Protection forms were truthfully and accurately completed.

**Note to § 576.411:** Other laws and regulations potentially applicable to the unlawful trade in or transfer of Iraqi cultural property include, but are not limited to, the transportation of stolen goods, 18 U.S.C. 2314; the receipt of stolen goods, 18 U.S.C. 2315; the importation of goods contrary to law, 18 U.S.C. 545 and 19 U.S.C. 1595a(a), (b), and (c); the exportation of goods contrary to law, 19 U.S.C. 1595a(d); the importation of stolen cultural property, 19 U.S.C. 2607; the importation of cultural property pertaining to the inventory of a museum or religious or secular public monument, 19 CFR 12.104a;

and the emergency protection of Iraqi cultural antiquities, 19 CFR 12.104j.

**§ 576.412 Entities owned by a person whose property and interests in property are blocked.**

A person whose property and interests in property are blocked pursuant to § 576.201(a) has an interest in all property and interests in property of an entity in which it owns, directly or indirectly, a 50 percent or greater interest. The property and interests in property of such an entity, therefore, are blocked, and such an entity is a person whose property and interests in property are blocked pursuant to § 576.201(a), regardless of whether the entity itself is listed in the Annex to Executive Order 13315, as amended, or designated pursuant to § 576.201(a)(2) or (3).

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

**§ 576.501 General and specific licensing procedures.**

For provisions relating to licensing procedures, see part 501, subpart E, of this chapter. Licensing actions taken pursuant to part 501 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part.

**§ 576.502 Effect of license or authorization.**

(a) No license or other authorization contained in this part, or otherwise issued by the Office of Foreign Assets Control, authorizes or validates any transaction effected prior to the issuance of such license or other authorization, unless specifically provided in such license or authorization.

(b) No regulation, ruling, instruction, or license authorizes any transaction prohibited under this part unless the regulation, ruling, instruction or license is issued by the Office of Foreign Assets Control and specifically refers to this part. No regulation, ruling, instruction, or license referring to this part shall be deemed to authorize any transaction prohibited by any other part of this chapter unless the regulation, ruling, instruction, or license specifically refers to such part.

(c) Any regulation, ruling, instruction, or license authorizing any transaction otherwise prohibited under this part has the effect of removing a prohibition contained in this part from the transaction, but only to the extent specifically stated by its terms. Unless the regulation, ruling, instruction, or license otherwise specifies, such an authorization does not create any right, duty, obligation, claim, or interest in, or

with respect to, any property which would not otherwise exist under ordinary principles of law.

#### **§ 576.503 Exclusion from licenses.**

The Office of Foreign Assets Control reserves the right to exclude any person, property, or transaction from the operation of any license or from the privileges conferred by any license. The Office of Foreign Assets Control also reserves the right to restrict the applicability of any license to particular persons, property, transactions, or classes thereof. Such actions are binding upon actual or constructive notice of the exclusions or restrictions.

#### **§ 576.504 Payments and transfers to blocked accounts in U.S. financial institutions.**

Any payment of funds or transfer of credit in which a person whose property and interests in property are blocked pursuant to § 576.201(a) has any interest that comes within the possession or control of a U.S. financial institution must be blocked in an account on the books of that financial institution. A transfer of funds or credit by a U.S. financial institution between blocked accounts in its branches or offices is authorized, provided that no transfer is made from an account within the United States to an account held outside the United States, and further provided that a transfer from a blocked account may be made only to another blocked account held in the same name.

**Note to § 576.504:** See § 501.603 of this chapter for mandatory reporting requirements regarding financial transfers. See also § 576.203 concerning the obligation to hold blocked funds in interest-bearing accounts.

#### **§ 576.505 Entries in certain accounts for normal service charges authorized.**

(a) A U.S. financial institution is authorized to debit any blocked account held at that financial institution in payment or reimbursement for normal service charges owed it by the owner of that blocked account.

(b) As used in this section, the term *normal service charge* shall include charges in payment or reimbursement for interest due; cable, telegraph, internet, or telephone charges; postage costs; custody fees; small adjustment charges to correct bookkeeping errors; and, but not by way of limitation, minimum balance charges, notary and protest fees, and charges for reference books, photocopies, credit reports, transcripts of statements, registered mail, insurance, stationery and supplies, and other similar items.

#### **§ 576.506 Investment and reinvestment of certain funds.**

Subject to the requirements of § 576.203, U.S. financial institutions are authorized to invest and reinvest assets blocked pursuant to § 576.201, subject to the following conditions:

(a) The assets representing such investments and reinvestments are credited to a blocked account or subaccount that is held in the same name at the same U.S. financial institution, or within the possession or control of a U.S. person, but funds shall not be transferred outside the United States for this purpose;

(b) The proceeds of such investments and reinvestments shall not be credited to a blocked account or subaccount under any name or designation that differs from the name or designation of the specific blocked account or subaccount in which such funds or securities were held; and

(c) No immediate financial or economic benefit accrues (e.g., through pledging or other use) to a person whose property and interests in property are blocked pursuant to § 576.201(a).

#### **§ 576.507 Provision of certain legal services authorized.**

(a) The provision of the following legal services to or on behalf of persons whose property and interests in property are blocked pursuant to § 576.201(a) is authorized, provided that all receipts of payment of professional fees and reimbursement of incurred expenses must be specifically licensed:

(1) Provision of legal advice and counseling on the requirements of and compliance with the laws of the United States or any jurisdiction within the United States, provided that such advice and counseling are not provided to facilitate transactions in violation of this part;

(2) Representation of persons named as defendants in or otherwise made parties to domestic U.S. legal, arbitration, or administrative proceedings;

(3) Initiation and conduct of domestic U.S. legal, arbitration, or administrative proceedings in defense of property interests subject to U.S. jurisdiction;

(4) Representation of persons before any federal or state agency with respect to the imposition, administration, or enforcement of U.S. sanctions against such persons; and

(5) Provision of legal services in any other context in which prevailing U.S. law requires access to legal counsel at public expense.

(b) The provision of any other legal services to persons whose property or interests in property are blocked

pursuant to § 576.201(a), not otherwise authorized in this part, requires the issuance of a specific license.

(c) Entry into a settlement agreement or the enforcement of any lien, judgment, arbitral award, decree, or other order through execution, garnishment, or other judicial process purporting to transfer or otherwise alter or affect property or interests in property blocked pursuant to § 576.201(a) is prohibited unless licensed pursuant to this part.

#### **§ 576.508 Judicial process in legal proceedings involving ecological accidents.**

The Office of Foreign Assets Control may issue specific licenses on a case-by-case basis to authorize the attachment, judgment, decree, lien, execution, garnishment, or other judicial process against property and interests in property protected by § 576.206 to satisfy liability for damages assessed in connection with an ecological accident (including an oil spill) that occurred after May 22, 2003.

#### **§ 576.509 Authorization of emergency medical services.**

The provision of nonscheduled emergency medical services in the United States to persons whose property and interests in property are blocked pursuant to § 576.201(a) is authorized, provided that all receipt of payment for such services must be specifically licensed.

#### **§ 576.510 Unblocking certain blocked property.**

(a) Except for such property and interests in property described in paragraph (b) of this section, all transactions involving property and interests in property blocked pursuant to § 576.201(b) of this part are authorized.

(b) The authorization in paragraph (a) of this section does not apply to blocked property and interests in property of persons subject to sanctions pursuant to § 576.201(a) of this part or any other part of 31 CFR chapter V.

#### **§ 576.511 Property controlled by the military forces of the United States and their coalition partners in Iraq.**

The prohibition in § 576.201(a)(3) that deals with blocked property and interests in property shall not apply to property and interests in property controlled by the military forces of the United States and their coalition partners present in Iraq and acting in their official capacity under the command or operational control of the commander of United States Central Command.

**Note to § 576.511:** See § 576.207 of this part, which exempts property and interests in property that come under the control of the military forces of the United States and their coalition partners present in Iraq and acting in their official capacity from the prohibitions in § 576.201(a)(1) and (2).

**§ 576.512 Transactions with certain blocked persons authorized.**

(a) All transactions with state bodies, corporations, or agencies of the former Iraqi regime that are otherwise prohibited by § 576.201(a) are authorized.

(b) The authorization in paragraph (a) of this section does not apply to any transactions with state bodies, corporations, or agencies of the former Iraqi regime listed in Appendix A to 31 CFR chapter V.

**Subpart F—Reports**

**§ 576.601 Records and reports.**

For provisions relating to required records and reports, see part 501, subpart C, of this chapter. Recordkeeping and reporting requirements imposed by part 501 of this chapter with respect to the prohibitions contained in this part are considered requirements arising pursuant to this part.

**Subpart G—Penalties**

**§ 576.701 Penalties.**

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) (“IEEPA”), which is applicable to violations of the provisions of any license, ruling, regulation, order, directive, or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under IEEPA.

(1) A civil penalty not to exceed the amount set forth in section 206 of IEEPA may be imposed on any person who violates, attempts to violate, conspires to violate, or causes a violation of any license, order, or regulation issued under IEEPA.

**Note to paragraph (a)(1) of § 576.701:** As of the date of publication in the **Federal Register** of the final rule adding this part to 31 CFR chapter V September 13, 2010, IEEPA provides for a maximum civil penalty not to exceed the greater of \$250,000 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

(2) A person who willfully commits, willfully attempts to commit, or willfully conspires to commit, or aids or abets in the commission of a violation of any license, order, regulation, or

prohibition may, upon conviction, be fined not more than \$1,000,000, or if a natural person, may be imprisoned for not more than 20 years, or both.

(b) *Adjustments to penalty amounts.* (1) The civil penalties provided in IEEPA are subject to adjustment pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101–410, as amended, 28 U.S.C. 2461 note).

(2) The criminal penalties provided in IEEPA are subject to adjustment pursuant to 18 U.S.C. 3571.

(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 Government of the United States, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact; 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, imprisoned, or both.

(d) Violations of this part may also be subject to relevant provisions of other applicable laws.

**§ 576.702 Pre-Penalty Notice; settlement.**

(a) *When required.* If 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 IEEPA and determines that a civil monetary penalty is warranted, the Office of Foreign Assets Control will issue a Pre-Penalty Notice informing the alleged violator of the agency’s intent to impose a monetary penalty. A Pre-Penalty Notice shall be in writing. The Pre-Penalty Notice may be issued whether or not another agency has taken any action with respect to the matter. For a description of the contents of a Pre-Penalty Notice, see Appendix A to part 501 of this chapter.

(b)(1) *Right to respond.* An alleged violator has the right to respond to a Pre-Penalty Notice by making a written presentation to the Office of Foreign Assets Control. For a description of the information that should be included in such a response, see Appendix A to part 501 of this chapter.

(2) *Deadline for response.* A response to a Pre-Penalty Notice must be made

within the applicable 30-day period set forth in this paragraph. 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.

(i) *Computation of time for response.* A response to a Pre-Penalty 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 the Office of Foreign Assets Control by courier) on or before the 30th day after the postmark date on the envelope in which the Pre-Penalty Notice was mailed. If the Pre-Penalty Notice was personally delivered by a non-U.S. Postal Service agent authorized by the Office of Foreign Assets Control, a response must be postmarked or date-stamped on or before the 30th day after the date of delivery.

(ii) *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 discretion of the Office of Foreign Assets Control, only upon specific request to the Office of Foreign Assets Control.

(3) *Form and method of response.* A response to a Pre-Penalty Notice need not be in any particular form, but it must be typewritten and signed by the alleged violator or a representative thereof, must contain information sufficient to indicate that it is in response to the Pre-Penalty Notice, and must include the Office of Foreign Assets Control identification number listed on the Pre-Penalty Notice. 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 (b)(2) of this section.

(c) *Settlement.* Settlement discussion may be initiated by the Office of Foreign Assets Control, the alleged violator, or the alleged violator’s authorized representative. For a description of practices with respect to settlement, see Appendix A to part 501 of this chapter.

(d) *Guidelines.* Guidelines for the imposition or settlement of civil penalties by the Office of Foreign Assets Control are contained in Appendix A to part 501 of this chapter.

(e) *Representation.* A representative of the alleged violator may act on behalf of the alleged violator, but any oral communication with the Office of Foreign Assets Control prior to a written submission regarding the specific allegations contained in the Pre-Penalty

Notice must be preceded by a written letter of representation, unless the Pre-Penalty Notice was served upon the alleged violator in care of the representative.

#### § 576.703 Penalty imposition.

If, after considering any written response to the Pre-Penalty Notice and any relevant facts, the Office of Foreign Assets Control determines that there was a violation by the alleged violator named in the Pre-Penalty Notice and that a civil monetary penalty is appropriate, the Office of Foreign Assets Control may issue a Penalty Notice to the violator containing a determination of the violation and the imposition of the monetary penalty. For additional details concerning issuance of a Penalty Notice, see Appendix A to part 501 of this chapter. The issuance of the Penalty Notice shall constitute final agency action. The violator has the right to seek judicial review of that final agency action in federal district court.

#### § 576.704 Administrative collection; referral to United States Department of Justice.

In the event that the violator does not pay the penalty imposed pursuant to this part or make payment arrangements acceptable to the Office of Foreign Assets Control, the matter may be referred for administrative collection measures by the Department of the Treasury or to the United States Department of Justice for appropriate action to recover the penalty in a civil suit in a federal district court.

### Subpart H—Procedures

#### § 576.801 Procedures.

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see part 501, subpart E, of this chapter.

#### § 576.802 Delegation by the Secretary of the Treasury.

(a) Except as provided in paragraph (b) of this section, any action that the Secretary of the Treasury is authorized to take pursuant to Executive Order 13303 of May 22, 2003, and any subsequent Executive orders relating to the national emergency declared therein, including but not limited to Executive Order 13315 of August 28, 2003, and Executive Order 13438 of July 17, 2007, may be taken by the Director of the Office of Foreign Assets Control or by any other person to whom the

Secretary of the Treasury has delegated the authority so to act.

(b) Unless otherwise delegated, the authority provided in section 2 of Executive Order 13315 to confiscate property blocked pursuant to this part and transfer all vested right, title, and interest in such property to the Development Fund for Iraq shall be exercised only by the Secretary of the Treasury, in consultation with the Secretary of State.

### Subpart I—Paperwork Reduction Act

#### § 576.901 Paperwork Reduction Act notice.

For approval by the Office of Management and Budget (“OMB”) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3507) of information collections relating to recordkeeping and reporting requirements, licensing procedures (including those pursuant to statements of licensing policy), and other procedures, see 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

Dated: September 1, 2010.

**Adam J. Szubin,**

*Director, Office of Foreign Assets Control, Department of the Treasury.*

Approved: September 2, 2010.

**Stuart A. Levey,**

*Under Secretary, Office of Terrorism and Financial Intelligence, Department of the Treasury.*

[FR Doc. 2010-22546 Filed 9-10-10; 8:45 am]

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## DEPARTMENT OF HOMELAND SECURITY

### Coast Guard

#### 33 CFR Part 117

[Docket No. USCG-2010-0787]

RIN 1625-AA09

#### Drawbridge Operation Regulation; Pequonnock River, Bridgeport, CT

**AGENCY:** Coast Guard, DHS.

**ACTION:** Final rule.

**SUMMARY:** The Coast Guard is removing the drawbridge operation regulations that govern the operation of two bridges, the Congress Street Bridge at mile 0.4, and the Grand Street Bridge at mile 0.9, across the Pequonnock River at Bridgeport, Connecticut. This final rule removes the regulations for the two bridges because the draw spans of the bridges have been removed.

**DATES:** This rule is effective September 13, 2010.

**ADDRESSES:** Documents indicated in this preamble as being available in the docket, are part of docket USCG-2010-0787 and are available by going to <http://www.regulations.gov>, inserting USCG-2010-0787 in the “keyword” box, and then clicking “search.” This material is also available for inspection or copying at the Docket Management Facility (M-30), U.S. Department of Transportation, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this rule, call or e-mail Ms. Judy Leung-Yee, Project Officer, First Coast Guard District Bridge Branch, 212-668-7165, [judy.leung-yee@uscg.mil](mailto:judy.leung-yee@uscg.mil). If you have questions on viewing the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202-366-9826.

#### SUPPLEMENTARY INFORMATION:

##### Regulatory Information

The Coast Guard is issuing this final rule without prior notice and opportunity to comment pursuant to authority under section 4(a) of the Administrative Procedures Act (APA) (5 U.S.C. 553(b)). This provision authorizes an agency to issue a rule without prior notice and opportunity to comment when the agency for good cause finds that those procedures are “impracticable, unnecessary, or contrary to the public interest.” Under 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because we are removing the operation regulations for two moveable draw bridges that no longer have moveable spans.

Under 5 U.S.C. 553(d)(3), the Coast Guard finds that good cause exists for making this rule effective in less than 30 days after publication in the **Federal Register**. The drawbridges listed under the regulations we are removing no longer have moveable spans; therefore, the drawbridge operation regulations are no longer necessary.

##### Background and Purpose

The drawbridge operation regulations for the Congress Street Bridge at mile 0.4, and the Grand Street Bridge at mile 0.9, across the Pequonnock River at Bridgeport, Connecticut, are listed at 33 CFR 117.219(d) and 33 CFR 117.219(f).

The moveable span at the Congress Street Bridge was removed due to