

“significant regulatory action” under Executive Order 12866; (2) is not a “significant rule” under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that only affects air traffic procedures and air navigation, it is certified that this rule, when promulgated, does not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Environmental Review

The FAA has determined that this action qualifies for categorical exclusion under the National Environmental Policy Act in accordance with FAA Order 1050.1F, “Environmental Impacts: Policies and Procedures,” paragraph 5–6.5.a. This airspace action is not expected to cause any potentially significant environmental impacts, and no extraordinary circumstances exist that warrant preparation of an environmental assessment.

Lists of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

PART 71—DESIGNATION OF CLASS A, B, C, D, AND E AIRSPACE AREAS; AIR TRAFFIC SERVICE ROUTES; AND REPORTING POINTS

- 1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 106(f), 106(g); 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

§ 71.1 [Amended]

- 2. The incorporation by reference in 14 CFR 71.1 of FAA Order 7400.11B, Airspace Designations and Reporting Points, dated August 3, 2017, and effective September 15, 2017, is amended as follows:

Paragraph 6005 Class E Airspace Areas Extending Upward From 700 Feet or More Above the Surface of the Earth.

* * * * *

ASW TX E5 Cisco, TX [New]

Gregory M. Simmons Memorial Airport, TX (Lat. 32°21'57" N., long. 99°01'25" W.)

That airspace extending upward from 700 feet above the surface within a 6.6-mile radius of Gregory M. Simmons Memorial Airport.

Issued in Fort Worth, Texas, on November 1, 2017.

Walter Tweedy,

*Acting Manager, Operations Support Group,
ATO Central Service Center.*

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BILLING CODE 4910–13–P

TENNESSEE VALLEY AUTHORITY

18 CFR Part 1301

Privacy Act Regulations

AGENCY: Tennessee Valley Authority (TVA).

ACTION: Final rule.

SUMMARY: The Tennessee Valley Authority issues this final rule amending its Privacy Act (PA) regulation to redesignate section numbering.

DATES: This rule is effective November 8, 2017.

ADDRESSES: Tennessee Valley Authority, 400 W. Summit Hill Drive, Knoxville, TN 37902–1401.

FOR FURTHER INFORMATION CONTACT: Christopher A. Marsalis, Senior Privacy Program Manager, Tennessee Valley Authority, 400 W. Summit Hill Drive (WT 5D), Knoxville, Tennessee 37902–1401; telephone (865) 632–2467 or by email to camarsalis@tva.gov.

SUPPLEMENTARY INFORMATION: TVA’s Privacy Act Regulations originally were published at §§ 1301.11 through 1301.24. With this amendment TVA is redesignating these sections to be numbered §§ 1301.21 through 1301.34.

Lists of Subjects in 18 CFR Part 1301

Freedom of Information, Privacy, Government in the Sunshine.

For the reasons stated in the preamble, TVA amends 18 CFR part 1301 as follows:

PART 1301—PROCEDURES

- 1. The authority citation for part 1301 is revised to read as follows:

Authority: 5 U.S.C. 552 and 552a; 16 U.S.C. 831–831dd.

§§ 1301.20 through 1301.24 [Removed]

- 2. Amend subpart B by removing §§ 1301.20 through 1301.24.

§§ 1301.11 through 1301.24 [Redesignated as §§ 1301.21 through 1301.34]

- 3. Amend subpart B, by redesignating §§ 1301.11 through 1301.24 as §§ 1301.21 through 1301.34 as demonstrated in the following table:

Subpart B—Privacy Act

Redesignate §§ 1301.11 through 1301.24 as follows:

Old section	New section
1301.11	1301.21
1301.12	1301.22
1301.13	1301.23
1301.14	1301.24
1301.15	1301.25
1301.16	1301.26
1301.17	1301.27
1301.18	1301.28
1301.19	1301.29
1301.20	1301.30
1301.21	1301.31
1301.22	1301.32
1301.23	1301.33
1301.24	1301.34

§ 1301.21 [Amended]

- 4. Amend newly redesignated § 1301.21 as follows:

- a. In paragraph (a), by removing “1301.11 to 1301.24” and adding in its place “1301.21 to 1301.34”.
- b. In paragraph (b), by removing “1301.11 to 1301.24” and adding in its place “1301.21 to 1301.34”.

§ 1301.22 [Amended]

- 5. Amend newly redesignated § 1301.22 as follows:

- a. In the introductory text, by removing “1301.11 to 1301.24” and adding in its place “1301.21 to 1301.34”.
- b. In paragraph (e), by removing “1301.19(a)” and adding in its place “1301.29(a)”.
- c. In paragraph (f), by removing “1301.19” and adding in its place “1301.29”.

§ 1301.23 [Amended]

- 6. Amend newly redesignated § 1301.23 by wrapping the undesignated sentence following paragraph (b)(6) into paragraph (b)(6), removing “1301.14” and adding in its place “1301.24”, and removing “1301.14(g)” and adding in its place “1301.24(g)”.

§ 1301.24 [Amended]

- 7. Amend newly designated § 1301.24 in paragraph (a) by removing “1301.15” and adding in its place “1301.25” and removing “1301.13” and adding in its place “1301.23”.

§ 1301.25 [Amended]

- 8. Amend newly redesignated § 1301.25 as follows:
- a. In paragraph (a), by removing “1301.21” and adding in its place “1301.31”.
- b. In paragraph (b), removing “1301.14” and adding in its place

“1301.24” and removing “1301.21” and adding in its place “1301.31”.

§ 1301.27 [Amended]

■ 9. Amend newly redesignated

§ 1301.27 as follows:

■ a. In paragraph (b), by removing “1301.14” and adding in its place “1301.24”.

■ b. In paragraph (d), by removing “1301.11 to 1301.24” and adding in its place “1301.21 to 1301.34”.

§ 1301.30 [Amended]

■ 10. Amend newly redesignated § 1301.30 by removing “1301.11 to 1301.24” and adding in its place “1301.21 to 1301.34”.

Christopher A. Marsalis,

Senior Privacy Program Manager Enterprise Information Security & Policy, Tennessee Valley Authority.

[FR Doc. 2017-24300 Filed 11-7-17; 8:45 am]

BILLING CODE 8120-08-P

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Part 1010

RIN 1506-AB38

Imposition of Special Measure Against Bank of Dandong as a Financial Institution of Primary Money Laundering Concern

AGENCY: Financial Crimes Enforcement Network (“FinCEN”), Treasury.

ACTION: Final rule.

SUMMARY: FinCEN is issuing this final rule to prohibit covered U.S. financial institutions from opening or maintaining a correspondent account for, or on behalf of, Bank of Dandong Co., Ltd. (Bank of Dandong) as a financial institution of primary money laundering concern pursuant to Section 311 of the USA PATRIOT Act (Section 311). The rule further requires covered U.S. financial institutions to take reasonable steps not to process transactions for the correspondent account of a foreign banking institution in the United States if such a transaction involves Bank of Dandong. It also requires covered institutions to apply special due diligence to their foreign correspondent accounts that is reasonably designed to guard against their use to process transactions involving Bank of Dandong.

DATES: This final rule is effective December 8, 2017.

FOR FURTHER INFORMATION CONTACT: The FinCEN Resource Center, (800) 949-2732.

SUPPLEMENTARY INFORMATION:

I. Background

A. Statutory Provisions

On October 26, 2001, the President signed into law the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 (the USA PATRIOT Act). Title III of the USA PATRIOT Act amended the anti-money laundering (AML) provisions of the Bank Secrecy Act (BSA), codified at 12 U.S.C. 1829b, 12 U.S.C. 1951-1959, and 31 U.S.C. 5311-5314, 5316-5332, to promote the prevention, detection, and prosecution of international money laundering and the financing of terrorism. Regulations implementing the BSA appear at 31 CFR chapter X. The authority of the Secretary of the Treasury (the Secretary) to administer the BSA and its implementing regulations has been delegated to the Director of FinCEN.¹

Section 311 of the USA PATRIOT Act (Section 311), codified at 31 U.S.C. 5318A, grants FinCEN the authority, upon finding that reasonable grounds exist for concluding that a foreign jurisdiction, financial institution, class of transactions, or type of account is of “primary money laundering concern,” to require domestic financial institutions and financial agencies to take certain “special measures” to address the primary money laundering concern. The special measures enumerated under Section 311 are prophylactic safeguards that protect the U.S. financial system from money laundering and terrorist financing. FinCEN may impose one or more of these special measures in order to protect the U.S. financial system from these threats. Special measures one through four, codified at 31 U.S.C. 5318A(b)(1)-(b)(4), impose additional recordkeeping, information collection, and reporting requirements on covered U.S. financial institutions. The fifth special measure, codified at 31 U.S.C. 5318A(b)(5), allows FinCEN to prohibit or impose conditions on the opening or maintaining of correspondent or payable-through accounts for the identified institution by U.S. financial institutions. Section 311 identifies factors for the Secretary to consider and requires consultations with certain Federal agencies before making a

¹ Therefore, references to the authority of the Secretary of the Treasury under Section 311 of the USA PATRIOT Act apply equally to the Director of FinCEN.

finding that reasonable grounds exist for concluding that a jurisdiction, institution, class of transactions or type of account is of primary money laundering concern. The statute also provides similar procedures, including factors to consider and consultation requirements for selecting and imposing special measures.

II. Background on North Korea Sanctions Evasion and Bank of Dandong

A. North Korea’s Evasion of Sanctions

North Korea continues to advance its nuclear and ballistic missile programs despite international censure and U.S. and international sanctions. In response to North Korea’s continued actions to proliferate weapons of mass destruction (WMDs), the United Nations Security Council (UNSC) has issued a number of United Nations Security Council resolutions (UNSCRs), including 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2371 (2017), and 2375 (2017) that restrict North Korea’s financial and operational activities related to its nuclear and ballistic missile programs. Additionally, Executive Orders 13466, 13551, 13570, 13687, 13722, and 13810 have been issued to impose economic sanctions on North Korea pursuant to the International Emergency Economic Powers Act, and the U.S. Department of the Treasury has designated North Korean persons for asset freezes pursuant to other Executive Orders, such as Executive Order 13382, which targets WMD proliferators worldwide.

To further protect the United States from North Korea’s illicit financial activity, FinCEN has issued multiple advisories since 2005 detailing its concerns surrounding the deceptive financial practices used by North Korea and North Korean entities and called on U.S. financial institutions to take appropriate risk mitigation measures. Moreover, on November 9, 2016, FinCEN finalized a rule under Section 311 prohibiting the opening or maintaining of correspondent accounts in the United States by covered financial institutions for, or on behalf of, North Korean banks.² The final rule also requires U.S. financial institutions to apply additional due diligence measures in order to prevent North Korean financial institutions from gaining improper indirect access to U.S. correspondent accounts. The notice of finding associated with the final rule highlighted North Korea’s use of state-controlled financial institutions and

² 81 FR 78715 (November 9, 2016).