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DEPARTMENT OF HOMELAND SECURITY

Office of the Secretary

6 CFR Part 5

[Docket No. DHS–2022–0042]

Privacy Act of 1974: Implementation of Exemptions; Department of Homeland Security (DHS)/U.S. Customs and Border Protection (CBP)–027 Customs Broker Management (CBM) System of Records

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Final rule.

SUMMARY: The U.S. Department of Homeland Security (DHS) is issuing a final rule to amend its regulations to exempt portions of a newly established system of records titled, “DHS/U.S. Customs and Border Protection (CBP)–027 Customs Broker Management (CBM) System of Records” from certain provisions of the Privacy Act. Specifically, the Department exempts portions of this system of records from one or more provisions of the Privacy Act because of criminal, civil, and administrative enforcement requirements.

DATES: This final rule is effective March 31, 2023.

FOR FURTHER INFORMATION CONTACT: For general questions please contact: Debra Danisek, *Privacy.CBP@cbp.dhs.gov*, (202) 344–1610, CBP Privacy Officer, U.S. Customs and Border Protection, 1300 Pennsylvania Avenue NW, Washington, DC 20229. For privacy issues please contact: Mason Clutter (202) 343–1717, Chief Privacy Officer, Privacy Office, Department of Homeland Security, Washington, DC 20528.

SUPPLEMENTARY INFORMATION:

I. Background

The U.S. Department of Homeland Security (DHS) Customs and Border Protection (CBP) published a notice of proposed rulemaking in the **Federal Register**, 87 FR 43749, July 22, 2022, proposing to exempt portions of the system of records from one or more provisions of the Privacy Act because of criminal, civil, and administrative enforcement requirements. DHS issued the new “DHS/CBP–027 Customs Broker Management (CBM) System of Records” in the **Federal Register** at 87 FR 43880, July 22, 2022, to determine (1) an individual’s suitability for acquiring a Customs Broker license, whether that individual is representing him or herself or affiliated with an association, corporation, or partnership; and (2) whether a licensed Customs Broker continues to meet the eligibility requirements to maintain that Customs Broker license.

DHS/CBP invited comments on both the notice of proposed rulemaking (NPRM) and System of Records Notice (SORN).

II. Public Comments

DHS received no comments on the NPRM and no comments on the SORN. The Department will implement the rulemaking as proposed.

List of Subjects in 6 CFR Part 5

Freedom of information, Privacy.

For the reasons stated in the preamble, DHS amends chapter I of title 6, Code of Federal Regulations, as follows:

PART 5—DISCLOSURE OF RECORDS AND INFORMATION

■ 1. The authority citation for part 5 continues to read as follows:

Authority: 6 U.S.C. 101 *et seq.*; Pub. L. 107–296, 116 Stat. 2135; 5 U.S.C. 301; 6 U.S.C. 142; DHS Del. No. 13001, Rev. 01 (June 2, 2020).

Subpart A also issued under 5 U.S.C. 552.

Subpart B also issued under 5 U.S.C. 552a and 552 note.

■ 2. In appendix C to part 5, add paragraph “88” to read as follows:

Appendix C to Part 5—DHS Systems of Records Exempt From the Privacy Act

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88. The DHS/CBP–027 Customs Broker Management System of Records consists of electronic and paper records and will be used

by DHS and its components. DHS/CBP–027 Customs Broker Management System of Records is a repository of information held by DHS in connection with its several and varied missions and functions, including, but not limited to the enforcement of civil and criminal laws; investigations, inquiries, and proceedings there under; and national security and intelligence activities. DHS/CBP–027 Customs Broker Management System of Records maintains information about individuals, associations, corporations, or partnerships to administer the Customs Broker License Exam, determine suitability for providing an individual a Customs Broker license, and determine whether a licensed Customs Broker continues to meet the eligibility requirements to maintain a Customs Broker license.

The Secretary of Homeland Security has exempted this system pursuant to exemption 5 U.S.C. 552a(j)(2) of the Privacy Act, portions of this system are exempt from 5 U.S.C. 552a(c)(3) and (4); (d); (e)(1), (e)(2), (e)(3), (e)(4)(G), (e)(4)(H), (e)(4)(I), (e)(5), and (e)(8); (f); and (g). Additionally, the Secretary has exempted this system pursuant to 5 U.S.C. 552a(k)(2) of the Privacy Act from subsections (c)(3), (d), (e)(1), (e)(4)(G), (e)(4)(H), (e)(4)(I), and (f). Exemptions from these particular subsections are justified, on a case-by-case basis to be determined at the time a request is made, for the following reasons:

(a) From subsection (c)(3) and (4) (Accounting for Disclosures) because release of the accounting of disclosures could alert the subject of an investigation of an actual or potential criminal, civil, or regulatory violation to the existence of that investigation and reveal investigative interest on the part of DHS as well as the recipient agency. Disclosure of the accounting would therefore present a serious impediment to law enforcement efforts and/or efforts to preserve national security. Disclosure of the accounting would also permit the individual who is the subject of a record to impede the investigation, to tamper with witnesses or evidence, and to avoid detection or apprehension, which would undermine the entire investigative process.

(b) From subsection (d) (Access and Amendment to Records) because access to the records contained in this system of records could inform the subject of an investigation of an actual or potential criminal, civil, or regulatory violation to the existence of that investigation and reveal investigative interest on the part of DHS or another agency. Access to the records could permit the individual who is the subject of a record to impede the investigation, to tamper with witnesses or evidence, and to avoid detection or apprehension. Amendment of the records could interfere with ongoing investigations and law enforcement activities when weighing and evaluating all available information. In

addition, permitting access and amendment to such information could disclose security-sensitive information that could be detrimental to homeland security.

(c) From subsection (e)(1) (Relevancy and Necessity of Information) because in the course of investigations into potential violations of federal law, the accuracy of information obtained or introduced occasionally may be unclear, or the information may not be strictly relevant or necessary to a specific investigation. In the interests of effective law enforcement, it is appropriate to retain all information that may aid in establishing patterns of unlawful activity.

(d) From subsection (e)(2) (Collection of Information from Individuals) because requiring that information be collected from the subject of an investigation would alert the subject to the nature or existence of the investigation, thereby interfering with that investigation and related law enforcement activities.

(e) From subsection (e)(3) (Notice to Subjects) because providing such detailed information could impede law enforcement by compromising the existence of a confidential investigation or reveal the identity of witnesses or confidential informants.

(f) From subsections (e)(4)(G), (e)(4)(H), and (e)(4)(I) (Agency Requirements) and (f) (Agency Rules), because portions of this system are exempt from the individual access provisions of subsection (d) for the reasons noted above, and therefore DHS is not required to establish requirements, rules, or procedures with respect to such access. Providing notice to individuals with respect to existence of records pertaining to them in the system of records or otherwise setting up procedures pursuant to which individuals may access and view records pertaining to themselves in the system would undermine investigative efforts and reveal the identities of witnesses, and potential witnesses, and confidential informants.

(g) From subsection (e)(5) (Collection of Information) because with the collection of information for law enforcement purposes, it is impossible to determine in advance what information is accurate, relevant, timely, and complete.

(h) From subsection (e)(8) (Notice on Individuals) because compliance would interfere with DHS's ability to obtain, serve, and issue subpoenas, warrants, and other law enforcement mechanisms that may be filed under seal and could result in disclosure of investigative techniques, procedures, and evidence.

(i) From subsection (g)(1) (Civil Remedies) to the extent that the system is exempt from other specific subsections of the Privacy Act.

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Mason C. Clutter,

Acting Chief Privacy Officer, U.S. Department of Homeland Security.

[FR Doc. 2023-06714 Filed 3-30-23; 8:45 am]

BILLING CODE 9111-14-P

NUCLEAR REGULATORY COMMISSION

10 CFR Part 50

[NRC-2022-0159]

Regulatory Guide: Maintenance, Testing, and Replacement of Vented Lead-Acid Storage Batteries for Production and Utilization Facilities

Correction

In rule document 2023-06285, appearing on pages 18005 through 18006, in the issue of Monday, March 27, 2023, the subject line is corrected to read as set forth above.

[FR Doc. C1-2023-06285 Filed 3-30-23; 8:45 am]

BILLING CODE 0099-10-D

CONSUMER FINANCIAL PROTECTION BUREAU

12 CFR Part 1026

[Docket No. CFPB-2022-0070]

Truth in Lending; Determination of Effect on State Laws (California, New York, Utah, and Virginia)

AGENCY: Consumer Financial Protection Bureau.

ACTION: Preemption determination.

SUMMARY: After considering public comments, the Consumer Financial Protection Bureau (CFPB) has determined that commercial financing disclosure laws in California, New York, Utah, and Virginia are not preempted by the Truth in Lending Act.

DATES: This determination is issued on March 31, 2023.

FOR FURTHER INFORMATION CONTACT: Christopher Shelton or Anand Das, Senior Counsels, Legal Division, or Joel Singerman, Senior Counsel, Office of Regulations, at 202-435-7700. If you require this document in an alternative electronic format, please contact CFPB_Accessibility@cfpb.gov.

SUPPLEMENTARY INFORMATION:

I. Overview of This Proceeding

The Truth in Lending Act (TILA) ensures that key information about consumer credit transactions is disclosed to consumers. TILA preempts State disclosure laws only if they are “inconsistent” with it. The CFPB is

authorized to determine whether there is an inconsistency.¹

In recent years, New York, California, Utah, and Virginia have enacted laws that require disclosures for commercial financing transactions to businesses, which do not receive TILA disclosures in those transactions. The CFPB received a request from a trade association (the requesting party) that it determine that TILA preempts New York's commercial financing disclosure law. In response, the CFPB published for public comment a notification of intent to make a preemption determination. In the notification of intent, the CFPB considered the requesting party's initial arguments and preliminarily found that New York's law was not preempted. On the CFPB's own motion, the CFPB also provided notice that it may make parallel findings regarding the California, Utah, and Virginia laws.

The CFPB received fifteen comments on the notification of intent. The Attorney General of California, two trade associations, a lender to small businesses, a group of consumer advocacy organizations, and a group of lenders, investors, and small business advocates all supported the CFPB's notification of intent. On the other hand, the requesting party, several other trade associations, and a different lender to small businesses argued that some or all of the four States' laws are preempted.²

After analyzing the comments, the CFPB has concluded that the State commercial financing disclosure laws of California, New York, Utah, and Virginia are not preempted by TILA. Congress adopted a narrow standard for TILA preemption that displaces State law only in the case of “inconsistency.” This means that States have broad authority to establish their own protections for their residents, both within and outside the scope of TILA. As relevant here, commercial financing transactions to businesses—and any disclosures associated with such transactions—are beyond the scope of TILA's statutory purposes, which concern consumer credit.

¹ TILA section 111(a), 15 U.S.C. 1610(a).

² The notification of intent is available at 87 FR 76551 (Dec. 15, 2022). The original request is available at <https://www.regulations.gov/document/CFPB-2022-0070-0002>. The comments on the notification of intent are available at <https://www.regulations.gov/document/CFPB-2022-0070-0004/comment>.