

1999). On May 30, 2001, after first soliciting input from the law enforcement community for its views on any law enforcement burdens caused by the CIF Exception, FinCEN again extended the CIF Exception. The CIF Exception is now scheduled to expire on May 31, 2003. *See* FinCEN Issuance 2001-1, 66 FR 32746 (June 18, 2001). FinCEN intends to permit the CIF Exception to expire, and is soliciting comments before it does so.

II. The CIF Exception

FinCEN promulgated the Travel Rule in 1995. The Travel Rule requires financial institutions to include certain information in transmittal orders relating to transmittals of funds of \$3,000 or more, which must "travel" with the order throughout the funds transmittal sequence. Among these requirements is that each transmitter's financial institution and intermediary financial institution include in a transmittal order the transmitter's true name and street address. *See* 31 CFR 103.33(g)(1)(i)-(ii) and (g)(2)(i)-(ii). Subsequently, financial institutions represented to FinCEN that their ability to comply with the Travel Rule at all depended on their ability to use their automated customer information files, known as CIFs. Although an originating institution always knew the originating customer's true name and address, the CIFs were often programmed with coded or nominee names and addresses (or post office boxes). The reprogramming tasks involved in changing the CIFs were represented to be a significant barrier to compliance with the Travel Rule. In light of these burdens, and in the interest of obtaining prompt compliance, FinCEN promulgated the conditional exception.

The conditional exception provides that a financial institution may satisfy the requirements of 31 CFR 103.33(g) that a customer's true name and address be included in a transmittal order, only upon satisfaction of the following conditions:

(1) The CIFs are not specifically altered for the particular transmittal of funds in question;

(2) The CIFs are generally programmed and used by the institution for customer communications, not simply for transmittal of funds transactions, and as so programmed generate other than true name and street address information;

(3) The institution itself knows and can associate the CIF information used in the funds transmittal order with the true name and street address of the transmitter of the order;

(4) The transmittal order includes a question mark symbol immediately following any designation of the transmitter other than by a true name on the order;

(5) Any currency transaction report or suspicious activity report by the institution with respect to the funds transmittal contains the true name and address information for the transmitter and plainly associates the report with the particular funds transmittal in question.

The conditional exception further provides that it has no application to any funds transmittals for whose processing an institution does not automatically rely on preprogrammed and prespecified CIF name and address information. FinCEN's release promulgating the CIF Exception further warned financial institutions that any customer request for a nominee name in a CIF should be carefully evaluated as a potentially suspicious transaction. *See* 63 FR 3642.

III. Expiration of the CIF Exception

In the aftermath of the terrorist attacks of September 11 and the passage of the Uniting and Strengthening America by Providing Appropriate Tools to Intercept and Obstruct Terrorism Act of 2001 ("USA Patriot Act"), Congress has emphasized the need to increase transparency across the financial sector. *See* Pub. L. 107-56, section 302(a)(2) (finding that defects in financial transparency are critical to the financing of global terrorism). FinCEN has implemented this congressional policy in its numerous Patriot Act rulemakings and believes that it should be reflected in existing BSA rules such as the Travel Rule as well. The financial community has had a number of years to address the technological issues posed by the Travel Rule, and the major programming issues posed by year 2000 compliance are now well behind it. Therefore, FinCEN deems it appropriate, after two extensions, to permit the CIF Exception to expire. This conclusion is buttressed by information FinCEN has received regarding the potential for abuse of the CIF Exception; for example, by private banking departments that cater to high net worth individuals' demands for increased confidentiality by using CIFs.

IV. Request for Comments

FinCEN invites comments on (1) the existence of any remaining technological barriers to full compliance with the Travel Rule; (2) whether financial institutions will be able to comply fully with the Travel Rule upon the expiration of the CIF Exception or whether additional time will be

required to attain compliance; (3) the existence of any adverse effect on law enforcement investigations arising from the CIF Exception; and (4) the potential for or actual abuse of the CIF Exception.

Dated: March 3, 2003.

James F. Sloan,

Director, Financial Crimes Enforcement Network.

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[CA 245-0375a; FRL-7446-1]

Revisions to the California State Implementation Plan, Antelope Valley Air Pollution Control District, Imperial County Air Pollution Control District, and Monterey Bay Unified Air Pollution Control District

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: EPA is taking direct final action to approve revisions to the Antelope Valley Air Pollution Control District (AVAPCD), Imperial County Air Pollution Control District (ICAPCD), and Monterey Bay Unified Air Pollution Control District (MBUAPCD) portions of the California State Implementation Plan (SIP). These revisions concern definitions, circumvention, emergency episode and volatile organic compound (VOC) emissions from organic solvents. We are approving local rules that regulate these emission sources under the Clean Air Act as amended in 1990 (CAA or the Act).

DATES: This rule is effective on May 6, 2003, without further notice, unless EPA receives adverse comments by April 7, 2003. If we receive such comment, we will publish a timely withdrawal in the **Federal Register** to notify the public that this rule will not take effect.

ADDRESSES: Mail comments to Andy Steckel, Rulemaking Office Chief (AIR-4), U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105-3901.

You can inspect copies of the submitted SIP revisions and EPA's technical support documents (TSDs) at our Region IX office during normal business hours. You may also see copies of the submitted SIP revisions at the following locations:

Air and Radiation Docket and Information Center, U.S.