

List of Subjects in 25 CFR Part 170

Highways and Roads, Indians-lands.

■ For the reasons set out in the preamble, we are amending Part 170 in Chapter I of Title 25 of the Code of Federal Regulations as follows.

PART 170—ROADS OF THE BUREAU OF INDIAN AFFAIRS

■ 1. The authority citation for part 170 continues to read as follows:

Authority: 36 Stat. 861; 78 Stat. 241, 253, 257; 45 Stat. 750 (25 U.S.C. 47; 42 U.S.C. 2000e(b), 2000e-2(i); 23 U.S.C. 101(a), 202, 204), unless otherwise noted.

■ 2. Effective June 5, 2003, through September 30, 2003, revise § 170.4b to read as follows:

§ 170.4b What formula will BIA use to distribute 75 percent of fiscal year 2003 Indian Reservation Roads funds?

On June 5, 2003, we will distribute 75 percent of fiscal year 2003 IRR Program funds authorized under section 1115 of the Transportation Equity Act for the 21st Century, Pub. L. 105-178, 112 Stat. 154. We will distribute the funds to Indian Reservation Roads projects on or near Indian reservations using the relative need formula established and approved in January 1993. We are modifying the formula to account for non-reporting States by inserting the latest data reported for those States for use in the relative need formula process.

Dated: May 26, 2003.

Aurene M. Martin,

Assistant Secretary-Indian Affairs.

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DEPARTMENT OF JUSTICE**28 CFR Part 5**

[AG Order No. 2674-2003]

RIN 1105-AA45

Foreign Agents Registration Act

AGENCY: Department of Justice.

ACTION: Final rule.

SUMMARY: The Department of Justice is amending its existing regulations implementing the Foreign Agents Registration Act of 1938, as amended. The rule establishes new regulations needed as a result of the passage of the Lobbying Disclosure Act of 1995 (LDA) and the Lobbying Disclosure Technical Amendments Act of 1998 (LDTAA), both of which amended the Foreign Agents Registration Act, and makes technical amendments to existing regulations.

DATES: July 7, 2003.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:**Why Is the Department Changing the Foreign Agents Registration Act Regulations?**

Under the Foreign Agents Registration Act of 1938 (FARA or the Act), 22 U.S.C. 611-621, agents of foreign principals are required to register with the Department of Justice in order to make periodic public disclosure of their relationship with the foreign principal, activities on behalf of the foreign principal, and receipts and disbursements in support of these activities. In the Lobbying Disclosure Act of 1995, Pub. L. 104-65, 2 U.S.C. 1601-1613 (LDA), and the Lobbying Disclosure Technical Amendments Act of 1998, Pub. L. 105-166 (LDTAA), Congress amended FARA in several respects. First, Congress generally narrowed the scope of FARA to agents of foreign governments and foreign political parties. Under new section 3(h) of FARA, 22 U.S.C. 613(h), agents of foreign principals other than foreign governments or foreign political parties need not register under FARA if such agents engage in lobbying activities and register under the LDA. Second, Congress repealed section 1(q) of the Act, 22 U.S.C. 611(q), which had provided a safe harbor specifying circumstances in which agents of multinational corporations would be exempt from registration under section 3(d)(2) of the Act, 22 U.S.C. 613(d)(2). When Congress authorized registration under the LDA rather than FARA for lobbying activities on behalf of foreign principals other than foreign governments and foreign political parties, section 1(q) became largely unnecessary.

In addition, in the LDA, Congress clarified the applicability of an exemption in section 3(g), 22 U.S.C. 613(g), for legal representation of a foreign principal in certain proceedings. Finally, Congress substituted the term "informational materials" for the term "political propaganda" throughout FARA, except in section 4(e), 22 U.S.C. 614(e), which concerns the dissemination of materials on behalf of the foreign principal, and in section 11, 22 U.S.C. 621, which concerns the filing

of a semi-annual report with Congress. These amendments require changes in the FARA regulations.

Did the Department Solicit Public Comments?

On July 9, 1999, a proposed rule was published in the **Federal Register** (64 FR 37065). Interested persons were afforded the opportunity to participate in the regulatory process. The comment period ended on September 7, 1999. No written comments were received on the proposed rule. Notwithstanding the fact that comments were not received, the Department made minor clarifying adjustments to the proposed rule under 28 CFR 5.304 and 5.307 to more clearly construe the section 3(d)(2) and 3(h) exemptions.

How Does This Final Rule Change the Current Regulations?

The amendments to FARA required changes implementing, among others, sections 3(d)(2), 3(g), 3(h) and 4 of FARA. First, this rule clarifies the reach of section 3(d)(2) in light of the repeal of section 1(q) of FARA. Section 3(d)(2) of the Act exempts from registration under FARA activities of a political nature "not serving predominantly a foreign interest." Under the rule, political activities of an agent on behalf of a foreign corporation, even if the foreign corporation is owned in whole or in part by a foreign government, where the political activities further the bona fide commercial, industrial, or financial operations of the foreign corporation, are not directed by a foreign government or foreign political party, and do not directly promote the public or political interests of a foreign government or foreign political party, do not require registration under FARA because such activities do not "serve predominantly a foreign interest" for purposes of 3(d)(2). Even after the deletion of section 1(q), any person, including a foreign or domestic corporation, who engages in political activities, not in furtherance of the bona fide commercial, industrial, or financial operations of a foreign corporation, but, on behalf of a foreign government or foreign political party, is required to register under FARA, as these activities will "serve predominantly a foreign interest" and thus not be exempt under section 3(d)(2).

Second, the rule clarifies the circumstances in which agents of foreign principals, other than foreign governments or foreign political parties, can claim the new exemption provided in section 3(h), and it clarifies the reach of the revised "attorneys' exemption" in section 3(g). In addition, the rule strikes