

Subpart H—Civil Monetary Penalty Inflation Adjustment

§ 1503.301 Scope and purpose.

(a) This subpart provides a mechanism for the regular adjustment for inflation of civil monetary penalties in conformity with the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. 2461 (note), as amended, in order to maintain the deterrent effect of civil monetary penalties and to promote compliance with the law. This subpart also sets out the current adjusted maximum civil monetary penalties or range of minimum and maximum civil monetary penalties for each statutory civil penalty subject to the TSA's jurisdiction.

(b) Each adjustment to the maximum civil monetary penalty or the range of minimum and maximum civil monetary penalties, as applicable, made in accordance with this subpart applies prospectively from the date it becomes effective to actions initiated under this part, notwithstanding references to a specific maximum civil monetary penalty or range of minimum and maximum civil monetary penalties contained elsewhere in this part.

§ 1503.303 Definitions.

The following definitions apply to this subpart:

Civil monetary penalty means any penalty, fine, or other sanction that:

- (1) Is for a specific monetary amount as provided by Federal law or has a maximum amount provided by Federal law;
- (2) Is assessed or enforced by the TSA pursuant to Federal law; and
- (3) Is assessed or enforced pursuant to an administrative proceeding or a civil action in the Federal courts.

Consumer Price Index means the *Consumer Price Index* for all urban consumers published by the Department of Labor.

§ 1503.305 Cost of living adjustments of civil monetary penalties.

(a) *Adjustment determination.* Except for the limitation to the initial adjustment to statutory maximum civil mon-

etary penalties or range of minimum and maximum civil monetary penalties set forth in paragraph (c) of this section, the inflation adjustment under this subpart is determined by increasing the maximum civil monetary penalty or range of minimum and maximum civil monetary penalty for each civil monetary penalty by the cost-of-living adjustment. Any increase determined under this paragraph (a) is rounded to the nearest:

- (1) Multiple of \$10 in the case of penalties less than or equal to \$100;
- (2) Multiple of \$100 in the case of penalties greater than \$100 but less than or equal to \$1,000;
- (3) Multiple of \$1,000 in the case of penalties greater than \$1,000 but less than or equal to \$10,000;
- (4) Multiple of \$5,000 in the case of penalties greater than \$10,000 but less than or equal to \$100,000;
- (5) Multiple of \$10,000 in the case of penalties greater than \$100,000 but less than or equal to \$200,000; and
- (6) Multiple of \$25,000 in the case of penalties greater than \$200,000.

(b) *Definition.* For purposes of paragraph (a) of this section, the term *cost-of-living adjustment* means the percentage (if any) for each civil monetary penalty by which the Consumer Price Index for the month of June of the calendar year preceding the adjustment exceeds the Consumer Price Index for the month of June of the calendar year in which the amount of such civil monetary penalty was last set or adjusted pursuant to law.

(c) *Limitation on initial adjustment.* The initial adjustment of maximum civil penalty or range of minimum and maximum civil monetary penalties made pursuant to this subpart does not exceed 10 percent of the statutory maximum civil penalty before an adjustment under this subpart is made. This limitation applies only to the initial adjustment, effective on January 21, 1997.

(d) *Inflation adjustment.* Minimum and maximum civil monetary penalties within the jurisdiction of the TSA are adjusted for inflation as follows:

MINIMUM AND MAXIMUM CIVIL PENALTIES—ADJUSTED FOR INFLATION, EFFECTIVE MARCH 13, 2002

United States Code citation	Civil monetary penalty description	Minimum penalty	New adjusted minimum penalty amount	Maximum penalty amount when last set or adjusted pursuant to law	New or adjusted maximum penalty amount
49 U.S.C. 46301(a)(1)	Violations of statutory provisions listed in 49 U.S.C. 46301(a)(1), regulations prescribed, or orders issued under those provisions.	N/A	N/A	\$1,100 per violation, adjusted 1/21/97.	\$1,100 per violation, adjusted 1/21/97.
49 U.S.C. 46301(a)(2)	Violations of statutory provisions listed in 49 U.S.C. 46301(a)(2), regulations prescribed, or orders issued under those provisions by a person operating an aircraft for the transportation of passengers or property for compensation.	N/A	N/A	\$11,000 per violation, adjusted 1/21/97.	\$11,000 per violation, adjusted 1/21/97.

PART 1507—PRIVACY ACT-EXEMPTIONS

Sec.

1507.1 Scope.

1507.3 Exemptions.

AUTHORITY: 49 U.S.C. 114(l)(1), 5 U.S.C. 552a(k).

SOURCE: 69 FR 35537, June 25, 2004, unless otherwise noted.

§ 1507.1 Scope.

This part implements provisions of the Privacy Act of 1974 (the Act) that permit TSA to exempt any system of records within the agency from certain requirements of the Act. The procedures governing access to, and correction of, records in a TSA system of records are set forth in 6 CFR part 5, subpart B.

§ 1507.3 Exemptions.

The following TSA systems of records are exempt from certain provisions of the Privacy Act of 1974 pursuant to 5 U.S.C. 552a(j), (k), or both, as set forth in this section. During the course of normal agency functions, exempt materials from one system of records may become part of one or more other systems of records. To the extent that any portion of system of records becomes part of another Privacy Act system of records, TSA hereby claims the same exemptions as were claimed in the original primary system of which they are a part and claims

any additional exemptions in accordance with this part.

(a) *Transportation Security Enforcement Record System (DHS/TSA 001)*. The Transportation Security Enforcement Record System (TSERS) (DHS/TSA 001) enables TSA to maintain a system of records related to the screening of passengers and property and they may be used to identify, review, analyze, investigate, and prosecute violations or potential violations of transportation security laws. Pursuant to exemptions (k)(1) and (k)(2) of the Privacy Act, DHS/TSA 001 is exempt from 5 U.S.C. 552a(c)(3), (d), (e)(1), (e)(4)(G), (H) and (I), and (f). Exemptions from the particular subsections are justified for the following reasons:

(1) From subsection (c)(3) (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 the investigation and reveal investigative interest on the part of TSA as well as the recipient agency. Disclosure of the accounting would therefore present a serious impediment to transportation security law enforcement efforts and 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 and avoid detection or apprehension, which undermines the entire system.

(2) From subsection (d) (Access to Records), because access to the records