

TABLE 1 TO PARAGRAPH (b)—Continued

Statute	Adjusted civil money penalty
<i>First Tier</i>	4,480
<i>Second Tier</i>	44,783
<i>Third Tier</i>	2,239,210
12 U.S.C. 3909(d)	3,047
15 U.S.C. 78u-2(b)(1):	
<i>For a natural person</i>	11,524
<i>For any other person</i>	115,231
15 U.S.C. 78u-2(b)(2)	
<i>For a natural person</i>	115,231
<i>For any other person</i>	576,158
15 U.S.C. 78u-2(b)(3)	
<i>For a natural person</i>	230,464
<i>For any other person</i>	1,152,314
15 U.S.C. 1639e(k)(1)	14,069
15 U.S.C. 1639e(k)(2)	28,135
42 U.S.C. 4012a(f)(5)	2,661

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority.

Ann E. Misback,
Secretary of the Board.

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FARM CREDIT ADMINISTRATION

12 CFR Part 622

RIN 3052-AD62

Rules of Practice and Procedure; Adjusting Civil Money Penalties for Inflation

AGENCY: Farm Credit Administration.

ACTION: Final rule.

SUMMARY: This regulation implements inflation adjustments to civil money penalties (CMPs) that the Farm Credit Administration (FCA) may impose or enforce pursuant to the Farm Credit Act of 1971, as amended (Farm Credit Act), and pursuant to the Flood Disaster Protection Act of 1973, as amended by the National Flood Insurance Reform Act of 1994, and further amended by the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters Act) (collectively FDPA, as amended).

DATES: This regulation is effective on January 15, 2024.

FOR FURTHER INFORMATION CONTACT: Brian Camp, Accountant, Office of Regulatory Policy, Farm Credit Administration, (703) 883-4320, TTY (703) 883-4056, or, Heather LoPresti, Senior Counsel, Office of General Counsel, Farm Credit Administration, (703) 883-4318, TTY (703) 883-4056.

SUPPLEMENTARY INFORMATION:

I. Objective

The objective of this regulation is to adjust the maximum CMPs for inflation through a final rulemaking to retain the deterrent effect of such penalties.

II. Background

A. Introduction

The Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996 (1996 Act) and the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (2015 Act) (collectively, 1990 Act, as amended), requires all Federal agencies with the authority to enforce CMPs to evaluate and adjust, if necessary, those CMPs each year to ensure that they continue to maintain their deterrent value and promote compliance with the law. Section 3(2) of the 1990 Act, as amended, defines a civil monetary penalty¹ as any penalty, fine, or other sanction that: (1) either is for a specific monetary amount as provided by Federal law or has a maximum amount provided for by Federal law; (2) is assessed or enforced by an agency pursuant to Federal law; and (3) is assessed or enforced pursuant to an administrative proceeding or a civil action in the Federal courts.²

The FCA imposes and enforces CMPs through the Farm Credit Act³ and the

FDPA, as amended.⁴ FCA’s regulations governing CMPs are found in 12 CFR parts 622 and 623. Part 622 establishes rules of practice and procedure applicable to formal and informal hearings held before the FCA, and to formal investigations conducted under the Farm Credit Act. Part 623 prescribes rules regarding persons who may practice before the FCA and the circumstances under which such persons may be suspended or debarred from practice before the FCA.

B. CMPs Issued Under the Farm Credit Act

Section 5.32(a) of the Farm Credit Act provides that any Farm Credit System (System) institution or any officer, director, employee, agent, or other person participating in the conduct of the affairs of a System institution who violates the terms of an order that has become final pursuant to section 5.25 or 5.26 of the Farm Credit Act must pay a maximum daily amount of \$1,000,⁵ for each day such violation continues. This CMP maximum was set by the Farm Credit Amendments Act of 1985, which amended the Farm Credit Act. Orders issued by the FCA under section 5.25 or 5.26 of the Farm Credit Act include temporary and permanent cease-and-desist orders. In addition, section 5.32(h) of the Farm Credit Act provides that any directive issued under sections 4.3(b)(2), 4.3A(e), or 4.14A(i) of the Farm Credit Act “shall be treated” as a final order issued under section 5.25 of

¹ While the 1990 Act, as amended by the 1996 and 2015 Acts, uses the term “civil monetary penalties” for these penalties or other sanctions, the Farm Credit Act and FCA regulations use the term “civil money penalties.” Both terms have the same meaning. Accordingly, this rule uses the term civil money penalty, and both terms may be used interchangeably.

² See 28 U.S.C. 2461 note.

³ Public Law 92-181, as amended.

⁴ 42 U.S.C. 4012a and Public Law 103-325, title V, 108 Stat. 2160, 2255-87 (September 23, 1994).

⁵ The inflation-adjusted CMP in effect on January 15, 2023, for a violation of a final order is \$2,741 per day, as set forth in § 622.61(a)(1) of FCA regulations.

the Farm Credit Act for purposes of assessing a CMP.

Section 5.32(a) of the Farm Credit Act also states that “[a]ny such institution or person who violates any provision of the [Farm Credit] Act or any regulation issued under this Act shall forfeit and pay a civil penalty of not more than \$500⁶ per day for each day during which such violation continues.” This CMP maximum was set by section 423 of the Agricultural Credit Act of 1987, which was enacted in 1988 and amended the Farm Credit Act. Current inflation-adjusted CMP maximums are set forth in existing § 622.61 of FCA regulations.⁷

The FCA also enforces the FDPA, as amended, which requires FCA to assess CMPs for a pattern or practice of committing certain specific actions in violation of the National Flood Insurance Program. The FDPA states that the maximum CMP for a violation of that Act is \$2,000.^{8,9}

C. Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015

1. In General

The 2015 Act required all Federal agencies to adjust the CMPs yearly, starting January 15, 2017.

Under Section 4(b) of the 1990 Act, as amended, annual adjustments are to be made no later than January 15.¹⁰ Section 6 of the 1990 Act, as amended, states that any increase to a civil monetary penalty under this 1990 Act applies only to civil monetary penalties, including instances in which an associated violation predated the annual increase, which are assessed after the date the increase takes effect.

Section 5(b) of the 1990 Act, as amended, defines the term “cost-of-living adjustment” as the percentage (if any) for each civil monetary penalty by which (1) the Consumer Price Index (CPI) for the month of October of the calendar year preceding the adjustment, exceeds (2) the CPI for the month of October one year before the month of October referred to in (1) of the calendar year in which the amount of such civil

monetary penalty was last set or adjusted pursuant to law.¹¹

The increase for each CMP adjusted for inflation must be rounded using a method prescribed by section 5(a) of the 1990 Act, as amended, by the 2015 Act.¹²

2. Other Adjustments

If a civil monetary penalty is subject to a cost-of-living adjustment under the 1990 Act, as amended, but is adjusted to an amount greater than the amount of the adjustment required under the Act within the 12 months preceding a required cost-of-living adjustment, the agency is not required to make the cost-of-living adjustment to that CMP in that calendar year.¹³

III. Yearly Adjustments

A. Mathematical Calculations of 2024 Adjustments

The adjustment requirement affects two provisions of section 5.32(a) of the Farm Credit Act. For the 2024 yearly adjustments to the CMPs set forth by the Farm Credit Act, the calculation required by the 2023 White House Office of Management and Budget (OMB) guidance¹⁴ is based on the percentage by which the CPI for October 2023 exceeds the CPI for October 2022. The OMB set forth guidance, as required by the 2015 Act,¹⁵ with a multiplier for calculating the new CMP values.¹⁶ The 2023 OMB multiplier for the 2024 CMPs is 1.03241.

The adjustment also affects the CMPs set by the Flood Disaster Protection Act of 1973, as amended. The adjustment multiplier is the same for all FCA enforced CMPs, set at 1.03241. The maximum CMPs for violations were created in 2012 by the Biggert-Waters Act, which amended the Flood Disaster Protection Act of 1973.

1. New Penalty Amount in § 622.61(a)(1)

The inflation-adjusted CMP currently in effect for violations of a final order occurring on or after January 15, 2023, is a maximum daily amount of \$2,741.¹⁷

¹¹ The CPI is published by the Department of Labor, Bureau of Statistics, and is available at its website: <https://www.bls.gov/cpi/>.

¹² Pursuant to section 5(a)(3) of the 2015 Act, any increase determined under the subsection shall be rounded to the nearest \$1.

¹³ Pursuant to section 4(d) of the 1990 Act, as amended.

¹⁴ OMB Circular M–24–07, Implementation of Penalty Inflation Adjustments for 2024, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

¹⁵ 28 U.S.C. 2461 note, section 7(a).

¹⁶ OMB Circular M–24–07, Implementation of Penalty Inflation Adjustments for 2024, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

¹⁷ 12 CFR 622.61(a)(1).

Multiplying the \$2,741 CMP by the 2023 OMB multiplier, 1.03241, yields a total of \$2,829.84. When that number is rounded as required by section 5(a) of the 1990 Act, as amended, the inflation-adjusted maximum increases to \$2,830. Thus, the new CMP maximum is \$2,830, for violations that occur on or after January 15, 2024.

2. New Penalty Amount in § 622.61(a)(2)

The inflation-adjusted CMP currently in effect for violations of the Farm Credit Act or regulations issued under the Farm Credit Act occurring on or after January 15, 2023, is a maximum daily amount of \$1,240.¹⁸ Multiplying the \$1,240 CMP maximum by the 2023 OMB multiplier, 1.03241, yields a total of \$1,280.19. When that number is rounded as required by section 5(a) of the 1990 Act, as amended the inflation-adjusted maximum increases to \$1,280. Thus, the new CMP maximum is \$1,280, for violations that occur on or after January 15, 2024.

3. New Penalty Amounts for Flood Insurance Violations Under § 622.61(b)

The existing maximum CMP for a pattern or practice of flood insurance violations pursuant to 42 U.S.C. 4012a(f)(5) occurring on or after January 15, 2023, is \$2,577. Multiplying \$2,577 by the 2023 OMB multiplier, 1.03241, yields a total of \$2,660.52. When that number is rounded as required by section 5(a) of the 1990 Act, as amended, the new maximum assessment of the CMP for violating 42 U.S.C. 4012a(f)(5) is \$2,661. Thus, the new CMP maximum is \$2,661, for violations that occur on or after January 15, 2024.

IV. Notice and Comment Not Required by the Administrative Procedure Act

Section 4(b)(2) of the 1990 Act, as amended by section 701 of the 2015 Act (28 U.S.C. 2461 note), provides an exemption from the Administrative Procedure Act notice and comment requirements in 5 U.S.C. 553. Further, these revisions are ministerial, technical, and noncontroversial. For these reasons, the FCA has determined to adopt this rule in final form.

V. Regulatory Flexibility Act

Pursuant to section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the FCA hereby certifies that this final rule will not have a significant economic impact on a substantial number of small entities. Each of the banks in the System, considered together with its affiliated associations,

¹⁸ 12 CFR 622.61(a)(2).

⁶ The inflation-adjusted CMP in effect on January 15, 2023, for a violation of the Farm Credit Act or a regulation issued under the Farm Credit Act is \$1,240 per day for each violation, as set forth in § 622.61(a)(2) of FCA regulations.

⁷ Prior adjustments were made under the 1990 Act and continue to be made each year.

⁸ Public Law 112–141, 126 Stat. 405 (July 6, 2012); 42 U.S.C. 4012a(f)(5).

⁹ The inflation-adjusted CMP in effect on January 15, 2023, for a flood insurance violation is \$2,577, as set forth in § 622.61(b) of FCA regulations.

¹⁰ Public Law 114–74, sec. 701(b)(1).

has assets and annual income in excess of the amounts that would qualify them as small entities. Therefore, System institutions are not “small entities” as defined in the Regulatory Flexibility Act.

List of Subjects in 12 CFR Part 622

Administrative practice and procedure, Crime, Investigations, Penalties.

For the reasons stated in the preamble, part 622 of chapter VI, title 12 of the Code of Federal Regulations is amended to read as follows:

PART 622—RULES OF PRACTICE AND PROCEDURE

- 1. The authority citation for part 622 continues to read as follows:

Authority: Secs. 5.9, 5.10, 5.17, 5.25–5.37 of the Farm Credit Act (12 U.S.C. 2243, 2244, 2252, 2261–2273); 28 U.S.C. 2461 note; and 42 U.S.C. 4012a(f).

- 2. Revise § 622.61 to read as follows:

§ 622.61 Adjustment of civil money penalties by the rate of inflation under the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended.

(a) The maximum amount of each civil money penalty within FCA’s jurisdiction is adjusted in accordance with the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended (28 U.S.C. 2461 note), as follows:

(1) Amount of civil money penalty imposed under section 5.32 of the Act for violation of a final order issued under section 5.25 or 5.26 of the Act: The maximum daily amount is \$2,830 for violations that occur on or after January 15, 2024.

(2) Amount of civil money penalty for violation of the Act or regulations: the maximum daily amount is \$1,280 for each violation that occurs on or after January 15, 2024.

(b) The maximum civil money penalty amount assessed under 42 U.S.C. 4012a(f) is \$2,661 for each violation that occurs on or after January 15, 2024, with no cap on the total amount of penalties that can be assessed against any single institution during any calendar year.

Dated: January 9, 2024.

Ashley Waldron,

Secretary to the Board, Farm Credit Administration.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 21

[Docket No. FAA–2022–1763]

Airworthiness Criteria: Special Class Airworthiness Criteria for the Wing Aviation LLC; Hummingbird Unmanned Aircraft

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Issuance of final airworthiness criteria.

SUMMARY: The FAA announces the special class airworthiness criteria for the Wing Aviation LLC (Wing) Hummingbird unmanned aircraft (UA). This document sets forth the airworthiness criteria that the FAA finds to be appropriate and applicable for the UA design.

DATES: These airworthiness criteria are effective February 12, 2024.

FOR FURTHER INFORMATION CONTACT:

Mack A. Martinez, Product Policy Management—Emerging Aircraft Section, AIR–62B, Technical Policy Branch, Policy and Standards Division, Aircraft Certification Service, Federal Aviation Administration, 2300 East Devon Avenue, Room 335/339, Des Plaines, IL 60018, telephone (847) 294–7481.

SUPPLEMENTARY INFORMATION:

Background

Wing Aviation LLC (Wing) applied to the FAA on September 19, 2018, for a special class type certificate (TC) under 14 CFR 21.17(b) for the Model Hummingbird UA.

The Model Hummingbird consists of a fixed-wing airplane UA and its associated elements (AE) including communication links and components that control the UA. The Model Hummingbird UA has a maximum gross takeoff weight of approximately 15 pounds. It is approximately 3.4 feet in width, 4.2 feet in length, and 9.4 inches in height. The Model Hummingbird UA is battery powered using electric motors for vertical takeoff, landing, and forward flight. The unmanned aircraft system (UAS) operations would rely on high levels of automation and may include multiple UA operated by a single pilot, up to a ratio of 20 UA to 1 pilot. Wing intends for the Model Hummingbird to be used to deliver packages. The proposed concept of operations (CONOPS) for the Model Hummingbird includes a maximum operating altitude

of 400 feet above ground level, a maximum cruise speed of 68 knots, operations beyond visual line of sight (BVLOS), and operations over people (OOP). Wing has not requested approval for flight into known icing for the Model Hummingbird UA.

Under § 21.17(c), an application for type certification is effective for 3 years. Section 21.17(d) provides that where a TC has not been issued within that 3-year time limit, the applicant may file for an extension and update the designated applicable regulations in the type certification basis. The effective date of the applicable airworthiness requirements for the updated type certification basis must not be earlier than 3 years before the date of issue of the TC. Since the project was not certificated within 3 years after the application date above, the FAA approved the applicant’s request to extend the application for type certification. As a result, the date of the updated type certification basis is September 26, 2022.

The FAA issued a notice of proposed airworthiness criteria for the Wing Model Hummingbird UA, which published in the **Federal Register** on February 8, 2023 (88 FR 8333).

Discussion of Comments

The FAA received responses from 5 commenters. The comments came from industry organizations such as the Air Line Pilots Association (ALPA), the Association for Uncrewed Vehicle Systems International (AUVSI), the Small Unmanned Aerial Vehicles (UAV) Coalition, the Commercial Drone Alliance, and Wing Aviation LLC.

Specific Issues Raised Within the Scope of the Notice

D&R.100 UA Signal Monitoring and Transmission: The FAA proposed criteria on the minimum types of information the FAA finds are necessary for the UA to transmit to the AE for continued safe flight and operation.

Comment Summary: ALPA is concerned with the possibility of cyber security breaches that could allow unauthorized individuals to take control of a UA, potentially leading to safety issues. As such, it is important to address these concerns and establish an acceptable envelope of tolerance for UA operation that ensures the security of the signal monitoring and transmission systems.

FAA Response: These comments are outside the scope for D&R.100. The comments by ALPA on cyber security, D&R.115, are addressed in the following paragraph.