

| | CT-1 Part I | CT-1 Part II |
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| Preparing, copying, assembling, and sending the form to the IRS | 6 hr., 15 min. | 0 hr., 3 min. |

Frequency of Response: Annually.
Estimated Total Reporting/Recordkeeping Burden: 49,123 hours.
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OMB Reviewer: Milo Sunderhauf (202) 395-7340, Office of Management and Budget, Room 10226, New Executive Office Building, Washington, DC 20503.
 Dale A. Morgan,
Departmental Reports Management Officer.
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DEPARTMENT OF TREASURY

Customs Service

Announcement of Outbound Manifest and Shippers Export Declaration Compliance Workshops

AGENCY: U.S. Customs Service, Department of Treasury.
ACTION: Notice of Workshops.

SUMMARY: This document notifies members of the trade community of the plans of the Customs Service and the Bureau of Census to implement significant outreach and educational programs. These programs are designed to help exporters improve the completeness, timeliness and accuracy of the outbound manifest and the Shippers Export Declaration (SED) information they file with Customs. Recent monitoring has indicated that a significantly low level of compliance exists. Workshops will be presented by Customs and Census in various ports of entry during the upcoming months. The locations and times of the individual workshops will be announced by the local ports at a later date. Because Customs and Census are committed to being customer-driven organizations, workshops will be presented prior to the increase of enforcement efforts.

SUPPLEMENTARY INFORMATION: The Customs Service and the Census Bureau

are committed to being customer driven organizations. As such, we are seeking to notify members of the trade community of the development of our plans to implement significant outreach and educational programs designed to improve the completeness, timeliness, and accuracy of outbound manifest and SED information. In addition, this notice outlines our plans to inform the trade community of their responsibilities related to exports.

The Outbound Process is one of the core business processes of the U.S. Customs Service. This process is designed to facilitate international trade while achieving the highest degree of compliance with U.S. export requirements in order to protect the U.S. national security, its economic interests, and the health and safety of the American people.

While monitoring the Outbound process the Customs Service, in cooperation with the Bureau of the Census, compared a sample of outbound vessel manifests and Shippers Export Declarations (SEDs) with the actual cargo loaded. Results indicate that a significantly low level of compliance exists. In many instances, cargo is not being included on the manifest of the vessel actually carrying it, but rather on the manifest of a vessel departing later. Exporters, Freight Forwarders, NVOCCs and Carriers are creating manifests that reflect only the SEDs that they have at hand, rather than the actual cargo on the vessel.

In addition, the Customs Service and the Bureau of the Census are concerned that an increasing number of SEDs are deficient when filed. The agencies find as many as one out of every two paper SEDs contains errors of omission or commission.

These practices hinder Customs in its efforts to detect violations of export laws. They also result in inaccuracies in the trade statistics. Since these statistics are utilized in sensitive trade negotiations and important economic policy decisions, accuracy is critical.

The principal cause of these problems are the failures of exporters and

forwarders to provide complete and accurate SEDs to exporting carriers prior to exportation. As a result of the Outbound Manifest Survey, the Customs Service and the Census Bureau jointly issued Foreign Trade Statistics Regulation letter number 165, dated March 12, 1996 stating our concern and spelling out the responsibilities of the various parties to the export transactions.

Both the Customs Service and Census Bureau feel that before any increased enforcement actions are taken, we should instruct the trade community in their responsibilities at outbound compliance workshops. The agencies anticipate that such workshops will begin approximately 30 days after release of this notice. These workshops will review problems currently encountered with the reported data, present general results of the Outbound Manifest Survey, cover specific outbound regulations and requirements, provide an overview of the Outbound Process review, and provide information on the Automated Export System (AES).

In addition, the workshops will outline the specific actions and programs being developed to increase the level of outbound manifest and SED compliance. Customs and Census will be presenting these workshops in various ports of entry during the upcoming months.

After an appropriate period of time, estimated to be 60 days from the start of the outbound workshops, Customs and Census efforts to increase manifest and SED compliance will begin. This will allow the trade community time to review internal document preparation and filing processes and practices and to implement any necessary changes required to improve compliance.

Dated: July 3, 1996.
 Peter J. Baish,
Outbound Process Owner, U.S. Customs Service.
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