

U.S. Customs Service, 7501 Boston Blvd., Springfield, VA 22153, within 10 days from applicant notification from Customs.

V. Semi-Monthly Processing

Under the semi-monthly processing procedures, cargo released during a fifteen day period will have estimated duty, taxes, fees, and summaries due seven days following the end of the period. Cargo released during the second fifteen or sixteen day period will have estimated duty, taxes, fees, and summaries due seven days following the end of the period. A separate statement will be needed for each collection processing port. For entry summaries paid via semi-monthly statement processing, the date used to calculate the interest due or payable pursuant to 19 U.S.C. 1505 will be seven days after the end of the fifteen/sixteen day cycle. Interest cost will be calculated based on the semiannual rate(s) established under sections 6621 and 6622 of the Internal Revenue Code of 1954 (26 U.S.C. 6621, 6622).

Under the prototype, Customs may assign a limited number of due dates for workload management purposes. The due dates that will be assigned are:

1. 1 thru 15, due 22; 16 to end of month, due 7.
 2. 2 thru 16, due 23; 17 thru 1, due 8.
 3. 3 thru 17, due 24; 18 thru 2, due 9.
 4. 4 thru 18 due 25; 19 thru 3, due 10.
- The due dates will be indicated in the letter of acceptance sent by Customs to the participant.

VI. Misconduct

If a prototype participant makes late or inadequate payments, or fails to exercise reasonable care in the execution of participant obligations and the filing of information regarding the admissibility of merchandise and declaring the classification, value, and rate of duty applicable to the merchandise, or otherwise fails to follow the procedures (outlined herein) or applicable laws and regulations, then the participant may be suspended from the semi-monthly processing prototype, and/or subjected to penalties, and/or liquidated damages, and/or other administrative sanctions. Customs has the discretion to suspend a prototype participant based on the determination that an unacceptable compliance risk exists. This suspension may be invoked at any time after acceptance in the prototype.

Any decision proposing suspension of a participant may be appealed in writing to the local Trade Compliance Process

Owner within 15 days of the decision date. Such proposed suspension will apprise the participant of the facts or conduct warranting suspension. Should the participant appeal the notice of proposed suspension, the participant should address the facts or conduct charges contained in the notice and state how he does or will achieve compliance. However, in the case of willfulness or where public health interests or safety are concerned, the suspension may be effective immediately.

VII. Regulatory Provisions Suspended

As applicable, certain provisions within Parts 24, 111, 141, 142, 143, and 159 of the Customs Regulations (19 CFR Parts 24, 111, 141, 142, 143, and 159) will be suspended to allow for the periodic payment of duties, taxes, and fees.

Absent any specified alternate procedure, the current regulations apply.

VIII. Prototype Evaluation

Periodic evaluations will be conducted to determine effectiveness and accrued benefits to internal and external process operations. The following evaluation method has been suggested:

1. Evaluation questionnaire from both the prototype participants and Customs personnel; and
2. Reports to be run through the use of dataqueries.

Customs will request that participants be active in the evaluation of the semi-monthly test.

Dated: March 24, 1998.

Charles W. Winwood,
National Trade Compliance Process Owner.
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DEPARTMENT OF THE TREASURY

Customs Service

Live Entry Requirement for Non-Automated Entry: Determination Not To Proceed

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: General notice.

SUMMARY: The U.S. Customs Service has been evaluating the feasibility of requiring "live entry" procedures for non-automated entries, referred to as the "Track One" proposal. After a significant amount of research was done by Customs into the operational and legal issues associated with "Track

One" and consideration of comments solicited from Customs personnel and from the trade community, the Customs Trade Compliance Board of Directors has decided against proceeding with the implementation of "Track One" at the present time.

FOR FURTHER INFORMATION CONTACT: Inquiries should be directed to Ms. Brenda Brockman, 1300 Pennsylvania Avenue, Rm. 6.4B, Washington, DC 20229 (Telephone (202) 927-1507).

SUPPLEMENTARY INFORMATION:

Background

In accordance with the Customs Modernization provisions of the North American Free Trade Agreement Implementation Act, which gives Customs the flexibility to tailor commercial operations to meet its needs and capabilities, Customs has undertaken an effort to redesign the entry process. Customs has proposed a four track entry process to better address current commercial practices. "Track One" would allow Customs to streamline the process used by non-automated commercial filers by requiring importers who file non-automated entry documents to file them as entry/entry summaries ("live entries"), along with all documentation and estimated duties, fees and taxes, prior to the release of the merchandise.

A significant amount of research was done by Customs into the operational and legal issues associated with adoption of Track One. On October 28, 1997, Customs published a document in the **Federal Register** (62 FR 55847) announcing a public meeting to discuss whether Customs should proceed with publication of a notice of proposed rulemaking to require all non-automated entry documents to be filed as entry/entry summaries before the release of merchandise. The document also solicited comments regarding a possible change. The public meeting was held on November 14, 1997. Upon completion of the research and consideration of the comments, a determination was made by the Customs Trade Compliance Board of Directors to forego steps toward the implementation of "Track One" at the present time.

Dated: March 24, 1998.

Charles W. Winwood,
Assistant Commissioner, Office of Strategic Trade.
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