

importers who have registered with NHTSA pursuant to 49 CFR Part 592. As specified in 49 CFR 593.7, NHTSA publishes notice in the **Federal Register** of each petition that it receives, and affords interested persons an opportunity to comment on the petition. At the close of the comment period, NHTSA decides, on the basis of the petition and any comments that it has received, whether the vehicle is eligible for importation. The agency then publishes this decision in the **Federal Register**.

Champagne Imports of Lansdale, Pennsylvania ("Champagne") (Registered Importer 90-009) has petitioned NHTSA to decide whether 1987-1989 Saab 900 S passenger cars are eligible for importation into the United States. The vehicles which Champagne believes are substantially similar are 1987-1989 Saab 900 S passenger cars that were manufactured for importation into, and sale in, the United States and certified by their manufacturer, as conforming to all applicable Federal motor vehicle safety standards.

The petitioner claims that it carefully compared non-U.S. certified 1987-1989 Saab 900 S passenger cars to their U.S. certified counterparts, and found the vehicles to be substantially similar with respect to compliance with most Federal motor vehicle safety standards.

Champagne submitted information with its petition intended to demonstrate that non-U.S. certified 1987-1989 Saab 900 S passenger cars, as originally manufactured, conform to many Federal motor vehicle safety standards in the same manner as their U.S. certified counterparts, or are capable of being readily altered to conform to those standards.

Specifically, the petitioner claims that non-U.S. certified 1987-1989 Saab 900 S passenger cars are identical to their U.S. certified counterparts with respect to compliance with Standard Nos. 102 *Transmission Shift Lever Sequence* * * * , 103 *Defrosting and Defogging Systems*, 104 *Windshield Wiping and Washing Systems*, 105 *Hydraulic Brake Systems*, 106 *Brake Hoses*, 109 *New Pneumatic Tires*, 113 *Hood Latch Systems*, 116 *Brake Fluid*, 124 *Accelerator Control Systems*, 201 *Occupant Protection in Interior Impact*, 202 *Head Restraints*, 203 *Impact Protection for the Driver from the Steering Control System*, 204 *Steering Control Rearward Displacement*, 205 *Glazing Materials*, 206 *Door Locks and Door Retention Components*, 207 *Seating Systems*, 209 *Seat Belt Assemblies*, 210 *Seat Belt Assembly Anchorages*, 212 *Windshield Retention*,

216 *Roof Crush Resistance*, 219 *Windshield Zone Intrusion*, and 302 *Flammability of Interior Materials*.

Additionally, the petitioner states that non-U.S. certified 1987-1989 Saab 900 S passenger cars comply with the Bumper Standard found in 49 CFR Part 581.

Petitioner also contends that the vehicles are capable of being readily altered to meet the following standards, in the manner indicated:

Standard No. 101 *Controls and Displays*: (a) Substitution of a lens marked "Brake" for a lens with a noncomplying symbol on the brake failure indicator lamp; (b) installation of a seat belt warning lamp that displays the appropriate symbol; (c) recalibration of the speedometer/odometer from kilometers to miles per hour.

Standard No. 108 *Lamps, Reflective Devices and Associated Equipment*: (a) installation of U.S.-model headlamp assemblies that incorporate headlamps with DOT markings; (b) installation of U.S.-model front and rear sidemarker/reflector assemblies; (c) installation of U.S.-model taillamp assemblies.

Standard No. 110 *Tire Selection and Rims*: installation of a tire information placard.

Standard No. 111 *Rearview Mirror*: replacement of the passenger side rearview mirror with a U.S.-model component.

Standard No. 114 *Theft Protection*: installation of a warning buzzer microswitch in the steering lock assembly and a warning buzzer.

Standard No. 118 *Power Window Systems*: rewiring of the power window system so that the window transport is inoperative when the ignition is switched off.

Standard No. 208 *Occupant Crash Protection*: (a) installation of a U.S.-model seat belt in the driver's position, or a belt webbing-actuated microswitch inside the driver's seat belt retractor; (b) installation of an ignition switch-actuated seat belt warning lamp and buzzer. The petitioner states that the vehicles are equipped with combination lap and shoulder restraints that adjust by means of an automatic retractor and release by means of a single push button at both front designated seating positions, with combination lap and shoulder restraints that release by means of a single push button at both rear outboard designated seating positions, and with a lap belt at the rear center designated seating position.

Standard No. 214 *Side Impact Protection*: installation of reinforcing beams.

Standard No. 301 *Fuel System Integrity*: installation of a rollover valve

in the fuel tank vent line between the fuel tank and the evaporative emissions collection canister.

The petitioner states that anti-theft devices and components on non-U.S. certified 1987-1989 Saab 900 S passenger cars will be inspected and replaced, where necessary, to comply with the Theft Prevention Standard found in 49 CFR Part 541.

The petitioner also states that a vehicle identification number plate must be affixed to the vehicles to meet the requirements of 49 CFR Part 565.

Interested persons are invited to submit comments on the petition described above. Comments should refer to the docket number and be submitted to: Docket Section, National Highway Traffic Safety Administration, Room 5109, 400 Seventh Street, S.W., Washington, DC 20590. It is requested but not required that 10 copies be submitted.

All comments received before the close of business on the closing date indicated above will be considered, and will be available for examination in the docket at the above address both before and after that date. To the extent possible, comments filed after the closing date will also be considered. Notice of final action on the petition will be published in the **Federal Register** pursuant to the authority indicated below.

Authority: 49 U.S.C. 30141(a)(1)(A) and (b)(1); 49 CFR 593.8; delegations of authority at 49 CFR 1.50 and 501.8.

Issued: July 21, 1998.

Marilynne Jacobs,

Director, Office of Vehicle Safety Compliance.

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DEPARTMENT OF THE TREASURY

Customs Service

Announcement of General Program Test: Quota Preprocessing

AGENCY: Customs Service, Treasury.
ACTION: General notice.

SUMMARY: This notice announces Customs plan to conduct a test to evaluate the effectiveness of a new operational procedure regarding the electronic processing of quota-class apparel merchandise. The tests will be conducted at ports located at New York/Newark and Los Angeles. The new procedure will allow certain quota entries to be processed prior to carrier arrival, thus reducing the quota processing time. This notice informs the public of the new procedure and

eligibility requirements to participate in the test. Public comments concerning any aspect of the test are solicited.

EFFECTIVE DATES: Written comments regarding this notice must be received on or before August 24, 1998. This test will commence no earlier than August 24, 1998 and run for approximately a six month time period, with evaluations of the test occurring periodically.

ADDRESSES: Applications to participate in the prototype will be accepted prior to and throughout the prototype. Written comments regarding this notice or any aspect of this test should be addressed to Lori Bowers, U.S. Customs Service, QWG Team Leader, 1000 Second Ave., Suite 2100, Seattle, WA 98104-1020 or may be sent via e-mail to preprocessing@quota.customs.sprint.com. Applications should be sent to the prototype coordinator at any of the four following port(s) where the applicant wishes to submit quota entries for preprocessing:

- (1) Julian Velasquez, Port of Los Angeles, 300 S. Ferry St., Terminal Island, CA 90731;
- (2) Tony Piscitelli, Los Angeles International Airport, 11099 S. La Cienega Blvd., Los Angeles, CA 90045;
- (3) Barry Goldberg, JFK Airport, JFK Building 77, Jamaica, NY 11430; and
- (4) John Lava, Ports of New York/Newark, 6 World Trade Center, New York, NY 10048.

FOR FURTHER INFORMATION CONTACT: Lori Bowers, (206) 553-0452, or Bob Abels, (202) 927-0001.

SUPPLEMENTARY INFORMATION:

I. Description of Proposed Test

The Concept of Quota Preprocessing

Many apparel importers have identified a need to reduce the processing time for quota entries. These importers state that the total processing time, as measured from carrier arrival to Customs release, for quota merchandise is longer than for non-quota merchandise. Normally, entry summary documentation for both quota and non-quota merchandise may be preliminarily reviewed by Customs before the arrival of the carrier. For quota-class merchandise, however, the importing carrier must have actually arrived within the port limits and either the estimated duties must have been deposited or a valid scheduled statement date must have been received by Customs via the Automated Broker Interface (ABI) before it is deemed that there has been presentation of the entry summary. Because quota priority and status are determined at the time of presentation, the preliminary review

does not reduce the processing time for quota entries. This results in increased costs and delays in receipt of quota-class merchandise. To address this issue a multi-discipline work group, including members from the trade, was formed in partnership with the National Treasury Employees Union (NTEU). Using process improvement methodology, the Quota Processing Work Group (QWG) developed Quota Preprocessing—a new operational procedure regarding the processing of quota-class merchandise—as a solution to the problem.

Quota preprocessing will allow certain quota entries (discussed below) to be filed, reviewed for admissibility, and processed through Customs prior to arrival of the carrier, similar to the methods in which non-quota entries are presently processed. It is believed that such a change in procedures could reduce the processing time for quota entries.

The Quota Preprocessing test is designed to evaluate the effectiveness of this new operating procedure, so that any benefits of processing quota entries prior to carrier arrival can be verified. By prototyping the concept first, Customs can measure the benefits, receive input from the trade, and determine if any future changes are necessary before incorporating Quota Preprocessing into its standard procedures. Should the measurements support the anticipated benefits, action will be initiated to amend certain Customs regulations (see below) so that Quota Preprocessing can be incorporated into the design of Customs future computer system, ACE (Automated Commercial Environment).

The ports of New York/Newark (4701, 4601, 1001) and Los Angeles (2704, 2720) are the test locations for Quota Preprocessing. By prototyping the process first at these ports, Customs can assess whether or not Quota Preprocessing can achieve its stated objectives prior to expanding the process nationally.

Prototype Objectives

The goals of the prototype are:

- (1) To reduce the processing time of quota entries;
- (2) To process quota entries submitted as part of the preprocessing program in the same amount of time as non-quota entries;
- (3) To increase the quantity of quota entries released within one calendar day of the arrival of the carrier; and
- (4) To equalize the submission of quota entries over the five-day work week.

Description of the Prototype

Participants in the prototype may submit quota entries that meet the eligibility requirements specified below to Customs up to five days prior to vessel arrival or after wheels are up on air shipments. Quota entries to be preprocessed must be submitted to Customs during official business hours (see, § 101.6, Customs Regulations), and will be reviewed for admissibility and processed prior to the carrier's arrival.

Pursuant to Customs Modernization provisions in the North American Free Trade Agreement Implementation Act (the Act), Pub.L. 103-182, 107 Stat. 2057, 2170 (December 8, 1993), Customs amended its regulations, in part, to enable the Commissioner of Customs to conduct limited test programs/procedures designed to evaluate the effectiveness of new technology or operations procedures, which have as their goal the more efficient and effective processing of passengers, carriers, and merchandise. Section 101.9(a) of the Customs Regulations (19 CFR 101.9(a)) allows for such general testing. See, TD 95-21. This test concerns the processing of merchandise and is established pursuant to that regulatory provision. Public comments concerning any aspect of the prototype are solicited and Customs will review any comments timely received before implementing this test.

The test of Quota Preprocessing is scheduled to run for six months with the starting date targeted for approximately 30 days from the publication of this notice in the **Federal Register**. Once the test is underway, Customs will begin evaluating the test procedure, employing criteria designed to measure the effectiveness of the prototype.

II. Importer/Entry Eligibility Criteria

Only importers who currently import apparel through the ports of Los Angeles (2704/2740) and/or New York/Newark (1001/4601/4701) may participate in the prototype. Participants will not be permitted to alter their importing patterns in order to take advantage of Quota Preprocessing. During the prototype Customs will monitor import volumes for significant increases through the prototype ports.

Customs will only accept consumption entries of apparel merchandise subject to quota (type 02 and 07) for preprocessing which meet the following criteria:

- (1) The entry must be filed using the ABI;
- (2) Payment must be made electronically through the Automated Clearinghouse (ACH);

(3) Arriving carriers must use the Automated Manifest System (AMS);

(4) The quota category must be less than 85% full;

(5) The entry must contain at least one line classifiable in Chapter 61 or 62 of the Harmonized Tariff Schedule of the United States (HTSUS); and

(6) The entry must be submitted at the port of Los Angeles (2704/2720) or New York/Newark (1001/4601/4701).

If an importer submits a quota entry for Quota Preprocessing and it does not meet all of the above criteria the entry summary will be rejected back to the filer and may not be resubmitted to Customs until after the carrier has arrived. Upon arrival of the carrier, merchandise covered by a preprocessed entry will be released unless Customs decides to perform an examination. If an examination of the merchandise is necessary, the examination will occur during the port's regular inspectional hours.

Regulatory Provisions Affected

During the six-month test period of this operational procedure, the requirements regarding scheduling of ACH payment, quota status, submission of quota documents, and time of entry, found in §§ 24.25(c)(3), 132.11, 132.11a, 141.63 and 141.68 of the Customs Regulations, will be suspended at the affected ports.

Regarding the submission of an entry under this prototype, when the documents are filed *prior to arrival of the merchandise* the term "time of entry" shall be the time the merchandise arrives within the port limits. For purposes of this prototype, the term "time of presentation" shall be the time of delivery in proper form of the entry/entry summary for consumption for which a valid scheduled statement date for the estimated duties payable has been successfully received by Customs via the ABI. A valid scheduled statement date must be within 10 days of the estimated date of arrival of the merchandise.

III. Application

Importers that wish to participate in the Quota Preprocessing prototype must submit a written application that includes the following information:

1. The specific ports located at either New York/Newark or Los Angeles at which they intend to enter quota merchandise;

2. The importer of record number(s), including suffix(es), and a statement of the importer's/filer's electronic filing capabilities;

3. Names and addresses of any entry filers, including Customs brokers, who

will be electronically filing entries at each port on behalf of the importer/participant; and

4. The total number of consumption quota entries (type 02 and 07) filed at each of the prototype ports during the preceding 12-month period and the estimated number of eligible entries expected to be filed at each designated port during the Quota Preprocessing prototype. If it is expected that a significantly higher number of eligible entries will be filed during the prototype than were filed during the preceding 12 months, an explanation for the increase is necessary.

Customs will notify applicants in writing of their selection or nonselection in this prototype. If an applicant is denied participation, he/she may appeal in writing to the port director at the port which denied the application.

IV. Misconduct

A participant may be suspended from the Quota Preprocessing prototype and disqualified from any future phases of this prototype if involved in any of the following acts of misconduct:

1. Shifting the volume of imports clearing through the prototype port(s);

2. Continually overestimating the date of arrival;

3. Continually submitting ineligible entries, *i.e.*, the entry summary is non-ABI, the carrier is non-AMS, payment is not via ACH, and/or none of the merchandise is from HTSUS Chapter 61 or 62;

4. Submitting multiple requests for canceled entries;

5. Participating in any activity to circumvent quota or erroneously gain quota status; or

6. Failing to abide by the terms and conditions of this notice or applicable laws and regulations.

Participants subject to suspension will be notified in writing. Such notice will apprise the participant of the facts or conduct warranting suspension and the date on which the suspension will take effect.

Any decision proposing suspension of a participant may be appealed in writing to the local port director within 15 days of the decision date. 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/she 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. Further, Customs has the discretion to immediately 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. In addition to being suspended, a participant may be subject to penalties, liquidated damages, and/or other administrative sanctions for such action.

V. Test Evaluation Criteria

Although by no means exclusive, the following evaluation criteria may be used by Customs to assess the merits of the test procedure:

1. Workload impact (workload shifts/volume, cycle times, etc.);

2. Policy and procedure accommodations;

3. System efficiency;

4. Operational efficiency; or

5. Other issues identified by public comment or by the participants.

Also, Customs may survey participants to validate the benefits of this prototype. Results of the test evaluations will be available at the conclusion of the prototype and will be made available to the public upon request.

Dated: July 20, 1998.

Audrey Adams,

Acting Assistant Commissioner, Office of Field Operations.

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DEPARTMENT OF THE TREASURY

Customs Service

Country of Origin Marking Rules for Textiles and Textile Products Advanced in Value, Improved in Condition, or Assembled Abroad

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

ACTION: Proposed interpretation; extension of comment period.

SUMMARY: On June 15, 1998, a document was published in the **Federal Register** advising the public that Customs is proposing a new interpretation concerning the country of origin rules for certain imported textile and textile products. Customs proposed that 19 CFR 12.130(c) should not control for purposes of country of origin marking of textile and textile products, and that Chapter 98, Subchapter II, U.S. Note 2(a), Harmonized Tariff Schedule of the United States does not apply for country of origin marking purposes. The document solicited comments, requesting that comments be received on or before August 14, 1998. This