

## DEPARTMENT OF THE TREASURY

## Customs Service

## 19 CFR Part 146

[T.D. 98-74]

RIN 1515-AB99

## Lay Order Period; General Order; Penalties; Correction

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

ACTION: Final rule; correction.

**SUMMARY:** This document makes a correction to the document published in the **Federal Register** that adopted as a final rule, with some changes, proposed amendments to the Customs Regulations regarding, among other things, the obligation of the owner, master, pilot, operator, or agent of an arriving carrier to provide notice to Customs and to a bonded warehouse of the presence of merchandise or baggage that has remained at the place of arrival or unloading beyond the time period provided by regulation without entry having been completed. The correction involves a conforming change to the Customs Regulations pertaining to foreign trade zones.

**EFFECTIVE DATE:** This correction is effective February 11, 1999.

**FOR FURTHER INFORMATION CONTACT:** For legal matters: Jeremy Baskin, Penalties Branch, Office of Regulations and Rulings (202) 927-2344. For operational matters: Steven T. Soggin, Office of Field Operations, (202) 927-0765.

**SUPPLEMENTARY INFORMATION:****Background**

On September 25, 1998, Customs published in the **Federal Register** (63 FR 51283) T.D. 98-74 which adopted as a final rule, with some changes, proposed amendments to the Customs Regulations regarding the obligation of the owner, master, pilot, operator, or agent of an arriving carrier to provide notice to Customs and to a bonded warehouse of the presence of merchandise or baggage that has remained at the place of arrival or unloading beyond the time period provided by the regulatory amendments (that is, the fifteenth calendar day after landing) without entry having been completed. The final regulatory texts specifically require one of the arriving carrier's obligated parties, or any party who takes custody from the arriving carrier under a Customs-authorized permit to transfer or in-bond entry, to provide notice of the unentered merchandise or baggage to Customs and

to a bonded warehouse no later than 20 calendar days after landing or after receipt under the permit to transfer or after arrival at the port of destination. The notice to the bonded warehouse proprietor initiates his obligation to arrange for transportation and storage of the unentered merchandise or baggage at the risk and expense of the consignee. The final regulatory texts also provide for penalties or liquidated damages against the owner or master of any conveyance, or agent thereof, for failure to provide the required notice to Customs or to a bonded warehouse proprietor. The final regulations further provide for the assessment of liquidated damages against any party who accepts custody of the merchandise or baggage under a Customs-authorized permit to transfer or in-bond entry and who fails to notify Customs and a bonded warehouse of the presence of such unentered merchandise or baggage and also against the warehouse operator who fails to take required possession of the merchandise or baggage.

The final regulatory texts as summarized above resulted from amendments to the underlying statutory authority effected by sections 656 and 658 contained within the Customs Modernization provisions of the North American Free Trade Agreement Implementation Act (Public Law 103-182, 107 Stat. 2057) and are primarily reflected in a revised § 4.37 (19 CFR 4.37) and in new §§ 122.50 and 123.10 (19 CFR 122.50 and 123.10), each of which is entitled "[g]eneral order." (T.D. 98-74 also included a number of conforming changes to the Customs Regulations in order to reflect a number of other statutory amendments and repeals effected by the Customs Modernization provisions and in order to reflect the recent recodification and reenactment of title 49, United States Code; the correction contained in this document bears no relationship to those other regulatory amendments.)

Although T.D. 98-74 also included a number of conforming regulatory changes to ensure consistency with the terms of revised § 4.37 and new §§ 122.50 and 123.10 (involving, for example, the removal or replacement of obsolete references to a "5-day" or "lay order" period or "extension" thereof), § 146.40(c)(3) of the Customs Regulations (19 CFR 146.40(c)(3)) was overlooked in this regard. This provision concerns the treatment of general order merchandise in a foreign trade zone context. The present text, by referring to merchandise not admitted into a subzone or zone within "5 working days after its arrival there" and to an "extension of the 5 working day

period," is inconsistent with, and thus could give rise to uncertainty regarding the proper and intended applicability of, §§ 4.37, 122.50 and 123.10 in a foreign trade zone context. Therefore, T.D. 98-74 should have included an appropriate revision of § 146.40(c)(3) to clarify the operation of those general order provisions in that specific context. This document corrects this oversight.

**Correction of Publication**

In the document published in the **Federal Register** as T.D. 98-74 on September 25, 1998 (63 FR 51283), on page 51290, in the third column, the following is added after the amendment to § 127.28:

**Part 146—Foreign Trade Zones**

1. The authority citation for Part 146 continues to read as follows:

**Authority:** 19 U.S.C. 66, 81a-81u, 1202 (General Note 20, Harmonized Tariff Schedule of the United States), 1623, 1624.

2. In § 146.40, paragraph (c)(3) is revised to read as follows:

**§ 146.40 Operator responsibilities for direct delivery.**

\* \* \* \* \*

(c) \* \* \*

(3) *General order.* Merchandise not admitted into a subzone or zone site as provided in this section within 15 calendar days after its arrival there shall be disposed of in accordance with the applicable procedures in § 4.37 or § 122.50 or § 123.10 of this chapter.

\* \* \* \* \*

Dated: February 5, 1999.

**Stuart P. Seidel,***Assistant Commissioner, Office of Regulations and Rulings.*

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## DEPARTMENT OF HEALTH AND HUMAN SERVICES

## Food and Drug Administration

## 21 CFR Part 564

[Docket No. 95N-0313]

**Standards for Animal Food and Food Additives in Standardized Animal Food; Correction**

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule; correction.

**SUMMARY:** The Food and Drug Administration (FDA) is correcting a final rule that appeared in the **Federal Register** of January 28, 1999 (64 FR