

**DEPARTMENT OF HOMELAND SECURITY****U.S. Customs and Border Protection**

**19 CFR Parts 4, 7, 10, 11, 12, 24, 54, 101, 102, 103, 113, 132, 133, 134, 141, 142, 143, 144, 145, 146, 147, 151, 152, 158, 159, 161–163, 173, 174, 176 and 181**

[USCBP–2016–0075; CBP Dec. No. 16–26]

RIN 1651–AB02

**Regulatory Implementation of the Centers of Excellence and Expertise**

**AGENCY:** U.S. Customs and Border Protection, DHS.

**ACTION:** Interim final rule.

**SUMMARY:** In 2012, U.S. Customs and Border Protection (CBP) developed a test to incrementally transition the operational trade functions that traditionally reside with port directors to the Centers of Excellence and Expertise (Centers). The purpose of the test was to broaden the ability of the Centers to make decisions by waiving certain identified regulations to the extent necessary to provide the Center directors, who manage the Centers, with the authority to make the decisions normally reserved for the port directors. At this time, CBP is prepared to end the test and establish the Centers as a permanent organizational component of the agency and to transition certain additional trade functions to the Centers. This rule amends the CBP regulations on an interim basis to implement this organizational change by: Defining the Centers and the Center directors; amending the definition for port directors to distinguish their functions from those of the Center directors; identifying the Center management offices; explaining the process by which importers will be assigned to Centers; providing the importer with an appeals process for its Center assignment; identifying the regulatory functions that will be transitioned from the port directors to the Center directors and those that will be jointly carried out by the port directors and the Center directors; and providing clarification in applicable regulations that payments and documents may continue to be submitted at the ports of entry or electronically.

**DATES:** *Effective date:* This interim rule is effective January 19, 2017.

*Comment date:* Written comments must be submitted on or before January 19, 2017.

**ADDRESSES:** You may submit comments identified by *docket number*, by *one* of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments via docket number USCBP–2016–0075.

- *Mail:* Regulations and Rulings, Office of Trade, U.S. Customs and Border Protection, Attention: Trade and Commercial Regulations Branch, 90 K Street NE., 10th Floor, Washington, DC 20229–1177.

*Instructions:* All submissions received must include the agency name and docket number for this rulemaking. All comments received will be posted without change to <http://www.regulations.gov>, including any personal information provided. For detailed instructions on submitting comments and additional information on this rulemaking process, see the “Public Participation” heading of the **SUPPLEMENTARY INFORMATION** section of this document.

*Docket:* For access to the docket to read comments received, go to <http://www.regulations.gov>. Submitted comments may also be inspected on regular business days between the hours of 9 a.m. and 4:30 p.m. at Regulations and Rulings, Office of Trade, U.S. Customs and Border Protection, 90 K Street NE., 10th Floor, Washington, DC. Arrangements to inspect submitted comments should be made in advance by calling Mr. Joseph Clark at (202) 325–0118.

**FOR FURTHER INFORMATION CONTACT:** Lori Whitehurst, CBP Office of Field Operations by telephone (202) 344–2536 or by email, [lori.j.whitehurst@cbp.dhs.gov](mailto:lori.j.whitehurst@cbp.dhs.gov); or Susan S. Thomas, CBP Office of Field Operations by telephone (202) 344–2511 or by email, [susan.s.thomas@cbp.dhs.gov](mailto:susan.s.thomas@cbp.dhs.gov).

**SUPPLEMENTARY INFORMATION:****Public Participation**

Interested persons are invited to participate in this rulemaking by submitting written data, views, or arguments on all aspects of this interim final rule. U.S. Customs and Border Protection (CBP) also invites comments that relate to the economic, environmental, or federalism effects that might result from this regulatory change. Comments that will provide the most assistance to CBP will reference a specific portion of the rule, explain the reason for any recommended change, and include data, information or authority that support such recommended change. Written comments must be submitted on or before January 19, 2017. CBP will

consider those comments and make any changes appropriate after consideration of those comments.

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## I. Purpose and History of the Centers of Excellence and Expertise (Centers)

### A. Purpose of the Centers

U.S. Customs and Border Protection (CBP) established ten Centers of Excellence and Expertise (Centers) managed from strategic locations around the country to focus CBP's trade expertise on industry-specific issues and provide tailored support for importers. The concept of the Centers arose in response to claims that CBP's port-by-port trade processing authority sometimes resulted in similar goods entered at different ports of entry receiving disparate processing treatment causing trade disruptions, increased transaction costs, and information lapses for both CBP and the importer. CBP established the Centers to facilitate trade, reduce transaction costs, increase compliance with applicable import laws, and achieve uniformity of treatment at the ports of entry for the identified industries. CBP believes that providing broad decision-making authority to the Centers will better enable the Centers to achieve these goals for CBP and the trade.

### B. History of the Centers

The concept of Centers was developed as a result of discussions with the Advisory Committee on Commercial Operations of U.S. Customs and Border Protection (COAC), which promoted the management by account framework. The COAC is an advisory committee established in accordance with the

provisions of the *Federal Advisory Committee Act* (FACA), 5 U.S.C. App. 2. COAC provides advice and makes recommendations to the Commissioner of CBP, the Secretary of the Department of Homeland Security, and the Secretary of the Treasury on all matters involving the commercial operations of CBP and related U.S. Department of Homeland Security (DHS) and Treasury functions. CBP has continually consulted COAC throughout the development of the Centers.

In October 2011, CBP established the first two Centers: The Electronics Center managed from Long Beach, California; and the Pharmaceuticals Center (later renamed the *Pharmaceuticals, Health & Chemicals Center*) managed from New York City, New York.

On May 10, 2012, the Acting Commissioner of CBP announced at the West Coast Trade Symposium two new Centers: The Automotive & Aerospace Center managed from Detroit, Michigan, and the Petroleum, Natural Gas & Minerals Center managed from Houston, Texas.

On August 28, 2012, CBP published a General Notice in the **Federal Register** (77 FR 52048) announcing a test broadening the ability of the Centers to make decisions by waiving certain identified regulations under title 19 of the Code of Federal Regulations (19 CFR) to provide the Center directors with the authority to make the decisions normally reserved for the port directors. The notice provided centralized decision-making authority to the following Centers: Electronics; Pharmaceuticals, Health & Chemicals; Automotive & Aerospace; and Petroleum, Natural Gas & Minerals. The notice invited all businesses that met the eligibility criteria set forth in the notice to apply, including, but not limited to Customs-Trade Partnership Against Terrorism (C-TPAT) and Importer Self Assessment (ISA) program members.

On November 27, 2012, the Deputy Commissioner of CBP announced at the East Coast Trade Symposium six new Centers: The Agriculture & Prepared Products managed from Miami, Florida; the Apparel, Footwear & Textiles managed from San Francisco, California; the Base Metals managed from Chicago, Illinois; the Consumer Products & Mass Merchandising managed from Atlanta, Georgia; the Industrial & Manufacturing Materials managed from Buffalo, New York; and the Machinery managed from Laredo, Texas.

On April 4, 2013, CBP published a General Notice in the **Federal Register** (78 FR 20345) to announce the six new Centers and list the additional

regulations that would be waived for test participants.

On March 10, 2014, CBP published a General Notice in the **Federal Register** (79 FR 13322) to modify the existing test by changing the scope of coverage for some of the Centers and the types of entries that would be processed by the Centers, waiving an additional regulation for Center test participants, and clarifying the submission process for responses to Requests for Information and Notices of Action.

Since their establishment in October 2011, the Centers have been staffed with CBP employees who facilitate trade by providing account management for members in the identified industries, engaging in risk segmentation, and by strengthening trade outreach.

Under the test, the Centers have had the ability to review entries and the Center directors, who are tasked with leading the Centers, have had decision-making authority for the functions identified by regulation in the test notices, which, for the most part, dealt with the post-release environment. Under the test, the Center directors have also had the ability to make recommendations to the port directors concerning decisions that were retained by the port directors notwithstanding the test.

On September 11, 2014, Commissioner R. Gil Kerlikowske signed Delegation Order number 14-004, which delegated to the Center directors all functions, authorities, rights, privileges, powers, and duties vested in port directors by law, regulation, or otherwise. The delegation enabled these functions, authorities, rights, privileges, powers, and duties to be exercised concurrently by port directors and Center directors. CBP began implementing the delegation order on January 28, 2015, for the Electronics Center, the Pharmaceutical, Health & Chemicals Center, and the Petroleum, Natural Gas & Minerals Center.

## II. Finalization of the Centers of Excellence and Expertise Test

During the Centers' test period, CBP incrementally transitioned to the Center directors some of the trade functions that traditionally reside with the port directors, such as determinations, notifications, and processing concerning duty refund claims based on 19 U.S.C. 1520(d) and issuance of all Requests for Information (CBP Form 28). As explained in the Executive Order 13563 and Executive Order 12866 section below, the Centers met their trade enhancement goals and the test was a success. Moreover, section 110 of the

Trade Facilitation and Trade Enforcement Act of 2015 (Pub. L. 114–125, 130 Stat. 122, February 24, 2016) required that the Centers of Excellence and Expertise be developed and implemented. Therefore, at this time, CBP is prepared to end the Centers' test and establish the Centers as a permanent organizational component of the agency and to transition certain additional trade functions to the Centers, such as the processing of quota entry summaries (*see* 19 CFR part 132) and determining whether to provide importers with a reasonable opportunity to label products (*see* 19 CFR part 11). To accomplish this goal, CBP is realigning and shifting certain staff positions from the port director chain of command to the Center director chain of command. The staff that is handling the trade functions under the port director will continue to handle those same functions under the Center directors, but they will be reallocated by industry specialization and will report to one of the ten Centers. The staff who will report to the Centers includes: Import Specialists, Entry Specialists, and Liquidation Specialists. As explained in the Executive Order 13563 and Executive Order 12866 section below, this realignment is virtual, in that Center personnel will remain at their current location, primarily at ports of entry, to stay accessible to the trade community and to continue to assist with enforcement and compliance issues that arise. The staff who will continue to report to the port directors includes: CBP Officers, Agriculture Specialists, FPF Officers, and Seized Property Specialists.

CBP notes that certain authorities and responsibilities that were provided to the Center directors by waiving certain regulatory sections in the test notices will not be transitioned to the Centers under the regulations. CBP has made the decision to maintain the current regulatory authorities for: The control, movement, examination and release of cargo; export; drawback; and Fines, Penalties & Forfeitures. The sections that will not be transitioned to the Centers under the regulations that were transitioned in the test notices are listed here along with parenthetical explanations: § 10.66 (exportation of goods); § 10.67 (exportation of goods); § 12.3 (condition of release); § 12.73(k) (detention of motor vehicle); § 12.80 (condition of release); § 134.3(b)(2) (location of examination); § 141.58(c) (request to ship merchandise separately); § 142.13 (condition of release); § 144.34(a) (physical transport of goods from warehouse); § 141.57

(incremental release of split shipments); § 146.63 (Foreign Trade Zone release); § 162.79b (involves Fines, Penalties & Forfeitures officers); § 181.13 (involves Fines, Penalties & Forfeitures officers); and § 191.61 (drawback).

This document also amends certain regulations to jointly authorize the port directors and Center directors to implement certain functions, such as the authority to accept certain documentation (*see, e.g.*, 19 CFR 10.41a(e)) and collect payments (*see, e.g.*, 19 CFR 24.2). The reason for providing joint authority to the port directors and Center directors is to ensure that the trade mission and security mission are met regardless of the hour of operation for either of the personnel. CBP believes that providing broad decision-making authority to the Centers will better enable the Centers to facilitate trade, reduce transaction costs, increase compliance with applicable import laws, and achieve uniformity of treatment at the ports of entry for the identified industries. As such, this document amends the CBP regulations on an interim basis to more fully implement the Centers by: Defining the Centers and the Center directors; amending the definition for port directors to distinguish their functions from those of the Center directors; identifying the Center management offices; explaining the process by which importers will be assigned to Centers; providing the importer with an appeals process for its Center assignment; identifying the regulatory functions that will be transitioned from the port directors to the Center directors and those that will be jointly carried out by the port directors and the Center directors; and providing clarification in applicable regulations that payments and documents may continue to be submitted at the ports of entry or electronically.

This document also provides a list of industries that will be covered by each of the Centers.

#### *A. Definition for the Centers*

This document amends § 101.1 of title 19 of the regulations (19 CFR 101.1) to define the Centers of Excellence and Expertise as national CBP offices that are responsible for performing certain trade functions and making certain determinations as set forth in this title, regarding importations of merchandise by their assigned importers, regardless of the ports of entry at which the importations occur. The Centers are organized by industry sectors, which are categorized by the Harmonized Tariff Schedule of the United States (HTSUS) numbers. The list of HTSUS numbers is

published in this document and any change made to that list will be announced in a subsequent **Federal Register** document.

#### *B. Definition for Center Director*

This document amends § 101.1 of title 19 of the regulations (19 CFR 101.1) to define the term "Center director" as the person who manages their designated Center and is responsible for certain trade decisions and functions concerning that Center and the importers that are processed by that Center.

#### *C. Revised Definition for Port and Port of Entry*

This document amends § 101.1 by revising the definition of "Port" and "Port of Entry" by updating the term "Customs" to "U.S. Customs and Border Protection (CBP)" or "customs", as applicable, to reflect the nomenclature changes made necessary by the transfer of the legacy U.S. Customs Service of the Department of the Treasury to the Department of Homeland Security (DHS) and DHS' subsequent renaming of the component as U.S. Customs and Border Protection on March 31, 2007 (*see* 72 FR 20131, dated April 23, 2007).

#### *D. Definition for Port Director*

This document amends § 101.1 to add a definition of "Port director" that is consistent with the description currently found in the definition for "port" and "port of entry" but also distinguishes the port directors responsibilities from those of the Center director. The new definition for "Port director" is the person who has jurisdiction within the geographical boundaries of their port of entry unless the regulations provide that particular trade functions or determinations are exclusively within the purview of a Center Director or other CBP personnel.

#### *E. Designation of Center Management Offices*

This document creates a new § 101.10 in title 19 of the regulations (19 CFR 101.10) to provide a list of the existing Centers and their management offices. The Center management offices will continue to be located in the cities that were designated in the published test notices noted above. The Centers and the cities wherein each management office is located is as follows: *Agriculture & Prepared Products*, Miami, Florida; *Apparel, Footwear & Textiles*, San Francisco, California; *Automotive & Aerospace*, Detroit, Michigan; *Base Metals*, Chicago, Illinois; *Consumer Products and Mass Merchandising*, Atlanta, Georgia;

*Electronics*, Long Beach, California; *Industrial & Manufacturing Materials*, Buffalo, New York; *Machinery*, Laredo, Texas; *Petroleum*, *Natural Gas & Minerals*, Houston, Texas; *Pharmaceuticals, Health & Chemicals*, New York City, New York.

#### *F. Assignment of Importers to the Centers*

Generally, each importer will be assigned to an industry-category administered by a specific Center based on the tariff classification in the HTSUS of the predominant number of goods imported. The list of HTSUS numbers that will be used by CBP for the importer's placement in a Center is the same list of HTSUS numbers that are referenced in the definition for Centers (see § 101.1). Factors that may cause CBP to place an importer in a Center not based on the tariff classification of the predominant number of goods imported include the importer's associated business practices within an industry, the intended use of the predominant number of goods imported, or the high relative value of goods imported. Brokers acting as the IOR will have their entry summary processed by the Center relating to the predominant HTSUS number for the entry summary since brokers' business models do not necessarily align within a particular industry sector.

#### *G. Appeal of Center Assignment*

All importers may appeal the Center assignment at any time by submitting a written appeal, with a subject line identifier reading "Appeal Regarding Center Assignment", to U.S. Customs and Border Protection, Office of Field Operations, Executive Director, Cargo and Conveyance Security (CCS) Division, 1300 Pennsylvania Ave. NW., Suite 2.3D, Washington, DC 20229-1015 or by email to [CEE@cbp.dhs.gov](mailto:CEE@cbp.dhs.gov). Appeals must include the following information: (1) Current Center assignment;

(2) Preferred Center assignment; (3) All affected Importer of Record (IOR) numbers and associated bond numbers; and (4) Written justification for the change in Center assignments; and (5) Import data, as follows:

(i) *For new importers*. Projected importations at the four (4) digit HTSUS heading level during the current year; or

(ii) *For importers with less than one year of prior import history*. Projected importations and prior import data with entry summary lines and value at the four (4) digit HTSUS heading level; or

(iii) *For importers with more than one year of prior import history*. One year of prior import data with entry summary

lines and value at the four (4) digit HTSUS heading level.

#### *H. Transitioning of Trade Functions to the Centers*

This document amends certain regulations to transition to the Center directors a variety of post-release trade functions that are currently handled by the port directors, including decisions and processing related to entry summaries; decisions and processing related to all types of protests; suspension and extension of liquidations; decisions and processing concerning free trade agreements and duty preference programs; decisions concerning warehouse withdrawals wherein the goods are entered into the commerce of the United States; all functions and decisions concerning country of origin marking issues; functions concerning informal entries; and classification and appraisal of merchandise, including valuation of merchandise.

This document also amends some regulations to identify the circumstances where the port directors and the Center directors will have joint authority. For example, § 141.56(a) is amended to note that CBP may accept, either at the port of entry or electronically, one entry summary for consumption or for warehouse for merchandise covered by multiple entries for immediate transportation, subject to the requirements of § 142.17(a), provided the merchandise covered by each immediate transportation entry is released at the port of destination under a separate entry, in accordance with § 142.3. The reference to "port directors" is being removed and replaced with "CBP" because the authority to accept the entry summary will continue to reside with the personnel working for the port directors and will also be extended to the personnel working for the Center directors. Importers will continue to have the ability to submit the documentation at the port or electronically and this ability is merely being reflected in the regulation. In this example, if the entry summary were submitted electronically to CBP, it would be internally routed to the appropriate Center. As a second example, the port director and Center director personnel will have joint authority for all functions involving sampling and redelivery requests (see, e.g., 19 CFR 132.14(a)(4)(i)(A)). CBP notes that while the redelivery notices may be sent out by either personnel working for the port director or the Center director, the resolution of

marking issues will be the sole authority of the Center directors.

This document also amends the regulations to provide that port directors and the Center directors will have joint authority to collect payments. These amendments do not affect the public's responsibility to continue to submit payments using the same methods of payment that are prescribed in the regulations today; they merely extend the authority to accept payments to Center directors as well (see e.g., 19 CFR 10.49(d) and 24.2). For example, § 24.2 is amended in this document to include a reference to Center directors as persons authorized to receive customs collections. The revised text would read as follows: "Center directors, port directors, CBP cashiers, CBP officers, CBP dock tellers, and such other officers and employees as the Center director or port director will designate will receive Customs collections."

Any functions that are not identified in this package as being transferred to the Centers will remain with the parties who are currently engaging in those activities, as per the regulations. While the language in § 4.14 of the regulations need not be amended to show that the function is being transitioned to the Center directors, CBP notes that the Vessel Repair Units (VRUs) will no longer report to the port directors and will instead report to the Automotive & Aerospace Center.

The responsibilities of the public remain unchanged after the amendments are implemented. Importers of record may continue to file entry documentation where the importer's merchandise is entered. Importers and brokers who file electronically through the Automated Broker Interface (ABI) will continue to use CBP's authorized electronic data interchange system to submit required import data with CBP. Paper filings at the ports of entry will remain unchanged. Importers and brokers who file paper entries may continue to file at the port of entry where the paper documents will be processed, reviewed, and accepted by CBP, which may be personnel working for either the Center director or the port director. When necessary, CBP will internally route the data to the appropriate Center for review and processing. As per usual, CBP will continue its process of contacting the filer if there are any problems and will notify the filer of the appropriate person at CBP to contact if a response is necessary.

Any decisions or requests for information or samples that were made by the port director prior to the publication of this document will

remain valid and effective. Any protest that was filed with a port director prior to the effective date of this document, will be transferred to the relevant Center director to make a decision on the protest. When applicable, this document amends certain regulations to provide that determinations made by the port directors or Center directors before the effective date of this document are valid to the same extent as determinations made by a Center director after the effective date of this document. Similarly, when applicable, this document amends certain regulations to note that submission of information to the port directors or Center directors before the effective date of this document is valid to the same extent as submission of information made to a Center director after the effective date of this document. Center directors may have made determinations or accepted documents prior to the effective date of this document pursuant to the Center test or the Delegation Order described in section I.B. of the Background section of this document.

#### *I. Scope of Industries Covered by Each Center*

The test notices defined the types of merchandise for which each Center is responsible by identifying the Harmonized Tariff Schedule of the United States (HTSUS) headings for which each Center is responsible. CBP will continue to define the scope of industries covered by each Center by the HTSUS heading that will be handled by each Center. The scope of industries covered by each Center has been defined as noted below.

If changes are made to the scope of coverage for any of the Centers, CBP will announce the change in the **Federal Register**.

#### 1. Agriculture & Prepared Products Center

For inclusion in the Agriculture & Prepared Products Center, importers must be part of the agriculture, aquaculture, animal products, vegetable products, prepared food, beverage, alcohol, tobacco or similar industries based on the tariff classification in the HTSUS of the predominant number of goods imported. For purposes of assigning an importer to this Center, CBP considers the term “agriculture and prepared products” to consist of merchandise classified under Chapters 1 through 24 of the HTSUS.

#### 2. Apparel, Footwear & Textiles Center

For inclusion in the Apparel, Footwear & Textiles Center, importers must be part of the wearing apparel,

footwear, textile mill, textile mill products, or similar industries based on the tariff classification in the HTSUS of the predominant number of goods imported. For purposes of assigning an importer to this Center, CBP considers the term “apparel, footwear, and textiles” to consist of merchandise classified under headings 4015, 4203, 4303, 4304, 5001 through 5007, 5101 through 5113, 5201 through 5212, 5301, 5302, 5303, 5305 through 5311, 5401 through 5408, 5501 through 5516, 5601 through 5609, 5701 through 5705, 5801 through 5811, 5901 through 5911, 6001 through 6006, 6101 through 6117, 6201 through 6217, 6301 through 6310, 6401 through 6406, 6501, 6502, 6504, 6505, 6506, and 6507 of the HTSUS.

#### 3. Automotive & Aerospace Center

For inclusion in the Automotive & Aerospace Center, importers must be part of the automotive, aerospace, or other transportation equipment and related parts industries based on the tariff classification in the HTSUS of the predominant number of goods imported. For purposes of assigning an importer to this Center, CBP considers the term “automotive” to consist of merchandise classified under headings 8701 through 8711, 8713, 8714, and 8716, HTSUS. For purposes of assigning an importer to this Center, CBP considers the term “aerospace” to consist of merchandise classified under headings 8801 through 8805, HTSUS. For purposes of assigning an importer to this Center, CBP considers the term “other transportation equipment and related parts” to consist of merchandise classified under headings 4011 through 4013, 8406 through 8412, 8511, 8512, 8601 through 8609, 8901 through 8908, HTSUS.

#### 4. Base Metals Center

For inclusion in the Base Metals Center, importers must be part of the steel, steel mill products, ferrous and nonferrous metal, or similar industries based on the tariff classification in the HTSUS of the predominant number of goods imported. For purposes of assigning an importer to this Center, CBP considers the term “base metals” to consist of merchandise classified under headings 7201 through 7308, 7312 through 7318, 7320, 7322, 7324 through 7413, 7415, 7419 through 7614, 7616 through 8113, and 8307 through 8311 of the HTSUS.

#### 5. Consumer Products & Mass Merchandising Center

For inclusion in the Consumer Products and Mass Merchandising Center, importers must be part of the household goods, consumer products, or

similar industries, and or mass merchandisers of products typically sold for home use based on the tariff classification in the HTSUS of the predominant number of goods imported. For purposes of assigning an importer to this Center, CBP considers the term “consumer products and mass merchandising” to consist of merchandise classified under headings 3303 through 3307, 3401, 3406, 3605, 3924, 3926, 4201, 4202, 4205, 4206, 4414, 4419, 4420, 4421, 4602, 4803, 4817, 4818, 4820, 4901 through 4911, 6601 through 6603, 6701 through 6704, 6911 through 6913, 7113 through 7118, 7319, 7321, 7323, 7418, 7615, 8210 through 8215, 8301, 8303 through 8306, 8469, 8470, 8508, 8509, 8510, 8513, 8516, 8539, 8712, 8715, 9001 through 9006, 9013, 9101 through 9114, 9201, 9202, 9205 through 9209, 9401, 9403 through 9405, 9503 through 9508, 9601 through 9619, and 9701 through 9706 of the HTSUS.

#### 6. Electronics Center

For inclusion in the Electronics Center, importers must be part of the electronics industry based on the tariff classification in the HTSUS of the predominant number of goods imported. For purposes of assigning an importer to this Center, CBP considers the term “electronics” to consist of merchandise classified under headings 3818, 8471, 8473, 8501 through 8504, 8517 through 8538, and 8540 through 8548 of the HTSUS.

#### 7. Industrial & Manufacturing Materials Center

For inclusion in the Industrial & Manufacturing Materials Center, importers must be part of the plastics, polymers, rubber, leather, wood, paper, stone, glass, precious stones or precious metals, or similar industries based on the tariff classification in the HTSUS of the predominant number of goods imported. For purposes of assigning an importer to this Center, CBP considers the term “industrial and manufacturing materials” to consist of merchandise classified under headings 2501 through 2530, 3901 through 3923, 3925, 4001 through 4010, 4016 through 4115, 4301, 4302, 4401 through 4413, 4415 through 4418, 4501 through 4601, 4701 through 4802, 4804 through 4814, 4816, 4819, 4821, 4822, 4823, 6801 through 6910, 6914 through 7011, 7013, 7014 through 7112, 7309 through 7311, and 9406 of the HTSUS.

#### 8. Machinery Center

For inclusion in the Machinery Center, importers must be part of the tools, machine tools, production

equipment, instruments, or similar industries based on the tariff classification in the HTSUS of the predominant number of goods imported. For purposes of assigning an importer to this Center, CBP considers the term “machinery” to consist of merchandise classified under headings 8201 through 8209, 8302, 8401 through 8405, 8413 through 8468, 8472, 8474 through 8484, 8486, 8487, 8505 through 8507, 8514, 8515, 9007, 9008, 9010, 9011, 9012, 9014 through 9017, 9020, 9023 through 9033, and 9301 through 9307 of the HTSUS.

#### 9. Petroleum, Natural Gas & Minerals Center

For inclusion in the Petroleum, Natural Gas & Minerals Center, importers must be part of the petroleum, natural gas, petroleum related, minerals, or mining industries based on the tariff classification in the HTSUS of the predominant number of goods imported. For purposes of assigning an importer to this Center, CBP considers the terms “petroleum” and “natural gas” to consist of merchandise classified under headings 2709 through 2713, HTSUS. For purposes of assigning an importer to this Center, CBP considers the term “petroleum related” to consist of merchandise classified under headings 2701, 2705, 2707, 2708, 2714, 2715, 2716, and 3826, HTSUS. For purposes of assigning an importer to this Center, CBP considers the terms “minerals” or “mining” to consist of merchandise classified under headings 2601 through 2621, 2702, 2703, 2704, and 2706, HTSUS.

#### 10. Pharmaceuticals, Health & Chemicals Center

For inclusion in the Pharmaceuticals, Health & Chemicals Center, importers must be part of the pharmaceuticals, health, or chemical and allied industries based on the tariff classification in the HTSUS of the predominant number of goods imported. For purposes of assigning an importer to this Center, CBP considers the term “pharmaceuticals” to consist of merchandise classified under headings 2936, 2937, 2939, 2941, 3001 through 3006, HTSUS. For purposes of assigning an importer to this Center, CBP considers the term “health equipment” to consist of merchandise classified under headings 4014, 9018, 9019, 9021, 9022, and 9402, HTSUS. For purposes of assigning an importer to this Center, CBP considers the term “chemicals” to consist of merchandise classified under headings 2801 through 2935, 2938, 2940, 2942, 3101 through 3302, 3402 through 3405, 3407 through 3604, 3606

through 3817, and 3819 through 3825, HTSUS.

### III. Explanation of Amendments

This section of the document explains the amendments that are being made in various parts of title 19 of the Code of Federal Regulations (19 CFR) to: Transition functions from the port directors to the Center directors; jointly authorize the port directors and Center directors to implement certain functions; or provide clarification that payments and documents may continue to be submitted at the ports of entry or electronically. CBP has decided not to amend the following parts of 19 CFR because the functions are not transitioning to the Centers or because the parts are included in another regulatory package: 111, 114, 118, 122, 123, 125, 127, 191 and 192.

#### A. Part 4—Vessels in Foreign and Domestic Trades

Section 4.94a(d) is amended to provide that upon entry completion and deposit of duty under § 4.94a(d), the bond posted with CBP will be returned to the importer of record, and a new bond on CBP Form 301, containing the bond conditions set forth in 19 CFR 113.62, may be required by the Center director, rather than by the port director. This bond function is being transferred from the port directors to the Center directors because it is a post-release function.

#### B. Part 7—Customs Relations With Insular Possessions and Guantanamo Bay Naval Station

Section 7.3(e)(1)(iii)(B) is amended to provide the Center director, rather than the port director, with the authority to determine whether an importation into an insular possession or the United States results from the original commercial transaction between the importer and the producer or the latter’s sales agent.

Section 7.3(e)(2) is amended to provide that the Center director, rather than the port director, will have the authority to require that appropriate shipping papers, invoices, or other documents be submitted within 60 days of the date of entry as evidence that the goods were shipped to the United States directly from an insular possession or shipped from the United States directly to an insular possession and returned from the insular possession to the United States by direct shipment within the meaning of section 7.3(e)(1). The Center director, rather than the port director, will also have the authority to determine whether evidence of direct shipment will be subject to verification.

The section is also being amended to provide that evidence of direct shipment will not be required when the Center director, rather than the port director, is otherwise satisfied, taking into consideration the kind and value of the merchandise, that the goods qualify for duty-free treatment under General Note 3(a)(iv), HTSUS, and section 7.3(a).

Section 7.3(f)(1) is amended to provide the Center director, rather than the port director, with the authority to decide whether goods qualify for duty-free treatment under section 7.3(a)(1).

Section 7.3(f)(2) is amended to provide that the declarations noted in § 7.3(f)(2)(i)–(ii) must be filed with the entry/entry summary unless the Center director, rather than the port director, is satisfied by reason of the nature of the goods or otherwise that the goods qualify for such duty-free entry.

#### C. Part 10—Articles Conditionally Free, Subject to a Reduced Rate, etc.

In Part 10, the responsibilities and functions currently designated by the regulations for the port directors will be transferred to the Center directors, except for those found in the following sections and those described further below:

- 10.5(d), (e), (g), and (h): *Shooks and staves; cloth boards; port director’s account.*
- 10.6: *Shooks and staves; claim for duty exemption.*
- 10.7: *Substantial containers or holders.*
- 10.31(b): *Entry; bond.*
- 10.36(a): *Commercial travelers’ samples; professional equipment and tolls of trade; theatrical effects and other articles.*
- 10.38(a), (f), and (g): *Exportation.*
- 10.39(d)(2), (e)(2), (e)(3), and (g): *Cancellation of bond charges.*
- 10.41b(b), (b)(1), (b)(2)(vi), (b)(3)–(b)(6), and (i): *Clearance of serially numbered substantial holders or outer containers.*
- 10.53(e)(5): *Antiques.*
- 10.59(a)(3) and (e): *Exemption from customs duties and internal-revenue tax.*
- 10.60(f) and (h): *Forms of withdrawals; bond.*
- 10.61: *Withdrawal permit.*
- 10.62(c)(1), (e), and (f): *Bunker fuel oil.*
- 10.62a(b): *Blanket withdrawals for certain merchandise.*
- 10.62b(g)(9): *Aircraft turbine fuel.*
- 10.64(a) and (b): *Crediting or cancellation of bonds.*
- 10.65(c)(2): *Cigars and cigarettes.*
- 10.66(b), (a)(3) and (c)(1): *Articles exported for temporary exhibition and returned; horses exported for horse*

*racing and returned; procedure on entry.*

- 10.67(c): *Articles exported for scientific or educational purposes and returned; procedure on entry.*

- 10.68(a): *Procedure.*

- 10.71(e): *Purebred animals; bond for production of evidence; deposit of estimated duties; stipulation.*

- 10.75: *Wild animals and birds; zoological collections.*

- 10.81(a): *Use in any port.*

- 10.101(c) and (d): *Immediate delivery.*

- 10.107(b) and (c): *Equipment and supplies; admission.*

- 10.151: *Importations not over \$800.*

- 10.152: *Bona-fide gifts.*

These functions, which generally occur at the ports and relate to pre-release decisions, will remain with the port directors: Collection of information used to make release decisions; functions concerning exportation; determinations concerning destruction of merchandise; decisions and functions concerning the physical control of warehoused goods and the transfer of those goods from warehouse to warehouse or warehouse to port and the final disposition regarding entry; decisions and functions concerning vessels; decisions concerning passengers; pre-release decisions and functions; and decisions concerning importations not over \$800 and bona-fide gifts.

The following sections in Part 10 include either the responsibilities and functions for personnel working for either the port director and Center director or the section contains additional regulatory changes as noted below:

- Sections 10.8(d) (*Articles exported for repairs or alterations*) and 10.9(d) (*Articles exported for processing*): From the *port director to port director or Center director* because personnel working for either the port director or the Center director will have the authority to require at the time of entry a deposit of estimated duties.

- Section 10.37 (*Extension of time for exportation*): From the *director of the port where the entry was filed to the Center director* for purposes of permitting the Center director, rather than the port director, to grant extensions of time for exportation upon written application on CBP Form 3173, provided the articles have not been exported or destroyed before the receipt of the application, and liquidated damages have not been assessed under the bond before receipt of the application. Also, this document adds language to the section to provide that the written application on CBP Form

3173 may be submitted to CBP, either at the port of entry or electronically meaning here that the application may be submitted using the means currently permitted; however, the authority to collect the form will be extended to the personnel working for both Center directors and the port directors.

- Section 10.40(b) (*Refund of cash deposits*): From the *port director to the Center director* to provide that the Center director, rather than the port director will notify the importer in writing that the entire cash deposit will be transferred to the regular account as liquidated damages. Also, this document adds language to the section to provide that the written application for relief from the payment of the full liquidated damages must be filed with the *Center director*.

- Section 10.41a(e) (*Lift vans, cargo vans, shipping tanks, skids, pallets, and similar instruments of international traffic; repair components*): From the *port director to CBP, either at the port of entry or electronically* so that the consumption entry may be submitted using the means currently permitted; however, the authority to collect the document will be extended to the personnel working for both Center directors and the port directors.

- Section 10.49(d) (*Articles for exhibition; requirements on entry*): From the *director of the port of entry to CBP, either at the port of entry or electronically* so that the duties may be submitted using the means currently permitted (e.g., through the Automated Clearing House (ACH)); however, the authority to collect and deposit the duties will be extended to the personnel working for both Center directors and the port directors.

- Section 10.71(c) (*Purebred animals; bond for production of evidence; deposit of estimated duties; stipulation*) and 10.121(b) (*Visual or auditory materials of an educational, scientific, or cultural character*): From the *port director to CBP, either at the port of entry or electronically* to indicate that the importer may continue to make its submission of stipulation documentation and duties using the means currently permitted; however, the authority to accept the payments and documentation will be extended to both the port director and Center director personnel.

- Section 10.84(e) (*Automotive vehicles and articles for use as original equipment in the manufacture of automotive vehicles*): From the *director of the port where entry was made to CBP, either at the port of entry or electronically* so as to allow the written notice concerning the intended use of

motor-vehicle equipment to be submitted using the means of submission currently permitted and to also extend the authority to collect the notice to both the Center director and port director personnel.

- Section 10.91(c)(2) (*Prototypes used exclusively for product development and testing*): From the *port director where the entry or withdrawal of the prototype was made to CBP, either at the port of entry or electronically* and from *port director to Center director*. This document removes the words “the port director where the entry or withdrawal of the prototype was made” and adds in their place the words “CBP, either at the port of entry or electronically” to provide that notice of the sale of the prototype or any part(s) of the prototype must be submitted using the means currently permitted, but the authority to collect the notice is extended to both Center director and port director personnel. The term “port director” in the final sentence is replaced with “Center director” to provide that the Center director, rather than the port director, has the authority to request proof of actual use of the prototype.

- Section 10.102(a) (*Duty-free entries*): From the *port director to the Center director* because duty assessment is being transitioned to the Center director personnel. Also, this document adds language to the section to provide that the required certification may be received *either at the port of entry or electronically*.

- Section 10.179(b)(1) (*Canadian crude petroleum subject to a commercial exchange agreement between United States and Canadian refiners*): From the *director of the port where the original entry was made to CBP, either at the port of entry or electronically*, so as to allow the certification required under § 10.179(a) to continue to be filed using the means permitted currently.

- Section 10.235(b) (*Filing of claim for preferential tariff treatment*): From the *Customs port where the declaration was originally filed to CBP, either at the port of entry or electronically* because the declarations that the imported article qualifies for preferential tariff treatment may continue to be submitted using the means permitted currently and the authority to collect the declarations will be extended to both the Center director and port director personnel.

- Section 10.245(b) (*Filing of claim for preferential treatment*): From the *CBP port where the declaration was originally filed to CBP, either at the port of entry or electronically* to provide that



the corrected declaration will be effected by submission of a letter or other written statement using the means permitted currently and the authority to collect the corrected declarations will be extended to both the Center director and port director personnel.

- Sections 10.441(a) (*Filing procedures*), 10.591(a) (*Filing procedures*), 10.870(a) (*Filing procedures*), 10.911(a) (*Filing procedures*), 10.1011(a) (*Filing procedures*), 10.2011(a) (*Filing procedures*), and 10.3011(a) (*Filing procedures*): From *the director of the port at which the entry covering the good was filed to CBP, either at the port of entry or electronically* so that the post-importation claim for a refund may be submitted using the means currently permitted; however, the authority to collect the document will be extended to the personnel working for both Center directors and the port directors.

- Section 10.847(c) (*Filing of claim for duty-free treatment*): From *the CBP port where the claim was originally filed to CBP, either at the port of entry or electronically* so that the post-entry documentation for a refund, including corrections to claims for duty-free treatment, may be submitted using the means currently permitted; however, the authority to collect the document will be extended to the personnel working for both Center directors and the port directors.

#### *D. Part 11—Packing and Stamping; Marking*

Section 11.12(b) is amended to provide the Center director, rather than the port director, with the authority to allow the importer a reasonable opportunity to label imported wool products that were not correctly labeled where the Center director is satisfied that the error or omission did not involve fraud or willful neglect.

Section 11.12(c) is amended to provide that the Center director, rather than the port director, will set the bond amount for packages of wool products that are not designated for examination and are released.

Section 11.12(d) is amended to require the Center director, rather than the port director, to provide written notice to the importer of any lack of compliance with the Wool Products Labeling Act of 1939 in respect of an importation of wool products, and to note that pursuant to § 141.113 the Center director, rather than the port director, will demand the immediate return of the involved products to Customs custody, unless the lack of compliance is forthwith corrected.

Section 11.12(e) is amended to give the Center director, rather than the port director, the discretion to determine whether the imported wool products have been brought into compliance with the Wool Products Labeling Act of 1939.

Section 11.12(f) is amended to state that if any fraudulent violation of the Wool Products Labeling Act of 1939 with respect to imported articles comes to the attention of the Center director, the involved merchandise shall be placed under seizure, or a demand shall be made for the redelivery of the merchandise if it has been released from Customs custody, and the case shall be reported to the Federal Trade Commission, Washington, DC.

Section 11.12a(b) is amended to provide that if imported fur products are not correctly labeled and the Center director, rather than the port director, is satisfied that the error or omission involved no fraud or willful neglect, the importer shall be afforded a reasonable opportunity to label the merchandise under Customs supervision to conform with the requirements of such act and the rules and regulations of the Federal Trade Commission.

Section 11.12a(c) is amended to provide that the Center director, rather than the port director, will set the bond amount for packages of fur products that are not designated for examination and are released.

Section 11.12a(d) is amended to provide that the Center director, rather than the port director, will give written notice to the importer of any lack of compliance with the Fur Products Labeling Act (15 U.S.C. 69b) in respect of an importation of fur products, and pursuant to § 141.113 the Center director, rather than the port director, will demand the immediate return of the involved products to Customs custody, unless the lack of compliance is forthwith corrected.

Section 11.12a(e) is amended to provide that the Center director, rather than the port director, needs to be fully satisfied that a product covered by a notice and demand given pursuant to § 11.12a(d), that has not been promptly returned to Customs custody, has been brought into compliance with the Fur Products Labeling Act.

Section 11.12a(f) is amended to provide that if any fraudulent violation of the act with respect to imported articles comes to the attention of a Center director, the involved merchandise shall be placed under seizure, or a demand shall be made for the redelivery of the merchandise if it has been released from Customs custody, and the case shall be reported

to the Federal Trade Commission, Washington, DC 20580.

Section 11.12b(b) is amended to provide that if imported fiber products are not correctly labeled and the Center director, rather than the port director, is satisfied that the error or omission involved no fraud or willful neglect, the importer shall be afforded a reasonable opportunity to label the merchandise under customs supervision to conform with the requirements of such Act and the rules and regulations of the Federal Trade Commission.

Section 11.12b(c) is amended to provide that the Center director, rather than the port director, will set the bond amount for packages of fiber products that are not designated for examination and are released.

Section 11.12b(d) is amended to require the Center director, rather than the port director, to provide written notice to the importer of any lack of compliance with the Textile Fiber Products Identification Act in respect of an importation of fiber products, and pursuant to § 141.113 of this chapter to demand the immediate return of the involved products to customs custody, unless the lack of compliance is corrected.

Section 11.12b(e) is amended to provide that the Center director, rather than the port director, needs to be fully satisfied that a product covered by a notice and demand given pursuant to § 11.12b(d), that has not been promptly returned to Customs custody, has been brought into compliance with the Fiber Products Identification Act (15 U.S.C. 70 through 70k).

Section 11.12b(f) is amended to provide that if any willful or flagrant violation of the Act with respect to the importation of articles comes to the attention of a Center director, the involved merchandise shall be placed under seizure, or a demand shall be made for the redelivery of the merchandise if it has been released from Customs custody, and the case shall be reported to the Federal Trade Commission, Washington DC 20580.

#### *E. Part 12—Special Classes of Merchandise*

Section 12.26(f) is amended to provide that if the permit referred to in § 12.26(e) is refused by the Fish and Wildlife Service, or if the permit is not produced within the said 30 days, an authorized CBP official (a CBP employee working for either the port director or the Center director) shall promptly recall the property, if delivered under bond, and shall require its immediate exportation at the expense of the importer or consignee.



Section 12.39(b)(2)(i) is amended to provide that, to enter merchandise that is the subject of a Commission exclusion order, importers must file with CBP prior to entry a bond in the amount determined by the Commission that contains the conditions identified in the special importation and entry bond set forth in appendix B to part 113 of this chapter. The term “CBP” here means that importers may file the bond with personnel working for either the port director or the Center director.

Section 12.39(b)(3) is amended to provide that CBP shall notify each importer or consignee of articles released under bond pursuant to § 12.39(b)(2) when the Commission’s determination of a violation of § 337 becomes final and that entry of the articles is refused. The term “CBP” here means personnel working for either the port director or the Center director.

Section 12.39(b)(4) is amended to provide that in addition to the notice given to importers or consignees of articles released under bond, CBP shall provide written notice to all owners, importers or consignees of articles which are denied entry into the United States pursuant to an exclusion order that any future attempt to import such articles may result in the articles being seized and forfeited. The term “CBP” here means personnel working for either the port director or the Center director. The paragraph is also amended by removing “by port directors” in the last sentence to read as follows: Copies of all such notices are to be forwarded to the Executive Director, Commercial Targeting and Enforcement, Office of Trade, at CBP Headquarters, and to the Office of The General Counsel, USITC, 500 E Street SW., Washington, DC 20436.

Section 12.39(c)(1)(iii) is amended to conform with the modification to paragraph (b)(4), above. Similarly, the term “CBP” in this instance means personnel working for either the port director or the Center director.

Section 12.39(e)(2) is amended to provide that CBP shall enforce any court order or USITC exclusion order based upon a mask work registration in accordance with the terms of such order. The term “CBP” here means personnel working for either the port director or the Center director.

Section 12.73(j) is amended to provide that, if good cause is shown, the Center director, rather than the port director, has the authority to extend the period of time that the importer has to submit a U.S. Environmental Protection Agency (EPA) statement that the vehicle or engine is conformity with Federal emission requirements. The prescribed

statement must be delivered by the importer to CBP, either to the port of entry or electronically. This means that the importer may continue to submit the statement using the means currently permitted, but the authority to collect the statement will be extended to the personnel working for either the Center director or port director.

Section 12.121(a)(2)(ii) is amended to provide that a Center director, rather than the port director, may, in his discretion, approve an importer’s use of a “blanket” certification, in lieu of filing a separate certification for each chemical shipment, for any chemical shipment that conforms to a product description provided to Customs pursuant to § 12.121(a)(2)(ii)(A). This document also amends the section to provide that in approving the use of a “blanket” certification, the Center director, rather than the port director, should consider the reliability of the importer and Customs broker.

Section 12.121(a)(2)(ii)(A) is amended to provide that a “blanket” certification must be filed with CBP, either at the port of entry or electronically. This means that the importer may continue to submit the statement using the means currently permitted, but the authority to collect the statement will be extended to the personnel working for either the Center director or port director.

Section 12.121(a)(2)(ii)(B) is amended to provide that a “blanket” certification will remain valid, and may be used, for 1 year from the date of approval unless the approval is revoked earlier for cause by the Center director.

#### *F. Part 24—Customs Financial and Accounting Procedure*

Section 24.1(a)(3)(i) is amended to provide that an uncertified check drawn by an interested party on a national or state bank or trust company of the United States or a bank in Puerto Rico or any possession of the United States if such checks are acceptable for deposit by a Federal Reserve bank, branch Federal Reserve bank, or other designated depository shall be accepted if there is on file with CBP a bond to secure the payment of the duties, taxes, fees, interest, or other charges, or if a bond has not been filed, the organization or individual drawing and tendering the uncertified check has been approved by an authorized CBP official (a CBP employee working for either the port director or the Center director) to make payment in such manner. In determining whether an uncertified check shall be accepted in the absence of a bond, an authorized CBP official shall use available credit data obtainable without cost to the Government, such as

that furnished by banks, local business firms, better business bureaus, or local credit exchanges, sufficient to satisfy him of the credit standing or reliability of the drawer of the check.

Section 24.1(a)(3)(ii) is amended to provide that if, during the preceding 12-month period, an importer or interested party has paid duties or any other obligation by check and more than one check is returned dishonored by the debtor’s financial institution, an authorized CBP official (a CBP employee working for either the port director or Center director) shall require a certified check, money order or cash from the importer or interested party for each subsequent payment until such time that an authorized CBP official is satisfied that the debtor has the ability to consistently present uncertified checks that will be honored by the debtor’s financial institution.

Section 24.2 is amended to include Center directors to the list of CBP employees that are authorized to receive Customs collections. They are also permitted, along with the port directors, to designate employees who are authorized to receive Customs collections.

Section 24.4(a) is amended to provide that an importer, including a transferee of alcoholic beverages in a customs bonded warehouse who wishes to pay on a semi-monthly basis the estimated import taxes on alcoholic beverages entered, or withdrawn from warehouse, for consumption by him during such a period may apply by letter to the Center director, either at a port of entry or electronically, rather than to the director of each port at which he wishes to defer payment. The reason the language “Center director, either at the port of entry or electronically” is used rather than “CBP, either at the port of entry or electronically” is because the Center director will have the authority to permit a deferral of payment, but the importer may submit the letter either to the port of entry or electronically. The paragraph is also amended to provide that an importer who receives approval from the Center director, rather than the port director, to defer such payments may, however, continue to pay the estimated import taxes due at the time of entry, or withdrawal from warehouse, for consumption. While the Center directors will be responsible for the duty impact and entry summary aspects of the bonded warehouses, the port directors will remain responsible for the physical control and supervision of the bonded warehouses.

Section 24.4(b) is amended to provide that an importer may begin the deferral of payments of estimated tax to a

Customs port in the first deferral period beginning after the date of the written approval by the Center director, rather than the port director. An importer may use the deferred payment system until the Center director, rather than the port director, advises such importer that he is no longer eligible to defer the payment of such taxes.

Section 24.4(c)(1) is amended to provide that an importer must state his estimate of the largest amount of taxes to be deferred in any semimonthly period based on the largest amount of import taxes on alcoholic beverages deposited with CBP in such a period during the year preceding his application. He must also identify any existing bond or bonds that he has on file with CBP and shall submit in support of his application the approval of the surety on his bond or bonds to the use of the procedure and to the increase of such bond or bonds to such larger amount or amounts as may be found necessary by the Center director. These changes are being made to reflect that bonds will be maintained by both the port directors and Center directors and that bonds amount determinations related to the importation of alcoholic beverages will be made by the Center directors.

Section 24.4(c)(2) is amended to provide that each application noted in § 24.4 must include a declaration in substantially the following language: I declare that I am not presently barred by CBP from using the deferred payment procedure for payment of estimated taxes upon imports of alcoholic beverages, and that if I am notified by a Center director to such effect I shall advise any future Center director where approval has been given to me to use such procedure. The purpose of using the term “CBP” rather than keeping “port director” in this declaration is to take into account if the importer is presently barred by a port director or a Center director. The other instances of “port director” have been changed to “Center director” because this document is transferring from the port directors to the Center directors the authority to bar importers from using the deferred payment procedures for payment of estimated taxes upon imports of alcoholic beverages. Future Center directors are accounted for in this language in case an importer’s industry changes and the importer is placed in a new Center.

Section 24.4(d)(1) is amended to provide that the Center director, rather than the port director, will notify the importer, or his authorized agent if requested, of approval for using the deferred payment procedures.

Section 24.4(i) is amended to provide that the deferred payment privilege once approved by the port director or Center director before January 19, 2017, or the Center director on or after January 19, 2017, will remain in effect until terminated under the provisions of § 24.4(h) or the importer or surety requests termination. This section is being amended to include date ranges because the decisions made prior to the effective date of these regulatory amendments will have been made by the port director or Center director (pursuant to the Delegation Order described in section I.B. of the Background section of this document) and the decisions made on or after the effective date of these regulatory amendments will be made by the Center director.

Section 24.14(c) is amended to provide that CBP’s stamp, rather than the port director’s stamp, will be impressed upon a completely prepared bill or receipt for the purchase of customs forms that is presented by the purchaser at the time of purchase.

#### *G. Part 54—Certain Importations Temporarily Free of Duty*

Section 54.5(b) is amended to provide that no deposit of estimated duty shall be required upon the entry, or withdrawal from warehouse for consumption, of the articles described in paragraph (a) of this section if the Center director, rather than the port director, is satisfied at the time of entry, or withdrawal, by written declaration of the importer that the merchandise is being imported to be used in remanufacture by melting, or to be processed by shredding, shearing, compacting, or similar processing which renders it fit only for the recovery of the metal content. The reason this authority is being transitioned to the Center director is because Center director personnel, rather than port director personnel, will be in the position to determine whether goods meet the requirements for duty free entry and determine rates of duty generally.

Section 54.6(c) is amended to require the importer to submit to CBP, either at the port of entry or electronically, a statement from the superintendent or manager of the plant at which the articles were used in remanufacture by melting, or were processed by shredding, shearing, compacting, or similar processing which rendered them fit only for the recovery of the metal content showing the information contained in § 54.6(c)(1)–(c)(4). Currently, the importer is required to submit this statement to the port director. The language is being amended

to permit the importer to submit the statement using the means currently permitted, while also extending the authority to collect the statement to personnel working for either the Center director or the port director.

Section 54.6(c)(4) is amended to provide that the statement submitted by the importer must contain a description of the remanufacture or processing in sufficient detail to enable the Center director, rather than the port director, to determine whether it constituted a use in remanufacture by melting, or processing by shredding, shearing, compacting, or similar processing which rendered the articles fit only for the recovery of the metal content.

#### *H. Part 101—General Provisions*

Section 101.1 is amended to include: The definition for the Centers; the definition for Center director; the revised definition for port and port of entry; and the definition for port director. A new section 101.10 includes language describing the designation of Center Management Offices; the factors considered for the assignment of importers to the Centers; and the process for appealing a Center assignment. The new or amended language is described in detail in Section II.E of this document.

#### *I. Part 102—Rules of Origin*

Section 102.23(a) is amended to provide that if an entry filed for commercial importations of textile or apparel products fails to include the manufacturer identification code (MID) properly constructed from the name and address of the manufacturer, the Center director, rather than the port director, may reject the entry or take other appropriate action. The reason for this change is because entry rejection or other appropriate action will be done by personnel working for the Center director, rather than the port director.

Section 102.23(b) is amended to provide that if the Center director, rather than the port director, is unable to determine the country of origin of a textile or apparel product, the importer must submit additional information as requested by the Center director.

Section 102.25 is amended to provide that if the Center director, rather than the port director, is unable to determine the country of origin of the textile or apparel products for which preferential tariff treatment is sought, they will not be entitled to preferential tariff treatment or any other benefit under the NAFTA for which they would otherwise be eligible.

*J. Part 103—Availability of Information*

Section 103.26 is amended to add Center directors to the list of officials that may, in the interest of federal, state, and local law enforcement, upon receipt of demands of state or local authorities, and at the expense of the State, authorize employees under their supervision to attend trials and administrative hearings on behalf of the government in any state or local criminal case, to produce records, and to testify as to facts coming to their knowledge in their official capacities.

Section 103.32 is amended to add “Center directors” to the list of CBP officials who must refrain from disclosing facts concerning seizures, investigations, and other pending cases until Customs action is completed.

*K. Part 113—Customs Bonds*

Appendix B to part 113 is amended to provide that if it is determined, as provided in § 337 of the Tariff Act of 1930, as amended, to exclude merchandise from the United States, then, on notification from CBP, the principal is obligated to export or destroy under Customs supervision the merchandise released under this stipulation within 30 days from the date of the CBP’s notification. The purpose of this change is to enable CBP to transition to the Center directors the exclusion order functions provided in section 12.39 of title 19 of the CFR (19 CFR 12.39).

Appendix C to part 113 currently notes that the corporate seal is to be used when no power of attorney has been filed with the port director of customs. This document amends Appendix C to part 113 by removing the words “the port director of customs” and adding in their place the term “CBP”, which means personnel working for either the port director or the Center director.

*L. Part 132—Quotas*

Section 132.11a(c) is amended to provide that if presentation is chosen to be made pursuant to § 132.11a(2) and payment is not made as required through the statement processing method, the Center director, rather than the port director, may require filing of an entry summary for consumption with estimated duties attached as described in § 132.11a(1) for future filings.

Section 132.12(a) is amended to provide that the Center director, rather than the port director, will approve the opening of the quota period.

Section 132.13(a)(1)(i) is amended to provide that when instructed by Headquarters, the Center director, rather

than the port director, will require an importer to present an entry summary for consumption, or its electronic equivalent, with estimated duties attached, at the over-quota rate of duty until Headquarters has determined the quantity, if any, of the merchandise entitled to the quota rate.

Section 132.13(a)(1)(ii) is amended to provide that the documentation must be presented to CBP, either at the port of entry or electronically, which here means that the importer may use the method(s) of submission currently permitted to submit the documentation; however, the authority to collect the documentation is being extended to the personnel working for either the port director or the Center director.

Section 132.13(a)(2) is amended to remove the words “at the port of entry” and replaced with “to CBP, either at the port of entry or electronically” so as to provide that the entry summary for consumption or withdrawal for consumption, or their electronic equivalents, must be presented to CBP, which means personnel working for either the port director or the Center director, using the means currently permitted.

Section 132.14(a)(4)(i)(A) is amended to provide that an authorized CBP official (a CBP employee working for either the port director or the Center director) may demand the return to Customs custody of the released merchandise in accordance with § 141.113.

Section 132.14(a)(4)(i)(B) is amended to provide that the Center director shall require the timely presentation to CBP, either at the port of entry or electronically, of the entry summary for consumption, or a withdrawal for consumption, with the estimated duties attached. The term to “CBP, either at the port of entry or electronically”, here means that the documentation may be presented to CBP using the means currently permitted; however, the authority to collect the documentation is being extended to the personnel working for either the port director or the Center director.

Section 132.14(a)(4)(ii)(A) is amended to provide that the Center director shall require the timely presentation, to CBP, either at the port of entry or electronically, of the entry summary for consumption, or a withdrawal for consumption, with estimated duties attached. The term to “CBP, either at the port of entry or electronically”, here means that the documentation may be presented to CBP using the means currently permitted; however, the authority to collect the documentation is being extended to the personnel

working for either the port director or the Center director.

*M. Part 133—Trademarks, Trade Names, and Copyrights*

Section 133.26 is amended by permitting an authorized CBP official to demand redelivery of released merchandise. This section is amended by removing the words “the port director” and adding in their place the words “an authorized CBP official” so as to extend the authority to demand redelivery of released merchandise to a CBP employee working for either the port director or the Center director.

Section 133.46 is amended to provide that if it is determined that articles which have been released from CBP custody are subject to the prohibitions or restrictions of this subpart, an authorized CBP official (a CBP employee working for either the port director or the Center director) shall promptly make demand for redelivery of the articles under the terms of the bond on CBP Form 301, containing the bond conditions set forth in § 113.62, in accordance with § 141.113.

*N. Part 134—Country of Origin Marking*

Section 134.3(b) is amended by removing the words “[t]he port director” and replacing it with “[a]n authorized CBP official” so as to provide that CBP employees working for either the port director or the Center director have joint authority to demand redelivery of released articles that were not marked legally with the country of origin. CBP notes that while the redelivery notices may be sent out by either personnel working for the port director or the Center director, the resolution of marking issues will be the sole authority of the Center directors.

Section 134.25(a) is amended by removing the words “port director having custody of the article,” and adding in their place the words “Center director” to provide that the Center director, rather than the port director, is the party who will make the determination as to whether the article in question will be repacked after its release. Moreover, the paragraph is amended to require the importer to certify to the Center director that: (1) If the importer does the repacking, the new container shall be marked to indicate the country of origin of the article in accordance with the requirements of this part; or (2) if the article is intended to be sold or transferred to a subsequent purchaser or repacker, the importer shall notify such purchaser or transferee, in writing, at the time of sale or transfer, that any repacking of the article must conform to

these requirements. This section is also amended by removing the words “at each port where the article is entered” and adding in their place the words “CBP, either at the port of entry or electronically.” The language “CBP, either at the port of entry or electronically” here means that the importer may use the means of submission currently permitted; however, the authority to collect the certification is being extended to personnel working for either the port director or the Center director.

Section 134.25(c) is amended to require the certificate of marking for repacked J-list articles and articles incapable of being marked to be filed with the Center director, rather than with the port director. The section is also amended to provide that in case of failure to timely file the certification required under § 134.25, the Center director may decline to accept a bond for the missing document and demand redelivery of the merchandise under § 134.51.

Section 134.26(a) is amended by removing the words “port director having custody of the article,” and adding in their place the words “Center director” to provide that the Center director, rather than the port director, is the party who will make the determination as to whether the article in question will be repacked after its release. Moreover, the paragraph is amended to require the importer to certify to CBP, either at the port of entry or electronically, that: (1) If the importer does the repacking, he shall not obscure or conceal the country of origin marking appearing on the article, or else the new container shall be marked to indicate the country of origin of the article in accordance with the requirements of this part; or (2) if the article is intended to be sold or transferred to a subsequent purchaser or repacker, the importer shall notify such purchaser or transferee, in writing, at the time of sale or transfer, that any repacking of the article must conform to these requirements. This section is also amended by removing the words “at each port where the article(s) is entered” and adding in their place the words “CBP, either at the port of entry or electronically.” The language “CBP, either at the port of entry or electronically” here means that the importer may use the means of submission currently permitted; however, the authority to collect the certification is being extended to personnel working for either the port director or the Center director.

Section 134.26(c) is amended by noting that the certificate of marking

statement required in § 134.26(a) must be filed with the Center director, rather than the port director, and in case of repeated failure to timely file the required certification, the Center director, rather than the port director, may decline to accept a bond for the missing document and demand redelivery of the merchandise under § 134.51.

Section 134.34(a) is amended to allow the Center director, rather than the port director, to make an exception under § 134.32(d).

Section 134.34(b) is amended by noting that the Center director, rather than the port director, will have the authority to extend the sixty (60)-day deferral period for liquidation of entries of imported articles which are to be repacked after release from CBP custody.

Section 134.51(a) is amended by requiring the Center director, rather than the port director, to notify the importer on Customs Form 4647, or its electronic equivalent, to arrange with the Center director's office, rather than the port director's office, to properly mark an article or container that has not been legally marked, or to return all released articles to CBP custody for marking, exportation, or destruction.

Section 134.51(b) is amended by requiring that the identity of the imported article, which was not legally marked and is to be exported, destroyed, or marked under CBP supervision, to be established to the satisfaction of the Center director, rather than the port director.

Section 134.51(c) is amended by noting that the Center director, rather than the port director, may accept a certificate of marking as provided for in § 134.52 in lieu of marking under CBP supervision.

Section 134.52(a) is amended by noting that Center directors, rather than port directors, may accept certificates of marking supported by samples of articles required to be marked, for which Customs Form 4647, or its electronic equivalent, was issued, from importers or from actual owners complying with the provision of § 141.20, to certify that marking of the country of origin on imported articles as required by this part has been accomplished.

Section 134.52(b) is amended by requiring that the certificates of marking must be filed in duplicate with CBP, either at the port of entry or electronically. The language “CBP, either at the port of entry or electronically” here means that the importer may use the means of filing the certificates of marking as currently

permitted; however, the authority to collect the certification is being extended to personnel working for either the port director or the Center director. Moreover, the Center director, rather than the port director, will now have the authority to waive the production of the marked sample when he is satisfied that the submission of such sample is impracticable.

Section 134.52(c) is amended by requiring the Center director, rather than the port director, to notify the importer or actual owner when the certificate of marking is accepted. Moreover, the paragraph is amended to authorize the Center director, rather than the port director, to spot check the marking of articles on which a certificate has been filed.

Section 134.52(d) is amended by removing the words “port director” and adding in their place the words “Center director”, thereby stating that if a false certificate of marking is filed with the Center director indicating that goods have been properly marked when in fact they have not been so marked, a seizure shall be made or claim for monetary penalty reported under section 592, Tariff Act of 1930, as amended (19 U.S.C. 1592).

Section 134.52(e) is amended by noting that the Center director, rather than the port director, may require physical supervision of marking as specified in § 134.51(c) in those cases in which he determines that such action is necessary to insure compliance with part 134.

Section 134.53(a)(2) is amended by providing the Center director, rather than the port director, with the discretion to accept a bond on CBP Form 301, containing the basic importation and entry bond conditions set forth in § 113.62 as security for the requirements of 19 U.S.C. 1304(f) and (g).

Section 134.54(a) is amended to provide that the Center director, rather than the port director, is allowed, for good cause shown, to extend the 30 day period of time that the importer has to properly mark or redeliver all merchandise previously released to him.

The ability to demand payment of liquidated damages incurred under the bond will remain with the port director.

#### *O. Part 141—Entry of Merchandise*

Section 141.20(a)(1) is amended to provide that a consignee in whose name an entry summary for consumption, warehouse, or temporary importation under bond is filed, or in whose name a rewarehouse entry or a manufacturing warehouse entry is made, and who desires, under the provisions of section

485(d), Tariff Act of 1930, as amended (19 U.S.C. 1485(d)), to be relieved from statutory liability for the payment of increased and additional duties shall declare at the time of the filing of the entry summary or entry documentation, as provided in § 141.19(a), that he is not the actual owner of the merchandise, furnish the name and address of the owner, and file with CBP, either at the port of entry or electronically, within 90 days from the time of entry (see § 141.68) a declaration of the actual owner of the merchandise acknowledging that the actual owner will pay all additional and increased duties. The language “CBP, either at the port of entry or electronically” here means that the importer may use the means of submission currently permitted; however, the authority to collect the declaration is being extended to personnel working for either the port director or the Center director.

Section 141.20(a)(2) is amended to provide that if the consignee desires to be relieved from contractual liability for the payment of increased and additional duties voluntarily assumed by him under the single-entry bond which he filed in connection with the entry documentation and/or entry summary, or under his continuous bond against which the entry and/or entry summary is charged, he shall file a bond of the actual owner on Customs Form 301, containing the bond conditions set forth in § 113.62 of this chapter, with CBP, either at the port of entry or electronically, within 90 days from the time of entry. The language “CBP, either at the port of entry or electronically” here means that the importer may use the means of submission currently permitted; however, the authority to collect the bond is being extended to personnel working for either the port director or the Center director.

Section 141.35 is amended to provide that any power of attorney shall be subject to revocation at any time by written notice given to and received by CBP, either at the port of entry or electronically. The language “CBP, either at the port of entry or electronically” here means that the importer may use the means of submission currently permitted; however, the authority to collect the written notice is being extended to personnel working for either the port director or the Center director.

Section 141.38 is amended to provide that a power of attorney shall not be required if the person signing Customs documents on behalf of a resident corporation is known to CBP to be the president, vice president, treasurer, or secretary of the corporation. When a

power of attorney is required for a resident corporation, it shall be executed by a person duly authorized to do so. The term “CBP” here means either the personnel working for the port director or the personnel working for the Center director.

Section 141.44 is amended to provide that unless a power of attorney specifically authorizes the agent to act thereunder at the appropriate Center and at all Customs ports, the name of the appropriate Center or each port where the agent is authorized to act thereunder shall be stated in the power of attorney. The power of attorney shall be filed with CBP, either at the port of entry or electronically, in a sufficient number of copies for distribution to the appropriate Center and each port where the agent is to act, unless exempted from filing by § 141.46. The Center director or port director with whom a power of attorney is filed, irrespective of whether his Center or port is named therein, shall approve it, if it is in the correct form and the provisions of this subpart are complied with, and forward any copies intended for other ports or another Center as appropriate. The language “CBP, either at the port of entry or electronically” here means that the power of attorney may be filed using the means of submission currently permitted; however, the authority to collect the power of attorney documentation is being extended to personnel working for either the port director or the Center director.

Section 141.45 is amended to provide that upon request of a party in interest, the Center director or a port director may have on file an original power of attorney document and will forward a certified copy of the document to another Center director or port director.

Section 141.46 currently states that a customhouse broker is required to obtain a valid power of attorney but he is not required to file the power of attorney with a port director. This document amends § 141.46 by removing the words “a port director” and adding in their place the term “CBP” to mean either the port director personnel or the Center director personnel.

Section 141.52 is amended to provide that under certain delineated circumstances, if the Center director, rather than the port director, is satisfied that there will be no prejudice to: Import admissibility enforcement efforts; the revenue; and the efficient conduct of CBP business, separate entries may be made for different portions of all merchandise arriving on one vessel or vehicle and consigned to one consignee. One of the delineated circumstances, specifically § 141.52(i),

is also amended to remove the reference to the “port director” and add “Center director” to read as follows: A special application is submitted to the Commissioner of Customs with the recommendation of the Center director concerned and is approved by the Commissioner.

Section 141.56(a) is amended to provide that CBP may accept, either at the port of entry or electronically, one entry summary for consumption or for warehouse for merchandise covered by multiple entries for immediate transportation, subject to the requirements of § 142.17(a), provided the merchandise covered by each immediate transportation entry is released at the port of destination under a separate entry, in accordance with § 142.3. The reference to “port directors” is being removed and replaced with “CBP may accept, either at the port of entry or electronically” because the authority to accept the entry summary will continue to reside with the personnel working for the port directors and will also be extended to the personnel working for the Center directors. Importers will continue to have the ability to submit the documentation at the port or electronically and this ability is merely being reflected in the regulation.

Section 141.61(e)(2) is amended to provide that a Center director, rather than a port director, may require additional documentation to substantiate the statistical information required by § 141.61(e)(1).

Section 141.61(e)(2)(ii) is amended to provide that a Center director, rather than a port director, may grant a reasonable extension of time to produce the required documentation for good cause shown. (See § 141.91(d) for bond requirements relating to failure to produce an invoice.)

Section 141.61(e)(4) is amended to provide that a Center director, rather than a port director, will reject a form for failure to provide required statistical information if the information is omitted or if the information provided clearly appears on its face, or is known to the CBP officer, to be erroneous.

Section 141.63(a) is amended to provide that under certain delineated circumstances, entry summary documentation may be submitted at the customhouse for preliminary review, without estimated duties attached, within such time before arrival of the merchandise as may be fixed by the Center director, rather than by the port director.

Section 141.63(b) is amended to provide that entry summary documentation may be submitted at the

customhouse for preliminary review, without estimated duties attached, within such time after arrival of quota-class merchandise as may be fixed by the Center director, if the entry summary for consumption will be presented at the opening of the quota period, as provided in § 132.12(a).

Section 141.69(c) is amended by removing the words “the port director” and adding in their place the words “CBP” so as to provide that personnel working for either the port director or the Center director may require documentary evidence as to the movement of merchandise between its removal from the port of entry or the place of intended release and its return to the port of entry.

Section 141.83(c)(2) is amended by removing the words “[t]he port director” and replacing it with “CBP”. The first sentence of the paragraph would therefore read: “CBP may accept a copy of a required commercial invoice in place of the original.” This change would allow the commercial invoice when necessary for entry (for purposes of release) to remain with the port director and when necessary for entry summary and withdrawal for consumption to be handled by the Center director.

Section 141.85 the Pro Forma Invoice language is amended by removing the words “Advices of the Port Director” and adding in their place the term “CBP”. The purpose of this change is to note that the prices, or in the case of consigned goods the values, of the merchandise may be based on the advices of the port director personnel or the Center director personnel. This document also amends § 141.85 by removing the words “file it with the Port Director” and adding in their place the words “file it with an authorized CBP official”. The purpose of this change is to note that the invoice may be filed with an “authorized CBP official”, meaning a CBP employee working for either the port director or the Center director.

Section 141.86(a) includes a list of information that must be included in each invoice of imported merchandise. Paragraph 141.86(a)(11) provides that the invoice must set forth all goods or services furnished for the production of the merchandise (*e.g.*, assists such as dies, molds, tools, engineering work) not included in the invoice price. However, goods or services furnished in the United States are excluded. The paragraph is being amended to provide that annual reports for goods and services, when approved by the Center director, rather than the port director,

will be accepted as proof that the goods or services were provided.

Section 141.88 is amended to provide that when the Center director, rather than the port director, determines that information as to computed value is necessary in the appraisalment of any class or kind of merchandise, he shall so notify the importer, and thereafter invoices of such merchandise shall contain a verified statement by the manufacturer or producer of computed value as defined in § 402(e), Tariff Act of 1930, as amended by the Trade Agreements Act of 1979 (19 U.S.C. 1401a(e)).

Section 141.91(a) is amended by removing the words “[t]he port director” and adding in their place the term “CBP”. This change would allow the port director personnel to accept entry documentation without the invoice and would allow the Center director personnel to accept entry summary documentation without the invoice if they are satisfied that the failure to produce the required invoice is due to a cause beyond the control of the importer.

Section 141.91(d) is amended to provide that if needed for statistical purposes, the invoice shall be produced within 50 days after the date of the entry summary (or the entry, if there is no entry summary) is required to be filed, unless a reasonable extension of time is granted by the Center director, rather than the port director, for good cause shown.

Section 141.92(a) is amended by removing the words “[t]he port director” and adding in their place the term “CBP”. This change would allow the port director personnel (at entry stage) and the Center director personnel (at the entry summary stage) to waive production of a required invoice when they are satisfied that either: (1) the importer cannot by reason of conditions beyond his control furnish a complete and accurate invoice; or (2) the examination of merchandise, final determination of duties, and collection of statistics can be effected properly without the production of the required invoice.

Section 141.92(b) includes a list of documents that are required to be filed by the importer with the entry as a condition to the granting of a waiver for the production of a required invoice. This document amends § 141.92(b)(4) to provide that the Center director, rather than the port director, may require other information for either appraisalment or classification of the merchandise, or for statistical purposes. This responsibility is being provided to only the Center

director because it concerns appraisalment and classification issues.

Section 141.105 is amended to provide that if either the importer of record or the actual owner whose declaration and superseding bond have been filed in accordance with § 141.20 desires, he may estimate, on the basis of information contained in the entry papers or obtainable from the Center director, rather than the port director, the probable amount of unpaid duties which will be found due on the entire entry and deposit them in whole or in part with CBP, either at the port of entry or electronically. The deposit shall be tendered in writing in the form provided in § 141.105 and instead of using the words “To the Port Director” the form should state “To CBP”. The language “CBP, either at the port of entry or electronically” here means that the importer may use the means of submission currently permitted; however, the authority to collect the unpaid duties is being extended to personnel working for either the port director or the Center director.

Section 141.113(a)(2) is amended to provide that the Center director, rather than the port director, may demand the return to CBP custody of merchandise that is found after release to be not legally marked. Demand may be made no later than 30 days after the date of examination in the case of merchandise examined at the importer's premises or such other appropriate places as determined by the port director or Center director.

Section 141.113(b) is amended to provide that if the Center director, rather than the port director, finds during the conditional release period that a textile or textile product is not entitled to admission into the commerce of the United States because the country of origin of the textile or textile product was not accurately represented to CBP, he shall promptly demand its return to CBP custody.

Section 141.113(c)(3) is amended to provide that the FDA will communicate to the Center director, rather than the port director, if the FDA refuses admission of a food, drug, device, cosmetic, or tobacco product into the United States, or if any notice of sampling or other request is not complied with. The paragraph is also amended to provide that the demand for redelivery of the product to CBP custody may be carried out by an authorized CBP official (a CBP employee working for either the port director or the Center director). The prescription of a bond, described in the last sentence of the paragraph, will remain with the port director.

Section 141.113(d) is amended by removing the words “the port director” and adding in their place the words “an authorized CBP official” and by removing the words “he” and adding in its place the words “an authorized CBP official”. The reason for these changes is to note that if at any time after entry an authorized CBP official, which may be a CBP employee working for either the port director or the Center director, finds that any merchandise contained in an importation is not entitled to admission into the commerce of the United States for any reason not enumerated in §§ 141.113(a), (b), or (c), that same authorized CBP official or a different authorized CBP official shall promptly demand the return to CBP custody of any such merchandise which has been released.

Section 141.113(e) is amended by removing the words “the port director” and adding in their place the words “an authorized CBP official”. The reason for this amendment is to note that if the importer has not promptly complied with a request for samples or additional examination packages made by an authorized CBP official (which may be a CBP employee working for either the port director or the Center director) pursuant to § 151.11, that same authorized CBP official or a different authorized CBP official may demand the return of the necessary merchandise to CBP custody.

Section 141.113(g) is amended by noting that an authorized CBP official, which is a CBP employee working for either the port director or the Center director, will retain one copy, with the date of mailing or delivery noted thereon, of the demand for the return of merchandise to CBP, which is made on Customs Form 4647, or its electronic equivalent, other appropriate form, or by letter, and it will be made part of the entry record.

Section 141.113(i) is amended to reflect that an authorized CBP official (a CBP employee working for either the port director or the Center director) may demand return of merchandise to CBP custody.

#### *P. Part 142—Entry Process*

Section 142.3(c) is amended by removing the reference to “port director” and replacing it with “CBP” because the authority to require additional copies of the entry summary documentation will continue to reside with the personnel working for the port directors and will also be extended to the personnel working for the Center directors.

Section 142.11(b) is amended by removing the reference to “port

director” and replacing it with “CBP” because the authority to require additional copies of the entry summary will continue to reside with the personnel working for the port directors and will also be extended to the personnel working for the Center directors.

Section 142.13(a) is amended to provide that CBP, meaning either the personnel working for the Center director or the port director, may require that the entry summary documentation be filed and that estimated duties, if any, be deposited at the time of entry before the merchandise is released if any of the circumstances noted in § 142.13(a)(1)–(4) apply. The reason that the Center director personnel and the port director personnel will have joint authority for live entries is to ensure that the trade mission and security mission are met regardless of the hour of operation for either of the personnel.

Section 142.17(a) is amended to provide that the Center director, rather than the port director, has the authority to permit the filing of one entry summary for merchandise the subject of separate entries if certain delineated circumstances are met.

Section 142.17a(a) is amended to provide that the Center director, rather than the port director, may permit a broker as nominal consignee to file a consolidated entry summary in his own name under his own bond covering shipments of like or similar merchandise consigned to various ultimate consignees as long as certain delineated circumstances are met.

Section 142.18(a) is amended to provide that an authorized CBP official (a CBP employee working for either the port director or the Center director) will demand return to CBP custody of merchandise released at time of entry that is later found to be prohibited in accordance with § 141.113.

Section 142.28(a) is amended to provide that that an authorized CBP official (a CBP employee working for either the port director or the Center director) will demand return to CBP custody if merchandise released under a special permit for immediate delivery later is found to be prohibited.

#### *Q. Part 143—Special Entry Procedures*

Section 143.22 is amended to provide that CBP may require a formal consumption or appraisal entry for any merchandise if deemed necessary for import admissibility enforcement purposes; revenue protection; or the efficient conduct of customs business. This means that either port director or Center director personnel may require a formal consumption or appraisal

entry in these circumstances. While the handling of informal entries will be transitioned to the Center directors, in this case, personnel working for either the port director or the Center director need to have the authority to require formal entry to ensure that the trade mission is met regardless of the hour of operation for either of the personnel.

Section 143.23 is amended to provide that except for the types of merchandise listed in § 143.23 which may be entered on the forms indicated, merchandise to be entered informally must be entered on a CBP Form 368 or 368A, (serially numbered) or CBP Form 7501, or its electronic equivalent or, if authorized by the Center director, rather than the port director, upon the presentation of a commercial invoice which contains the declaration noted in § 143.23, signed by the importer or his agent. This function is being transitioned to the Center directors because it involves informal entry.

#### *R. Part 144—Warehouse and Rewarehouse Entries and Withdrawals*

Section 144.5 is amended to provide that merchandise must not remain in a bonded warehouse beyond 5 years from the date of importation or such longer period of time as the Center director, rather than the port director, may at his discretion permit upon proper request being filed and good cause shown. While the Center directors will be responsible for the duty impact and entry summary aspects of the bonded warehouses, the port directors will remain responsible for the physical control and supervision of the bonded warehouses.

Section 144.12 is amended to provide that the entry summary, Customs Form 7501, or its electronic equivalent shall show the value, classification, and rate of duty as approved by the Center director, rather than the port director, at the time the entry summary is filed.

Section 144.13 is amended to provide that a bond on Customs Form 301, containing the bond conditions set forth in § 113.62 shall be filed in the amount required by the Center director, rather than the port director, to support the entry documentation. The reason that the Center director will be determining the amounts for these bonds is because the bond is for the purpose of protecting the revenue.

Section 144.38 concerns withdrawals for consumption. Section 144.38(d) is amended to provide that the Center director, rather than the port director, may increase or decrease the amount of estimated duties to be deposited on the final withdrawal to bring the aggregate amount of duties deposited into balance



with the amount which he estimates will be finally due upon liquidation.

Section 144.41(h) is amended to provide that a protest may be filed with CBP, either at the port of entry or electronically, against a liquidation made under § 159.7(a) or (b) of this chapter, or against a refusal to liquidate pursuant to said sections. In all other cases, any protest shall be filed against the original warehouse entry. The language “CBP, either at the port of entry or electronically” here means that the importer may use the means of submission currently permitted; however, the authority to collect the protest is being extended to personnel working for either the port director or the Center director.

#### *S. Part 145—Mail Importations*

Section 145.12(a) is amended to provide that CBP, meaning personnel working for either the Center director or the port director, may require formal entry of any mail shipment regardless of value if it is necessary to protect the revenue. The reason that the Center director personnel and the port director personnel will have joint authority for requiring formal entry is to ensure that the trade mission is met regardless of the hour of operation for either of the personnel.

Section 145.14(b) is amended to provide that since there is no provision for post office supervision of these special marking requirements, such as those contained in the Textile Fiber Products Identification Act, the Wool Products Labeling Act, and the Trademark Act, CBP shall require compliance with the law and regulations (see parts 11 and 133 of this chapter). Currently, the regulatory language provides that the “port director shall require compliance”, but the language is being amended in this document to note that “CBP” shall require compliance since both Center director and port director personnel will be enforcing the applicable laws and regulations.

#### *T. Part 146—Foreign Trade Zones*

Section 146.65(b)(3) is amended to provide that an allowance in the dutiable value of foreign trade zone merchandise may be made by the Center director, rather than by the port director, in accordance with the provisions of subparts B and C of part 158 (19 CFR part 158, subparts B and C), for damage, deterioration, or casualty while the merchandise is in the zone.

Section 146.65(c) is amended to provide that the Center director, rather than the port director, is authorized to provide an extension of liquidation.

#### *U. Part 147—Trade Fairs*

Section 147.32 is amended to provide that the Center director, rather than the port director, will detail an officer to act as his representative at the fair and shall station inside the buildings as many additional Custom officers and employees as may be necessary to properly protect the revenue.

Section 147.33 is amended to read as follows: [a]ll actual and necessary charges for labor, services, and other expenses in connection with the entry, examination, appraisement, custody, abandonment, destruction, or release of articles entered under the regulations of this part, together with the necessary charges for salaries of Customs officers and employees in connection with the accounting for, custody of, and supervision over, such articles, shall be reimbursed by the fair operator to the Government, payment to be made to CBP, either at the port of entry or electronically, on the port director's or Center director's demand made before January 19, 2017 or on the Center director's demand made on or after January 19, 2017, for deposit to the appropriation from which paid. The language “CBP, either at the port of entry or electronically” here means that the importer may use the means of submission currently permitted; however, the authority to collect the payment is being extended to personnel working for either the port director or the Center director. This section is being amended to include date ranges because the demands made prior to the effective date of these regulatory amendments will have been made by the port director or Center director (pursuant to the Delegation Order described in section I.B. of the Background section of this document) and the demands made on or after the effective date of these regulatory amendments will be made by the Center director.

Section 147.41 is amended by noting that the Center director, rather than the port director, may demand payment of any unpaid duty, tax, fees, charges, or exaction due on any article removed from the trade fair premises or disposed of contrary to subpart E of part 147, including any article lost or stolen regardless of the fair operator's fault. The section is also amended to provide that the payment must be made to CBP, either at the port of entry or electronically. The language “CBP, either at the port of entry or electronically” here means that the importer may use the means of submission currently permitted; however, the authority to collect the payment is being extended to personnel

working for either the port director or the Center director.

#### *V. Part 151—Examination, Sampling, and Testing of Merchandise*

Section 151.10 is amended to provide that when necessary, an authorized CBP official, which includes personnel working for either the port director or the Center director, may obtain samples of merchandise for appraisement, classification, or other official purposes.

Section 151.11 is amended to provide that if an authorized CBP official (a CBP employee working for either the port director or the Center director) requires samples or additional examination packages of merchandise which has been released from CBP custody, an authorized CBP official (either the CBP official that made the initial requestor a different CBP official) will send the importer a written request, on Customs Form 28, or its electronic equivalent, Request for Information, or other appropriate form, to submit the necessary samples or packages. If the request is not promptly complied with, that same authorized CBP official or a different authorized CBP official may make a demand under the bond for the return of the necessary merchandise to CBP custody in accordance with § 141.113 of this chapter.

Section 151.12(c)(5) is amended to provide that a commercial laboratory accredited by Customs agrees to promptly investigate any circumstance which might affect the accuracy of work performed as an accredited laboratory, to correct the situation immediately, and to notify the port director, the Executive Director, and the Center director of such matters, their consequences, and any corrective action taken or that needs to be taken. The amendment adds “Center director” to the list of persons who must be provided notification.

Section 151.12(c)(6) is amended to provide that a commercial laboratory accredited by Customs agrees to immediately notify the port director, the Executive Director, and the Center director of any attempt to impede, influence, or coerce laboratory personnel in the performance of their duties, or of any decision to terminate laboratory operations or accredited status. The amendment adds “Center director” to the list of persons who must be provided notification.

Section 151.13(b)(5) is amended to provide that a commercial gauger approved by Customs agrees to promptly investigate any circumstance which might affect the accuracy of work performed as an approved gauger, to correct the situation immediately, and

to notify the port director, the Executive Director, and the Center director of such matters, their consequences, and any corrective action taken or that needs to be taken. The amendment adds "Center director" to the list of persons who must be provided notification.

Section 151.13(b)(6) is amended to provide that a commercial gauger approved by Customs agrees to immediately notify the port director, the Executive Director, and the Center director of any attempt to impede, influence, or coerce gauger personnel in the performance of their duties, or of any decision to terminate gauger operations or approval status. The amendment adds "Center director" to the list of persons who must be provided notification.

Section 151.51(b) is amended to provide that when, on the basis of invoice information, the nature of any available sample, knowledge of prior importations of similar materials, and other data, the Center director, rather than the port director, is satisfied that metal-bearing ores entered under heading 2617, HTSUS, as containing less than 1 percent of metals dutiable under headings 2603, 2607, and 2608, HTSUS, are properly entered, he may liquidate the entry on the basis of the assay information contained in the entry papers.

Section 151.52(c) is amended to provide that where no commercial samples have been taken, an authorized CBP official (a CBP employee working for either the port director or the Center director) shall take representative samples from different parts of the shipment.

Section 151.54 is amended to provide that an authorized CBP official (a CBP employee working for either the port director or the Center director) may secure from the importer a certified copy of the commercial settlement tests for moisture and for assay which shall be transmitted with the commercial samples to the Custom laboratory.

Section 151.55 is amended to provide that deductions for the loss of copper, lead, or zinc content during processing, as authorized by Chapter 26, Additional U.S. Note 1, Harmonized Tariff Schedule of the United States (19 U.S.C. 1202), shall be made by the Center director, rather than the port director, in the liquidation of any entry only if the importer has followed the procedures set forth in that headnote.

Section 151.65 is amended to provide that duties on wool or hair subject to duty at a rate per clean kilogram may be estimated at the time of filing the entry summary on the basis of the clean yield shown on the entry summary if the

Center director, rather than the port director, is satisfied that the revenue will be properly protected. Liquidated duties shall be based upon the Center director's, rather than the port director's, final determination of clean yield. Moreover, the section is amended to provide that this adjustment shall be made by increasing or decreasing such estimated percentage clean yield of each lot by the difference between the percentage clean yield of the related sampling unit, as determined by the Center director, rather than the port director, and the weighted average percentage clean yield for the sampling unit, as computed from the estimated percentages clean yield and net weights shown on the entry summary for the lots included in the sampling unit.

Section 151.68(c) is amended to provide that an authorized CBP official (a CBP employee working for either the port director or the Center director) may designate other imported wool or hair to be weighed, sampled, and tested for clean yield, unless such sampling or testing is not feasible.

Section 151.69(b) is amended to provide that when part of an original sampling unit, which has been weighed, sampled, and tested in accordance with subpart E of part 151, is exported from continuous Customs custody without having been manipulated as provided for in section 562, Tariff Act of 1930, as amended (19 U.S.C. 1562), the percentage clean yield of the part not exported shall be determined, at the discretion of the Center director, rather than the port director, either on the basis of a new determination by reweighing, resampling, and retesting, or by a computation as described in § 151.69(a), for either the exported or the remaining part.

Section 151.70 is amended to provide that the Center director or chief chemist, rather than the port director, may desire a second test for clean yield of wool or hair.

Section 151.71(a) is amended to provide that a report of the percentage clean yield of each general sample as established by test in a Customs laboratory, or a statement of the reason for not testing a general sample, shall be forwarded to the Center director, rather than to the port director.

Section 151.71(b) is amended to provide that where samples of wool or hair have been tested in a Customs laboratory and the Center director, rather than the port director, has received a copy of the Laboratory Report, Customs Form 6415, the Center director, rather than the port director, shall promptly provide notice of the test

results by mailing a copy of that report to the importer.

Section 151.71(c) is amended to provide that if the importer is dissatisfied with the port director's or Center director's finding of clean yield, made before January 19, 2017, or the Center director's finding of clean yield made on or after January 19, 2017, he may file with CBP, either at the port of entry or electronically, a written request in duplicate for another laboratory test for percentage clean yield. Such request shall be filed within 14 calendar days after the date of mailing of the notice of the port director's or Center director's finding of clean yield. The request shall be granted if it appears to the Center director to be made in good faith and if a second general sample as provided for in § 151.70 is available for testing, or if all packages or, in the opinion of the Commissioner of Customs, an adequate number of the packages represented by the general sample are available and in their original imported condition. This section is being amended to include date ranges because the decisions made prior to the effective date of these regulatory amendments will have been made by the port director or Center director (pursuant to the Delegation Order described in section I.B. of the Background section of this document) and the decisions made on or after the effective date of these regulatory amendments will be made by the Center director. The language "CBP, either at the port of entry or electronically" here means that the importer may use the means of submission currently permitted; however, the authority to collect the written request for another laboratory test for percentage clean yield is being extended to personnel working for either the port director or the Center director.

Section 151.73(b) is amended to provide that the importer's request shall be filed in writing with the Center director within 14 calendar days after the date of mailing of the notice of the port director's or Center director's findings based on the retest mailed before January 19, 2017, or within 14 calendar days after the date of mailing of the notice of the Center director's findings based on the retest mailed on or after January 19, 2017. This provision is amended to include reference to mailings sent before and after the effective date of this document in the **Federal Register** because before the effective date of this document, the port director or Center director (pursuant to the Delegation Order described in section I.B. of the Background section of this document) will have issued the findings and the findings issued on or

after the effective date of this document, will be issued by the Center director.

Section 151.73(c) is amended to provide that the Center director, rather than the port director, shall cause a representative quantity of the wool or hair in dispute to be selected and tested by a commercial method approved by the Commissioner of Customs. Moreover, the paragraph is amended to note that such test shall be made under the supervision and direction of the Center director, rather than the port director, at an establishment approved by him, and the expense thereof, including the actual expense of travel and subsistence of Customs officers but not their compensation, shall be paid by the importer.

Section 151.74 is amended to provide that if the Center director, rather than the port director, is not satisfied with the results of any test provided for in § 151.71 or § 151.73, he may, within 14 calendar days after receiving the report of the results of such test, proceed to have another test made upon a suitable sample of the wool or hair at the expense of the Government. When the Center director, rather than the port director, is proceeding to have another test made, he shall, within the 14-day period specified in this paragraph, notify the importer by mail of that fact.

Section 151.75 is amended to provide that the Center director, rather than the port director, has the authority to make a final determination on clean yield and must base that determination upon a consideration of all the tests made in connection with the wool or hair concerned.

Section 151.76(a) is amended to provide that the Center director, rather than the port director, shall cause wool dutiable at a rate per clean kilogram to be examined for grade.

Section 151.76(b) is amended to provide that if classification of the wool at the grade or grades determined on the basis of the examination will result in the assessment of duty at a rate higher than the rate provided for wool of the grade stated in the entry, the Center director, rather than the port director, shall promptly notify the importer by mail.

Section 151.76(c) is amended to provide that if the importer is dissatisfied with the port director's or Center director's findings as to the grades of wool, made before January 19, 2017, or the Center director's findings as to the grade or grades of the wool made on or after January 19, 2017, he may, within 14 calendar days after the date of mailing of the notice of the port director's or Center director's findings, file in duplicate a written request with

the Center director for another determination of grade or grades, stating the reason for the request. Notice of the Center director's findings on the basis of the reexamination of the wool shall be mailed to the importer. This section is being amended to include date ranges because the decisions made prior to the effective date of these regulatory amendments will have been made by the port director or Center director (pursuant to the Delegation Order described in section I.B. of the Background section of this document) and the decisions made on or after the effective date of these regulatory amendments will be made by the Center director. The language "CBP, either at the port of entry or electronically" here means that the importer may use the means of submission currently permitted; however, the authority to collect the written request for another determination of grade or grades of wool is being extended to personnel working for either the port director or the Center director.

Section 151.84 is amended to provide that the Center director, rather than the port director, shall have one or more samples of each sampled bale of cotton stapled by a qualified Customs officer, or a qualified employee of the Department of Agriculture designated by the Commissioner of Customs for the purpose, and shall promptly mail the importer a notice of the results determined.

Section 151.85 is amended to provide that if the importer is dissatisfied with the port director's or Center director's determination, made before January 19, 2017, or the Center director's determination made on or after January 19, 2017, he may file with the Center director, within 14 calendar days after the mailing of the notice, a written request in duplicate for a redetermination of the staple length. Each such request shall include a statement of the claimed staple length for the cotton in question and a clear statement of the basis for the claim. The request shall be granted if it appears to the Center director to be made in good faith. In making the redetermination of staple length, the Center director may obtain an opinion of a board of cotton examiners from the U.S. Department of Agriculture, if he deems such action advisable. This section is being amended to include date ranges because the decisions made prior to the effective date of these regulatory amendments will have been made by the port director or Center director (pursuant to the Delegation Order described in section I.B. of the Background section of this document) and the decisions made on

or after the effective date of these regulatory amendments will be made by the Center director.

#### *W. Part 152—Classification and Appraisal of Merchandise*

Section 152.1(c) is amended to provide that if there is no positive evidence at hand as to the actual date of exportation, the Center director, rather than the port director, shall ascertain or estimate the date of exportation by all reasonable ways and means in his power, and in so doing may consider dates on bills of lading, invoices, and other information available to him.

Section 152.2 is amended to provide that if the Center director, rather than the port director, believes that the entered rate or value of any merchandise is too low, or if he finds that the quantity imported exceeds the entered quantity, and the estimated aggregate of the increase in duties on that entry exceeds \$15, he shall promptly notify the importer on Customs Form 29, or its electronic equivalent, specifying the nature of the difference on the notice. Liquidation shall be made promptly and shall not be withheld for a period of more than 20 days from the date of mailing of such notice unless in the judgment of the Center director, rather than the port director, there are compelling reasons that would warrant such action.

Section 152.13(a) is amended to provide that the Center director, rather than the port director, will give written notice to the importer as promptly as possible after any commingling of merchandise is discovered.

Section 152.13(c)(1) is amended to provide that to obtain the benefit of General Note 3(f), HTSUS, the importer shall, within 30 days after the date of mailing or personal delivery of the notice provided for in § 152.13(a), file with the Center director, rather than the port director, evidence showing performance of the commercial settlement tests specified in General Note 3(f), HTSUS.

Section 152.13(c)(3) is amended to provide that to obtain the benefit of General Note 3(f), HTSUS, the importer shall, within 30 days after the date of mailing or personal delivery of the notice provided for in § 152.13(a), file with the Center director, rather than the port director, documentary proof which will satisfy him that the merchandise is entitled to the lower rate of duty under General Note 3(f), HTSUS.

Section 152.13(d) is amended to provide that the 30-day limit for filing the evidence specified in General Note 3(f) or for performing the segregation

specified in General Note 3(f), Harmonized Tariff Schedule of the United States, may be extended by the Center director, rather than the port director, for additional periods of 30 days each, but not beyond 6 months from the date of mailing or personal delivery of the notice provided for in paragraph (a) of this section, if the importer makes written application for each extension and gives satisfactory reasons for its allowance. The paragraph is also amended to provide that the written application must be filed with the Center director, rather than the port director.

Section 152.16(c) is amended to provide that if a court decision overruling a protest contains a definite statement that a higher rate than that assessed by the port director or Center director before January 19, 2017, or the Center director on or after January 19, 2017, was properly chargeable, such higher rate shall be applied to all merchandise, whether identical or similar to that passed on by the court, which is affected by the principles of the court's decision and which is entered or withdrawn for consumption after 30 days from the date of the publication of the court's decision in the Customs Bulletin. The Center director is included for the dates prior to the effective date of this document because under the Center test, the assessments for the Center test participants may have been made by the Center director. Moreover, pursuant to the Delegation Order (noted in section I.B. of the Background section of this document) the assessments may have been made by the Center director as well. However, the assessments made on or after the effective date of these regulatory amendments will be made by the Center director.

Section 152.26 is amended to provide that the Center director, rather than the port director, shall furnish to importers the latest information as to values in his possession, subject to certain conditions. This document amends the conditions by removing the words "port director" or "port director's" where they appear and replacing them with "Center director" or "Center director's" so as to note that the information shall be given only in regard to merchandise to be appraised by, or under the jurisdiction of, the Center director who receives the request, and only with respect to merchandise for which there is presented evidence of a firm commitment or intent to import such merchandise into the United States. Also, the section is amended to provide that value information shall be given by the Center director only with an

understanding and agreement in each case that the information is in no sense an appraisal and is not binding upon the Center director's action when he appraises the merchandise. Moreover, the section is amended to provide that the Center director shall not be required to reply to a written request for value information after a value for the merchandise has been declared on entry unless he has information indicating a probable appraised value different from such entered value.

Section 152.101(c) is amended to provide that the importer's request for the application of the computed value method before the deductive value method must be made at the time the entry summary for the merchandise is filed with CBP, either at the port of entry or electronically (see § 141.0a(b) of this chapter). The language "CBP, either at the port of entry or electronically" here means that the importer may use the means of submission currently permitted; however, the authority to collect the entry summary is being extended to personnel working for either the port director or the Center director.

Section 152.101(d) is amended to provide that upon receipt of a written request from the importer within 90 days after liquidation, the Center director, rather than the port director shall provide a reasonable and concise written explanation of how the value of the imported merchandise was determined.

Section 152.103(a)(5)(iii) is amended to provide that a sale for export and placement for through shipment to the United States under § 152.103(a)(5)(ii) shall be established by means of a through bill of lading to be presented to CBP, either at the port of entry or electronically. The paragraph is also amended to provide that only in those situations where it clearly would be impossible to ship merchandise on a through bill of lading (*e.g.*, shipments via the seller's own conveyance) will other documentation satisfactory to the Center director, rather than the port director, showing a sale for export to the United States and placement for through shipment to the United States be accepted in lieu of a through bill of lading. The language "CBP, either at the port of entry or electronically" here means that the importer may use the means of submission currently permitted; however, the authority to collect the bill of lading is being extended to personnel working for either the port director or the Center director.

Section 152.103(d) is amended to provide that if the value of an assist is to be added to the price actually paid or payable, or to be used as a component of computed value, the Center director, rather than the port director, shall determine the value of the assist and apportion that value to the price of the imported merchandise in one of the manners delineated in § 152.103(d)(1)–(d)(2).

Section 152.103(l) is amended to provide that the Center director, rather than the port director, shall not disregard a transaction value solely because the buyer and seller are related.

Section 152.103(l)(2)(iii) is amended to provide that if one of the test values provided in § 152.103(j)(2)(i) has been found to be appropriate, the Center director shall not seek to determine if the relationship between the buyer and seller influenced the price. If the Center director already has sufficient information to be satisfied, without further detailed inquiries, that one of the test values is appropriate, he shall not require the importer to demonstrate that the test value is appropriate.

Section 152.103(m) is amended to provide that when CBP has grounds for rejecting the transaction value declared by an importer and that rejection increases the duty liability, the Center director, rather than the port director, shall inform the importer of the grounds for the rejection. The importer will be afforded 20 days to respond in writing to the Center director, rather than the port director, if in disagreement.

Section 152.105(h)(3)(i)(2) is amended to provide that the Center director, rather than the port director, will review on its merits each case involving the following issues: If the imported merchandise loses its identity as a result of further processing, the method specified in § 152.105(c)(3) will not be applicable unless the value added by the processing can be determined accurately without unreasonable difficulty for either importers or Customs; and if the imported merchandise maintains its identity but forms a minor element of the merchandise sold in the United States, the use of § 152.105(c)(3) will be unjustified.

Section 152.106(f)(2) is amended to provide that, if not contrary to domestic law regarding disclosure of information, and if information other than that supplied by or on behalf of the producer is used to determine computed value, the Center director, rather than the port director, shall inform the importer, upon written request, of: (i) The source of the information, (ii) the data used,

and (iii) the calculation based upon the specified data.

*X. Part 158—Relief From Duties on Merchandise Lost, Damaged, Abandoned, or Exported*

Section 158.3 is amended to provide that allowance shall be made in the assessment of duties for lost or missing packages of merchandise included in an entry summary whenever it is established to the satisfaction of the Center director, rather than the port director, before the liquidation of the entry summary becomes final that the merchandise claimed to be lost or missing was not “permitted.”

Section 158.5(a) is amended to provide that an allowance shall be made in the assessment of duties for deficiencies in the contents of packages when, before the liquidation of the entry becomes final, the importer files in the case of a concealed shortage, a Customs Form 5931, in triplicate, executed by the importer alone, and the Center director, rather than the port director, is satisfied as to the validity of the claim.

Section 158.13(b) is amended to provide that if the port director is satisfied after any necessary investigation that the merchandise contains moisture or impurities as described in § 158.13(a), the Center director, rather than the port director, will make allowance for the amount thereof in the liquidation of the entry. The reason that the term “port director” is being maintained the first time it appears in this provision is because entry and condition of release issues will continue to be handled by the personnel working for the port directors. The word “he” in the provision originally meant “the port director”; however, the words “he shall” is being removed and replaced with “the Center director will” because the authority to make liquidation determinations is being transitioned to the Center directors.

*Y. Part 159—Liquidation of Duties*

Section 159.7(b) is amended by removing the words “at the port where the merchandise is held in CBP custody” and replacing them with the words “by the Center director” to specifically provide that the Center director personnel will effectuate on the effective date of the change any necessary reliquidations of customs duty or tax on merchandise covered by a rewarehouse entry which may be required by reason of a change in rate of customs duty or tax made by an act of Congress or a proclamation of the President.

Section 159.7(c) is amended by removing the words “port director of the port where the merchandise is entered for rewarehouse” and replacing them with “Center director” to provide that the Center director, rather than the port director where the merchandise is entered for rewarehouse, has the authority to determine that circumstances that make it advisable to follow the liquidation of the original warehouse entry and to make an appropriate adjustment in the amount of duties to be assessed under the rewarehouse entry.

Section 159.12(a)(1) is amended to provide that the Center director, rather than the port director, may extend the one (1)-year statutory period for liquidation for an additional period not to exceed one (1)-year under certain circumstances, including if the importer requests an extension in writing before the statutory period expires and shows good cause why the extension should be granted.

Section 159.12(a)(1)(ii) is amended by stating that “good cause” is demonstrated when the importer satisfies the Center director, rather than the port director, that more time is needed to present to CBP information which will affect the pending action, or there is a similar question under review by CBP.

Section 159.12(b) is amended by noting that if the Center director, rather than the port director, extends the time for liquidation, as provided in § 159.12(a)(1), he promptly will notify the importer or the consignee and his agent and surety on CBP Form 4333–A, appropriately modified, that the time has been extended and the reasons for doing so.

Section 159.12(c) is amended to provide that if the liquidation of an entry is suspended as required by statute or court order, as provided in § 159.12(a)(2), the Center director, rather than the port director, promptly will notify the importer or the consignee and his agent and surety on CBP Form 4333–A, appropriately modified, of the suspension.

Section 159.12(d)(1) is amended to provide that if an extension has been granted because CBP needs more information and the Center director, rather than the port director, thereafter determines that more time is needed, he may extend the time for liquidation for an additional period not to exceed 1 year provided he issues the notice required by § 159.12(b) before termination of the prior extension period.

Section 159.12(d)(2) is amended to provide that if the Center director,

rather than the port director, finds that good cause (as defined in § 159.12(a)(1)(ii)) exists, he will issue a notice extending the time for liquidation for an additional period not to exceed 1 year.

Section 159.12(e) is amended to provide that the total time for which extensions may be granted by the Center director may not exceed 3 years. Currently, the regulation states that the extension granted by the port director may not exceed 3 years. This provision is being amended because the authority to make liquidation determinations is being transitioned to the Center directors.

Section 159.22(d)(2) is amended to provide that if the Center director, rather than the port director, is of the opinion that the invoice or schedule tare does not correctly represent the tare of the merchandise the actual tare shall be ascertained and in so doing the weigher shall empty and weigh as many casks, boxes, and other coverings as he may deem necessary.

Section 159.36(b) is amended to provide that when multiple rates have been certified for a foreign currency, the rate to be used for Customs purposes shall be the type of certified rate which the Center director, rather than the port director, is satisfied, from information in his own files, information obtained and presented to him by the importer, or information obtained from other sources, is uniformly applicable under the laws and regulations of the country of exportation to the particular class of merchandise on the date of exportation.

Section 159.36(c) is amended to provide that if the Center director, rather than the port director, has credible information that a type of rate or combination of types of rates which would otherwise be applicable under § 159.36(b) were not required or permitted, as the case may be, under the laws and regulations of the country of exportation to be used uniformly during any period in connection with the payment for all merchandise of the class involved, he shall immediately submit a detailed report to the Commissioner of Customs, and shall suspend appraisement and liquidation as to all merchandise of the class involved exported to the United States during the period involved, until instructions are received from the Commissioner of Customs.

Section 159.36(d) is amended to provide that if the Center director, rather than the port director, has credible information that a type of rate or combination of types of rates not applicable to payment for the merchandise was required or permitted

in payment of costs, charges, or expenses, the currency conversions for the exchange covering payment for the merchandise and for the exchange covering such costs, charges, or expenses shall be calculated separately. Moreover, the paragraph is amended to provide that in the event that any type of rate uniformly applicable to payment of such dutiable costs, charges, or expenses for merchandise of the class involved was a type of rate not certified in accordance with § 159.34 or § 159.35, the Center director, rather than the port director, shall immediately submit a detailed report to the Commissioner of Customs, and shall suspend appraisement and liquidation as to all merchandise of the class involved exported to the United States during the period involved, until instructions are received from the Commissioner.

Section 159.38 is amended to provide that for purposes of calculating estimated duties, the Center director, rather than the port director, shall use the rate or rates appearing to be applicable under the instructions in this subpart to the merchandise involved. When it is not yet known what certified rate or rates are applicable or no rate has been certified, the Center director, rather than the port director, shall take into account all the information in his possession and shall use the highest rate or combination of rates (*i.e.*, the rate or combination of rates showing the highest amount of United States money), certified or uncertified as the case may be, which could be applicable.

Section 159.44 is amended to provide that whenever it appears that imported articles may be subject to the special duties provided for in section 802, Act of September 8, 1916 (15 U.S.C. 73), the Center director, rather than the port director, shall report the matter to the Commissioner of Customs and await instructions with respect to the imposition of such duties.

Section 159.58(a) is amended to provide that upon receipt of notification from the Commissioner, the Center director will suspend liquidation on merchandise entered, or withdrawn from warehouse, for consumption, on or after the date of publication of the “Notice of Preliminary Affirmative Antidumping Determination,” “Notice of Final Affirmative Antidumping Determination” or “Notice of Violation of Agreement” as provided by part 353, chapter III, of this title. The Center director will immediately notify the importer, consignee, or agent of each entry of merchandise in question with respect to which liquidation is suspended.

Section 159.58(b) is amended to provide that upon receipt of notification from the Commissioner, the Center director will suspend liquidation on merchandise entered, or withdrawn from warehouse, for consumption, on or after the date of publication of the “Notice of Preliminary Affirmative Countervailing Duty Determination,” “Notice of Final Affirmative Countervailing Duty Determination” or “Notice of Violation of Agreement,” as provided by part 355, Chapter III, of this title. The Center director will immediately notify the importer, consignee, or agent of each entry of merchandise in question with respect to which liquidation is suspended.

#### *Z. Part 161—General Enforcement Provisions*

Section 161.16 concerns the filing of a claim for informant compensation. Paragraph (b) is amended to provide that the Special Agent in Charge, U.S. Immigration and Customs Enforcement, Homeland Security Investigations will forward the form to the Center director (rather than the port director), who will make a recommendation on the form as to approval and the amount of the award. The Center director, rather than the port director, will forward the form to CBP Headquarters for action. If for any reason a claim has not been transmitted by the Center director, the claimant may apply directly to CBP Headquarters.

#### *AA. Part 162—Inspection, Search, and Seizure*

Section 162.74(c) is amended to provide that concerning prior disclosures, after Headquarters reviews the actual loss of duties, taxes and fees and renders its decision, the concerned Fines, Penalties, and Forfeitures Officer will be notified and the concerned Center director, rather than the CBP port, will recalculate the loss, if necessary, and notify the disclosing party of any actual loss of duties, taxes or fees increases.

Section 162.80(a)(1) is amended to provide that when an entry is the subject of an investigation for possible violation of section 592, Tariff Act of 1930, as amended (19 U.S.C. 1592), or of a penalty action established under that section, the Center director, rather than the port director, subject to the provisions of paragraph (a)(2) of this section, may liquidate the entry and CBP, either at the port of entry or electronically, may collect duties before the conclusion of the investigation or final disposition of the penalty action if the Center director, rather than the port director, determines that liquidation

would be in the interest of the Government. The language “CBP, either at the port of entry or electronically” here means that the importer may use the means of submission currently permitted; however, the authority to collect the duties is being extended to personnel working for either the port director or the Center director.

Section 162.80(a)(2)(i) is amended to provide that an entry not liquidated within one (1)-year from the date of entry or final withdrawal of all merchandise covered by a warehouse entry shall be deemed liquidated at the rate of duty, value, quantity, and amount of duties asserted at the time of entry by the importer, his consignee, or agent unless the time for liquidation is extended by the Center director (rather than the port director) because of certain circumstances delineated in § 162.80(a)(2)(i)(A)–(C).

Section 162.80(a)(2)(iii) is amended to provide that the Center director, rather than the port director, promptly shall notify the importer or consignee concerned and any authorized agent and surety of the importer or consignee in writing of any extension or suspension of the liquidation period.

#### *BB. Part 163—Recordkeeping*

Section 163.1(a)(2)(vii) is amended to provide that the maintenance of any documentation that the importer may have in support of a claim for preferential tariff treatment under the United States-Singapore Free Trade Agreement (SFTA), including a SFTA importer’s supporting statement if previously required by the port director or Center director before January 19, 2017, or the Center director on or after January 19, 2017. This section is being amended to include date ranges because the decision to require a SFTA importer’s supporting statement made prior to the effective date of these regulatory amendments will have been made by the port director or Center director (pursuant to the Delegation Order described in section I.B. of the Background section of this document) and the decision made on or after the effective date of these regulatory amendments will be made by the Center director.

Section 163.7(a) is amended by including Center directors to the list of individuals, who may in certain noted situations, issue a summons requiring a person within a reasonable period of time to appear before the appropriate CBP officer and to produce records or give relevant testimony under oath or both.

The appendix to part 163 is amended at section 10.512 of part IV to add the

Center director to the port director regarding importer's supporting statements related to Singapore Free Trade Agreement claims before the effective date of this document and changing port director to Center director for importer's supporting statements on or after the effective date of this document.

*CC. Part 173—Administrative Review in General*

Section 173.1 is amended to provide that Center directors, rather than port directors, have broad responsibility and authority to review transactions to ensure that the rate and amount of duty assessed on imported merchandise is correct and that the transaction is otherwise in accordance with the law.

Section 173.2 is amended to provide that the Center director, rather than the port director, may review transactions for correctness, and take appropriate action under his general authority to correct errors, including those in appraisal where appropriate, at the time of: (a) Liquidation of an entry; (b) Voluntary reliquidation completed within 90 days after liquidation; (c) Voluntary correction of an exaction within 90 days after the exaction was made; (d) Reliquidation made pursuant to a valid protest covering the particular merchandise as to which a change is in order; or (e) Modification, pursuant to a valid protest, of a transaction or decision which is neither a liquidation or reliquidation.

Section 173.3(a) is amended to provide that the Center director, rather than the port director, may reliquidate on his own initiative a liquidation or a reliquidation to correct errors in appraisal, classification, or any other element entering into the liquidation or reliquidation, including errors based on misconstruction of applicable law. A voluntary reliquidation may be made even though a protest has been filed, and whether the error is discovered by the Center director or is brought to his attention by an interested party.

Section 173.4(a) is amended to provide that even though a valid protest was not filed, the Center director, rather than the port director, upon timely application and for entries of merchandise made, or withdrawn from warehouse for consumption, before December 18, 2004, may correct pursuant to section 520(c)(1), Tariff Act of 1930, as amended, a clerical error, mistake of fact, or other inadvertence meeting the requirements of § 173.4(a)(1), by reliquidation or other appropriate action.

Section 173.4(a)(2) is amended to provide that a clerical error, mistake of fact, or other inadvertence meeting the requirements of § 173.4(a)(1) must be brought to the attention of the Center director or other appropriate CBP officer within 1 year after the date of liquidation or exaction. The term "other appropriate CBP officer" includes personnel working for the port director.

Section 173.4a is amended to provide that pursuant to section 520(a)(4), Tariff Act of 1930, as amended (19 U.S.C. 1520(a)(4)), the Center director, rather than the port director may, prior to liquidation of an entry, take appropriate action to correct a clerical error that resulted in the deposit or payment of excess duties, fees, charges, or exactions.

*DD. Part 174—Protests*

Section 174.0 is amended to provide that part 174 deals with the administrative review of decisions of the both the port director and Center director.

Section 174.3(b)(1) states that a corporate power of attorney to file protests shall be signed by a duly authorized officer or employee of the corporation. Paragraph (b)(1) is amended to provide that if the Center director, rather than the port director, is otherwise satisfied as to the authority of such corporate officer or employee to grant such power of attorney, compliance with the requirements of § 141.37 of this chapter may be waived with respect to such power.

Section 174.3(c) is amended to provide that powers of attorney issued by a partnership shall be limited to a period not to exceed 2 years from the date of receipt thereof by the Center director. The date on which the power of attorney information is input into CBP's authorized electronic data interchange system will be considered the date of receipt by the Center director.

Section 174.3(d) is amended to provide that any power of attorney shall be subject to revocation at any time by written notice given to and received by CBP, either at the port of entry or electronically. The language "CBP, either at the port of entry or electronically" here means that the importer may use the means of submission currently permitted; however, the authority to collect the notice is being extended to personnel working for either the port director or the Center director.

Section 174.12(d) is amended by removing the words "port director whose decision is protested" and replacing it with "CBP, either at the port

of entry or electronically". The language "CBP, either at the port of entry or electronically" here means that the importer may use the means of submission currently permitted; however, the authority to receive the protest is being extended to personnel working for either the port director or the Center director.

Section 174.13(b) is amended to provide that a single protest may be filed with respect to more than one entry with CBP, either at any port or electronically, if all such entries involve the same protesting party, and if the same category of merchandise and a decision or decisions common to all entries are the subject of the protest. The language "with CBP, either at any port or electronically" here means that the importer may choose the means of submission; however, the authority to receive the protest is being extended to personnel working for either the port director or the Center director.

Section 174.14(e) is amended to provide that rather than the amendment to a protest being filed with the port director with whom the protest was filed, an amendment to a protest shall be filed with CBP, either at the port of entry or electronically. The language "CBP, either at the port of entry or electronically" here means that the importer may use the means of submission currently permitted; however, the authority to receive the protest is being extended to personnel working for either the port director or the Center director.

Section 174.15(b)(2) is amended to provide that consolidation of protests under § 174.15(a) may be done by the port director or Center director, before January 19, 2017, or the Center director on or after January 19, 2017. The Center director is included for the dates prior to the effective date of this document because under the Center test, protests for the test participants were processed and decided upon by the Center director. Moreover, pursuant to the Delegation Order (described in section I.B. of the **Background** section of this document) protests may have been processed and decided upon by the Center director as well. Therefore, before the effective date of this document, the consolidation of protests may be done by the port director or Center director, and on or after the effective date of this document, any consolidation of protests covered by this provision will be handled by the Center director, rather than by the port director.

Section 174.16 is amended to provide that a protest shall not be filed against the reliquidation decision of the port director or Center director made before



January 19, 2017, or the reliquidation decision of the Center director made on or after January 19, 2017, upon any question not involved in the reliquidation. The Center director is included for the dates prior to the effective date of this document because under the Center test, reliquidation determinations for the test participants were made by the Center director and pursuant to the Delegation Order (described in section **I.B.** of the **Background** section of this document), reliquidation determinations for others may have been made by the Center director as well. Moreover, on or after the effective date of this document, reliquidation determinations will be made by the Center director, rather than by the port director.

Section 174.21(a) is amended to provide that, except as provided in § 174.21(b), the Center director, rather than the port director, shall review and act on a protest filed in accordance with section 514, Tariff Act of 1930, as amended (19 U.S.C. 1514), within 2 years from the date the protest was filed.

Section 174.21(b) is amended to provide that if the protest relates to an administrative action involving exclusion of merchandise from entry or delivery under any provision of the Customs laws, the Center director, rather than the port director, shall review and act on a protest filed in accordance with section 514(a)(4), Tariff Act of 1930, as amended (19 U.S.C. 1514(a)(4)), within 30 days from the date the protest was filed.

Section 174.22(a) is amended to provide that written requests for accelerated disposition of protests may be filed with the port director, Center director, or other CBP officer with whom the protest was filed. Accordingly, the authority to receive the written requests for accelerated disposition of protests resides with personnel working for either the port director or the Center director.

Section 174.22(c) is amended to provide that the Center director shall review the protest which is the subject of the request for accelerated disposition within 30 days from the date of mailing of a request for accelerated disposition filed in accordance with the provisions of § 174.22, and may allow or deny the protest in whole or in part.

Section 174.22(d) is amended to provide that the Center director, rather than the port director, will be responsible for allowing or denying a protest which is the subject of a request for accelerated disposition. As amended, it will be the Center director's, rather than the port director's, failure to do so within thirty

days from the date of mailing such request that will result in the protest being deemed to have been denied at the close of the thirtieth day following such date of mailing.

Section 174.23 is amended to provide that a protesting party may seek further review of a protest in lieu of review by the Center director by filing, on the form prescribed in § 174.25, an application for such review within the time allowed and in the manner prescribed by § 174.12 for the filing of a protest. The filing of an application for further review shall not preclude a preliminary examination by the Center director for the purpose of determining whether the protest may be allowed in full. If such preliminary examination indicates that the protest would be denied in whole or in part by the Center director in the absence of an application for further review; however, he shall forward the protest and application for consideration in accordance with § 174.26.

Section 174.24 is amended to provide that a further review of a protest which would otherwise be denied by the Center director, rather than the port director, shall be accorded a party filing an application for further review which meets the requirements of § 174.25 when the decision against which the protest was filed meets one of the listed criteria in § 174.24.

Section 174.24(a) is amended to state that further review shall be accorded when a decision against which the protest was filed is alleged to be inconsistent with a ruling of the Commissioner of CBP or his designee, or with a decision made by CBP with respect to the same or substantially similar merchandise.

Section 174.24(b) is amended to state that further review shall be accorded when a decision against which the protest was filed is alleged to involve questions of law or fact which have not been ruled upon by the Commissioner of CBP or his designee or by the Customs courts.

Section 174.24(c) is amended to state that further review shall be accorded when a decision against which the protest was filed involves matters previously ruled upon by the Commissioner of CBP or his designee or by the Customs courts but facts are alleged or legal arguments presented which were not considered at the time of the original ruling.

Section 174.24(d) is amended to state that further review shall be accorded when a decision against which the protest was filed is alleged to involve questions which the Headquarters Office, U.S. Customs and Border

Protection, refused to consider in the form of a request for internal advice pursuant to § 177.11(b)(5).

Section 174.26(a) is amended to provide that if upon examination of a protest for which an application for further review was filed the Center director, rather than the port director, is satisfied that the claim is valid, he shall allow the protest.

Section 174.26(b) is amended to provide that if upon examination of a protest for which an application for further review was filed the Center director, rather than the port director, decides that the protest in his judgment should be denied in whole or in part, the Center director, rather than the port director, will forward the application together with the protest and appropriate documents to be reviewed as delineated in § 174.26(b)(1)–(2).

Section 174.26(b)(2) is amended to provide that all other protests shall be reviewed by a designee of the Center director (rather than by a designee of the port director) who did not participate directly in the decision which is the subject of the protest.

Section 174.27 is amended to provide that upon completion of further review, the protest and appropriate documents forwarded for review shall be returned to the Center director, rather than the port director, together with directions for the disposition of the protest.

Section 174.29 is amended to provide that the Center director, rather than the port director, shall allow or deny in whole or in part a protest filed in accordance with section 514, Tariff Act of 1930, as amended, (19 U.S.C. 1514) within 2 years from the date the protest was filed. If the protest is allowed in whole or in part the Center director, rather than the port director, shall remit or refund any duties, charge, or exaction found to have been collected in excess, or pay any drawback found due.

Moreover, the section is amended to provide that if the protest is denied in whole or in part the Center director, rather than the port director, shall give notice of the denial in the form and manner prescribed in § 174.30.

Section 174.30(b) is amended to provide that the importer of record or consignee may give notice to CBP, either at the port of entry or electronically, instructing that notice of denial of any protest involving merchandise imported in his name or on his behalf shall be mailed to a person other than the person filing such protest or the designee of such person. This document also amends the provision to note that notice of denial of a protest shall be mailed to the substituted person so designated only if the notice of substitution is

received by CBP prior to a denial by him of such protest. The language “CBP, either at the port of entry or electronically” here means that the importer of record or consignee may use the means of submission currently permitted; however, the authority to receive the notice is being extended to personnel working for either the port director or the Center director.

Section 174.30(c) is amended to provide that the Center director, rather than the port director, shall note on the notice of denial of a protest the payment of all liquidated duties, charges, or exactions, if he has actual knowledge of such payment at the time that the protest is denied.

*EE. Part 176—Proceedings in the Court of International Trade*

Section 176.1 is amended to provide that when an action is initiated in the Court of International Trade a copy of the summons shall be served in the manner prescribed by the Court of International Trade upon the CBP official(s) who denied the protest(s), and an additional copy shall be served upon the Assistant Chief Counsel for Court of International Trade Litigation, United States Customs and Border Protection, 26 Federal Plaza, New York, N.Y. 10007. The term “CBP official(s)” is added here in place of “director of each port where a protest cited in the summons was denied” because the protest may have been denied by either a CBP employee working for either the Center director or the port director depending on the date on which the protests were denied.

*FF. Part 181—North American Free Trade Agreement*

Section 181.12(b)(1) is amended by noting that for purposes of determining compliance with the provisions of part 181 (19 CFR part 181), the records required to be maintained under § 181.12 shall be made available for examination and inspection by the Center director or other appropriate Customs officer in the same manner as provided in part 163 of this chapter in the case of U.S. importer records.

Section 181.22(b) is amended to provide that an importer who claims preferential tariff treatment on a good under § 181.21 shall provide, at the request of the Center director, rather than the port director, a copy of each Certificate of Origin pertaining to the good which is in the possession of the importer.

Section 181.22(b)(3) is amended to provide that a Certificate of Origin submitted to CBP under § 181.22(b) or under § 181.32(b)(3) shall be completed either in the English language or in the

language of the country from which the good is exported. If the Certificate is completed in a language other than English, the importer shall also provide to the Center director (rather than the port director), upon request, a written English translation thereof.

Section 181.22(c) is amended to provide that a Certificate of Origin shall be accepted by the Center director, rather than the port director, as valid for the purpose set forth in § 181.11(a), provided that the Certificate is completed, signed and dated in accordance with the requirements of § 181.22(b). The paragraph is also amended to provide that if the Center director, rather than the port director, determines that a Certificate is illegible or defective or has not been completed in accordance with § 181.22(b), the importer shall be given a period of not less than five working days to submit a corrected Certificate. Acceptance of a Certificate will result in the granting of preferential tariff treatment to the imported good unless, in connection with an origin verification initiated under subpart G of part 181 (19 CFR part 181) or based on a pattern of conduct within the meaning of § 181.76(c), the Center director determines that the imported good does not qualify as an originating good or should not be accorded such treatment for any other reason as specifically provided for elsewhere in part 181 (19 CFR part 181). A Certificate shall not be accepted in connection with subsequent importations during a period referred to in § 181.22(b)(5)(ii) if, based on an origin verification under subpart G of part 181 (19 CFR part 181), the Center director, rather than the port director, determined that a previously imported identical good covered by the Certificate did not qualify as an originating good.

Section 181.22(d)(1)(i) is amended to provide that except as otherwise provided in § 181.22(d)(2), an importer shall not be required to have a Certificate of Origin in his possession for an importation of a good for which the port director or Center director before January 19, 2017, or the Center director on or after January 19, 2017, has in writing waived the requirement for a Certificate of Origin because the port director or Center director is otherwise satisfied that the good qualifies for preferential tariff treatment under the NAFTA. This provision is amended to include reference to dates before and after the effective date of this document in the **Federal Register** because the port director or the Center director (pursuant to the Center test or the Delegation Order described in section I.B. of the Background section of this document),

may have waived the Certificate of Origin before the effective date of this document in the **Federal Register** and only the Center director may waive the Certificate of Origin on or after the effective date of this document in the **Federal Register**.

Section 181.22(d)(1)(iii) is amended to provide that except as otherwise provided in § 181.22(d)(2), an importer shall not be required to have a Certificate of Origin in his possession for a commercial importation for which the total value of originating goods does not exceed US\$2,500, provided that, unless waived by the Center director (rather than the port director), the producer, exporter, importer or authorized agent includes on, or attaches to, the invoice or other document accompanying the shipment the signed statement as noted in § 181.22(d)(1)(iii).

Section 181.22(d)(2) is amended to provide that if the Center director, rather than the port director, determines that an importation described in § 181.22(d)(1) forms part of a series of importations that may reasonably be considered to have been undertaken or arranged for the purpose of avoiding a certification requirement set forth in part 181 (19 CFR part 181), the Center director, rather than the port director, shall notify the importer in writing that for that importation the importer must have in his possession a valid Certificate of Origin to support the claim for preferential tariff treatment.

Section 181.23(a) is amended to note that if the importer fails to comply with any requirement under part 181 (19 CFR part 181), including submission of a Certificate of Origin under § 181.22(b) or submission of a corrected Certificate under § 181.22(c), the Center director, rather than the port director, may deny preferential tariff treatment to the imported good.

Section 181.23(b) is amended to provide that where the requirements for preferential tariff treatment set forth elsewhere in part 181 (19 CFR part 181) are met, the Center director, rather than the port director, nevertheless may deny preferential tariff treatment to an originating good if the good is shipped through or transshipped in a country other than the United States, Canada or Mexico and the importer of the good does not provide, at the request of the Center director, copies of the customs control documents that indicate to the satisfaction of the Center director that the good remained under customs control while in such other country.

Section 181.32(a) is amended to require that a post-importation claim for a refund under § 181.31 be filed with

CBP, either at the port of entry or electronically. The language “CBP, either at the port of entry or electronically” here means that the means of submission currently permitted may be used; however, the authority to receive the post-importation claim for a refund is being extended to personnel working for either the port director or the Center director.

Section 181.33(a) is amended to provide that after receipt of a post-importation claim under § 181.32, the Center director, rather than the port director, shall determine whether the entry covering the good has been liquidated and, if liquidation has taken place, whether the liquidation has become final.

Section 181.33(b) is amended to provide that if the Center director, rather than the port director, determines that any protest or any petition or request for reliquidation relating to the good has not been finally decided, the Center director, rather than the port director, shall suspend action on the claim filed under this subpart until the decision on the protest, petition or request becomes final. If a summons involving the tariff classification or dutiability of the good is filed in the Court of International Trade, the Center director, rather than the port director, shall suspend action on the claim filed under this subpart until judicial review has been completed.

Section 181.33(c)(1) is amended to provide that if the Center director, rather than the port director, determines that a claim for a refund filed under this subpart should be allowed and the entry covering the good has not been liquidated, the Center director, rather than the port director, shall take into account the claim for refund under this subpart in connection with the liquidation of the entry.

Section 181.33(c)(2) is amended to provide that if the Center director, rather than the port director, determines that a claim for a refund filed under subpart D of part 181 (19 CFR part 181, subpart D) should be allowed and the entry covering the good has been liquidated, whether or not the liquidation has become final, the entry must be reliquidated in order to effect a refund of duties pursuant to this subpart. If the entry is otherwise to be reliquidated based on administrative review of a protest or petition for reliquidation or as a result of judicial review, the Center director, rather than the port director, shall reliquidate the entry taking into account the claim for refund under this subpart.

Section 181.33(c)(3) is amended to provide that if any information is

provided to Customs pursuant to § 181.32(b)(4) or (5) of part 181 (19 CFR part 181), that information, together with notice of the allowance of the claim and the amount of duty refunded pursuant to this subpart, shall be provided by the Center director, rather than the port director, to the customs administration of the country from which the good was exported.

Section 181.33(d)(1) is amended to provide that the Center director, rather than the port director, may deny a claim for a refund filed under this subpart if the claim was not filed timely, if the importer has not complied with the requirements of this subpart, if the Certificate of Origin submitted under § 181.32(b)(3) of part 181 (19 CFR part 181) cannot be accepted as valid (see § 181.22(c)), or if, following initiation of an origin verification under § 181.72(a), the Center director, rather than the port director, determines either that the imported good did not qualify as an originating good at the time of importation or that a basis exists upon which preferential tariff treatment may be denied under § 181.72(d), § 181.74(c) or § 181.76(c).

Section 181.33(d)(2) is amended to provide that if the Center director, rather than the port director, determines that a claim for a refund filed under this subpart should be denied and the entry covering the good has not been liquidated, the Center director, rather than the port director, shall deny the claim in connection with the liquidation of the entry, and written notice of the denial and the reason therefor shall be given to the importer and, in the case of a denial on the merits, to any person who completed and signed a Certificate of Origin relating to the good.

Section 181.33(d)(3) is amended to provide that if the Center director, rather than the port director, determines that a claim for a refund filed under subpart D of part 181 (19 CFR part 181, subpart D) should be denied and the entry covering the good has been liquidated, whether or not the liquidation has become final, the claim may be denied without reliquidation of the entry. If the entry is otherwise to be reliquidated based on administrative review of a protest or petition for reliquidation or as a result of judicial review, such reliquidation may include denial of the claim filed under this subpart. In either case, the Center director, rather than the port director, shall give written notice of the denial and the reason therefor to the importer and, in the case of a denial on the merits, to any person who completed and signed a Certificate of Origin relating to the good.

Section 181.64(c)(2) is amended to provide that Center director, rather than the port director, may require such additional documentation as is deemed necessary to prove actual exportation of the goods from the United States for repairs or alterations, such as a foreign customs entry, a foreign customs invoice, a foreign landing certificate, bill of lading, or airway bill.

Section 181.64(c)(3) is amended to provide that if the Center director, rather than the port director, is satisfied, because of the nature of the goods or production of other evidence, that the goods are imported under circumstances meeting the requirements of § 181.64, he may waive submission of the declarations provided for in § 181.64(c)(1).

Section 181.64(c)(4) is amended to provide that for goods returned after having been repaired or altered in Canada other than pursuant to a warranty, the Center director, rather than the port director, shall require a deposit of estimated duties based upon the full cost or value of the repairs or alterations. The paragraph is also amended to provide that the duties must be deposited with CBP, either at the port of entry or electronically. The language “CBP, either at the port of entry or electronically” here means that the means of submission currently permitted may be used; however, the authority to collect the duties is being extended to personnel working for either the port director or the Center director.

Section 181.112(a) is amended to provide that the term “*Adverse marking decision*” means a decision made by the port director or Center director before January 19, 2017, or the Center director on or after January 19, 2017, which an exporter or producer of merchandise believes to be contrary to the provisions of Annex 311 of the NAFTA and which may be protested by the importer pursuant to § 514, Tariff Act of 1930, as amended (19 U.S.C. 1514), and part 174 of this chapter. The paragraph is also amended to provide that examples of adverse marking decisions include determinations by the port director or Center director before January 19, 2017, or the Center director on or after January 19, 2017: that an imported article is not a good of a NAFTA country, as determined under the Marking Rules, and that it therefore cannot be marked “Canada” or “Mexico”; that a good of a NAFTA country is not marked in a manner which is sufficiently permanent; and that a good of a NAFTA country does not qualify for an exception from marking specified in Annex 311 of the NAFTA. The Center

director is included for the dates prior to the effective date of this document because under the Center test this provision was waived to the extent to allow adverse marking decisions for the test participants to be made by the Center director. Moreover, before the effective date of this document, the Center director may have made adverse marking decisions pursuant to the Delegation Order (described in section I.B. of the Background section of this document). However, on and after the effective date of this document, any adverse marking decisions concerning this provision will be handled by the Center director, rather than by the port director.

Section 181.113(a) is amended to provide that the exporter or producer of the merchandise which is the subject of an adverse marking decision may request a statement concerning the basis for the decision by filing a typewritten request, in English, with CBP, either at the port of entry or electronically. The language “CBP, either at the port of entry or electronically” here means that the means of submission currently permitted may be used; however, the authority to receive the petition is being extended to personnel working for either the port director or the Center director and the request may be submitted electronically.

Section 181.114(a) is amended to provide that the Center director, rather than the port director, will issue a written response to the requestor within 30 days of receipt of a request containing the information specified in § 181.113. If the request is incomplete, such that the transaction in question cannot be identified, the Center director, rather than the port director, will notify the requestor in writing within 30 days of receipt of the request regarding what information is needed.

Section 181.114(b) is amended to reflect that the Center director, rather than the port director, will be providing the response noted in § 181.114(a).

Section 181.115(b) is amended by removing the words “port director with whom the protest was filed” and adding in their place the words “Center director” to reflect that if an exporter or producer of merchandise want to intervene in an importer’s protest of an adverse marking decision, the party must file their intervention with the Center director.

Section 181.115(e) is amended to provide that if final administrative action has already been taken with respect to the importer’s protest at the time the intervention is filed, the Center director, rather than the port director, shall so advise the exporter or producer

and, if the importer has filed a civil action in the Court of International Trade as a result of a denial of the protest, the Center director, rather than the port director, shall advise the exporter or producer of that filing and of the exporter’s or producer’s right to seek to intervene in such judicial proceeding. If final administrative action has not been taken on the protest, the Center director, rather than the port director, shall forward the intervention letter to the CBP office which has the importer’s protest under review for consideration in connection with the protest.

Section 181.116(a) is amended to provide that if the importer filed a protest on which final administrative action has not been taken and notice of the pending protest was not provided to the exporter or producer under § 181.114, a petition filed under § 181.116 shall be treated by the Center director, rather than the port director, as an intervention under § 181.115.

Section 181.116(b) is amended to provide that a petition under § 181.115 shall be typewritten, in English, and shall be filed, in triplicate, with the port of entry or filed electronically with CBP.

Section 181.116(d)(1) is amended to provide that within 60 days of the date of receipt of the petition, the Center director, rather than the port director, shall determine if the petition is to be granted or denied, in whole or in part. The paragraph is also amended to provide that if, after reviewing the petition, the Center director, rather than the port director, agrees with all of the petitioner’s claims and determines that the initial adverse marking decision was not correct, a written notice granting the petition shall be issued to the petitioner. The paragraph is also amended to provide that a description of the merchandise, a brief summary of the issue(s) and the Center director’s findings shall be forwarded to the Director, Tariff Classification Appeals Division, Customs Headquarters, for publication in the Customs Bulletin. The paragraph is further amended to provide that if, after reviewing the petition, the Center director, rather than the port director, determines that the initial adverse marking decision was correct in its entirety, a written notice shall be issued to the petitioner advising that the matter has been forwarded to the Director, Tariff Classification Appeals Division, Customs Headquarters, for further review and decision. Finally, the paragraph is amended to provide that all relevant background information, including available samples, a description of the adverse marking decision and the

reasons for the decision, and the Center director’s recommendation shall be furnished to Headquarters.

Section 181.121 is amended by removing the words “port director or other Customs officer” and adding in their place the words “port director, Center director, or other CBP officer” to specify that Center directors, in addition to port directors and other CBP officers who have possession of confidential business information collected pursuant to part 181 (19 CFR part 181) shall, in accordance with part 103 (19 CFR part 103), maintain its confidentiality and protect it from any disclosure that could prejudice the competitive position of the persons providing the information.

#### **IV. Statutory and Regulatory Requirements**

##### *A. Executive Order 13563 (Improving Regulation and Regulatory Review) and Executive Order 12866 (Regulatory Planning and Review)*

Executive Orders 13563 and 12866 direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule has not been designated a “significant regulatory action,” under section 3(f) of Executive Order 12866. Accordingly, the rule has not been reviewed by the Office of Management and Budget.

##### **1. Purpose of the Rule**

Prior to the launch of the Centers test, CBP port directors overseeing imports were solely responsible for facilitating lawful importation; protecting U.S. revenue by assessing and collecting customs duties, taxes and fees; and detecting, interdicting, and investigating illegal international trafficking in arms, munitions, counterfeit goods, currency, and acts of terrorism at their U.S. port of entry. Historically, when a shipment reached the United States, the importer of record (*i.e.*, the owner, purchaser, or licensed customs broker designated by the owner, purchaser, or consignee) would file entry documents and a bond for the imported goods with the director of the port where the merchandise was entered. If necessary, CBP staff working under the port director would then hold or examine the shipment or validate the entry documents to ensure the

merchandise's safety, security, and customs compliance with U.S. importing guidelines, or its general admissibility. The port director would release the shipment from CBP custody if no legal or regulatory violations occurred, allowing post-cargo release (hereafter, post-release) processing to commence. Within 10 working days of the merchandise's entry at a designated customhouse, CBP would require the importer to file entry summary documentation consisting of a return of the entry package to the importer, broker, or his authorized agent after merchandise is permitted release and an entry summary (CBP Form 7501), and to deposit any estimated duties on the shipment. In some cases, CBP would send a formal request for other invoices and documents (via a CBP Form 28: Request for Information) to the importer to assess duties, collect statistics, or determine that import requirements have been satisfied prior to processing the entry summary. Before completing the importation process, CBP Import Specialists and Entry Specialists working under the port director would review and process all entry summary and related documentation; classify and appraise the merchandise; collect final duties, taxes, and fees on the goods entered; and liquidate entry summaries. If necessary, these CBP trade personnel would also review and process protests, perform importer interviews, initiate monetary trade penalties, and initiate liquidated damages cases. Due to CBP's port-by-port trade processing authority and scope, the length, holds, exams, document submission requirements, and determinations of cargo entry and release vary widely among ports of entry. Importers often claim to receive disparate processing treatment for similar goods entered at different ports of entry, causing trade disruptions, increased transaction costs, and information lapses for not only the importer but also CBP. With an intent to facilitate trade, provide consistent import processing treatment, reduce transaction costs, and strengthen the agency's trade knowledge and enforcement posture, CBP began testing an organizational concept in 2011 that grouped agency trade expertise and operational responsibilities by industry and related import accounts into designated Centers of Excellence and Expertise.

Since their test implementation, the Centers have successfully met their trade enhancement goals. Based on such success, CBP would like to discontinue the Centers test and establish the Centers as permanent organizational

components of CBP through regulatory amendments.

With this rule, CBP will formally transition certain trade enforcement responsibilities in addition to the majority of post-release trade functions from the purview of port directors to Center directors.<sup>1</sup> Port directors will continue to retain singular authority over regulations pertaining to the control, movement, examination, and release of cargo. The Centers will focus on nationwide entry summary processing and other trade oversight on a per-importer account basis through a virtual means, which will replace traditional post-release import processing *per* entry at *each* port of entry with processing by a single assigned Center according to the importer account. To conduct such national, industry-focused processing, CBP will permanently staff the Centers with personnel specializing in trade matters through an internal realignment, which will impose no costs onto CBP. All Centers personnel will remain at their current location, primarily at ports of entry, to stay accessible to the trade community and to continue to assist with enforcement and compliance issues that arise at ports of entry with the physical importation of cargo. CBP will remotely manage employees through multidisciplinary teams located across the nation, thereby enabling CBP to extend the Centers' hours of service to trade members, maintain a high level of industry expertise in major port cities, and staff Centers with industry experts from across the country.

## 2. Costs and Benefits of Rule

In this regulatory impact analysis, CBP discusses the costs and benefits that CBP and trade members will experience with the regulatory implementation of the Centers of Excellence and Expertise in qualitative and, when possible, quantitative terms. CBP excludes any sunk costs already incurred during the Centers test phase from this assessment as such costs are not a result of this rule. The document "Program Assessment of the Centers of Excellence and Expertise," available in the docket for this rulemaking, assesses certain impacts of the Centers test phase.

### a. Costs

This rule will introduce minimal costs to CBP and the trade community because it largely meets its objectives through low- to no-cost internal

organization changes. The transition of post-release import processing and trade-related responsibilities from ports of entry to Centers will not affect the duties, taxes, and fees payment and entry summary submission process for importers, nor will it adversely impact other post-release activities (*e.g.*, processing duty refund claims, reviewing protests). Even with the Centers, importers may continue to file payments and paper entry summary documentation to CBP either at the port of entry or electronically. All payments from the trade community, whether submitted to a Center, at a port of entry, or electronically, will continue to go directly to CBP's Office of Administration. If trade enforcement or post-release processing issues emerge, CBP will maintain its formal importer notification and remedy process. Upholding these administrative processes will generate no related costs to the agency. CBP will only experience costs from this rule with regards to entry summary document rerouting and Center assignment appeals.

Following this rule's implementation, if an importer or broker submits paper entry summary documentation at a port of entry without an appropriate Center representative on site, CBP staff at the port will reroute the documents internally by electronic means to the Center assigned to manage the importer's account. This electronic rerouting system will not introduce costs to CBP because the agency created such necessary technological capabilities during the Centers test phase. However, document rerouting will create time, or opportunity, costs. CBP estimates that it will need to reroute 9,000 entry summary documents each year based on historical paper documentation rerouting needs and an anticipated lack of physical Center representation at certain ports of entry.<sup>2</sup> This estimate does not take into account CBP system enhancements recently completed and in development that would minimize document rerouting costs. Each document will take a CBP port employee an average of 8 minutes (0.13 hours) to reroute electronically to the appropriate Center.<sup>3</sup> Multiplying this time burden by the projected number of forms rerouted per year, CBP finds that CBP will incur an annual time burden of 1,200 hours to reroute paper documentation for post-release processing.

<sup>2</sup> Source: CBP's Office of Field Operations, January 15, 2015.

<sup>3</sup> Source: CBP's Office of Field Operations, January 15, 2015.

<sup>1</sup> See the "Explanation of Amendments" section for a detailed list of trade function transitions occurring with this rule.

In addition to sustaining document rerouting costs on account of the Centers, CBP will experience costs from processing (*i.e.*, reviewing and making a determination on) Center assignment appeals. Generally, CBP will assign each importer to a specific Center based on the HTSUS classification and industry sector corresponding to the predominant number of goods they import.<sup>4</sup> If an importer is displeased with their Center assignment, they may appeal it at any time by submitting a written appeal to CBP by mail or email. Appeals must include the following information: (1) Current Center assignment; (2) Preferred Center assignment; (3) All affected IOR numbers and associated bond numbers; (4) Written justification for the change in Center assignment; and (5) Import data, as described in the “Finalization of the Centers of Excellence and Expertise Test” section. CBP projects that importers will file a total of 60 Center assignment appeals each year.<sup>5</sup> Each appeal will take an estimated 60 minutes (1 hour), on average, for CBP Headquarters staff to process.<sup>6</sup> CBP will generally notify trade members of its Center appeal decisions by electronic means, thus imposing no additional cost to the agency.<sup>7</sup> Based on the expected number of Center appeals submitted annually and CBP’s time burden to manage each appeal, CBP will sustain a yearly time burden of 60 hours from this rule’s Center assignment appeals process.

As outlined throughout this rule, the responsibilities of the trade community will remain largely unchanged after the Centers’ regulatory implementation. Importers may continue to file pre- and post-cargo release documentation and payments where their merchandise is entered. CBP personnel, who may work for either a Center director or a port director will accept all paper import documents from trade members. When necessary, CBP will internally route documentation to the appropriate Center for review and processing. Importers and brokers who file

electronically will continue to use CBP’s automated systems, such as ABI, to submit required import data and payments to CBP. Meanwhile, CBP will maintain a consistent formal notification and remedy process with importers regarding post-release and other trade-related issues following the Centers’ establishment. Trade members will only incur costs from this rule when appealing a Center assignment.

Importers may choose to appeal their Center assignment for a number of reasons, including the expectation of better service or product knowledge at another Center. As previously discussed, if an importer chooses to appeal their Center assignment, they must submit a written appeal to CBP by mail or email that includes information about their current and preferred Center assignments (see “Finalization of the Centers of Excellence and Expertise Test” for specific appeal requirements). CBP estimates that each appeal will take 60 minutes (1 hour) for an importer to complete,<sup>8</sup> at an opportunity cost of \$30.05 based on an importer’s \$30.05 hourly value of time.<sup>9</sup> <sup>10</sup> Due to the

relative affordability of submitting a Center assignment appeal via email rather than mail, CBP believes that the vast majority of importers will file appeals electronically. Therefore, CBP does not consider the printing or mailing costs for an importer to submit a Center assignment appeal in this analysis. By applying the cost for importers to complete and submit a Center assignment appeal to the previously mentioned expected number of Center assignment appeals filed annually, CBP finds that this rule’s appeals process will generate \$1,803 in yearly costs to the trade community.

Certain trade members, particularly Customs-accredited laboratories and Customs-approved gaugers, may incur added costs with this rule’s amendments to their obligations outlined in 19 CFR 151.12(c)(5)-(6) and 19 CFR 151.13(b)(5)-(6). As amended, CBP will require Customs-accredited laboratories to notify an additional CBP representative, the Center director, of “any circumstance which might affect the accuracy of work performed as an accredited laboratory, . . . their consequences, and any corrective action taken or that needs to be taken” and “. . . of any attempt to impede, influence, or coerce laboratory personnel in the performance of their duties, or of any decision to terminate laboratory operations or accredited status.” <sup>11</sup> Similarly, CBP will require Customs-approved gaugers to notify an additional CBP representative, the Center director, of “any circumstance which might affect the accuracy of work performed as an approved gauger, . . . their consequences, and any corrective action taken or that needs to be taken” and “. . . of any attempt to impede, influence, or coerce gauger personnel in the performance of their duties, or of any decision to terminate gauger operations or approval status.” <sup>12</sup> Under current regulations, CBP mandates Customs-accredited laboratories and Customs-approved gaugers to contact the port director and Executive Director on these matters described. Given that CBP has not received any notifications currently required under 19 CFR

<sup>8</sup> Source: CBP’s Office of Field Operations, January 26, 2015.

<sup>9</sup> CBP bases the \$30.05 wage rate on the Bureau of Labor Statistics’ (BLS) 2014 median hourly wage rate for Cargo and Freight Agents (\$19.89), which CBP assumes best represents the wage for importers, multiplied by the ratio of BLS’ average 2014 total compensation to wages and salaries for Office and Administrative Support occupations (1.4813), the assumed occupational group for importers. CBP then rounded and adjusted this figure, which was in 2014 U.S. dollars, to 2016 U.S. dollars using a 1.0 percent annual growth rate, as recommended by the U.S. Department of Transportation’s value of travel time guidance. Source of median wage rate: U.S. Bureau of Labor Statistics. Occupational Employment Statistics, “May 2014 National Occupational Employment and Wage Estimates, United States- Median Hourly Wage by Occupation Code: Occupation Code 43–5011.” Updated March 25, 2015. Available at <http://www.bls.gov/oes/2014/may/oes435011.htm>.

Accessed June 15, 2015. Source of total compensation to wages and salaries ratio: U.S. Bureau of Labor Statistics. Employer Costs for Employee Compensation. *Employer Costs for Employee Compensation Historical Listing March 2004–December 2015*, “Table 3. Civilian workers, by occupational group: Employer costs per hours worked for employee compensation and costs as a percentage of total compensation, 2004–2015 by Respondent Type: Office and administrative support occupations.” June 10, 2015. Available at <http://www.bls.gov/ncs/ect/sp/eeccqrtn.pdf>. Accessed June 15, 2015. The total compensation to wages and salaries ratio used is equal to the average of the 2014 quarterly estimates (shown under Mar., June, Sep., Dec.) of the total compensation cost per hour worked for Office and Administrative Support occupations (\$24.66) divided by the calculated average of the 2014 quarterly estimates (shown under Mar., June, Sep., Dec.) of wages and salaries cost per hour worked for the same occupation category (\$16.6475). Source of suggested growth rate: U.S. Department of Transportation, Office of Transportation Policy. *The Value of Travel Time Savings: Departmental Guidance for Conducting Economic Evaluations Revision 2 (2015 Update)*,

“Table 4 (Revision 2-corrected): Recommended Hourly Values of Travel Time Savings.” April 29, 2015. Available at <http://www.transportation.gov/sites/dot.gov/files/docs/Revised%20Departmental%20Guidance%20on%20Valuation%20of%20Travel%20Time%20in%20Economic%20Analysis.pdf>. Accessed June 15, 2015.

<sup>10</sup> The opportunity cost estimate is equal to the median hourly wage of an importer (\$30.05) multiplied by the hourly time burden for an importer to complete and submit a Center assignment appeal (1 hour), and then rounded.

<sup>11</sup> See 19 CFR 151.12(c)(5) and 151.12(c)(6).

<sup>12</sup> See 19 CFR 151.13(b)(5) and 151.13(b)(6).

<sup>4</sup> The list of HTSUS numbers that will be used by CBP for the importer’s placement in a Center is the same list of HTSUS numbers that are referenced in the definition for Centers (see § 101.1). Factors that may cause CBP to place an importer in a Center not based on the HTSUS classification of the predominant number of goods imported include the importer’s associated business practices within an industry, the intended use of the predominant number of goods imported, or the high relative value of goods imported.

<sup>5</sup> Source: CBP’s Office of Field Operations, January 15, 2015.

<sup>6</sup> Source: CBP’s Office of Field Operations, January 15, 2015.

<sup>7</sup> Source: CBP’s Office of Field Operations, January 15, 2015.

151.12(c)(5)–(6) and 19 CFR 151.13(b)(5)–(6) in the past 20 years, CBP assumes in this analysis that the Centers rule's additional CBP notification step for Customs-accredited laboratories and Customs-approved gaugers will not introduce any costs to these parties.<sup>13</sup>

In all, the Centers rule will introduce a time burden of 1,260 hours to CBP each year and an annual cost of \$1,803 to trade members.

#### b. Benefits

This rule will likely produce valuable benefits to CBP and the trade community. This section of the analysis largely discusses the benefits of the rule qualitatively due to quantitative data limitations. Based on the success of the Centers test, CBP believes that as permanent organizational components, the Centers will continue to provide uniform post-release processing and trade-related decision-making, strengthen critical agency knowledge of industry practices and products, heighten CBP's trade enforcement skills, and improve trade communication, though on a much grander scale than observed during the test phase because of the expansion of the Centers concept to all importers.

The Centers allow CBP to conduct uniform entry summary processing and trade-related decision-making nationwide on an industry-specific, importer account basis by transitioning the post-release processing of an importer's goods from a transactional level at each port of entry to one assigned Center. Such organization has already benefited at least one Center test participant, who claims that they have gained numerous administrative efficiencies since joining the Center, including time and cost savings from reduced paperwork submission requirements.<sup>14</sup> Once established as permanent CBP components, the Centers will presumably require fewer information requests and conduct better informed trade compliance actions than in the current environment, leading to time and cost savings to CBP and trade members. Currently, when a non-Center test participating importer enters similar merchandise at different U.S. ports of entry that requires supplemental information for entry summary processing, CBP personnel at each port of entry will generally submit a CBP

Form 28: Request for Information to the importer. In this case, the importer must respond to each request, even if the responses are identical, and CBP personnel at each port of entry must review the duplicative information received from the importer. With the Centers, the importer will receive only one CBP Form 28 for the merchandise's entry summary processing, requiring CBP personnel to review the importer's supplemental information only once. For each avoidance of a CBP Form 28, CBP will save 10 minutes (0.17 hours) of time in issuing the request and reviewing the requested information.<sup>15</sup> Importers can expect to save an estimated 120 minutes (2 hours) in preparation time for each avoided CBP Form 28 response<sup>16</sup> and \$60.10 in averted opportunity costs.<sup>17</sup> CBP and some importers may experience additional printing and mailing cost savings through reduced CBP Form 28 submissions, though the extent of these savings is unknown.

With a single Center conducting all post-release processing for a particular importer, determinations on protests, marking, and classification matters will also now be consistent rather than sometimes contrasting as in the current environment, where importers occasionally receive different determinations on similar trade compliance issues depending on the port of entry where their merchandise is processed that sometimes requires duplicative action on behalf of CBP and the importer. This consistency may enhance importers' awareness of CBP's positions on trade compliance issues, which may lead to improved compliance and an unknown amount of subsequent savings to both parties in the future. To the extent that this rule's uniform processing and determinations also decrease post-entry amendments, post-summary corrections, exams, hold times, and other trade obstacles, the benefits of this rule will be higher.

<sup>15</sup> Source: U.S. Office of Management and Budget, Office of Information and Regulatory Affairs. *RegInfo.gov*. "Supporting Statement Request for Information 1651–0023." June 20, 2014. Available at [http://www.reginfo.gov/public/do/PRAViewDocument?ref\\_nbr=201403-1651-004](http://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=201403-1651-004). Accessed January 20, 2015.

<sup>16</sup> Source: U.S. Office of Management and Budget, Office of Information and Regulatory Affairs. *RegInfo.gov*. "Supporting Statement Request for Information 1651–0023." June 20, 2014. Available at [http://www.reginfo.gov/public/do/PRAViewDocument?ref\\_nbr=201403-1651-004](http://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=201403-1651-004). Accessed January 20, 2015.

<sup>17</sup> The opportunity cost estimate is equal to the previously-discussed median hourly wage of an importer (\$30.05) multiplied by the hourly time burden for an importer to complete a CBP Form 28 response (2 hours), and then rounded.

In addition to creating uniform post-release processing and determinations, the Centers will strengthen CBP trade personnel's industry knowledge by concentrating their expertise into a specific import industry set as opposed to the entire range of import industries. According to outreach conducted while evaluating this rule, such focused expertise has already enriched CBP-Trade relations, as demonstrated through a Centers test participant's claim that Center account managers are very knowledgeable of their industry and are now more familiar with their imports and trade issues.<sup>18</sup> As Centers staff increase their awareness of importers and their merchandise, they may issue fewer requests for information, exams, or holds, which would provide significant time and cost savings to CBP and trade members. The Centers' industry focus has also enriched trade enforcement. Using knowledge gathered through processing solely entry summaries for the electronics industry, Electronics Center employees uncovered a counterfeit electronic adapter import operation. Since discovering the counterfeiting operation, the Electronics Center has worked with the rights holder to add a trademark onto their electronic device to prevent future intellectual property rights (IPR) violations and subsequent economic losses.<sup>19</sup> Based on the benefits of enhanced industry knowledge gained during the Centers test phase, the permanent establishment of the Centers will likely enhance CBP-Trade relations, facilitate trade, and result in an improved ability to identify high-risk commercial importations that could enhance import safety, increase revenue protection, and reduce economic losses associated with trade violations.

Furthermore, the Centers will improve communication among CBP and the entire U.S. importing universe by replacing communication with each port of entry with communication with one Center. The Centers will serve as a single source for trade members to contact regarding such subjects as importing requirements, IPR infringement or other trade violations, merchandise holds, and PGA issues, eliminating the need for trade members to contact multiple CBP employees and for multiple CBP employees to share duplicative information with members of the trade. Such a decrease in redundant information requests and

<sup>18</sup> Source: Teleconference with CBP's Pharmaceuticals, Health & Chemicals Center test participant on December 19, 2013.

<sup>19</sup> Source: Teleconference with CBP's Electronics Center test on December 3, 2013.

<sup>13</sup> Based on the number of notifications received by CBP's Laboratories and Scientific Services as of January 2015. Source: CBP's Office of Field Operations, January 15, 2015.

<sup>14</sup> Source: Teleconference with CBP's Pharmaceuticals, Health & Chemicals Center test participant on December 19, 2013.



sharing will produce time and cost savings to the trade community and CBP. The Centers will also allow for enhanced communication with importers by offering extended hours of service compared to port of entry service hours, which may expedite trade. Without information on the amount of duplicative communication eliminated with the emergence of the Centers or the volume of trade expedited through the Centers' extended hours of service, the overall value of these communication benefits is unknown.

#### c. Net Impact of Rule

In summary, this rule's formal establishment of the Centers of Excellence and Expertise will introduce costs and benefits. CBP will sustain 1,260 added work hours each year from rerouting paper documentation and reviewing Center assignment appeals, while trade members will bear an annual cost of \$1,803 attributable to Center assignment appeals. CBP and trade members will also experience benefits from this rule's decreased import costs and time burdens, streamlined trade processing, broadened industry and trade compliance knowledge, enhanced trade enforcement posture, and improved communication, though the overall value of these benefits is unknown. Although not fully quantified, CBP believes this rule's benefits to CBP and the trade community will be considerable, while its costs to these parties will be relatively negligible. For these reasons, CBP asserts that the benefits of this rule will outweigh its costs, thus providing an overall net benefit to the agency and members of the trade community.

#### B. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et. seq.*), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996, requires agencies to assess the impact of regulations on small entities. A small entity may be a small business (defined as any independently owned and operated business not dominant in its field that qualifies as a small business concern per the Small Business Act); a small not-for-profit organization; or a small governmental jurisdiction (locality with fewer than 50,000 people). CBP is issuing this rule as an interim final rule under the agency management and personnel and procedural rule exceptions of the Administrative Procedure Act. Thus, a Regulatory Flexibility Act analysis is not required. See 5 U.S.C. 553. Nonetheless, CBP

considered the economic impact of this rule on small entities.

Through this rule, CBP will formally transition certain trade enforcement responsibilities in addition to the majority of post-release trade functions from the purview of port directors to Center directors.<sup>20</sup> Port directors will continue to retain singular authority over regulations pertaining to the control, movement, examination, and release of cargo. Because the Centers will introduce a new post-release processing method for all U.S. imports, this rule's regulatory changes will affect all importers and related members of the trade who enter goods into the United States, including those considered "small" under the Small Business Administration's (SBA) size standards.<sup>21</sup> For this reason, CBP believes that this rule will impact a substantial number of small entities.

This rule will generate costs and benefits to importers and related members of the trade. As outlined throughout this rule, the responsibilities of the trade community remain largely unchanged after the Centers' regulatory implementation. However, trade members may experience costs when filing a Center assignment appeal and when notifying a Center under amended 19 CFR 151.12(c)(5)–(6) and 19 CFR 151.13(b)(5)–(6) requirements.

As previously mentioned in the "Executive Order 13563 (Improving Regulation and Regulatory Review) and Executive Order 12866 (Regulatory Planning and Review)" section, importers will incur an opportunity cost of \$30.05 per Center assignment appeal. With 60 appeals expected each year, the annual cost of Center assignment appeals to the entire trade community will equal \$1,803. It is likely that some small entities will file Center assignment appeals, though the exact number is unknown. Regardless of the number of small entities impacted by this requirement, CBP does not believe that a cost of \$30.05 to file a Center assignment appeal will amount to a "significant" level to these entities.

Under current regulations, CBP mandates Customs-accredited laboratories and Customs-approved gaugers to contact the port director and Executive Director on the matters described in 19 CFR 151.12(c)(5)–(6) and 19 CFR 151.13(b)(5)–(6). Given that CBP has not received any such notifications in the past 20 years, CBP assumes that this rule's added

requirement to contact a Center director per 19 CFR 151.12(c)(5)–(6) and 19 CFR 151.13(b)(5)–(6)'s amendments will not impact a substantial number of small entities. In the event that a Customs-accredited laboratory or Customs-approved gauger considered "small" has to notify an additional CBP representative according to these regulatory changes, CBP does not believe that requiring one more phone call, letter, or email will cause a significant economic impact to the entity.

Besides costs, importers and related members of the trade will experience benefits from this rule, though the value of these benefits is unknown due to data limitations. The trade community will likely benefit from this rule's uniform post-release processing and decision-making, increased agency knowledge of industry practices and products, and improved communication with CBP, based on observations from the Centers test. CBP expects the Centers' uniform post-release processing and trade-related determinations to decrease administrative burdens on the trade, resulting in time and cost savings. This uniformity may also enhance the trade community's awareness of CBP's position on trade compliance issues, which may improve compliance and generate an unknown amount of subsequent savings to trade members in the future. The Centers' strengthened industry focus will likely enhance CBP-Trade relations, facilitate trade, and result in an improved ability to identify high-risk commercial importations that could increase import safety, increase revenue protection, and reduce economic loss associated with trade violations. By replacing port-by-port communication with communication with one Center, the Centers will serve as a single source for trade members to contact regarding such subjects as importing requirements, IPR or other trade violation reports, merchandise holds, and PGA issues. This sole communication source will eliminate the need for trade members to contact multiple CBP resources, which will likely produce additional time and cost savings. The Centers will also allow for enhanced communication between CBP and the trade community by offering extended hours of service compared to port of entry service hours, which may expedite trade. Despite their unknown value, CBP notes that the economic impact of these changes on small entities, if any, will be entirely beneficial.

Although CBP presumes that this rule will affect a substantial number of small entities, CBP does not believe that the

<sup>20</sup> See the "Explanation of Amendments" section for a detailed list of trade function transitions occurring with this rule.

<sup>21</sup> See 13 CFR 121.101–13 CFR 121.201.

economic impact of this rule on small entities will be significant. Accordingly, CBP believes that this regulation will not have a significant economic impact on a substantial number of small entities.

#### *C. Paperwork Reduction Act*

The Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) requires that CBP consider the impact of paperwork and other information collection burdens imposed on the public. As this document does not involve any collections of information under the Act, the provisions of the Act are inapplicable.

#### **V. Administrative Procedure Act**

The Administrative Procedure Act (APA) requires agencies to provide advance public notice and seek public comment on substantive regulations. *See* 5 U.S.C. 553. The APA, however, provides several exceptions to these requirements.

Pursuant to 5 U.S.C. 553(a)(2), public notice and the opportunity to provide public comment are inapplicable to matters relating to “agency management or personnel.” This interim final rule relates to agency management and personnel because it involves the transitioning of certain work functions from the port directors and the port director personnel to the Center directors and the Center director personnel.

Pursuant to 5 U.S.C. 553(b)(A), rules of “agency organization, procedure, and practice” are also exempted from the notice-and-comment requirements of the APA. This interim final rule permanently creates the Centers, which have been operating under a test period that began in 2012 and have been implemented through **Federal Register** Notices and a CBP Delegation Order. Through this interim final rule, CBP is ending the test period and establishing the Centers as a permanent organizational component of the agency.

Finally, 5 U.S.C. 553(b)(B) of the APA authorizes CBP to dispense with notice and comment requirements when CBP for good cause finds that notice and comment is “impracticable, unnecessary, or contrary to the public interest.” CBP has been operating the Centers as a test for several years pursuant to 19 CFR 101.9(a), which authorizes CBP to conduct test programs or procedures to evaluate the effectiveness of certain operational procedures. The Centers have been staffed with CBP employees who facilitate trade by providing account management for members in the identified industries; engaging in risk

segmentation; and strengthening trade outreach. This interim final rule codifies CBP personnel adjustments and internal agency procedures that reflect a realignment of certain trade functions within CBP, rather than a substantive change in policy. Therefore, advance notice and comment is unnecessary.

#### **VI. Signing Authority**

This document is being issued in accordance with 19 CFR 0.2(a), which provides that the authority of the Secretary of the Treasury with respect to CBP regulations that are not related to customs revenue functions was transferred to the Secretary of Homeland Security pursuant to section 403(1) of the Homeland Security Act of 2002. Accordingly, this interim final rule to amend such regulations may be signed by the Secretary of Homeland Security (or his delegate).

#### **List of Subjects**

##### *19 CFR Part 4*

Customs duties and inspection, Exports, Freight, Harbors, Maritime carriers, Oil pollution, Reporting and recordkeeping requirements, Vessels.

##### *19 CFR Part 7*

American Samoa, Coffee, Cuba, Customs duties and inspection, Guam, Guantanamo Bay Naval Station, Kingman Reef, Liquors, Midway Islands, Puerto Rico, Wake Island, Wine.

##### *19 CFR Part 10*

Caribbean Basin initiative, Customs duties and inspection, Exports, Reporting and recordkeeping requirements.

##### *19 CFR Part 11*

Customs duties and inspection, Labeling, Packaging and containers.

##### *19 CFR Part 12*

Customs duties and inspection, Reporting and recordkeeping requirements.

##### *19 CFR Part 24*

Accounting, Claims, Customs duties and inspection, Harbors, Reporting and recordkeeping requirements, Taxes.

##### *19 CFR Part 54*

Customs duties and inspection, Metals, Reporting and recordkeeping requirements.

##### *19 CFR Part 101*

Customs duties and inspection, Harbors, Organization and functions (Government agencies), Seals and insignia, Vessels.

##### *19 CFR Part 102*

Canada, Customs duties and inspection, Imports, Mexico, Reporting and recordkeeping requirements, Trade agreements.

##### *19 CFR Part 103*

Administrative practice and procedure, Confidential business information, Courts, Freedom of information, Law enforcement, Privacy, Reporting and recordkeeping requirements.

##### *19 CFR Part 113*

Common carriers, Customs duties and inspection, Exports, Freight, Laboratories, Reporting and recordkeeping requirements, Surety bonds.

##### *19 CFR Part 132*

Customs duties and inspection.

##### *19 CFR Part 133*

Copyright, Customs duties and inspection, Reporting and recordkeeping requirements Trade names, Trademarks.

##### *19 CFR Part 134*

Customs duties and inspection, Labeling, Packaging and containers.

##### *19 CFR Part 141*

Customs duties and inspection, Reporting and recordkeeping requirements.

##### *19 CFR Part 142*

Canada, Customs duties and inspection, Mexico, Reporting and recordkeeping requirements.

##### *19 CFR Part 143*

Customs duties and inspection, Reporting and recordkeeping requirements.

##### *19 CFR Part 144*

Customs duties and inspection, Reporting and recordkeeping requirements, Warehouses.

##### *19 CFR Part 145*

Mail importations.

##### *19 CFR Part 146*

Administrative practice and procedure, Customs duties and inspection, Exports, Foreign trade zones, Penalties, Petroleum, Reporting and recordkeeping requirements.

##### *19 CFR Part 147*

Customs duties and inspection, Fairs and expositions, Reporting and recordkeeping requirements, Surety bonds.

**19 CFR Part 151**

Cigars and cigarettes, Cotton, Customs duties and inspection, Fruit juices, Laboratories, Metals, Oil imports, Reporting and recordkeeping requirements, Sugar, Wool.

**19 CFR Part 152**

Customs duties and inspection.

**19 CFR Part 158**

Customs duties and inspection, Exports, Freight, Reporting and recordkeeping requirements.

**19 CFR Part 159**

Antidumping, Countervailing duties, Customs duties and inspection, Foreign currencies.

**19 CFR Part 161**

Customs duties and inspection, Exports, Law enforcement.

**19 CFR Part 162**

Administrative practice and procedure, Customs duties and inspection, Drug traffic control, Exports, Law enforcement, Marihuana, Penalties, Reporting and recordkeeping requirements, Search warrants, Seizures and forfeitures.

**19 CFR Part 163**

Administrative practice and procedure, Customs duties and

inspection, Exports, Imports, Penalties, Reporting and recordkeeping requirements.

**19 CFR Part 173**

Administrative practice and procedure, Customs duties and inspection.

**19 CFR Part 174**

Administrative practice and procedure, Customs duties and inspection.

**19 CFR Part 176**

Courts, Customs duties and inspection.

**19 CFR Part 181**

Administrative practice and procedure, Canada, Customs duties and inspection, Exports, Imports, Mexico, Reporting and recordkeeping requirements, Trade agreements.

**Amendments to the Regulations**

■ For the reasons given above and under the authority of 19 U.S.C. 2, 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), and 1624, CBP amends parts 4, 7, 10, 11, 12, 24, 54, 101, 102, 103, 113, 132, 133, 134, 141, 142, 143, 144, 145, 146, 147, 151, 152, 158, 159, 161, 162, 163, 173, 174, 176, and 181 of the CBP regulations (19 CFR Parts 4, 7, 10, 11, 12, 24, 54, 101,

102, 103, 113, 132, 133, 134, 141, 142, 143, 144, 145, 146, 147, 151, 152, 158, 159, 161, 162, 163, 173, 174, 176, and 181) as set forth below: Also, for the reasons given above and under the authority of 19 U.S.C. 2, 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), and 1624, those parts of Chapter I of the CBP regulations (chapter I) listed below are amended as set forth below:

**PART 4—VESSELS IN FOREIGN AND DOMESTIC TRADES**

■ 1. The general authority citation for part 4 and the specific authority citation for section 4.94a continue to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 66, 1431, 1433, 1434, 1624, 2071 note; 46 U.S.C. 501, 60105.

\* \* \* \* \*

Section 4.94a also issued under 19 U.S.C. 1484b;

\* \* \* \* \*

■ 2. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
4.94a(d) .....	appropriate port director .....	Center director.

**PART 7—CUSTOMS RELATIONS WITH INSULAR POSSESSIONS AND GUANTANAMO BAY NAVAL STATION**

■ 3. The authority citation for part 7 continues to read as follows:

**Authority:** 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1623, 1624; 48 U.S.C. 1406i.

■ 4. In the table below, for each section indicated in the left column, remove the

words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
7.3(e)(1)(iii)(B) .....	port director .....	Center director.
7.3(e)(2) .....	port director .....	Center director.
7.3(f)(1) .....	port director .....	Center director.
7.3(f)(2) .....	port director .....	Center director.

**PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED RATE, ETC.**

■ 5. The general authority citation for part 10 and the specific authority citations for §§ 10.804, 10.864, 10.866, 10.906, 10.1006, and 10.3006 continue to read as follows:

**Authority:** 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the

United States (HTSUS)), 1321, 1481, 1484, 1498, 1508, 1623, 1624, 3314.

\* \* \* \* \*

Sections 10.801 through 10.829 also issued under 19 U.S.C. 1202 (General Note 30, HTSUS) and Pub. L. 109–169, 119 Stat. 3581 (19 U.S.C. 3805 note).

\* \* \* \* \*

Sections 10.861 through 10.890 also issued under 19 U.S.C. 1202 (General

Note 31, HTSUS) and Pub. L. 109–283, 120 Stat. 1191 (19 U.S.C. 3805 note).

\* \* \* \* \*

Sections 10.901 through 10.934 also issued under 19 U.S.C. 1202 (General Note 32, HTSUS), 19 U.S.C. 1520(d), and Pub. L. 110–138, 121 Stat. 1455 (19 U.S.C. 3805 note).

\* \* \* \* \*

Sections 10.1001 through 10.1034 also issued under 19 U.S.C. 1202 (General Note 33, HTSUS), 19 U.S.C. 1520(d),

and Pub. L. 112–41, 125 Stat. 428 (19 U.S.C. 3805 note).

\* \* \* \* \*

Sections 10.3001 through 10.3034 also issued under 19 U.S.C. 1202 (General Note 34, HTSUS), 19 U.S.C. 1520(d),

and Pub. L. 112–42, 125 Stat. 462 (19 U.S.C. 3805 note).

\* \* \* \* \*

■ 6. In the table below, for each section indicated in the left column, remove the words indicated in the middle column

from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
10.1(b) .....	port director .....	Center director.
10.1(d) .....	port director .....	Center director.
10.3(a) .....	port director .....	Center director.
10.3(c)(3) .....	port director .....	Center director.
10.8(b) .....	port director .....	Center director.
10.8(c) .....	port director .....	Center director.
10.8(d) .....	port director .....	port director or Center director.
10.8a(c) .....	port director .....	Center director.
10.9(b) .....	port director .....	Center director.
10.9(c) .....	port director .....	Center director.
10.9(d) .....	port director .....	port director or Center director
10.21 .....	port director .....	Center director.
10.24(b) .....	port director .....	Center director.
10.24(c) .....	port director .....	Center director.
10.24(d) .....	port director .....	Center director.
10.24(e) .....	port director .....	Center director.
10.31(a)(3)(ii) .....	port director .....	Center director.
10.31(f) .....	port director .....	Center director.
10.37 .....	director of the port where the entry was filed ..	Center director.
10.37 .....	CBP form 3173, .....	CBP form 3173, which may be submitted to CBP, either at the port of entry or electroni- cally.
10.39(a) .....	port director .....	Center director.
10.39(b) .....	port director .....	Center director.
10.41a(a)(2) .....	port director .....	Center director.
10.41a(e) .....	the port director .....	CBP, either at the port of entry or electroni- cally.
10.43(a) .....	port director .....	Center director.
10.48(c) .....	port director .....	Center director.
10.48(d) .....	port director .....	Center director.
10.49(b) .....	port director .....	Center director.
10.49(d) .....	director of the port of entry .....	CBP, either at the port of entry or electroni- cally.
10.52 .....	port director .....	Center director.
10.53(g) .....	port director .....	Center director.
10.56(e) .....	port director .....	Center director.
10.70(a) .....	port director .....	Center director.
10.71(c) .....	the port director .....	CBP, either at the port of entry or electroni- cally.
10.83(a) .....	port director .....	Center director.
10.84(d) .....	port director .....	Center director.
10.84(e) .....	director of the port where entry was made .....	CBP, either at the port of entry or electroni- cally.
10.91(a)(2)(i) .....	port director .....	Center director.
10.91(a)(2)(ii) introductory text .....	port director .....	Center director.
10.91(a)(2)(ii)(A) .....	port director .....	Center director.
10.91(e)(1) .....	port director .....	Center director.
10.91(f)(2)(ii) .....	port director .....	Center director.
10.102(d) .....	port director .....	Center director.
10.104 .....	port director .....	Center director.
10.108 .....	port director .....	Center director.
10.121(b) .....	the port director .....	CBP, either at the port of entry or electroni- cally.
10.134 .....	port director .....	Center director.
10.172 .....	port director .....	Center director.
10.173(a) .....	port director .....	Center director.
10.173(b) .....	port director .....	Center director.
10.173(c) .....	port director .....	Center director.
10.174(a) .....	port director .....	Center director.
10.174(b) .....	port director .....	Center director.
10.175(d)(2) .....	port director .....	Center director.
10.177(b) .....	port director .....	Center director.
10.179(b)(1) .....	the director of the port where the original entry was made.	CBP, either at the port of entry or electroni- cally.
10.183(e) .....	port director .....	Center director.
10.183(g) .....	port director .....	Center director.

Section	Remove	Add
10.192	port director	Center director.
10.193(c)(2)	port director	Center director.
10.194(a)	port director	Center director.
10.194(b)	port director	Center director.
10.196(b)	port director	Center director.
10.198(a)(1)(i)	port director	Center director.
10.198(a)(1)(ii)	port director	Center director.
10.198(b)	port director	Center director.
10.198(c)	port director	Center director.
10.199(c)(1)(iii)(B)	port director	Center director.
10.199(d)(1)	port director	Center director.
10.199(d)(2)	port director	Center director.
10.199(e)(2)(i)	port director	Center director.
10.199(e)(2)(ii)	port director	Center director.
10.199(f)(1)	port director	Center director.
10.199(f)(2)	port director	Center director.
10.199(h)	port director	Center director.
10.206(d)(2)	port director	Center director.
10.207(b)(1)(i)	port director	Center director.
10.207(b)(1)(ii)	port director	Center director.
10.207(c)	port director	Center director.
10.207(d)(1)	port director	Center director.
10.207(d)(2)	port director	Center director.
10.207(e)	port director	Center director.
10.213(d)(3)(ii)	port director	Center director.
10.216(b)	port director	Center director.
10.216(c)	port director	Center director.
10.216(d)(1)(i)	port director	Center director.
10.216(d)(1)(iii)	port director	Center director.
10.216(d)(2)	port director	Center director.
10.217(a)	port director	Center director.
10.223(d)(3)(ii)	port director	Center director.
10.226(b) introductory text	port director	Center director.
10.226(c)	port director	Center director.
10.226(d)(1)(i)	port director	Center director.
10.226(d)(1)(iii)	port director	Center director.
10.226(d)(2)	port director	Center director.
10.227(a)	port director	Center director.
10.233(d)(3)(ii)	port director	Center director.
10.235(b)	the Customs port where the declaration was originally filed.	CBP, either at the port of entry or electronically.
10.236(b) introductory text	port director	Center director.
10.236(c)	port director	Center director.
10.236(d)(1)(i)	port director	Center director.
10.236(d)(1)(iii)	port director	Center director.
10.236(d)(2)	port director	Center director.
10.237(a) introductory text	port director	Center director.
10.243(d)(3)(ii)	port director	Center director.
10.245(b)	the CBP port where the declaration was originally filed.	CBP, either at the port of entry or electronically.
10.246(b) introductory text	port director	Center director.
10.246(c)	port director	Center director.
10.246(d)(1)(i)	port director	Center director.
10.246(d)(1)(iii)	port director	Center director.
10.246(d)(2)	port director	Center director.
10.247(a)	port director	Center director.
10.253(b)(3)(ii)	port director	Center director.
10.256(b) introductory text	port director	Center director.
10.256(c)	port director	Center director.
10.256(d)(1)(i)	port director	Center director.
10.256(d)(1)(iii)	port director	Center director.
10.256(d)(2)	port director	Center director.
10.257(a) introductory text	port director	Center director.
10.307(c)	port director	Center director.
10.307(e) introductory text	port director	Center director.
10.307(e)(2)	port director	Center director.
10.309	port director	Center director.
10.411(a) introductory text	port director	Center director.
10.411(d)	port director	Center director.
10.413	port director	Center director.
10.414(b)	port director	Center director.
10.416(a)	port director	Center director.
10.416(b)	port director	Center director.
10.422(a) introductory text	port director	Center director.

Section	Remove	Add
10.422(c) .....	port director .....	Center director.
10.423(b) .....	port director .....	Center director.
10.424(a) .....	port director .....	Center director.
10.424(b) .....	port director .....	Center director.
10.430(c)(3) .....	port director .....	Center director.
10.431 .....	port director .....	Center director.
10.441(a) .....	the director of the port at which the entry covering the good was filed.	CBP, either at the port of entry or electronically.
10.442(a) .....	port director .....	Center director.
10.442(b) .....	port director .....	Center director.
10.442(c)(1) .....	port director .....	Center director.
10.442(c)(2) .....	port director .....	Center director.
10.442(d)(1) .....	port director .....	Center director.
10.442(d)(2) .....	port director .....	Center director.
10.442(d)(3) .....	port director .....	Center director.
10.470(a) introductory text .....	port director .....	Center director.
10.511(a) introductory text .....	port director .....	Center director.
10.513(b) .....	port director .....	Center director.
10.515(a) .....	port director .....	Center director.
10.515(b) .....	port director .....	Center director.
10.550(a) introductory text .....	port director .....	Center director.
10.584(a) introductory text .....	port director .....	Center director.
10.584(c) .....	port director .....	Center director.
10.586(b) .....	port director .....	Center director.
10.588(a) .....	port director .....	Center director.
10.588(b) .....	port director .....	Center director.
10.589(c)(3) .....	port director .....	Center director.
10.591(a) .....	the director of the port at which the entry covering the good was filed.	CBP, either at the port of entry or electronically.
10.592(a) .....	port director .....	Center director.
10.592(b) .....	port director .....	Center director.
10.592(c)(1) .....	port director .....	Center director.
10.592(c)(2) .....	port director .....	Center director.
10.592(d)(1) .....	port director .....	Center director.
10.592(d)(2) .....	port director .....	Center director.
10.592(d)(3) .....	port director .....	Center director.
10.610(a) .....	port director .....	Center director.
10.610(b) .....	port director .....	Center director.
10.616(a) introductory text .....	port director .....	Center director.
10.704(a) introductory text .....	port director .....	Center director.
10.706(b) .....	port director .....	Center director.
10.708(a) .....	port director .....	Center director.
10.708(b) .....	port director .....	Center director.
10.710(c)(2)(iii) .....	port director .....	Center director.
10.712 .....	port director .....	Center director.
10.764(a) introductory text .....	port director .....	Center director.
10.766(b) .....	port director .....	Center director.
10.768(a) .....	port director .....	Center director.
10.768(b) .....	port director .....	Center director.
10.781(a) .....	port director .....	Center director.
10.781(b) .....	port director .....	Center director.
10.784(a) .....	port director .....	Center director.
10.806(b) .....	port director .....	Center director.
10.808(a) .....	port director .....	Center director.
10.808(b) .....	port director .....	Center director.
10.821(a) introductory text .....	port director .....	Center director.
10.823(a) .....	port director .....	Center director.
10.823(b) .....	port director .....	Center director.
10.824(a) .....	port director .....	Center director.
10.847(c) .....	the CBP port where the claim was originally filed.	CBP, either at the port of entry or electronically.
10.868(a) .....	port director .....	Center director.
10.868(b) .....	port director .....	Center director.
10.870(a) .....	the director of the port at which the entry covering the good was filed.	CBP, either at the port of entry or electronically.
10.871(a) .....	port director .....	Center director.
10.871(b) .....	port director .....	Center director.
10.871(c)(1) .....	port director .....	Center director.
10.871(c)(2) .....	port director .....	Center director.
10.871(d)(1) .....	port director .....	Center director.
10.871(d)(2) .....	port director .....	Center director.
10.871(d)(3) .....	port director .....	Center director.
10.884(a) introductory text .....	port director .....	Center director.
10.886(a) .....	port director .....	Center director.

Section	Remove	Add
10.886(b) .....	port director .....	Center director.
10.887(a) .....	port director .....	Center director.
10.904(a) introductory text .....	port director .....	Center director.
10.904(c) .....	port director .....	Center director.
10.908(a) .....	port director .....	Center director.
10.908(b) .....	port director .....	Center director.
10.909(c)(3) .....	port director .....	Center director.
10.911(a) .....	the director of the port at which the entry covering the good was filed.	CBP, either at the port of entry or electronically.
10.912(a) .....	port director .....	Center director.
10.912(b) .....	port director .....	Center director.
10.912(c)(1) .....	port director .....	Center director.
10.912(c)(2) .....	port director .....	Center director.
10.912(d)(1) .....	port director .....	Center director.
10.912(d)(2) .....	port director .....	Center director.
10.912(d)(3) .....	port director .....	Center director.
10.926(a) introductory text .....	port director .....	Center director.
10.1004(a) introductory text .....	port director .....	Center director.
10.1004(c) .....	port director .....	Center director.
10.1004(d)(2) .....	port director .....	Center director.
10.1008(a) .....	port director .....	Center director.
10.1008(b) .....	port director .....	Center director.
10.1009(c)(3) .....	port director .....	Center director.
10.1011(a) .....	the director of the port at which the entry covering the good was filed.	CBP, either at the port of entry or electronically.
10.1012(a) .....	port director .....	Center director.
10.1012(b) .....	port director .....	Center director.
10.1012(c)(1) .....	port director .....	Center director.
10.1012(c)(2) .....	port director .....	Center director.
10.1012(d)(1) .....	port director .....	Center director.
10.1012(d)(2) .....	port director .....	Center director.
10.1012(d)(3) .....	port director .....	Center director.
10.1026(a) introductory text .....	port director .....	Center director.
10.2004(a) introductory text .....	port director .....	Center director.
10.2004(c) .....	port director .....	Center director.
10.2004(d)(2) .....	port director .....	Center director.
10.2006(b) .....	port director .....	Center director.
10.2008(a) .....	port director .....	Center director.
10.2008(b) .....	port director .....	Center director.
10.2009(c)(3) .....	port director .....	Center director.
10.2011(a) .....	the director of the port at which the entry covering the good was filed.	CBP, either at the port of entry or electronically.
10.2012(a) .....	port director .....	Center director.
10.2012(b) .....	port director .....	Center director.
10.2012(c)(1) .....	port director .....	Center director.
10.2012(c)(2) .....	port director .....	Center director.
10.2012(d)(1) .....	port director .....	Center director.
10.2012(d)(2) .....	port director .....	Center director.
10.2012(d)(3) .....	port director .....	Center director.
10.2026(a) introductory text .....	port director .....	Center director.
10.3004(a) introductory text .....	port director .....	Center director.
10.3004(c) .....	port director .....	Center director.
10.3004(d)(2) .....	port director .....	Center director.
10.3008(a) .....	port director .....	Center director.
10.3008(b) .....	port director .....	Center director.
10.3009(c)(3) .....	port director .....	Center director.
10.3011(a) .....	the director of the port at which the entry covering the good was filed.	CBP, either at the port of entry or electronically.
10.3012(a) .....	port director .....	Center director.
10.3012(b) .....	port director .....	Center director.
10.3012(c)(1) .....	port director .....	Center director.
10.3012(c)(2) .....	port director .....	Center director.
10.3012(d)(1) .....	port director .....	Center director.
10.3012(d)(2) .....	port director .....	Center director.
10.3012(d)(3) .....	port director .....	Center director.
10.3026(a) introductory text .....	port director .....	Center director.

■ 7. Section 10.40(b) is revised to read as follows:

**§ 10.40 Refund of cash deposits.**

\* \* \* \* \*

(b) If any article entered under Chapter 98, subchapter XIII,

Harmonized Tariff Schedule of the United States, is not exported or destroyed within the period of time during which articles may remain in the



customs territory of the United States under bond (including any lawful extension), the Center director shall notify the importer in writing that the entire cash deposit will be transferred to the regular account as liquidated damages unless a written application for relief from the payment of the full liquidated damages is filed with the Center director within 60 days after the date of the notice. If such an application is timely filed, the transfer of the cash deposit to the regular account as liquidated damages shall be deferred pending the decision of the Headquarters, U.S. Customs and Border Protection or, in appropriate cases, the Center director on the application.

#### § 10.91 [Amended]

■ 8. Section 10.91(c)(2) is amended by removing the words “the port director where the entry or withdrawal of the prototype was made” in the first sentence and adding in their place the words “CBP, either at the port of entry or electronically” and by removing the words “port director” in the last sentence and adding in their place the words “Center director”.

#### § 10.102 [Amended]

■ 9. Section 10.102(a) is amended by removing the words “port director” and adding in their place the words “Center director” and by removing the words “upon the receipt” and adding in their place the words “upon the receipt, either at the port of entry or electronically.”.

#### § 10.804 [Amended]

■ 10. Section 10.804(a) introductory text is amended by removing the words “to CBP” and by removing the words “port director” and adding in their place the words “Center director”.

#### § 10.864 [Amended]

■ 11. Section 10.864(a) introductory text is amended by removing the words “to CBP” and by removing the words “port director” and adding in their place the words “Center director”.

#### § 10.866 [Amended]

■ 12. Section 10.866(b) is amended by removing the words “port director” each place that it appears and adding in their place the words “Center director” and by removing the words “to CBP”.

#### § 10.906 [Amended]

■ 13. Section 10.906(b) is amended by removing the words “port director”

each place that it appears and adding in their place the words “Center director” and by removing the words “to CBP”.

#### § 10.1006 [Amended]

■ 14. Section 10.1006(b) is amended by removing the words “port director” each place that it appears and adding in their place the words “Center director” and by removing the words “to CBP”.

#### § 10.3006 [Amended]

■ 15. Section 10.3006(b) is amended by removing the words “port director” each place that it appears and adding in their place the words “Center director” and by removing the words “to CBP”.

### PART 11—PACKING AND STAMPING; MARKING

■ 16. The authority citation for part 11 continues to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 66, 1202 (General Note 3(i) and (j), Harmonized Tariff Schedule of the United States), 1624.

■ 17. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
11.12(b) .....	port director .....	Center director.
11.12(c) .....	port director .....	Center director.
11.12(d) .....	port director .....	Center director.
11.12(e) .....	port director .....	Center director.
11.12(f) .....	port director .....	Center director.
11.12a(b) .....	port director .....	Center director.
11.12a(c) .....	port director .....	Center director.
11.12a(d) .....	port director .....	Center director.
11.12a(e) .....	port director .....	Center director.
11.12a(f) .....	port director .....	Center director.
11.12b(b) .....	port director .....	Center director.
11.12b(c) .....	port director .....	Center director.
11.12b(d) .....	port director .....	Center director.
11.12b(e) .....	port director .....	Center director.
11.12b(f) .....	port director .....	Center director.

### PART 12—SPECIAL CLASSES OF MERCHANDISE

■ 18. The general authority citation for part 12 and the specific authority citations for § 12.73 continue to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff

Schedule of the United States (HTSUS)), 1624.

\* \* \* \* \*

Sections 12.73 and 12.74 also issued under 19 U.S.C. 1484, 42 U.S.C. 7522, 7601;

\* \* \* \* \*

■ 19. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
12.26(f) .....	the port director .....	an authorized CBP official.
12.39(b)(2)(i) .....	the port director .....	CBP.
12.39(b)(3) .....	Port directors .....	CBP.
12.39(b)(4) .....	under bond, port directors .....	under bond, CBP.
12.39(b)(4) .....	20436 by port directors .....	20436.

Section	Remove	Add
12.39(c)(1)(iii) .....	the port director of the port in which the entry was attempted.	CBP.
12.39(e)(2) .....	The port director .....	CBP.
12.121(a)(2)(ii) introductory text .....	port director .....	Center director.
12.121(a)(2)(ii)(A) .....	port director .....	CBP, either at the port of entry or electronically.
12.121(a)(2)(ii)(B) .....	port director .....	Center director.

■ 20. Section 12.73(j) is revised to read as follows:

**§ 12.73 Motor vehicle and engine compliance with Federal antipollution emission requirements.**

\* \* \* \* \*

(j) *Release under bond.* If a declaration filed in accordance with paragraph (i)(2) of this section states that the entry is being filed under circumstances described in either paragraph (c)(4), (h)(1), (h)(2), (h)(3) or (h)(4) of this section, the entry shall be accepted only if the importer or consignee gives a bond on Customs Form 301, containing the bond condition set forth in § 113.62 of this chapter for the production of an EPA statement that the vehicle or engine is in conformity with Federal emission requirements. Within the period in paragraph (h)(2), (h)(3) or (c)(4) of this

section, or in the case of paragraph (h)(1) or (h)(4) of this section, the period specified by EPA in its authorization for an exemption, or such additional period as the Center director may allow for good cause shown, the importer or consignee shall deliver to CBP, either at the port of entry or electronically, the prescribed statement. If the statement is not delivered to CBP within the specified period, the importer or consignee shall deliver or cause to be delivered to the port director those vehicles which were released under a bond required by this paragraph. In the event that the vehicle or engine is not redelivered within five days following the date specified in the preceding sentence, liquidated damages shall be assessed in the full amount of the bond, if it is a single entry bond, or if a continuous bond is used, the amount

that would have been taken under a single entry bond.

\* \* \* \* \*

**PART 24—CUSTOMS FINANCIAL AND ACCOUNTING PROCEDURE**

■ 21. The general authority citation for part 24 continues to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 58a–58c, 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1505, 1520, 1624; 26 U.S.C. 4461, 4462; 31 U.S.C. 3717, 9701; Pub. L. 107–296, 116 Stat. 2135 (6 U.S.C. 1 *et seq.*).

\* \* \* \* \*

■ 22. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
24.1(a)(3)(ii) .....	the port director .....	an authorized CBP official.
24.4(a) .....	director of each port at which he wishes to defer payment.	Center director, either at a port of entry or electronically.
24.4(a) .....	a port director .....	the Center director.
24.4(b) .....	port director .....	Center director.
24.4(d)(1) .....	port director .....	Center director.
24.14(c) .....	port director's .....	CBP's.

■ 23. Section 24.1(a)(3)(i) is revised to read as follows:

**§ 24.1 Collection of Customs duties, taxes, fees, interest, and other charges.**

\* \* \* \* \*

(a) \* \* \*

(3)(i) An uncertified check drawn by an interested party on a national or state bank or trust company of the United States or a bank in Puerto Rico or any possession of the United States if such checks are acceptable for deposit by a Federal Reserve bank, branch Federal Reserve bank, or other designated depository shall be accepted if there is on file with CBP a bond to secure the payment of the duties, taxes, fees, interest, or other charges, or if a bond has not been filed, the organization or individual drawing and tendering the uncertified check has been approved by an authorized CBP official to make payment in such manner. In

determining whether an uncertified check shall be accepted in the absence of a bond, an authorized CBP official shall use available credit data obtainable without cost to the Government, such as that furnished by banks, local business firms, better business bureaus, or local credit exchanges, sufficient to satisfy him of the credit standing or reliability of the drawer of the check. For purposes of this paragraph, a customs broker who does not have a permit for the district (see the definition of “district” at § 111.1 of this chapter) where the entry is filed, is an interested party for the purpose of CBP’s acceptance of such broker’s own check, provided the broker has on file the necessary power of attorney which is unconditioned geographically for the performance of ministerial acts. CBP may look to the principal (importer) or to the surety should the check be dishonored.

\* \* \* \* \*

■ 24. Section 24.2 is revised to read as follows:

**§ 24.2 Persons authorized to receive Customs collections.**

Center directors, port directors, CBP cashiers, CBP officers, CBP dock tellers, and such other officers and employees as the Center director or port director will designate will receive Customs collections.

■ 25. Section 24.4(c) and (i) are revised to read as follows:

**§ 24.4 Optional method for payment of estimated import taxes on alcoholic beverages upon entry, or withdrawal from warehouse, for consumption.**

\* \* \* \* \*

(c) *Content of application and supporting documents.* (1) An importer must state his estimate of the largest amount of taxes to be deferred in any semimonthly period based on the largest amount of import taxes on alcoholic

beverages deposited with CBP in such a period during the year preceding his application. He must also identify any existing bond or bonds that he has on file with CBP and shall submit in support of his application the approval of the surety on his bond or bonds to the use of the procedure and to the increase of such bond or bonds to such larger amount or amounts as may be found necessary by the Center director.

(2) Each application must include a declaration in substantially the following language:

I declare that I am not presently barred by CBP from using the deferred payment procedure for payment of estimated taxes

upon imports of alcoholic beverages, and that if I am notified by a Center director to such effect I shall advise any future Center director where approval has been given to me to use such procedure.

\* \* \* \* \*

(i) *Duration of deferred payment privilege.* The deferred payment privilege once approved by the port director or Center director before January 19, 2017, or the Center director on or after January 19, 2017, will remain in effect until terminated under the provisions of paragraph (h) or the importer or surety requests termination.

\* \* \* \* \*

## PART 54—CERTAIN IMPORTATIONS TEMPORARILY FREE OF DUTY

■ 26. The authority citation for part 54 continues to read as follows:

**Authority:** 19 U.S.C. 66, 1202 (General Note 3(i); Section XV, Note 5, Harmonized Tariff Schedule of the United States), 1623, 1624.

■ 27. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
54.5(b) .....	port director .....	Center director.
54.6(c)(4) .....	port director .....	Center director.

### § 54.6 [Amended]

■ 28. Section 54.6(c) introductory text is amended by removing the words “the director of the port of entry” and adding in their place the words “CBP, either at the port of entry or electronically,”.

### PART 101—GENERAL PROVISIONS

■ 29. The general authority citation for part 101 continues to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 2, 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1623, 1624, 1646a.

\* \* \* \* \*

■ 30. In § 101.1:

■ a. Add in alphabetical order, definitions of *Center director*, *Centers of Excellence and Expertise* or *Centers*, and *Port director*.

■ b. Revise the definitions of *Port* and *port of entry*

The additions and revision read as follows:

#### § 101.1 Definitions.

\* \* \* \* \*

*Center director.* The term “Center director” means the person who manages their designated Center and is responsible for certain trade decisions and functions concerning that Center and the importers that are processed by that Center.

\* \* \* \* \*

*Centers of Excellence and Expertise* or *Centers.* The terms “Centers of Excellence and Expertise” or “Centers” refer to national CBP offices that are responsible for performing certain trade functions and making certain determinations as set forth in particular regulatory provisions regarding importations by importers that are

considered by CBP to be in the industry sector, regardless of the ports of entry at which the importations occur. Industry sectors are categorized by the Harmonized Tariff Schedule of the United States (HTSUS) numbers representing an industry sector. The list of HTSUS numbers will be published in a **Federal Register** document and any change made to that list will be announced in a subsequent **Federal Register** document.

\* \* \* \* \*

*Port and port of entry.* The terms “port” and “port of entry” refer to any place designated by Executive Order of the President, by order of the Secretary of the Treasury, or by Act of Congress, at which a U.S. Customs and Border Protection (“CBP”) officer is authorized to accept entries of merchandise to collect duties, and to enforce the various provisions of the customs and navigation laws. The terms “port” and “port of entry” incorporate the geographical area under the jurisdiction of a port director. (The customs ports in the Virgin Islands, although under the jurisdiction of the Secretary of the Treasury, have their own customs laws (48 U.S.C. 1406(i)). These ports, therefore, are outside the customs territory of the United States and the ports thereof are not “ports of entry” within the meaning of these regulations).

\* \* \* \* \*

*Port director.* The term “port director” means the person who has jurisdiction within the geographical boundaries of their port of entry unless the regulations provide that particular trade functions or determinations are exclusively within

the purview of a Center Director or other CBP personnel.

\* \* \* \* \*

■ 31. Add § 101.10 to read as follows:

#### § 101.10 Centers of Excellence and Expertise.

(a) *Center Management Offices.* The Centers of Excellence and Expertise (Centers) (see definition in § 101.1) are managed out of the following locations:

Centers of Excellence and Expertise (Centers)	Management offices
Agriculture & Prepared Products.	Miami, Florida.
Apparel, Footwear & Textiles.	San Francisco, California.
Automotive & Aerospace.	Detroit, Michigan.
Base Metals .....	Chicago, Illinois.
Consumer Products & Mass Merchandising.	Atlanta, Georgia.
Electronics .....	Long Beach, California.
Industrial & Manufacturing Materials.	Buffalo, New York.
Machinery .....	Laredo, Texas.
Petroleum, Natural Gas & Minerals.	Houston, Texas.
Pharmaceuticals, Health & Chemicals.	New York, New York.

(b) *Assignment of importers to the Centers.* Generally, each importer will be assigned to an industry-category administered by a specific Center based on the tariff classification in the HTSUS of the predominant number of goods imported. The list of HTSUS numbers that will be used by CBP for the importer's placement in a Center is the same list of HTSUS numbers that are referenced in the definition for Centers

(see § 101.1). Factors that may cause CBP to place an importer in a Center not based on the tariff classification of the predominant number of goods imported include the importer's associated business practices within an industry, the intended use of the predominant number of goods imported, or the high relative value of goods imported.

(c) *Appeal of Center assignment.* An importer may appeal the Center assignment at any time by submitting a written appeal, with a subject line identifier reading "Appeal Regarding Center Assignment", to U.S. Customs and Border Protection, Office of Field Operations, Executive Director, Cargo and Conveyance Security (CCS), 1300 Pennsylvania Ave. NW., Suite 2.3D,

Washington, DC 20229–1015 or by email to [CEE@cbp.dhs.gov](mailto:CEE@cbp.dhs.gov). Appeals must include the following information:

- (1) Current Center assignment;
- (2) Preferred Center assignment;
- (3) All affected Importer of Record (IOR) numbers and associated bond numbers;
- (4) Written justification for the change in Center assignments; and
- (5) Import data:
  - (i) *For new importers.* Projected importations at the four (4) digit HTSUS heading level during the current year; or
  - (ii) *For importers with less than one year of prior import history.* Projected importations and prior import data with entry summary lines and value at the four (4) digit HTSUS heading level; or

(iii) *For importers with more than one year of prior import history.* One year of prior import data with entry summary lines and value at the four (4) digit HTSUS heading level.

## PART 102—RULES OF ORIGIN

■ 32. The authority citation for part 102 continues to read as follows:

**Authority:** 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1624, 3314, 3592.

■ 33. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
102.23(a) .....	port director .....	Center director.
102.23(b) .....	port director .....	Center director.
102.25 .....	port director .....	Center director.

## PART 103—AVAILABILITY OF INFORMATION

■ 34. The general authority citation for part 103 continues to read as follows:

**Authority:** 5 U.S.C. 301, 552, 552a; 19 U.S.C. 66, 1624; 31 U.S.C. 9701.

\* \* \* \* \*

■ 35. In the table below, for each section indicated in the left column, remove the

words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
103.32 .....	port directors and other CBP officers .....	port directors, Center directors, and other CBP officers.

## § 103.26 [Amended]

■ 36. Section 103.26 is amended by removing the words "Port directors" and adding in their place the words "Center directors, port directors".

## PART 113—CBP BONDS

■ 37. The general authority citation for part 113 is revised to read as follows:

**Authority:** 19 U.S.C. 66, 1623, 1624.

\* \* \* \* \*

■ 38. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
Appendix B to Part 113 .....	port director of CBP .....	CBP.
Appendix B to Part 113 .....	port director's .....	CBP's.
Appendix C to Part 113 .....	the port director of customs .....	CBP.

## PART 132—QUOTAS

■ 39. The general authority citation for part 132 continues to read as follows:

**Authority:** 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States (HTSUS)), 1623, 1624.

\* \* \* \* \*

■ 40. In the table below, for each section indicated in the left column, remove the

words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
132.11a(c) .....	port director .....	Center director.
132.12(a) .....	port director .....	Center director.
132.13(a)(1)(i) .....	port director .....	Center director.
132.13(a)(1)(ii) .....	presented .....	presented to CBP, either at the port of entry or electronically.
132.13(a)(2) .....	at a port of entry .....	to CBP, either at the port of entry or electronically.

■ 41. Section 132.14 is amended by revising paragraphs (a)(4)(i)(A) and (B) and (a)(4)(ii)(A) to read as follows:

**§ 132.14 Special permits for immediate delivery; entry of merchandise before presenting entry summary for consumption; permits of delivery.**

\* \* \* \* \*

(a) \* \* \*

4) \* \* \*

(i) \* \* \*

(A) An authorized CBP official may demand the return to Customs custody of the released merchandise in accordance with § 141.113 of this chapter;

(B) The Center director shall require the timely presentation to CBP, either at the port of entry or electronically, of the entry summary for consumption, or a withdrawal for consumption, with the estimated duties attached;

\* \* \*

(ii) \* \* \*

(A) The Center director shall require the timely presentation to CBP, either at the port of entry or electronically, of the entry summary for consumption, or a withdrawal for consumption, with estimated duties attached;

\* \* \* \* \*

**PART 133—TRADEMARKS, TRADE NAMES, AND COPYRIGHTS**

■ 42. The authority citation for part 133 continues to read as follows:

**Authority:** 15 U.S.C. 1124, 1125, 1127; 17 U.S.C. 101, 601, 602, 603; 19 U.S.C. 66, 1202, 1499, 1526, 1624; 31 U.S.C. 9701. Sections 133.21 through 133.25 also issued under 18 U.S.C. 1905; Sec. 818(g), Pub. L. 112–81 (10 U.S.C. 2302).

■ 43. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
133.26 .....	the port director .....	an authorized CBP official.
133.46 .....	the director of the port of entry .....	an authorized CBP official.

**PART 134—COUNTRY OF ORIGIN MARKING**

■ 44. The authority citation for part 134 continues to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1304, 1624.

■ 45. In the table below, for each section indicated in the left column, remove the

words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
134.3(b) introductory text .....	The port director .....	An authorized CBP official.
134.25(c) .....	port director .....	Center director.
134.26(c) .....	port director .....	Center director.
134.34(a) introductory text .....	port director .....	Center director.
134.34(b) .....	port director .....	Center director.
134.51(a) .....	port director .....	Center director.
134.51(a) .....	port director's office .....	Center director's office.
134.51(b) .....	port director .....	Center director.
134.51(c) .....	port director .....	Center director.
134.52(a) .....	Port directors .....	Center directors.
134.52(c) .....	port director .....	Center director.
134.52(d) .....	port director .....	Center director.
134.52(e) .....	port director .....	Center director.
134.53(a)(2) .....	port director .....	Center director.

**§ 134.25 [Amended]**

■ 46. Section 134.25(a) is amended by:

■ a. Removing the words “port director having custody of the article,” and adding in their place the words “Center director”;

■ b. Removing the words “the port director” and adding in their place the words “the Center director”; and

■ c. Removing the words “at each port where the article is entered” and adding in their place the words “with CBP, either at the port of entry or electronically”.

**§ 134.26 [Amended]**

■ 47. Section 134.26(a) is amended by:

■ a. Removing the words “port director having custody of the article,” and adding in their place the words “Center director”;

■ b. Removing the words “the port director” and adding in their place the words “the Center director”; and

■ c. Removing the words “at each port where the article(s) is entered” and adding in their place the words “with CBP, either at the port of entry or electronically”.

**§ 134.52 [Amended]**

■ 48. Section 134.52(b) is amended by removing the words “the port director” in the first sentence and adding in their place the words “CBP, either at the port of entry or electronically” and by removing “The port director” in the second sentence and adding in their place the words “The Center director”.

**§ 134.54 [Amended]**

■ 49. Section 133.54(a) is amended by removing the words “port director” in

the first instance and adding in their place the words “Center director”.

**PART 141—ENTRY OF MERCHANDISE**

■ 50. The general authority citation for part 141 and the specific authority citations for §§ 141.83 and 141.105 continue to read as follows:

**Authority:** 19 U.S.C. 66, 1448, 1484, 1498, 1624.

\* \* \* \* \*

Subpart F also issued under 19 U.S.C. 1481;

Subpart G also issued under 19 U.S.C. 1505;

\* \* \* \* \*

■ 51. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the

section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
141.20(a)(1) .....	the port director .....	CBP, either at the port of entry or electronically.
141.20(a)(2) .....	the port director .....	CBP, either at the port of entry or electronically.
141.35 .....	the port director .....	CBP, either at the port of entry or electronically.
141.38 .....	the port director .....	CBP.
141.45 .....	port director .....	Center director or port director.
141.46 .....	a port director .....	CBP.
141.52 introductory text .....	port director .....	Center director.
141.52(i) .....	port director .....	Center director.
141.56(a) .....	Port directors may accept .....	CBP may accept, either at the port of entry or electronically.
141.61(e)(2) introductory text .....	port director .....	Center director.
141.61(e)(2)(ii) .....	port director .....	Center director.
141.61(e)(4) .....	port director .....	Center director.
141.63(a) introductory text .....	port director .....	Center director.
141.63(b) .....	port director .....	Center director.
141.69(c) .....	the port director .....	CBP.
141.83(c)(2) .....	The port director .....	CBP.
141.85 .....	Advices of the Port Director .....	Advice by CBP.
141.85 .....	file it with the Port Director .....	file it with an authorized CBP official.
141.86(a)(11) .....	port director .....	Center director.
141.88 .....	port director .....	Center director.
141.91(a) .....	The port director .....	CBP.
141.91(d) .....	port director .....	Center director.
141.92(a) introductory text .....	The port director .....	CBP.
141.92(b)(4) .....	port director .....	Center director.
141.113(a)(2) .....	port director may .....	Center director may.
141.113(a)(2) .....	port director .....	port director or Center director.
141.113(b) .....	.....	.....
141.113(d) .....	the port director .....	an authorized CBP official.
141.113(d) .....	he .....	an authorized CBP official.
141.113(e) .....	the port director .....	an authorized CBP official.
141.113(g) .....	the port director .....	an authorized CBP official.
141.113(i) .....	the port director .....	an authorized CBP official.

■ 52. Section 141.44 is revised to read as follows:

**§ 141.44 Designation of Center and Customs ports in which power of attorney is valid.**

Unless a power of attorney specifically authorizes the agent to act thereunder at the appropriate Center and at all CBP ports, the name of the appropriate Center or each port where the agent is authorized to act thereunder shall be stated in the power of attorney. The power of attorney shall be filed with CBP, either at the port of entry or electronically, in a sufficient number of copies for distribution to the appropriate Center and each port where the agent is to act, unless exempted from filing by § 141.46. The Center director or port director with whom a

power of attorney is filed, irrespective of whether his Center or port is named, shall approve it, if it is in the correct form and the provisions of this subpart are complied with, and forward any copies intended for other ports or another Center as appropriate.

**§ 141.105 [Amended]**

■ 53. Section 141.105 is amended by:

■ a. Removing the words “from the port director” and adding in their place the words “from the Center director”;

■ b. Removing the words “with the port director” and adding in their place the words “with CBP, either at the port of entry or electronically”; and

■ c. Removing the words “To the Port Director” and adding in their place the words “To CBP”.

**§ 141.113 [Amended]**

■ 54. Section 141.113(c)(3) is amended by removing the words “CBP port director who will demand the redelivery of the product to CBP custody” and adding in their place the words “Center director. An authorized CBP official will demand the redelivery of the product to CBP custody”.

**PART 142—ENTRY PROCESS**

■ 55. The authority citation for part 142 continues to read as follows:

**Authority:** 19 U.S.C. 66, 1448, 1484, 1624.

■ 56. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
142.3(c) .....	port director .....	CBP.
142.11(b) .....	port director .....	CBP.
142.17(a) introductory text .....	port director .....	Center director.
142.17a(a) introductory text .....	port director .....	Center director.
142.18(a) introductory text .....	the port director .....	an authorized CBP official.

Section	Remove	Add
142.28(a) introductory text .....	the port director .....	an authorized CBP official.

**§ 142.13 [Amended]**

■ 57. Section 142.13(a) is amended in its heading and in its introductory text by removing the words “port director” and adding in their place “CBP”.

**PART 143—SPECIAL ENTRY PROCEDURES**

■ 58. The authority citation for part 143 continues to read as follows:

**Authority:** 19 U.S.C. 66, 1321, 1414, 1481, 1484, 1498, 1624, 1641.

■ 59. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
143.22 .....	The port director .....	CBP.
143.23 introductory text .....	port director .....	Center director.

**PART 144—WAREHOUSE AND REWAREHOUSE ENTRIES AND WITHDRAWALS**

■ 60. The general authority citation for part 144 continues to read as follows:

**Authority:** 19 U.S.C. 66, 1484, 1557, 1559, 1624.

\* \* \* \* \*

■ 61. In the table below, for each section indicated in the left column, remove the

words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
144.5 .....	port director .....	Center director.
144.12 .....	port director .....	Center director.
144.13 .....	port director .....	Center director.
144.38(d) .....	port director .....	Center director.

■ 62. Section 144.41(h) is revised to read as follows:

**§ 144.41 Entry for rewarehouse.**

\* \* \* \* \*

(h) *Protest*. A protest may be filed with CBP, either at the port of entry or electronically, against a liquidation made under § 159.7(a) or (b) of this chapter, or against a refusal to liquidate pursuant to said sections. In all other

cases, any protest shall be filed against the original warehouse entry.

**PART 145—MAIL IMPORTATIONS**

■ 63. The general authority citation for part 145 and the sectional authority for § 145.12 continue to read as follows:

**Authority:** 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States, 1624.

\* \* \* \* \*

Section 145.12 also issued under 19 U.S.C. 1315, 1484, 1498;

\* \* \* \* \*

■ 64. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
145.12(a)(1) .....	The port director .....	CBP.
145.12(a)(1) .....	if in his opinion .....	if
145.14(b) .....	port director .....	CBP.

**PART 146—FOREIGN TRADE ZONES**

■ 65. The authority citation for part 146 continues to read as follows:

**Authority:** 19 U.S.C. 66, 81a–81u, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1623, 1624.

■ 66. In the table below, for each section indicated in the left column, remove the

words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
146.65(b)(3) .....	port director .....	Center director.
146.65(c) .....	port director .....	Center director.

**PART 147—TRADE FAIRS**

■ 67. The authority citation for part 147 continues to read as follows:

**Authority:** 19 U.S.C. 66, 1623, 1624, 1751–1756, unless otherwise noted.

■ 68. In the table below, for each section indicated in the left column, remove the words indicated in the middle column



from wherever they appear in the

section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
147.32 .....	port director .....	Center director.
147.41 .....	on demand by the port director .....	on the Center director's demand to CBP, either at the port of entry or electronically.

■ 69. Section 147.33 is revised to read as follows:

**§ 147.33 Reimbursement by fair operator.**

All actual and necessary charges for labor, services, and other expenses in connection with the entry, examination, appraisement, custody, abandonment, destruction, or release of articles entered under the regulations of this part, together with the necessary charges for salaries of Customs officers and employees in connection with the accounting for, custody of, and supervision over, such articles, shall be

reimbursed by the fair operator to the Government, payment to be made to CBP, either at the port of entry or electronically, on the port director's or Center director's demand made before January 19, 2017 or on the Center director's demand made on or after January 19, 2017, for deposit to the appropriation from which paid.

**PART 151—EXAMINATION, SAMPLING, AND TESTING OF MERCHANDISE**

■ 70. The general authority citation for part 151 continues to read as follows:

**Authority:** 19 U.S.C. 66, 1202 (General Note 3(i) and (j), Harmonized Tariff Schedule of the United States (HTSUS)), 1624;

\* \* \* \* \*

■ 71. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
151.10 .....	the port director .....	an authorized CBP official.
151.11 .....	the port director .....	an authorized CBP official.
151.11 .....	he shall .....	an authorized CBP official will.
151.12(c)(5) .....	both the port director and the Executive Director.	the port director, the Executive Director, and the Center director.
151.12(c)(6) .....	both the port director and the Executive Director.	the port director, the Executive Director, and the Center director.
151.13(b)(5) .....	both the port director and the Executive Director.	the port director, the Executive Director, and the Center director.
151.13(b)(6) .....	both the port director and the Executive Director.	the port director, the Executive Director, and the Center director.
151.51(b) .....	port director .....	Center director.
151.52(c) .....	the port director .....	an authorized CBP official.
151.54 .....	The port director .....	An authorized CBP official.
151.55 .....	port director .....	Center director.
151.65 .....	port director .....	Center director.
151.65 .....	port director's .....	Center director's.
151.68(c) .....	the port director .....	an authorized CBP official.
151.69(b) .....	port director .....	Center director.
151.70 .....	port director .....	Center director.
151.71(a) .....	port director .....	Center director.
151.71(b) .....	port director .....	Center director.
151.73(c) .....	port director .....	Center director.
151.75 .....	port director .....	Center director.
151.76(a) .....	port director .....	Center director.
151.76(b) .....	port director .....	Center director.
151.84 .....	port director .....	Center director.

■ 72. Section 151.71(c) is revised to read as follows:

**§ 151.71 Laboratory testing for clean yield.**

\* \* \* \* \*

(c) *Importer's request for retest.* If the importer is dissatisfied with the port director's or Center director's finding of clean yield, made before January 19, 2017, or the Center director's finding of clean yield made on or after January 19, 2017, he may file with CBP, either at the port of entry or electronically, a written request in duplicate for another

laboratory test for percentage clean yield. Such request shall be filed within 14 calendar days after the date of mailing of the notice of the port director's or Center director's finding of clean yield. The request shall be granted if it appears to the Center director to be made in good faith and if a second general sample as provided for in § 151.70 is available for testing, or if all packages or, in the opinion of the Commissioner of Customs, an adequate number of the packages represented by

the general sample are available and in their original imported condition.

\* \* \* \* \*

■ 73. Section 151.73(b) is revised to read as follows:

**§ 151.73 Importer's request for commercial laboratory test.**

\* \* \* \* \*

(b) *Time for filing request.* The importer's request shall be filed in writing with the Center director within 14 calendar days after the date of mailing of the notice of the port

director's or Center director's findings based on the retest mailed before January 19, 2017, or within 14 calendar days after the date of mailing of the notice of the Center director's findings based on the retest mailed on or after January 19, 2017.

\* \* \* \* \*

■ 74. Section 151.74 is revised to read as follows:

**§ 151.74 Retest at Center director's request.**

If the Center director is not satisfied with the results of any test provided for in § 151.71 or § 151.73, he may, within 14 calendar days after receiving the report of the results of such test, proceed to have another test made upon a suitable sample of the wool or hair at the expense of the Government. When the Center director is proceeding to have another test made, he shall, within the 14-day period specified in this paragraph, notify the importer by mail of that fact.

■ 75. Section 151.76(c) is revised to read as follows:

**§ 151.76 Grading of wool.**

\* \* \* \* \*

(c) *Importer's request for reexamination.* If the importer is dissatisfied with the port director's or

Center director's findings as to the grade or grades of the wool, made before January 19, 2017, or the Center director's findings as to the grade or grades of wool made on or after January 19, 2017, he may, within 14 calendar days after the date of mailing of the notice of the port director's or Center director's findings, file in duplicate a written request with the Center director for another determination of grade or grades, stating the reason for the request. Notice of the Center director's findings on the basis of the reexamination of the wool shall be mailed to the importer.

■ 76. Section 151.85 is revised to read as follows:

**§ 151.85 Importer's request for redetermination.**

If the importer is dissatisfied with the port director's or Center director's determination made before January 19, 2017, or the Center director's determination made on or after January 19, 2017, he may file with the Center director, within 14 calendar days after the mailing of the notice, a written request in duplicate for a redetermination of the staple length. Each such request shall include a statement of the claimed staple length for the cotton in question and a clear

statement of the basis for the claim. The request shall be granted if it appears to the Center director to be made in good faith. In making the redetermination of staple length, the Center director may obtain an opinion of a board of cotton examiners from the U.S. Department of Agriculture, if he deems such action advisable. All expenses occasioned by any redetermination of staple length, exclusive of the compensation of CBP officers, shall be reimbursed to the Government by the importer.

**PART 152—CLASSIFICATION AND APPRAISEMENT OF MERCHANDISE**

■ 77. The general authority citation for part 152 and the specific authority citation for § 152.26 continue to read as follows:

**Authority:** 19 U.S.C. 66, 1401a, 1500, 1502, 1624;

\* \* \* \* \*

Subpart C also issued under 19 U.S.C. 1503;

\* \* \* \* \*

■ 78. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
152.1(c) .....	port director .....	Center director.
152.2 .....	port director .....	Center director.
152.13(a) .....	port director .....	Center director.
152.13(c)(1) .....	port director .....	Center director.
152.13(c)(3) .....	port director .....	Center director.
152.13(d) .....	port director .....	Center director.
152.13(d) .....	application .....	application to the Center director.
152.101(c) .....	the port director .....	CBP, either at the port of entry or electronically.
152.101(d) .....	port director .....	Center director.
152.103(d) introductory text .....	port director .....	Center director.
152.103(l)(1) introductory text .....	port director .....	Center director.
152.103(l)(2)(iii) .....	port director .....	Center director.
152.105(i)(2) .....	port director .....	Center director.
152.106(f)(2) introductory text .....	port director .....	Center director.

■ 79. Section 152.16(c) is revised to read as follows:

**§ 152.16 Judicial changes in classification.**

\* \* \* \* \*

(c) *Higher rate.* If a court decision overruling a protest contains a definite statement that a higher rate than that assessed by the port director or Center director before January 19, 2017, or the Center director on or after January 19, 2017, was properly chargeable, such higher rate shall be applied to all merchandise, whether identical or similar to that passed on by the court, which is affected by the principles of

the court's decision and which is entered or withdrawn for consumption after 30 days from the date of the publication of the court's decision in the Customs Bulletin.

\* \* \* \* \*

■ 80. Section 152.26 is revised to read as follows:

**§ 152.26 Furnishing value information to importer.**

The Center director will furnish to importers the latest information as to values in his possession, subject to the following conditions:

(a) *Before appraisal.* Value information will be given before appraisal only in response to a specific oral or written request by the importer, supported by an adequate reason for the request, or where required by CBP purposes, such as in determining proper estimated duties to be deposited or notification of increased duties in accordance with § 152.2.

(b) *Only for merchandise under Center director's jurisdiction.* The information will be given only in regard to merchandise to be appraised by, or under the jurisdiction of, the Center director who receives the request, and

only with respect to merchandise for which there is presented evidence of a firm commitment or intent to import such merchandise into the United States.

(c) *Information by importer.* Each request must be accompanied by the latest information as to the values in question which the importer has or can reasonably obtain.

(d) *Information not binding.* Value information will be given by the Center director only with an understanding and agreement in each case that the information is in no sense an appraisal and is not binding upon the Center director's action when he appraises the merchandise.

(e) *No reply required after entry.* The Center director will not be required to

reply to a written request for value information after a value for the merchandise has been declared on entry unless he has information indicating a probable appraised value different from such entered value.

#### § 152.103 [Amended]

■ 81. In § 152.103:

■ a. Paragraph (a)(5)(iii) is amended by removing “the port director” in the first sentence and adding in their place the words “CBP, either at the port of entry or electronically” and by removing the words “port director” in the second sentence and adding in their place the words “Center director”; and

■ b. Paragraph (m) is amended by removing the word “Customs” each place it appears and adding in its place

the term “CBP” and by removing the words “port director” each place it appears and adding in their place the words “Center director”.

#### PART 158—RELIEF FROM DUTIES ON MERCHANDISE LOST, DAMAGED, ABANDONED, OR EXPORTED

■ 82. The authority citation for part 158 continues to read as follows:

**Authority:** 19 U.S.C. 66, 1624, unless otherwise noted. Subpart C also issued under 19 U.S.C. 1563.

■ 83. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
158.3 .....	port director .....	Center director.
158.5(a) .....	port director satisfies himself .....	Center director is satisfied.

■ 84. Section 158.13(b) is revised to read as follows:

#### § 158.13 Allowance for moisture and impurities.

\* \* \* \* \*

(b) *Allowance by Center director.* If the port director is satisfied after any necessary investigation that the

merchandise contains moisture or impurities as described in paragraph (a) of this section, the Center director will make allowance for the amount thereof in the liquidation of the entry.

#### PART 159—LIQUIDATION OF DUTIES

■ 85. The general authority citation for part 159 continues to read as follows:

**Authority:** 19 U.S.C. 66, 1500, 1504, 1624.

\* \* \* \* \*

■ 86. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
159.7(b) .....	at the port where the merchandise is held in CBP custody.	by the Center director.
159.7(c) .....	port director of the port where the merchandise is entered for rewarehouse.	Center director.
159.12(a)(1) introductory text .....	port director .....	Center director.
159.12(a)(1)(ii) .....	port director .....	Center director.
159.12(b) .....	port director .....	Center director.
159.12(c) .....	port director .....	Center director.
159.12(d)(1) .....	port director .....	Center director.
159.12(d)(2) .....	port director .....	Center director.
159.12(e) .....	port director .....	Center director.
159.22(d)(2) .....	port director .....	Center director.
159.36(b) .....	port director .....	Center director.
159.36(c) .....	port director .....	Center director.
159.36(d) .....	port director .....	Center director.
159.38 .....	port director .....	Center director.
159.44 .....	port director .....	Center director.

■ 87. Section 159.58 is revised to read as follows:

#### § 159.58 Dumping and countervailing duties; action by Center director.

(a) *Antidumping matters.* Upon receipt of notification from the Commissioner, the Center director will suspend liquidation on merchandise entered, or withdrawn from warehouse, for consumption, on or after the date of publication of the “Notice of

Preliminary Affirmative Antidumping Determination,” “Notice of Final Affirmative Antidumping Determination” or “Notice of Violation of Agreement” as provided by part 353, chapter III, of this title. The Center director will immediately notify the importer, consignee, or agent of each entry of merchandise in question with respect to which liquidation is suspended. The notice will indicate the

relevant ascertained and determined or estimated antidumping duty.

(b) *Countervailing matters.* Upon receipt of notification from the Commissioner, the Center director will suspend liquidation on merchandise entered, or withdrawn from warehouse, for consumption, on or after the date of publication of the “Notice of Preliminary Affirmative Countervailing Duty Determination,” “Notice of Final Affirmative Countervailing Duty

Determination” or “Notice of Violation of Agreement,” as provided by part 355, Chapter III, of this title. The Center director will immediately notify the importer, consignee, or agent of each entry of merchandise in question with respect to which liquidation is suspended. The notice will indicate the

relevant ascertained and determined or estimated countervailing duty.

#### PART 161—GENERAL ENFORCEMENT PROVISIONS

■ 88. The general authority citation for part 161 continues to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 66, 1600, 1619, 1624.

\* \* \* \* \*

■ 89. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
161.16(b) .....	port director .....	Center director.

#### PART 162—INSPECTION, SEARCH, AND SEIZURE

■ 90. The general authority citation for part 162 continues to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 66, 1592, 1593a, 1624, 6 U.S.C. 101, 8 U.S.C. 1324(b).

\* \* \* \* \*

■ 91. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
162.74(c) .....	CBP port .....	Center director.
162.80(a)(2)(i) .....	port director .....	Center director.
162.80(a)(2)(iii) .....	port director .....	Center director.

#### § 162.80 [Amended]

■ 92. Section 162.80(a)(1) is amended by:  
 ■ a. Removing the words “port director” and adding in their place the words “Center director”;  
 ■ b. Removing the words “and collect duties” and adding in their place the words “and CBP, either at the port of

entry or electronically, may collect duties”; and

■ c. Removing the word “he” and adding in its place the words “the Center director”.

#### PART 163—RECORDKEEPING

■ 93. The general authority citation for part 163 continues to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 66, 1484, 1508, 1509, 1510, 1624.

\* \* \* \* \*

■ 94. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
163.7(a) introductory text .....	port director, field director of regulatory audit	port director, Center director, field director of regulatory audit.

■ 95. Section 163.1(a)(2)(vii) is revised to read as follows:

#### § 163.1 Definitions.

\* \* \* \* \*

(a) \* \* \*

(2) \* \* \*

(vii) The maintenance of any documentation that the importer may have in support of a claim for preferential tariff treatment under the United States-Singapore Free Trade Agreement (SFTA), including a SFTA importer's supporting statement if previously required by the port director or Center director before January 19, 2017, or the Center director on or after January 19, 2017.

\* \* \* \* \*

■ 96. The Appendix to Part 163 is amended under section IV by revising the entry for “§ 10.512” to read as follows:

#### Appendix to Part 163—Interim (a)(1)(A) List

\* \* \* \* \*

IV. \* \* \*

**§ 10.512 SFTA records that the importer may have in support of a SFTA claim for preferential tariff treatment, including an importer's supporting statement if previously required by the port director or Center director before January 19, 2017 or the Center director on or after January 19, 2017.**

\* \* \* \* \*

#### PART 173—ADMINISTRATIVE REVIEW IN GENERAL

■ 97. The authority citation for part 173 continues to read as follows:

**Authority:** 19 U.S.C. 66, 1501, 1520, 1624.

■ 98. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
173.1 .....	Port directors .....	Center directors.

Section	Remove	Add
173.2 introductory text .....	port director .....	Center director.
173.3(a) .....	port director .....	Center director.
173.4(a) introductory text .....	port director .....	Center director.
173.4(a)(2) .....	director of the port of entry .....	Center director.
173.4a .....	port director .....	Center director.

**PART 174—PROTESTS**

■ 99. The general authority citation for part 174 and the specific authority citation for § 174.21 continue to read as follows:

**Authority:** 19 U.S.C. 66, 1514, 1515, 1624.  
Section 174.21 also issued under 19 U.S.C. 1499.

■ 100. In the table below, for each section indicated in the left column,

remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
174.0 .....	port director .....	port director and Center director.
174.12(d) .....	the port director whose decision is protested ..	CBP, either at the port of entry or electronically.
174.13(b) .....	at any port .....	with CBP, either at any port or electronically.
174.21(a) .....	port director .....	Center director.
174.21(b) .....	port director .....	Center director.
174.22(a) .....	the port director or other CBP officer with whom the protest was filed.	the port director, Center director, or other CBP officer with whom the protest was filed.
174.22(c) .....	port director .....	Center director.
174.22(d) .....	port director .....	Center director.
174.24 introductory text .....	port director .....	Center director.
174.24(a) .....	Commissioner of Customs .....	Commissioner of CBP.
174.24(a) .....	at any port .....	by CBP.
174.24(b) .....	Commissioner of Customs .....	Commissioner of CBP.
174.24(c) .....	Commissioner of Customs .....	Commissioner of CBP.
174.24(d) .....	United States Customs Service .....	U.S. Customs and Border Protection.
174.26(a) .....	port director .....	Center director.
174.26(b) introductory text .....	port director .....	Center director.
174.26(b) introductory text .....	he shall .....	the Center director will.
174.26(b)(2) .....	port director .....	Center director.
174.27 .....	port director .....	Center director.
174.29 .....	port director .....	Center director.
174.29 .....	19 U.S.C. 1514) .....	(19 U.S.C. 1514).

**§ 174.3 [Amended]**

■ 101. In § 174.3:

■ a. Paragraph (b)(1) is amended by removing the words “port director” and adding in their place the words “Center director”;

■ b. Paragraph (c) is amended by removing the words “port director” and adding in their place the words “Center director”; and

■ c. Paragraph (d) is amended by removing the words “the port director” and adding in their place the words “CBP, either at the port of entry or electronically”.

**§ 174.14 [Amended]**

■ 102. Section 174.14(e) is amended by removing the words “the port director with whom the protest was filed” and adding in their place the words “CBP, either at the port of entry or electronically”, and by removing the words “with whom it is required to be filed”.

**§ 174.15 [Amended]**

■ 103. Section 174.15(b)(2) is amended by removing the words “port director” and adding in their place the words “port director or Center director, before January 19, 2017, or the Center director on or after January 19, 2017,”.

■ 104. Section 174.16 is revised to read as follows:

**§ 174.16 Limitation on protests after reliquidation.**

A protest shall not be filed against the reliquidation decision of the port director or Center director made before January 19, 2017, or the reliquidation decision of the Center director made on or after January 19, 2017, upon any question not involved in the reliquidation.

■ 105. Section 174.23 is revised to read as follows:

**§ 174.23 Further review of protests.**

A protesting party may seek further review of a protest in lieu of review by the Center director by filing, on the form prescribed in § 174.25, an application

for such review within the time allowed and in the manner prescribed by § 174.12 for the filing of a protest. The filing of an application for further review shall not preclude a preliminary examination by the Center director for the purpose of determining whether the protest may be allowed in full. If such preliminary examination indicates that the protest would be denied in whole or in part by the Center director in the absence of an application for further review; however, he shall forward the protest and application for consideration in accordance with § 174.26.

**§ 174.30 [Amended]**

■ 106. In § 174.30:

■ a. Paragraph (b) is amended by removing “the port director” the first time it appears and adding in their place the words “CBP, either at the port of entry or electronically,” and by removing the words “the port director” the second time it appears and adding in their place the term “CBP”; and

■ b. Paragraph (c) is amended by removing the words “port director” and adding in their place the words “Center director”.

#### **PART 176—PROCEEDINGS IN THE COURT OF INTERNATIONAL TRADE**

■ 107. The authority citation for part 176 continues to read as follows:

**Authority:** R.S. 251, as amended, sec. 624, 46 Stat. 759; 19 U.S.C. 66, 1624, unless otherwise noted.

■ 108. Section 176.1 is revised to read as follows:

#### **§ 176.1 Service of summons.**

When an action is initiated in the Court of International Trade a copy of the summons will be served in the manner prescribed by the Court of International Trade upon the CBP official(s) who denied the protest(s), and an additional copy will be served upon the Assistant Chief Counsel for Court of International Trade Litigation, United States Customs and Border Protection, 26 Federal Plaza, New York, N.Y. 10007.

#### **PART 181—NORTH AMERICAN FREE TRADE AGREEMENT**

■ 109. The general authority citation for part 181 continues to read as follows:

**Authority:** 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1624, 3314;

\* \* \* \* \*

■ 110. In the table below, for each section indicated in the left column, remove the words indicated in the middle column from wherever they appear in the section, and add, in their place, the words indicated in the right column:

Section	Remove	Add
181.12(b)(1) .....	port director .....	Center director.
181.22(b) introductory text .....	port director .....	Center director.
181.22(b)(3) .....	port director .....	Center director.
181.22(c) .....	port director .....	Center director.
181.22(d)(1)(iii) .....	port director .....	Center director.
181.22(d)(2) .....	port director .....	Center director.
181.23(a) .....	port director .....	Center director.
181.23(b) .....	port director .....	Center director.
181.32(a) .....	the director of the port at which the entry covering the good was filed.	CBP, either at the port of entry or electronically.
181.33(a) .....	port director .....	Center director.
181.33(b) .....	port director .....	Center director.
181.33(c)(1) .....	port director .....	Center director.
181.33(c)(2) .....	port director concerned .....	Center director.
181.33(c)(3) .....	port director .....	Center director.
181.33(d)(1) .....	port director .....	Center director.
181.33(d)(2) .....	port director .....	Center director.
181.33(d)(3) .....	port director .....	Center director.
181.64(c)(2) .....	port director .....	Center director.
181.64(c)(3) .....	port director .....	Center director.
181.64(c)(4) .....	port director .....	Center director.
181.64(c)(4) .....	duties .....	duties to CBP, either at the port of entry or electronically.
181.113(a) .....	the port director who issued the decision .....	CBP, either at the port of entry or electronically.
181.114(a) .....	port director .....	Center director.
181.114(b) introductory text .....	port director .....	Center director.
181.115(b) .....	port director with whom the protest was filed ..	Center director.
181.116(a) .....	port director .....	Center director.
181.116(b) .....	the port director who issued the adverse marking decision.	with the port of entry or filed electronically with CBP.
181.121 .....	port director or other Customs officer .....	port director, Center director, or other CBP officer.

■ 111. Section 181.22(d)(1)(i) is revised to read as follows:

#### **§ 181.22 Maintenance of records and submission of Certificate by importer.**

\* \* \* \* \*

(d) \* \* \*

(1) \* \* \*

(i) An importation of a good for which the port director or Center director before January 19, 2017, or the Center director on or after January 19, 2017, has in writing waived the requirement for a Certificate of Origin because the port director or Center director is otherwise satisfied that the good qualifies for

preferential tariff treatment under the NAFTA;

\* \* \* \* \*

■ 112. Section 181.112(a) is revised to read as follows:

#### **§ 181.112 Definitions.**

\* \* \* \* \*

(a) *Adverse marking decision* means a decision made by the port director or Center director before January 19, 2017, or the Center director on or after January 19, 2017, which an exporter or producer of merchandise believes to be contrary to the provisions of Annex 311 of the NAFTA and which may be protested by the importer pursuant to § 514, Tariff

Act of 1930, as amended (19 U.S.C. 1514), and part 174 of this chapter. Notification of an adverse marking decision is given to an importer in the form of a CBP Form 4647, or its electronic equivalent, (Notice to Mark and/or Notice to Redeliver) and/or by assessing marking duties on improperly marked merchandise. Examples of adverse marking decisions include determinations by the port director or Center director before December 20, 2016, or the Center director on or after January 19, 2017: That an imported article is not a good of a NAFTA country, as determined under the Marking Rules, and that it therefore

cannot be marked “Canada” or “Mexico”; that a good of a NAFTA country is not marked in a manner which is sufficiently permanent; and that a good of a NAFTA country does not qualify for an exception from marking specified in Annex 311 of the NAFTA. Adverse marking decisions do not include: Decisions issued in response to requests for advance rulings under subpart I of this part or for internal advice under part 177 of this chapter; decisions on protests under part 174 of this chapter; and determinations that an article does not

qualify as an originating good under General Note 12, HTSUS, and the appendix to this part.

\* \* \* \* \*

**§ 181.115 [Amended]**

■ 113. Section 181.115(e) is amended by removing the words “port director”, in its heading and in its text, each place that they appear and adding in their place the words “Center director”.

**§ 181.116 [Amended]**

■ 114. Section 181.116(d)(1) is amended by removing the words “port director”,

in its heading and in its text, each place that they appear and adding in their place the words “Center director”, and by removing the words “port director’s” each place that they appear and adding in their place the words “Center director’s”.

Dated: December 7, 2016.

**Jeh Charles Johnson,**

*Secretary.*

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