

the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2).”

Some federal programs use a percentage multiple of the guidelines (for example, 125 percent or 185 percent of the guidelines), as noted in relevant authorizing legislation or program regulations. Non-Federal organizations that use the poverty guidelines under their own authority in non-Federally-funded activities also may choose to use a percentage multiple of the guidelines.

The poverty guidelines do not make a distinction between farm and non-farm families, or between aged and non-aged units. (Only the Census Bureau poverty thresholds have separate figures for aged and non-aged one-person and two-person units.)

Note that this notice does not provide definitions of such terms as “income” or “family,” because there is considerable variation in defining these terms among the different programs that use the guidelines. These variations are traceable to the different laws and regulations that govern the various programs. This means that questions such as “Is income counted before or after taxes?”, “Should a particular type of income be counted?”, and “Should a particular person be counted as a member of the family/household?” are actually questions about how a specific program applies the poverty guidelines. All such questions about how a specific program applies the guidelines should be directed to the entity that administers or funds the program, since that entity has the responsibility for defining such terms as “income” or “family,” to the extent that these terms are not already defined for the program in legislation or regulations.

Dated: January 12, 2018.

**Eric D. Hargan,**

*Acting Secretary of Health and Human Services.*

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**BILLING CODE 4150-05-P**

## DEPARTMENT OF HOMELAND SECURITY

### U.S. Customs and Border Protection

#### **Automated Commercial Environment (ACE) Becoming the Sole CBP-Authorized Electronic Data Interchange (EDI) System for Processing Electronic Drawback Filings**

**AGENCY:** U.S. Customs and Border Protection, Department of Homeland Security.

**ACTION:** General notice.

**SUMMARY:** This document announces that the Automated Commercial Environment (ACE) will be the sole electronic data interchange (EDI) system authorized by U.S. Customs and Border Protection (CBP) for processing electronic drawback filings under part 181 (NAFTA drawback) and part 191 (non-TFTEA drawback) of Title 19 of the Code of Federal Regulations. This document also announces that the Automated Commercial System (ACS) will no longer be a CBP-authorized EDI system for purposes of processing such filings. This notice further announces the deployment of a new ACE filing code for all electronic drawback filings, replacing the six distinct drawback codes previously filed in ACS.

**DATES:** As of February 24, 2018, ACE will be the sole CBP-authorized EDI system for processing drawback filings under part 181 (NAFTA drawback) and part 191 (non-TFTEA drawback) of Title 19 of the Code of Federal Regulations, and ACS will no longer be a CBP-authorized EDI system for such purpose.

**FOR FURTHER INFORMATION CONTACT:** Randy Mitchell, Commercial Operations and Entry Division, Trade Policy and Programs, Office of Trade at (202) 863-6532 or *RANDY.MITCHELL@CBP.DHS.GOV*.

#### **SUPPLEMENTARY INFORMATION:**

##### **I. Background**

Section 484 of the Tariff Act of 1930, as amended (19 U.S.C. 1484), establishes the requirement for importers of record to make entry for merchandise to be imported into the customs territory of the United States. Customs entry information is used by U.S. Customs and Border Protection (CBP) and Partner Government Agencies (PGAs) to determine whether merchandise may be released from CBP custody. Importers of record are also obligated to complete the entry by filing an entry summary declaring the value, classification, rate of duty applicable to the merchandise and such other information as is necessary for CBP to properly assess duties, collect accurate statistics and determine whether any other applicable requirement of law is met.

The customs entry requirements were amended by Title VI of the North American Free Trade Agreement Implementation Act (Pub. L. 103-182, 107 Stat. 2057, December 8, 1993), commonly known as the Customs Modernization Act, or Mod Act. In particular, section 637 of the Mod Act amended section 484(a)(1)(A) of the

Tariff Act of 1930 (19 U.S.C. 1484(a)(1)(A)) by revising the requirement to make and complete customs entry by submitting documentation to CBP to allow, in the alternative, the electronic transmission of such entry information pursuant to a CBP-authorized electronic data interchange (EDI) system. CBP created the Automated Commercial System (ACS) to track, control, and process all commercial goods imported into the United States. CBP established the specific requirements and procedures for the electronic filing of entry and entry summary data for imported merchandise through the Automated Broker Interface (ABI) to ACS.

##### **II. Transition Into the Automated Commercial Environment**

In an effort to modernize the business processes essential to securing U.S. borders, facilitating the flow of legitimate shipments, and targeting illicit goods pursuant to the Mod Act and the Security and Accountability for Every (SAFE) Port Act of 2006 (Pub. L. 109-347, 120 Stat. 1884), CBP developed the Automated Commercial Environment (ACE) to eventually replace ACS as the CBP-authorized EDI system. Over the last several years, CBP has tested ACE and provided significant public outreach to ensure that the trade community is fully aware of the transition from ACS to ACE.

On October 13, 2015, CBP published an Interim Final Rule in the **Federal Register** (80 FR 61278) that designated ACE as a CBP-authorized EDI system. The designation of ACE as a CBP-authorized EDI system was effective November 1, 2015. In the Interim Final Rule, CBP stated that ACS would be phased out and anticipated that ACS would no longer be supported for entry and entry summary filing. Filers were encouraged to adjust their business practices so that they would be prepared when ACS was decommissioned.

CBP developed a staggered transition strategy for decommissioning ACS. The phases of the transition were announced in several **Federal Register** notices. See 81 FR 10264 (February 29, 2016); 81 FR 30320 (May 16, 2016); 81 FR 32339 (May 23, 2016); 82 FR 38924 (August 16, 2017); and 82 FR 51852 (November 8, 2017). This notice announces another transition as the processing of electronic drawback filings under parts 181 and 191 of title 19 of the Code of Federal Regulations (CFR) is transitioning into ACE.

### III. ACE as the Sole CBP-Authorized EDI System for the Processing of Electronic Filings of NAFTA Drawback and Non-TFTEA-Drawback

This notice announces that, beginning February 24, 2018, ACE will become the sole CBP-authorized EDI system for electronic filings of NAFTA drawback (19 CFR part 181) and non-TFTEA drawback (19 CFR part 191), and ACS will no longer be a CBP-authorized EDI system for purposes of processing these electronic filings. A separate **Federal Register** document will be published containing proposed regulations regarding TFTEA-Drawback claims, which are those claims filed under 19 U.S.C. 1313, as amended by the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA) (Pub. L. 114–125, 130 Stat. 122, February 24, 2016). The electronic filings referred to in this document, *i.e.*, non-TFTEA drawback claims, are limited to drawback claims filed in compliance with the regulations in parts 181 and 191 and under 19 U.S.C. 1313, as it was in effect prior to the TFTEA amendments.

### IV. Deployment of New Filing Code for Drawback in ACE

CBP announces the deployment of a new ACE filing code 47 for drawback as of February 24, 2018, which will replace the following six drawback codes previously filed in ACS:

- 41—Direct Identification Manufacturing Drawback
- 42—Direct Identification Unused Merchandise Drawback
- 43—Rejected Merchandise Drawback
- 44—Substitution Manufacturing Drawback
- 45—Substitution Unused Merchandise Drawback
- 46—Other Drawback

### V. Entry Types With Low Shipment Volume

This notice announces that the following entry types will not be automated in either ACS or ACE due to low shipment volume:

- 04—Appraisalment
- 05—Vessel—Repair
- 24—Trade Fair
- 25—Permanent Exhibition
- 26—Warehouse—Foreign Trade Zone (FTZ) (Admission)
- 33—Aircraft and Vessel Supply (For Immediate Exportation)
- 64—Barge Movement
- 65—Permit To Proceed
- 66—Baggage

Dated: January 12, 2018.

**Kevin K. McAleenan,**

*Acting Commissioner, U.S. Customs and Border Protection.*

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## DEPARTMENT OF HOMELAND SECURITY

### U.S. Customs and Border Protection

#### Modification of the National Customs Automation Program (NCAP) Test Regarding Reconciliation and Transition of the Test From the Automated Commercial System (ACS) to the Automated Commercial Environment (ACE)

**AGENCY:** U.S. Customs and Border Protection, Department of Homeland Security.

**ACTION:** General notice.

**SUMMARY:** This document announces that certain previously announced modifications to the National Customs Automation Program (NCAP) test regarding reconciliation will become operational, and that the test program will transition from the Automated Commercial System (ACS) to the Automated Commercial Environment (ACE).

**DATES:** As of February 24, 2018, the modifications to the reconciliation test will become operational. As of the same date, the test will transition into ACE, and ACS will be decommissioned for the filing of reconciliation entries.

**ADDRESSES:** Comments concerning this test program may be submitted via email, with a subject line identifier reading, “Comment on Reconciliation test” to *OFO-RECONFOLDER@cbp.dhs.gov*.

**FOR FURTHER INFORMATION CONTACT:** Randy Mitchell, Commercial Operations and Entry Division, Trade Policy and Programs, Office of Trade at (202) 863–6532 or *RANDY.MITCHELL@CBP.DHS.GOV*.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

###### A. Reconciliation Test Program

Title VI of the North American Free Trade Agreement (NAFTA) Implementation Act (Pub. L. 103–182, 107 Stat. 2057, 2170, December 8, 1993), commonly known as the Customs Modernization Act or Mod Act, amended the Tariff Act of 1930 and related laws, in part, to increase voluntary compliance with customs laws and improvements to customs

enforcement. Subtitle B of Title VI established the National Customs Automation Program (NCAP) which is an automated and electronic system for processing commercial importations, and includes the testing of existing and planned components. (19 U.S.C. 1411). Section 637 of the Mod Act amended Section 484 of the Tariff Act of 1930 to establish a new section (b), entitled “Reconciliation”, a planned component of the NCAP. (19 U.S.C. 1484(b), 19 U.S.C. 1411(a)(2)(C)).

Reconciliation is the process that allows an importer, at the time an entry summary is filed, to identify indeterminable information (other than that affecting admissibility) to U.S. Customs and Border Protection (CBP) and to provide that outstanding information at a later date. The importer identifies the outstanding information by means of an electronic “flag” which is placed on the entry summary at the time the entry summary is filed and payment (applicable duty, taxes, and fees) is made.

Section 101.9(b) of Title 19 of the Code of Federal Regulations (19 CFR 101.9(b)) provides for the testing of NCAP components. *See* T.D. 95–21, 60 FR 14211 (March 16, 1995). The reconciliation test was established pursuant to this regulation, and is currently being tested in the Automated Commercial System (ACS). CBP announced and explained the test in a general notice published in the **Federal Register** (63 FR 6257) on February 6, 1998. Clarifications and operational changes were announced in subsequent **Federal Register** notices: 63 FR 44303 (August 18, 1998); 64 FR 39187 (July 21, 1999); 64 FR 73121 (December 29, 1999); 66 FR 14619 (March 13, 2001); 67 FR 61200 (September 27, 2002) (with a correction document published at 67 FR 68238 (November 8, 2002)); 69 FR 53730 (September 2, 2004); 70 FR 1730 (January 10, 2005); 70 FR 46882 (August 11, 2005); 71 FR 37596 (June 30, 2006); 78 FR 27984 (May 13, 2013); and 79 FR 34334 (June 16, 2014). On September 13, 2000, CBP extended the test indefinitely in a notice published in the **Federal Register** (65 FR 55326).

###### B. Transition to the Automated Commercial Environment

The Security and Accountability for Every (SAFE) Port Act of 2006 (Pub. L. 109–347, 120 Stat. 1884) modified the Mod Act and added subsection (d) to 19 U.S.C. 1411. This subsection established the International Trade Data System (ITDS) which allows for the collection and distribution of standard import and export data required by CBP through a single portal system. The Automated