

106TH CONGRESS  
2D SESSION

# H. R. 4337

To amend the customs laws of the United States relating to procedures  
with respect to the importation of merchandise.

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IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 2000

Mr. THOMAS introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To amend the customs laws of the United States relating  
to procedures with respect to the importation of merchandise.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. MINIMAL DATA REQUIRED TO RELEASE IM-**  
4                       **PORTED MERCHANDISE FROM CUSTOMS CUS-**  
5                       **TODY.**

6       (a) ENTRY OF MERCHANDISE.—Section 484(a) of  
7 the Tariff Act of 1930 (19 U.S.C. 1484(a)) is amended—

8               (1) by striking clause (i) of paragraph (1)(A)  
9       and inserting the following:

1 “(i) only such documentation or, pur-  
2 suant to an electronic data interchange  
3 system, only such information as is nec-  
4 essary to enable the Customs Service to  
5 determine whether the merchandise may be  
6 released from customs custody, and”;

7 (2) in paragraph (2)—

8 (A) by redesignating subparagraphs (B)  
9 and (C) as subparagraphs (C) and (D), respec-  
10 tively;

11 (B) by striking “(2)(A)” and inserting  
12 “(B)”; and

13 (C) by inserting before subparagraph (B),  
14 as redesignated by this paragraph, the fol-  
15 lowing:

16 “(2)(A) Unless the Customs Service has grant-  
17 ed the importer an alternative means to obtain re-  
18 lease, the information required by paragraph (1)  
19 shall include—

20 “(i) a description of the imported merchan-  
21 dise;

22 “(ii) the classification of the merchandise  
23 under the Harmonized Tariff Schedule of the  
24 United States to the sixth digit;

1 “(iii) the country of origin of the imported  
2 merchandise; and

3 “(iv) other import documentation or cer-  
4 tification required to determine whether the  
5 merchandise may be admitted into the United  
6 States.”.

7 (b) EXAMINATION OF MERCHANDISE.—Section  
8 499(a)(1) of the Tariff Act of 1930 (19 U.S.C.  
9 1499(a)(1)) is amended by striking “until the merchan-  
10 dise has been inspected, appraised, or examined and is re-  
11 ported by the Customs Service to have been truly and cor-  
12 rectly invoiced and found to comply with the requirements  
13 of the laws of the United States” and inserting “until the  
14 merchandise has been determined through inspection, ex-  
15 amination, or other method to pose no threat to the public  
16 health, safety, or welfare and that the merchandise de-  
17 scription and origin are correctly stated”.

18 (c) DEFINITION OF ELECTRONIC ENTRY.—Section  
19 401(o)(1) of the Tariff Act of 1930 (19 U.S.C.  
20 1401(o)(1)) is amended by striking “for the entry of mer-  
21 chandise” and inserting “to determine whether the mer-  
22 chandise may be released because it does not pose a threat  
23 to the public health, safety, or welfare and to determine  
24 that the merchandise description and origin are correctly  
25 stated.”

1 **SEC. 2. REMOTE FILING.**

2 Section 414(a)(2)(A)(ii) of the Tariff Act of 1930 (19  
3 U.S.C. 1414(a)(2)(A)(ii)) is amended by inserting “or im-  
4 port activity summary statement” after “the electronic  
5 entry summary”.

6 **SEC. 3. IMPORTER ACTIVITY SUMMARY STATEMENT CLARI-**  
7 **FICATION.**

8 (a) ENTRY OF MERCHANDISE.—Section 484(a) of  
9 the Tariff Act of 1930 (19 U.S.C. 1484(a)) is amended—

10 (1) in paragraph (1)(B) by inserting “as part  
11 of an entry summary or, in the alternative, an im-  
12 port activity summary statement” after “complete  
13 the entry by filing with the Customs Service”; and

14 (2) by inserting at the end of paragraph (2)(B)  
15 the following:

16 “Information filed as part of an import activity sum-  
17 mary statement shall be sufficient for purposes of  
18 paragraph (1)(B) if the monthly activity is totaled  
19 by tariff number, country of origin, and any relevant  
20 special duty program indicators. Such information,  
21 aggregated by tariff number, country of origin, and  
22 relevant special duty program, may vary from the in-  
23 formation contained in the underlying documents,  
24 electronically transmitted information, or written or  
25 oral statements for individual shipments, and such  
26 variances shall, in the absence of fraud, be consid-

1       ered to be clerical errors for purposes of section  
2       592.”.

3       (b) DEFINITION OF ELECTRONIC ENTRY.—Section  
4       401(o)(2) of the Tariff Act of 1930 (19 U.S.C.  
5       1401(o)(2)) is amended by inserting “or import activity  
6       summary statement information” after “entry summary  
7       information”.

8       (c) DEFINITION OF IMPORT ACTIVITY SUMMARY  
9       STATEMENT.—Section 401(r) of the Tariff Act of 1930  
10      (19 U.S.C. 1401(r)) is amended by adding at the end the  
11      following: “In the importer activity summary statement,  
12      information during the period may be provided in the ag-  
13      gregate by tariff numbers, country of origin, and any rel-  
14      evant special duty program indicators. Information relat-  
15      ing to specific entries or shipments shall not be required.  
16      For purposes of the administration of the customs laws,  
17      the importer activity summary statement shall be treated  
18      as an ‘entry’.”.

19      **SEC. 4. MIDPOINT INTEREST.**

20      Section 505(c) of the Tariff Act of 1930 (19 U.S.C.  
21      1505(c)) is amended by striking “For the period begin-  
22      ning on” and all that follows through “the Secretary may  
23      prescribe” and inserting “The Secretary shall prescribe”.

1 **SEC. 5. RECONCILIATION CHANGES AND CLARIFICATION.**

2 Section 484(b)(1) of the Tariff Act of 1930 (19  
3 U.S.C. 1484(b)(1)) is amended—

4 (1) by inserting after the third sentence the fol-  
5 lowing new sentence: “However, a party shall not be  
6 required to indicate on an individual import entry,  
7 entry summary, or import activity summary state-  
8 ment basis whether a reconciliation will be filed ex-  
9 cept to the extent that the party wishes to allocate  
10 information specifically to an import entry, entry  
11 summary, or importer activity summary statement.”;  
12 and

13 (2) by striking the first sentence and inserting  
14 the following: “A party may elect to file a reconcili-  
15 ation with respect to any information required to be  
16 filed under subsection (a)(1)(B) as identified by the  
17 party in a manner prescribed by the Secretary pur-  
18 suant to regulations.”.

19 **SEC. 6. NETTING AND OFFSETTING.**

20 Section 592 of the Tariff Act of 1930 (19 U.S.C.  
21 1592) is amended—

22 (1) by adding at the end of subsection (a)(2)  
23 the following: “Absent fraud, variances between any  
24 document or electronically transmitted information,  
25 or written or oral statements, with respect to indi-  
26 vidual shipments and the aggregate information

1 properly filed as part of an entry summary, an im-  
2 port activity summary statement, or a reconciliation  
3 under part III of title IV shall be considered to be  
4 clerical errors.”;

5 (2) by adding at the end of subsection (a) the  
6 following:

7 “(3) MATERIAL INCORRECT STATEMENTS AND  
8 OMISSIONS.—To the extent that the effect of incor-  
9 rect information presented or information omitted by  
10 a person in an entry, entry summary, import activity  
11 summary statement, or reconciliation is reduced by  
12 other information in or relating to the same or other  
13 entries, entry summaries, import activity summary  
14 statements, or reconciliations during the relevant pe-  
15 riod, the violation shall be material only to the ex-  
16 tent of the net error or omission.”; and

17 (3) by adding at the end of subsection (d) the  
18 following: “To the extent that the deprivation of du-  
19 ties, taxes, or fees is offset by overpayments of du-  
20 ties, taxes, or fees during the relevant period, the  
21 Customs Service shall collect only the net under-  
22 payment.”.

1 **SEC. 7. CIRCUMSTANCES OF SALE.**

2 Section 402(b)(2) of the Tariff Act of 1930 (19  
3 U.S.C. 1401(b)(2)) is amended by adding at the end the  
4 following new subparagraph:

5 “(D) In determining whether the circumstances of  
6 the sale of the imported merchandise indicate that the re-  
7 lationship between the buyer and seller did not influence  
8 the price actually paid or payable, there shall be taken  
9 into account other sales during a representative timeframe  
10 in the normal course of trade in merchandise of the same  
11 class or kind.”.

12 **SEC. 8. DESTRUCTION DRAWBACK.**

13 Section 313 of the Tariff Act of 1930 (19 U.S.C.  
14 1313) is amended—

15 (1) in subsection (i)—

16 (A) by inserting “OR DESTRUCTION” after  
17 “EXPORTATION” in the subsection heading;

18 (B) by striking “No drawback” and insert-  
19 ing “Unless otherwise provided for in this sec-  
20 tion, no drawback”; and

21 (C) by inserting “or destroyed under Cus-  
22 toms supervision” after “is exported”; and

23 (2) by adding at the end the following new sub-  
24 section:

25 “(x) DESTRUCTION DEFINED.—



1           “(1) For purposes of this section, the term ‘de-  
2       struction’ means the complete destruction, as items  
3       of commerce, of merchandise or articles such that no  
4       valuable waste or scrap results, except as provided  
5       in paragraph (2).

6           “(2) If waste or scrap resulting from the de-  
7       struction of merchandise or articles has commercial  
8       value, then drawback under this section is allowable  
9       based on the quantity of merchandise or articles de-  
10      stroyed, reduced by an amount equal to the quantity  
11      of the destroyed merchandise or articles that the  
12      value of the waste or scrap would replace.”.

13 **SEC. 9. INSTRUMENTS OF INTERNATIONAL TRAFFIC.**

14       (a) INTERNATIONAL TRAFFIC AND RESCUE WORK.—  
15   Section 322(a) of the Tariff Act of 1930 (19 U.S.C.  
16   1322(a)) is amended by amending the first sentence to  
17   read as follows: “Vehicles and any other instruments of  
18   international traffic, of any class specified by the Sec-  
19   retary of the Treasury, shall be exempted from the appli-  
20   cation of the customs laws to such extent and subject to  
21   such terms and conditions as may be prescribed in regula-  
22   tions or instructions of the Secretary of the Treasury. The  
23   term ‘instruments of international traffic’ includes all  
24   types of containers and shipping devices such as lift vans,  
25   cargo vans, shipping tanks, skids, pallets, racks, boxes,

1 materials for stuffing containers, and other similar  
2 items.”.

3 (b) EXCLUSION FROM HARMONIZED TARIFF SCHED-  
4 ULE.—General Note 16 of the Harmonized Tariff Sched-  
5 ule of the United States is amended—

6 (1) in paragraph (e) by striking “and” after the  
7 comma at the end:

8 (2) in paragraph (f) by adding “and” after the  
9 comma at the end: and

10 (2) by inserting after paragraph (f) the fol-  
11 lowing new paragraph:

12 “(g) containers and shipping devices such as lift  
13 vans, cargo vans, shipping tanks, skids, pallets,  
14 racks, boxes, materials for stuffing containers, and  
15 other similar items,”.

16 **SEC. 10. ENTIRETIES.**

17 The General Notes of the Harmonized Tariff Sched-  
18 ule of the United States is amended by adding at the end  
19 the following new General Note:

20 “22. Entireties. Importations of any part or component  
21 for the complete or finished dies under subheading  
22 8207.30, machinery tools and equipment under chap-  
23 ter 84 or 85, and machinery tools and equipment  
24 under chapter 90 may, at the option of the importer,  
25 be classified under the specific heading or subheading

1       for the complete or finished article with which it is  
2       to be used, installed, or assembled if the importer—  
3       “(i) files an election with or before the filing of any  
4             one of the following with respect to such part  
5             or component: entry summary, importer activity  
6             summary statement, or reconciliation; and  
7       “(ii) demonstrates to the satisfaction of the Customs  
8             Service a preexisting binding agreement for the  
9             purchase by the importer of the complete article  
10            for which the part or component is being im-  
11            ported.”.

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