Proposed Amendments to the Regulations

It is proposed to amend part 24, Customs Regulations (19 CFR part 24), as set forth below.

PART 24—CUSTOMS FINANCIAL AND ACCOUNTING PROCEDURE

1. The general authority citation for part 24 and the relevant specific authority for § 24.1 would continue to read as follows:

Authority: 5 U.S.C. 301; 19 U.S.C. 58a–58c, 66, 1202 (General Note 20, Harmonized Tariff Schedule of the United States), 1450, 1624; 31 U.S.C. 9701. § 24.1 also issued under 19 U.S.C. 197, 198, 1648;

* * * * *

2. It is proposed to amend § 24.1 by revising the heading, paragraph (a), introductory text, and paragraph (a)(7) to read as follows:

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

(a) Except as provided in paragraph (b) of this section, the following procedure applies to the collection of Customs duties, taxes, fees, interest and other charges (see §§ 111.29(b) and 141.1(b) of this chapter):

* * * * *

(7) Wherever authorized by the Commissioner of Customs, transfer of funds through electronic technology or use of charge cards (either debit cards or credit cards) authorized by the Commissioner of Customs may be used for payment of duties, taxes, fees, interest and/or other charges to Customs. Persons using these methods to make payment to Customs remain liable for the amounts transferred or charged until Customs receives payment. Payment by these methods is subject to ultimate collection from the financial institution or charge card company. Information about authorized methods of payment at specific Customs locations may be obtained from Customs officers.

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Raymond W. Kelly,

Commissioner of Customs.

Approved: February 16, 1999.

Dennis M. O'Connell,

Acting Deputy Assistant Secretary of the Treasury.

[FR Doc. 99–6468 Filed 3–16–99; 8:45 am]

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DEPARTMENT OF THE TREASURY

Customs Service

19 CFR Part 146

RIN 1515–AC05

Weekly Entry Procedure for Foreign Trade Zones

AGENCY: Customs Service, Department of the Treasury.

ACTION: Proposed rule; withdrawal.

SUMMARY: This document withdraws the proposed amendments to the Customs Regulations that would have expanded the weekly entry procedure for foreign trade zones to include merchandise involved in activities other than exclusively assembly-line type production operations. Customs has determined that the proposed expanded weekly entry procedure would significantly reduce the collection of the merchandise processing fee (MPF) that Customs needs to offset its administrative costs incurred in processing imported merchandise that is formally entered or released.

DATE: The withdrawal is effective on March 17, 1999.

FOR FURTHER INFORMATION CONTACT: Linda Walfish, Office of Field Operations, (202–927–0042).

SUPPLEMENTARY INFORMATION:

Background

The Foreign Trade Zones Act of 1934, as amended (19 U.S.C. 81a–u) (the ''FTZA'') provides for the establishment and regulation of foreign trade zones. Foreign trade zones are secured areas to which foreign and domestic merchandise, except that prohibited by law, may be exempted from the Customs laws of the United States for the purposes enumerated in the FTZA. Foreign trade zones, by virtue of their potential to allow exemption from the Customs laws, are intended to attract and promote legitimate international trade and commerce.

Part 146, Customs Regulations (19 CFR part 146), sets forth the documentation and recordkeeping requirements governing, among other things, the admission of merchandise into a zone, its manipulation, manufacture, storage, destruction or exhibition while in the zone, and its entry and removal from the zone.

To this latter end, Customs has in place a weekly entry procedure for foreign trade zones, as prescribed in § 146.63(c)(1), Customs Regulations (19 CFR 146.63(c)(1)). Under the procedure, instead of requiring a separate entry for each removal of merchandise from a zone, as would otherwise be the case, Customs accepts one entry from a zone user covering all its anticipated removals fro an entire weekly period. The use of this procedure, however, has been limited exclusively to merchandise that is manufactured or changed into its final form just shortly (within 24 hours) before physical transfer from the zone.

The weekly entry procedure is believed to be especially necessary for assembly-line type manufacturing operations because, in these circumstances, there would otherwise be little time for examination of the merchandise and furnishing of entry documentation after the merchandise was in its final form but before its physical removal from the zone. Thus, under the weekly entry process, the assembly-line operation would not have to be delayed pending acceptance of an entry and Customs examination of the merchandise.

On March 14, 1997, Customs published in the **Federal Register** (62 FR 12129) a notice of proposed rulemaking that would have expanded the use of weekly entry by adding a weekly entry procedure to cover merchandise involved in activities other than manufacturing operations. It was expected that the expanded weekly entry procedure would be available to zones (including subzones) having large quantities of different types of merchandise.

The principal purpose of the proposed expanded weekly entry procedure, which would have required electronic entry filing, was to reduce the number of paper entries from zones and further facilitate the processing of zone entries, with resulting reductions in paperwork and associated industry costs.

In order to test the expanded weekly entry procedure, a pilot program had been authorized in September 1994 for a selected number of zones/subzones.

Effect on Merchandise Processing Fee

Based upon further evaluation of the pilot program, and comments made by zone operators and others on the proposed rule, it is clear that the expanded procedure would significantly impact Customs collection of the merchandise processing fee (MPF). This poses a serious funding concern for the Government.

Under 19 U.S.C. 58c(a)(9)(A) and (B)(i), the MPF is the fee that Customs assesses on importers in order to offset its administrative costs (salaries and expenses) incurred in connection with the processing of imported merchandise that is formally entered or released. The fees collected are deposited in the

general fund of the Treasury in a separate account known as the ''Customs User Fee Account'' (19 U.S.C. 58c(f)).

Specifically, except as otherwise provided, merchandise that is formally entered is subject to an ad valorem MPF of .21 percent (19 CFR 24.23(b)(1)(i)(A)); however, on any one such entry of merchandise, the fee may not exceed $485, subject to certain provisions not here relevant (19 CFR 24.23(b)(1)(i)(B)).

As a result, in those cases where a company must now make a separate entry for each of its removals of merchandise from a zone, and its total payment of the MPF for all entries so made during a week greatly exceeds $485, the company would be able to lower this payment substantially if it could instead make one entry covering all its removals from the zone for the week, with the MPF thereby capped at $485.

Clearly, Customs collection of the MPF would be significantly reduced under an expanded weekly entry program. Indeed, some parties expressing interest in the proposed rule even asserted that they would apply for foreign trade zone status just to gain the benefit of the reduced MPF through the use of a weekly entry.

Moreover, other industries, such as bonded warehouse associations, stated that similar entry procedures should as well be available to them, which also raised a fairness concern.

Withdrawal of Proposal

In view of the foregoing, and following further consideration of the matter, Customs has determined to withdraw the notice of proposed rulemaking that was published in the **Federal Register** (62 FR 12129) on March 14, 1997. Customs, however, will continue to cooperate with the trade in seeking mutually satisfactory ways in which to further facilitate entry processing or imported merchandise, so as to reduce associated paperwork and costs to industry, while at the same time reasonably preserving the integrity of the MPF which is necessary to offset merchandise processing costs incurred by the Government in this regard.

Raymond W. Kelly,

Commissioner of Customs.

Approved: February 9, 1999.

John P. Simpson,

Deputy Assistant Secretary of the Treasury.

[FR Doc. 99–6467 Filed 3–16–99; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[CA 211–0140; FRL–6310–2]

Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Bay Area Air Quality Management District

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: EPA is proposing a limited approval and limited disapproval of a revision to the California State Implementation Plan (SIP) which concerns the control of volatile organic compound (VOC) emissions from adhesive and sealant products.

The intended effect of proposing a limited approval and limited disapproval of this rule is to regulate emissions of VOCs in accordance with the requirements of the Clean Air Act, as amended in 1990 (CAA or the Act). EPA's final action on this proposed rule will incorporate this rule into the federally approved SIP. EPA has evaluated the rule and is proposing a simultaneous limited approval and limited disapproval under provisions of the CAA regarding EPA action on SIP submittals and general rulemaking authority because this revision, while strengthening the SIP, does not fully meet the CAA provisions regarding plan submissions and requirements for nonattainment areas.

DATES: Comments must be received on or before April 16, 1999.

ADDRESSES: Comments may be mailed to: Andrew Steckel, Rulemaking Office [AIR–4], Air Division, U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105–3901.

Copies of the rule and EPA's evaluation report of the rule are available for public inspection at EPA's Region IX office during normal business hours. Copies of the submitted rule are also available for inspection at the following locations:

Bay Area Air Quality Management District, 939 Ellis Street, San Francisco, CA 94109.

California Air Resources Board, Stationary Source Division, Rule Evaluation Section, 2020 ''L'' Street, Sacramento, CA 95812.

FOR FURTHER INFORMATION CONTACT: Yvonne Fong, Rulemaking Office, [AIR–4], Air Division, U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105–3901, Telephone: (415) 744–1199.

SUPPLEMENTARY INFORMATION:

I. Applicability

The rule being proposed for approval into the California SIP is Bay Area Air Quality Management District, BAAQMD, Rule 8–51, Adhesive and Sealant Products. This rule was submitted by the California Air Resources Board to EPA on June 23, 1998.

II. Background

On March 3, 1978, EPA promulgated a list of ozone nonattainment areas under the provisions of the 1977 Clean Air Act (1977 CAA or pre-amended Act), that included the San Francisco Bay Area. 43 FR 8964. The San Francisco Bay Area did not attain the ozone standard by the approved attainment date. On May 26, 1988, EPA notified the Governor of California, pursuant to section 110(a)(2)(H) of the pre-amended Act, that the Bay Area Air Quality Management District's portion of the SIP was inadequate to attain and maintain the ozone standard and requested that deficiencies in the existing SIP be corrected (EPA's SIP-Call). On November 15, 1990, amendments to the 1977 CAA were enacted. Pub. L. 101–549, 104 Stat. 2399, codified at 42 U.S.C. 7401–7671q. In amended section 182(a)(2)(A) of the CAA, Congress statutorily adopted the requirement that nonattainment areas fix their deficient reasonably available control technology (RACT) rules for ozone and established a deadline of May 15, 1991 for states to submit corrections of those deficiencies.

Section 182(a)(2)(A) applies to areas designated as nonattainment prior to enactment of the amendments and classified as marginal or above as of the date of enactment. It requires such areas to adopt and correct RACT rules pursuant to pre-amended section 172(b) as interpreted in pre-amendment guidance.[1] EPA's SIP-Call used that guidance to indicate the necessary corrections for specific nonattainment areas. The San Francisco Bay Area is designated as nonattainment without

[1] Among other things, the pre-amendment guidance consists of those portions of the proposed Post-1987 ozone and carbon monoxide policy that concern RACT, 52 FR 45044 (November 24, 1987) and the document ''Issues Relating to VOC Regulation Cutpoints, Deficiencies, and Deviations, Clarification to Appendix D of November 24, 1987 **Federal Register** Notice'' (Blue Book) (notice of availability was published in the **Federal Register** on May 25, 1988).