

- Enters or attempts to enter goods from U.K. exporters or conveyed by carriers not approved by USCS;
- Enters or attempts to enter goods classified in commodity ranges not approved by USCS;
- Files non-consumption import entries;
- Enters or attempts to enter or submit data relating to prohibited or restricted merchandise, merchandise subject to absolute or tariff rate quota or antidumping or countervailing duties, or other non-eligible merchandise;
- Fails to maintain sufficient continuous bond coverage;
- Files erroneous or untimely data;
- Makes late or inadequate payments;
- Fails to supply USCS with requested invoice data;
- Fails to maintain a sufficient level of compliance;
- Fails to exercise reasonable care in the execution of participant obligations; or,
- Fails to follow the procedures, terms, and conditions outlined herein, and applicable laws and regulations.

USCS has the discretion to suspend a prototype participant based on the determination that an unacceptable compliance risk exists. This suspension may be invoked at any time after acceptance in the prototype.

Any decision proposing suspension of a participant may be appealed in writing to the Director, Trade Programs, within 15 days of the decision date. Such proposed suspension will apprise the participant of the facts or conduct warranting suspension. Should the participant appeal the notice of proposed suspension, the participant should address the facts or conduct charges contained in the notice and state how he does or will achieve compliance. However, in the case of willfulness or where public health interests or safety are concerned, the suspension may be effective immediately.

XI. Regulatory Provisions Suspended

Certain provisions of parts 24, 111, 113, 141, 142, 143, and 159 of the Customs Regulations (19 CFR parts 24, 111, 113, 141, 142, 143, and 159) will be suspended during ITP1.2. Absent any specified alternate procedure, the current regulations apply.

XII. Prototype Evaluation

Once the participants are selected for ITP1.2, both the domestic Evaluation Task Force and the international Joint Evaluation Team will, during the initial 6 months of the test period, evaluate the effectiveness of the automation involved. Subsequent reviews will

additionally consist of evaluating the data received from the participants, along with the internal and external process operations of ITP1.2. The intention of the evaluations is to enhance operational procedures and to develop the detailed data requirements that are needed for ITP.

Note that the fact of participation in ITP1.2 is not confidential information. Lists of participants, comments provided to U.S. Customs, and evaluation results may be made available to the public by means of the Customs Electronic Bulletin Board and the Customs Administrative Message System, and upon written request. The G-7 countries will participate in evaluation development and review. We stress that all interested parties are invited to comment on the design, conduct, and evaluation of ITP at any time during prototype.

Upon conclusion of the prototype, the final results will be published in the **Federal Register** and the Customs Bulletin as required by § 101.9(b) of the Customs Regulations and will be reported to Congress.

Dated: July 21, 1999.

Raymond W. Kelly,
Commissioner of Customs.

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DEPARTMENT OF THE TREASURY

Customs Service

Changes Regarding Customs User Fees

AGENCY: Customs Service, Treasury.

ACTION: General notice.

SUMMARY: On June 25, 1999, the Miscellaneous Trade and Technical Corrections Act of 1999 (the Act) was signed into law. The Act makes miscellaneous and technical changes to various trade laws, including 19 U.S.C. 58c pertaining to Customs user fees. While these changes are self-effectuating, Customs is announcing in this notice, for the convenience of the importing public, several changes affecting Customs administration of user fees. Appropriate amendments to the Customs Regulations will be published in due course.

EFFECTIVE DATE: The effective date for the statutory changes set forth in this document is July 25, 1999.

FOR FURTHER INFORMATION CONTACT: Mr. Edward Matthews at (202) 927-0552.

SUPPLEMENTARY INFORMATION:

Background

Section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985, codified at 19 U.S.C. 58c (section 58c), established user fees for certain inspectional services performed by the Customs Service. On June 25, 1999, the Miscellaneous Trade and Technical Corrections Act of 1999 (the Act) was signed into law (Pub. L. 106-36, 113 Stat. 127). The Act makes miscellaneous and technical changes to various trade laws, including 19 U.S.C. 58c.

Subtitle B (entitled "Trade Provisions") of Title II of the Act sets forth, in section 2418 (entitled "Customs User Fees"), several amendments to section 58c. These statutory amendments are self-effectuating and become effective before the Customs Regulations can be amended to reflect the changes. Regulatory amendments will be published as appropriate. In the meantime, Customs presents below those changes that affect the importing public.

Past Fees

Under 19 U.S.C. 58c(a), Customs is authorized to collect fees charged for certain Customs inspectional services. A schedule of such fees is set forth in paragraphs (1) through (10) of that section. Section 58c(a)(5) pertains to fees for passengers arriving in the United States aboard commercial vessels and commercial aircraft. The fees are collected from passengers by the companies involved in providing commercial vessel and aircraft travel and transportation and are remitted by such companies to the Secretary of the Treasury (see 19 U.S.C. 58c(d)).

Prior to enactment of the Act, section 58c(a)(5)(A) provided for a fee of \$6.50 per passenger arriving in the United States aboard a commercial vessel or aircraft. The fee applied broadly to such passengers arriving in the United States from any place outside the customs territory of the United States. However, these provisions were effective only for fiscal years 1994 through 1997. Thus, after fiscal year 1997 (ending on September 30, 1997), the \$6.50 fee was no longer in effect.

Prior to enactment of the Act, section 58c(a)(5)(B), applicable to fiscal year 1998 and each fiscal year following, provided for a fee of \$5.00 per passenger arriving in the United States aboard a commercial vessel or aircraft. This fee, however, applied to such passengers arriving from places outside the United States with the following limitation: the fee did not apply to such passengers arriving from the places set forth in

section 58c(b)(1)(A)(i): Canada, Mexico, and the territories, possessions, and adjacent islands of the United States. (See section 24.22(g)(2)(i)(B) of the Customs Regulations for the U.S. territories, possessions, and adjacent islands (19 CFR 24.22(g)(2)(i)(B)).)

The effect of these provisions was to impose a fee of \$6.50 on all vessel and aircraft passengers arriving in the United States through September 30, 1997 (section 58c(a)(5)(A)), then to reduce that fee to \$5.00 per such passenger for the following fiscal years, except for those passengers arriving from Canada, Mexico, or the United States territories, possessions, and adjacent islands (section 58c(a)(5)(B)). Thus, beginning with fiscal year 1998, there was no fee applicable under section 58c(a)(5) for vessel and aircraft passengers arriving from Canada, Mexico, or the United States territories, possessions, and adjacent islands.

New Fees

Paragraph (b)(1) of section 2418 of the Act amends sections 58c(a)(5)(A) and 58c(a)(5)(B) to modify this fee structure. The amendment accomplishes two things: (1) It maintains the \$5.00 fee for passengers arriving in the United States aboard commercial vessels or aircraft from places outside the United States other than Canada, Mexico, and the United States territories, possessions, and adjacent islands; and (2) it imposes a fee of \$1.75 per passenger arriving aboard commercial vessels (not commercial aircraft) from Canada, Mexico, and the United States territories, possessions, and adjacent islands. There is no fee under section 58c(a)(5) for passengers arriving aboard commercial aircraft from Canada, Mexico, or the United States territories, possessions, or adjacent islands. (The territories and possessions of the United States include American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands. The adjacent islands of the United States include all of the islands in the Caribbean Sea, the Bahamas, Bermuda, St. Pierre, Miquelon, and the Turks and Caicos Islands.)

Procedures for Payment of Fees

Though not among the amendments set forth in the Act, the procedures for making payment to Customs of the fees provided for in sections 58c(a)(5)(A) and 58c(a)(5)(B) are here set forth for the benefit of affected parties. Under section 24.22(g)(3) of the Customs Regulations, it is the responsibility of the carriers, travel agents, tour wholesalers, or other parties issuing tickets or travel documents to collect the fee from all

passengers who are subject to the fee (19 CFR 24.22(g)(3)). Under section 24.22(g)(4) of the Customs Regulations, these parties must make payment of the fees collected to Customs no later than 31 days after the close of the calendar quarter in which the fees are collected (19 CFR 24.22(g)(4)). Customs asks that remittances be made payable to the U.S. Customs Service and sent to: U.S. Customs Service, P.O. Box 198151, Atlanta, GA 30384.

Also under section 24.22(g)(4), the quarterly remittance must be accompanied by a statement that includes the following information: name, address, and taxpayer identification number of the party remitting the payment and the calendar quarter covered by the payment (19 CFR 24.22(g)(4)). Customs asks that the following additional information be provided in the statement: total number of tickets for which fees were collected, total amount of fees collected and remitted, and a breakdown of vessel fees collected and remitted under section 58c(a)(5)(A) (the \$5.00 per passenger fee) and section 58c(a)(5)(B) (the \$1.75 per passenger fee). This breakdown is requested to serve Customs need to separate and distinguish the amounts collected for these two fees. Affected parties are reminded of the record maintenance requirements of section 24.22(g)(6) (19 CFR 24.22(g)(6)).

Exemption From Fee

Enactment of the \$1.75 per passenger fee provision of 19 U.S.C. 58c(a)(5)(B) (discussed in the section immediately above), applicable to commercial vessel passengers arriving in the United States from Canada, Mexico, or the United States territories, possessions or adjacent islands, necessitated an amendment to section 58c(b)(1)(A)(i). This latter section, prior to enactment of the Act (and since expiration of fiscal year 1997 (see section 58c(b)(1)(C))), has prohibited application of a fee under section 58c(a) to passengers arriving in the United States from Canada, Mexico, or the United States territories, possessions, and adjacent islands, whether such journey originated in one of the named places or originated in the United States and was limited to the named places. This provision, if left unmodified, would be in direct conflict with the \$1.75 fee provision of section 58c(a)(5)(B), as amended by the Act.

In order to remove this conflict, paragraph (b)(2) of section 2418 of the Act simultaneously (with the amendment of subsection 58c(a)(5)(B) in paragraph (b)(1) of the Act) amends section 58c(b)(1)(A) to exclude from the prohibition of paragraph (i) fees

imposed under section 58c(a)(5)(B). Thus, section 58c(b)(1)(A)(i) now prohibits application of a fee to passengers arriving in the United States from Canada, Mexico, or the territories, possessions, or adjacent islands of the United States unless those passengers arrive in the United States aboard commercial vessels.

Conforming Amendments to be Made to Customs Regulations

Appropriate regulatory amendments will be published in due course to reflect the changes necessitated by the above and other amendments to 19 U.S.C. 58c. As the above amendments to the statute are effective 30 days after the date of enactment of the Act, which occurred on June 25, 1999, the fees discussed in this document become effective on July 25, 1999.

Dated: July 21, 1999.

Wayne Hamilton,

Assistant Commissioner, Office of Finance.

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DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900-0040]

Proposed Information Collection Activity: Proposed Collection; Comment Request

AGENCY: Veterans Benefits Administration, Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: The Veterans Benefits Administration (VBA), Department of Veterans Affairs (VA), is announcing an opportunity for public comment on the proposed collection of certain information by the agency. Under the Paperwork Reduction Act (PRA) of 1995, Federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of a currently approved collection, and allow 60 days for public comment in response to the notice. This notice solicits comments for information to determine a lender's and veteran's request for guaranty of a home loan to occupy incomplete property.

DATES: Written comments and recommendations on the proposed collection of information should be received on or before September 27, 1999.

ADDRESSES: Submit written comments on the collection of information to Nancy J. Kessinger, Veterans Benefits