

DEPARTMENT OF THE TREASURY**Customs Service****Announcement of Program Test: Simplification of In-Transit Truck Shipments Between Canada and the U.S.****AGENCY:** Customs Service, Treasury.**ACTION:** General notice.

SUMMARY: This notice announces a joint U.S. Customs and Revenue Canada Customs plan to conduct a pilot test of simplified procedures regulating the in-transit movement of truck shipments transiting Canada and the United States. The simplified procedures reduce the number of processing steps or stops required of a carrier transiting either Canada or the United States from four to two. This notice also invites public comments concerning any aspect of the planned pilot test program.

EFFECTIVE DATES: The test of this pilot program will commence no earlier than October 8, 1997, and will run for approximately six months, with evaluations of the program occurring periodically. Comments must be received on or before October 2, 1997.

ADDRESSES: Written comments regarding this notice should be addressed to Walter Lechowski, East Great Lakes Customs Management Center, Floor 3, Building 10, 4455 Genesee Street, Buffalo, New York 14225-1928.

FOR FURTHER INFORMATION CONTACT:

For U.S. Customs issues: Walter Lechowski, (716) 626-0400, ext. 203.

For Revenue Canada Customs issues: Bryan Daly, (613) 954-7081.

SUPPLEMENTARY INFORMATION:**Background**

With a long history of working together, Canada and the United States have much in common. The Customs Services in each country operate more and more in a similar fashion because they are faced with many of the same problems and challenges associated with the rapidly changing business and economic environment. Trade between Canada and the United States is a billion dollar a day proposition. Tourism provides millions of jobs for Canadians and Americans. More than 100 million travellers cross our common border each year. This environment brings with it the threat of guns, smuggling, drugs, and crime. Conversely, our citizens and customers are therefore demanding better service and protection at less cost.

In response to these demands, on February 24, 1995, at a Summit in Ottawa, Canada, President Clinton and Canadian Prime Minister Chretien announced agreement on a Canada/United States Accord on our Shared Border for enhancing the management of the U.S.-Canada border. See, 31 Weekly Comp. Pres. Doc. 305. The Shared Border Accord sets out common objectives and specific initiatives to promote trade, tourism, and travel between the two countries by reducing barriers for legitimate importers, exporters, and travelers, while strengthening enforcement capabilities to stop the flow of illegal movement of goods and reducing costs for both governments and users. One of the common objectives of the Shared Border Accord is to promote international trade by adopting the best practices of each country to permit commercial goods and legitimate travellers to flow easily between both countries.

To aid in the development of this objective, Revenue Canada Customs and U.S. Customs jointly propose a change to the current procedures concerning the reporting and control of truck shipments transiting Canada between ports in the U.S. and truck shipments transiting the U.S. between ports in Canada. The present United States regulations applicable to in-transit truck traffic between our two countries are set forth as subpart E of part 123 of the Customs Regulations (19 CFR part 123, subpart E) and require such traffic to report to a Customs facility a minimum of four times: once in crossing the border bound for the other country; twice while in the other country, *i.e.*, once when arriving and once when departing; and once again when reentering the country of destination. The procedural change proposed in this document for this type of international traffic will eliminate the first and third check stops. Accordingly, the reporting requirements contained at §§ 123.41 (b) and (c)(2) of the Customs Regulations, concerning truck shipments transiting Canada, and 123.42 (b) and (d) of the Customs Regulations, concerning truck shipments transiting the U.S., will be suspended during this pilot test procedure. This test procedure will apply along the entire border area between Canada and the U.S. and will not otherwise affect the procedures relating to other forms of shipments, such as those relating to transportation and exportation shipments. Significant financial and safety related benefits for commercial highway carriers and bridge operators are anticipated; carriers should enjoy a reduction in travel time;

and bridge operators should enjoy less truck congestion at outbound lanes, and greater driver safety since truck drivers will no longer need to cross active traffic lanes to reach Customs offices from outbound lanes. Compliance examinations conducted by both Customs Services will enhance enforcement, and provide a basis for formulating threat assessments.

The implementation date for a test of these new procedures is October 8, 1997. Upon implementation, both Customs Services will begin an evaluation period of at least six months to ensure the effectiveness of the program and to identify any short falls. If the program is successful, both Customs Services will begin the process to change current regulations to make the new procedure permanent.

For programs designed to evaluate the effectiveness of new technology or operations procedures regarding the processing of passengers, vessels, or merchandise, § 101.9(a) of the Customs Regulations (19 CFR 101.9(a)), implements the general testing procedures. This test is established pursuant to that regulation.

The Present In-Transit Procedure

Stop #1 (exiting the first country)—A commercial carrier transiting either Canada or the U.S. is required to stop at the domestic port of departure to have its movement authorized by having the in-transit manifest stamped.

Stop #2 (arriving in the other country)—Upon arriving in the other country, the commercial carrier is required to stop so that foreign Customs can further process the movement; the manifest is stamped again and the top copy is retained by foreign Customs; an inventory is created to control the merchandise while in the country.

Stop #3 (exiting the country transited)—Upon exiting the country transited, the commercial carrier is required to stop again so that foreign Customs can cancel the manifest; foreign Customs retains the second (blue) copy of the manifest.

Stop #4 (re-entering the first country)—Upon re-entry into the first country, the commercial carrier is required to stop again so that domestic Customs can further process the manifest to facilitate entry of the merchandise; domestic Customs retains the third (green) copy of the manifest; the driver is given the fourth (pink) copy of the manifest.

For example, in a trip from Michigan to New York that transits Canada, the driver for a commercial carrier must stop at U.S. Customs in Port Huron, Michigan, to have the manifest stamped

to authorize this movement. Then, upon arrival in Sarnia, Ontario, Canada, the driver must stop again so that Canadian Customs can process the manifest by stamping and removing the top (white) copy. The driver then proceeds through Ontario to the port of exit at Queenston, Ontario. At Queenston, the driver must stop again so that Canadian Customs can further process the manifest by retaining the second (blue) copy. The driver then proceeds to Lewiston, New York, and stops again so that U.S. Customs can finalize the process by retaining the third (green) copy. The fourth (pink) copy of the manifest is returned to the driver. This process works the same way when commercial carriers in Canada transit the U.S. for return to Canada.

The Proposed In-Transit Procedure

Old stop #1 no longer required—Commercial carriers transiting either Canada or the U.S. will no longer be required to stop at the domestic port of departure to initiate the in-transit movement. Drivers will proceed directly to the other country.

New stop #1 (arriving in the other country)—Arriving in the other country, the driver stops so that foreign Customs will review the manifest for accuracy and verify that the merchandise does qualify for this movement. The foreign Customs will confirm the residency of the driver and, if all is in order, stamp the manifest, noting seal numbers where applicable.

Old stop #3 no longer required—Drivers will now proceed to the port of entry for the first country for re-entry.

New stop #2 (re-entering the first country)—Upon re-entry into the first country, the driver will stop so that domestic Customs can complete the processing of the manifest; the second (blue) copy of the manifest will be returned to the other country's Customs. The Customs Service of the first country retains the third (green) copy of the manifest, and the driver is given the fourth (pink) copy of the manifest.

Thus, in the example above, the driver departs the U.S. at Port Huron, Michigan. Arriving at Sarnia, Ontario, Canada, the driver stops and Canadian Customs initiates the process, noting seal numbers where applicable, stamping and retaining the top (white) copy of the manifest. The driver then proceeds through Ontario to the U.S. port at Lewiston, New York. There, the

driver stops and U.S. Customs finalizes the process, stamps the manifest and retains the second (blue) and third (green) copies; the fourth (pink) copy of the manifest is returned to the driver. U.S. Customs will return the second (blue) copy of the manifest to Customs in Canada, following local agreement on transmittal procedures. This process will work the same way when commercial carriers in Canada transit the U.S. for return to Canada. During the test, U.S. Customs may continue to use the Customs Form 7512(C) (CF 7512(C)—Destination) as a source for the "Transit Manifest No." for carriers transiting the United States.

Regulatory Provisions Affected

During the In-Transit truck shipment test, the normal departure reporting requirements of subpart E of part 123 of the Customs Regulations (19 CFR part 123, subpart E) will be suspended. These reporting requirements are contained at § 123.41 (b) and (c)(2) of the Customs Regulations, which concerns truck shipments transiting Canada, and § 123.42 (b) and (d) of the Customs Regulations, which concerns truck shipments transiting the U.S.

Enforcement Provisions

The transportation of restricted or prohibited merchandise is not permitted during the pilot test, and participants will be subject to civil and criminal penalties and sanctions for any violations of U.S. Customs laws.

Both Customs agencies will be conducting statistically valid compliance examinations on in-transit carriers, and both Customs agencies will be formulating risk assessments using the Compliance Measurement results.

Comments and Evaluation of Test

Customs will review all public comments received concerning any aspect of the test program or procedures, and finalize procedures in light of those comments. Approximately 120 days after conclusion of the test, evaluations of the test will be conducted and final results will be made available to the public upon request.

Dated: August 22, 1997.

Robert S. Trotter,

Assistant Commissioner, Office of Field Operations.

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DEPARTMENT OF VETERANS AFFAIRS

Veterans' Advisory Committee on Education, Meeting

The Department of Veterans Affairs gives notice that a meeting of the Veterans' Advisory Committee on Education, authorized by 38 U.S.C. 3692, will be held on September 18 and September 19, 1997. The meeting will take place at the Department of Veterans Affairs (VA) Central Office, Room 630, 810 Vermont Avenue, NW, Washington, DC, from 8:30 a.m. to 4:30 p.m. on Thursday, September 18, 1997, and from 8:30 a.m. to 1 p.m. on Friday, September 19. The purpose of the Committee is to assist in the evaluation of existing programs and services and recommend needed new programs and services. Thursday morning the Committee will be briefed on the Government Improvement and Results Act and will meet with a representative of the Education Business Process Reengineering team. In the afternoon, the Committee will meet Executive Director of the Commission on Servicemembers and Veterans Transition Assistance. Friday morning the Committee will discuss pertinent issues and make recommendations to the Secretary-Designate.

The meeting will be open to the public. Those wishing to attend should contact Ms. June Schaeffer, Assistant Director, Education Policy and Program Administration (phone 202-273-7187), prior to September 10, 1997.

Interested persons may attend, appear before, or file statements with the Committee. Statements, if in written form, may be filed before or within 10 days after the meeting. Oral statements will be heard at 9 a.m., Friday, September 19, 1997.

Dated: August 25, 1997.

By direction of the Secretary-Designate.

Heyward Bannister,

Committee Management Officer.

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