

The interest of railroad employees will be protected by the conditions set forth in *Oregon Short Line R. Co.—Abandonment—Goshen*, 360 I.C.C. 91 (1979).

By issuance of this notice, the Board is instituting an exemption proceeding pursuant to 49 U.S.C. 10502(b). A final decision will be issued by June 26, 1998.¹

Any offer of financial assistance (OFA) under 49 CFR 1152.27(b)(2) will be due no later than 10 days after service of a decision granting the petition for exemption. Each OFA must be accompanied by a \$1,000 filing fee. See 49 CFR 1002.2(f)(25).

All interested persons should be aware that, following abandonment of rail service and salvage of the line, the line may be suitable for other public use, including interim trail use. Any request for a public use condition under 49 CFR 1152.28 or for trail use/rail banking under 49 CFR 1152.29 will be due no later than April 20, 1998. Each trail use request must be accompanied by a \$150 filing fee. See 49 CFR 1002.2(f)(27).

All filings in response to this notice must refer to STB Docket No. AB-57 (Sub-No. 40X) and must be sent to: (1) Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001; and (2) Larry D. Starns, Esq., Leonard, Street and Deinard, 150 South 5th St., Suite 2300, Minneapolis, MN 55402.

Persons seeking further information concerning abandonment procedures may contact the Board's Office of Public Services at (202) 565-1592 or refer to the full abandonment or discontinuance regulations at 49 CFR part 1152.

Questions concerning environmental issues may be directed to the Board's Section of Environmental Analysis (SEA) at (202) 565-1545. [TDD for the hearing impaired is available at (202) 565-1695.]

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by SEA will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Other interested persons may contact SEA to obtain a copy of the EA (or EIS). EAs in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on

the EA will generally be within 30 days of its service.

Decided: March 23, 1998.

By the Board, David M. Konschnik,
Director, Office of Proceedings.

Vernon A. Williams,

Secretary.

[FR Doc. 98-8118 Filed 3-27-98; 8:45 am]

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DEPARTMENT OF THE TREASURY

Customs Service

Announcement of National Customs Automation Program Test: Semi-Monthly Statement Processing Prototype

AGENCY: Customs Service, Treasury.

ACTION: General notice.

SUMMARY: This notice announces Customs plan to test the semi-monthly filing and statement processing program (semi-monthly processing), and invites all eligible importers to participate. Semi-monthly processing provides for periodic filing of entry summaries and payment of duties, taxes, and fees. Semi-monthly processing allows filers to go to a periodic statement and filing process, whereby all estimated duties, taxes, and fees along with the corresponding entry summaries for a semi-monthly period (fifteen days) are due seven days following the end of a fifteen day period. This notice provides a description of the semi-monthly processing prototype, outlines the evaluation methodology to be used, and sets forth the eligibility requirements to participate.

EFFECTIVE DATES: The semi-monthly processing prototype will commence no earlier than April 1998, will be implemented over an 18-month period, and will end when the periodic payment/statement feature of ACE is available through a NCAP/P test or otherwise in the semi-monthly prototype ports. Evaluations of the semi-monthly processing at the ports will be conducted periodically. All applications to participate in the prototype test must be received within 30 days of the date of this notice.

ADDRESSES: Applications should be addressed to Rosalyn McLaughlin-Nelson, U.S. Customs Service, ACE, 7501 Boston Blvd, Springfield, VA 22153.

FOR INFORMATION CONTACT: For inquiries regarding the specifics of the semi-monthly processing prototype contact Rosalyn McLaughlin-Nelson at (703)921-7494. Individual port contact persons will be provided to the

participants at a later date. For inquiries regarding the eligibility of specific importers, contact Margaret Fearon, Process Analysis and Requirements Team (202) 927-1413.

SUPPLEMENTARY INFORMATION:

Background

Title VI of the North American Free Trade Agreement Implementation Act (the Act), Pub.L. 103-182, 107 Stat. 2057 (December 8, 1993), contains provisions pertaining to Customs Modernization (107 Stat. 2170). Subtitle B of Title VI establishes the National Customs Automation Program (NCAP)—an automated and electronic system for the processing of commercial importations. Pursuant to these provisions, Customs is in the process of developing a new commercial processing system, the Automated Commercial Environment (ACE). The ACE is being designed to support the new Trade Compliance processes. One of the main features of the ACE will be the periodic summary filing and periodic statements function, which will enable each account to pay duties, taxes, fees, and other payments owed using a periodic statement cycle. During the latter development of the NCAP/P the periodic summary filing and periodic statements functional capabilities will be fully integrated into the new ACE system. Semi-monthly processing using the current Automated Commercial System (ACS) will eventually cease as the ACE system is deployed nationwide.

For programs designed to evaluate existing and planned components of the National Customs Automation Program (NCAP), § 101.9(b) of the Customs Regulations (19 CFR 101.9(b)), implements the NCAP testing procedures. This test concerns an existing component of the NCAP relating to the electronic payment of duties, fees, and taxes, and is established pursuant to that regulation.

I. Development Methodology

The semi-monthly processing test will be monitored by an evaluation team consisting of representatives from the Customs Trade Compliance Redesign/ACE Project Team, the Office of Finance, Financial Systems Division, and Entry personnel from the semi-monthly processing prototype ports. This team will conduct periodic evaluations to monitor progress, resolve issues, and evaluate program effectiveness.

II. Eligibility Requirements

Customs will select a limited number of applicants for the semi-monthly

¹ Soo Line requests expedited handling of this petition to enable it to facilitate the removal of rail materials and structures from the right-of-way before the State of Minnesota resumes construction of Highway 55 on July 1, 1998. If the record supports an abandonment, we will attempt to accommodate Soo Line's request.

processing prototype. Applications will be accepted from all volunteers; however, priority consideration will be given to the following ranking factors:

1. Companies ranking within the top 379 companies importing by value (the top 379 represent approximately 50 percent of all imports by value);
2. Importers who are within the top 250 largest importers within each of Customs Primary Focus Industry (PFI) categories, which are:
 - a. Advanced Displays;
 - b. Agriculture;
 - c. Auto/Truck Parts;
 - d. Automobiles;
 - e. Bearings;
 - f. Circuit Boards;
 - g. Fasteners;
 - h. Footwear;
 - i. Manufacturing Equipment;
 - j. Steel Products;
 - k. Telecommunications;
 - l. Textiles and Flatgoods; and
 - m. Wearing Apparel;
3. Companies whose imports represent at least 50 percent PFI;
4. Companies that indicate they plan to maintain an average of at least 25 entries per month throughout the prototype period;
5. Companies that are scheduled or have completed a Customs Compliance Assessment; and
6. Companies that are capable of transmitting entry and entry summary data via the Automated Broker Interface (ABI) and make payment of estimated duties, taxes, and fees through the ABI/Automated Clearinghouse (ACH).

III. Procedures and Restrictions

For the semi-monthly processing prototype, the following restrictions will be placed on the importers:

1. Initially, only merchandise entered or withdrawn from a Customs bonded warehouse or Foreign Trade Zone for consumption at the following ports will be eligible for the semi-monthly processing prototype:
 - a. Seattle, Washington;
 - b. Detroit and Port Huron, Michigan;
 - c. Laredo and El Paso, Texas;
 - d. Buffalo and New York, New York;
 - e. Charleston, South Carolina;
 - f. Atlanta, Georgia;
 - g. Chicago, Illinois;
 - h. Miami, Florida;
 - i. Cleveland, Ohio; and
 - j. Los Angeles and San Francisco, California;
 (If an applicant requests that an additional port or ports offer this program, and if Customs accepts the request, an amendment to this **Federal Register** Notice will be published).
2. Importers must have all transactions paid on an importer ACH

statement at each semi-monthly prototype port;

3. Importers must pay only estimated duty, taxes, and fees on the semi-monthly statement;

4. Importers must have all entry summaries corresponding to all entries released during the first semi-monthly period placed on an ABI Statement and make payment via ACH on the seventh day following the end of the first semi-monthly period. Payment must be initiated at the same time the ABI statement is submitted to Customs;

5. For quota merchandise, the entry summary data must be filed electronically and any applicable visa must be filed prior to release of the merchandise. The payment must also be placed on the statement prior to release of merchandise;

6. Items deleted from a statement may not be added to another statement if quota status is already obtained and the new statement date is greater than 10 working days past the presentation date;

7. All current Entry requirements associated with quota processing will remain in effect;

8. Importers must have all entry summaries corresponding to all entries released during the second semi-monthly period placed on an ABI Statement and make payment via ACH on the seventh day following the end of the second semi-monthly period. Payment must be initiated at the same time the ABI statement is submitted to Customs;

9. For due dates that fall on a Saturday, Sunday or official federal holidays, importers must make payment on the next federal business day;

10. Importers must have final statements and required entry summaries submitted by the actual payment due date, *i.e.*, seven days after the semi-monthly (fifteen days) period;

11. The statement will only reflect payment of duties, taxes, and fees applicable to the merchandise released for the semi-monthly period. The following activities are examples of what cannot be included on the statement:

- a. voluntary tenders;
- b. supplemental duties;
- c. bill payments resulting from rate advances;
- d. protests;
- e. refunds; and
- f. drawbacks;

(These activities will be processed the way they are currently done, as individual transactions).

12. Payments received after the corresponding due dates will be considered late and will be subject to liquidated damages;

13. When a statement is paid late, the liquidated damages will be issued against all of the entry summaries paid on the statement; and

14. If an entry summary(s) is omitted from the statement and the statement is timely, then liquidated damages will be issued against the omitted entry summary(s). An omitted entry summary(s) cannot be paid individually. It must be placed on the next statement.

Customs Entry personnel at each of the prototype expansion ports will monitor entry activity to ensure that entries are appearing on the appropriate statement; ACH payments are authorized timely; and, entry summary(s) are not submitted late.

This prototype only applies to entries for consumption. Importers may enter merchandise in the semi-monthly processing prototype that is subject to quota, antidumping or countervailing duty, trade preference, or visa requirements. In addition, importers may withdraw such merchandise from a customs bonded warehouse or Foreign Trade Zone and enter it for consumption under the prototype. However, all entry requirements for these types of merchandise will remain in effect.

IV. Application

Importers that wish to participate in the semi-monthly processing prototype port expansion must submit a written application and include the following information:

1. Name(s) of the port(s) listed above where they intend to enter merchandise;
2. The importer of record numbers, including suffix;
3. Name and addresses of any customs brokers who will be filing data at each port on behalf of an importer/participant;
4. The approximate total number of entries per month expected to be processed at the ports designated; and
5. For applicants not already scheduled for or participating in a Customs Compliance Assessment, a statement in which the applicant indicates agreement to undergo and cooperate fully with a Customs Compliance Assessment.

Customs will notify each applicant in writing of their acceptance or nonselection to participate in this semi-monthly processing prototype, the port or ports where they may enter merchandise under this prototype, and will assign statement filing dates to the applicants. If an applicant is denied participation, the applicant may appeal in writing to Director, ACE Implementation and Outreach Team,

U.S. Customs Service, 7501 Boston Blvd., Springfield, VA 22153, within 10 days from applicant notification from Customs.

V. Semi-Monthly Processing

Under the semi-monthly processing procedures, cargo released during a fifteen day period will have estimated duty, taxes, fees, and summaries due seven days following the end of the period. Cargo released during the second fifteen or sixteen day period will have estimated duty, taxes, fees, and summaries due seven days following the end of the period. A separate statement will be needed for each collection processing port. For entry summaries paid via semi-monthly statement processing, the date used to calculate the interest due or payable pursuant to 19 U.S.C. 1505 will be seven days after the end of the fifteen/sixteen day cycle. Interest cost will be calculated based on the semiannual rate(s) established under sections 6621 and 6622 of the Internal Revenue Code of 1954 (26 U.S.C. 6621, 6622).

Under the prototype, Customs may assign a limited number of due dates for workload management purposes. The due dates that will be assigned are:

1. 1 thru 15, due 22; 16 to end of month, due 7.
 2. 2 thru 16, due 23; 17 thru 1, due 8.
 3. 3 thru 17, due 24; 18 thru 2, due 9.
 4. 4 thru 18 due 25; 19 thru 3, due 10.
- The due dates will be indicated in the letter of acceptance sent by Customs to the participant.

VI. Misconduct

If a prototype participant makes late or inadequate payments, or fails to exercise reasonable care in the execution of participant obligations and the filing of information regarding the admissibility of merchandise and declaring the classification, value, and rate of duty applicable to the merchandise, or otherwise fails to follow the procedures (outlined herein) or applicable laws and regulations, then the participant may be suspended from the semi-monthly processing prototype, and/or subjected to penalties, and/or liquidated damages, and/or other administrative sanctions. Customs 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 local Trade Compliance Process

Owner 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.

VII. Regulatory Provisions Suspended

As applicable, certain provisions within Parts 24, 111, 141, 142, 143, and 159 of the Customs Regulations (19 CFR Parts 24, 111, 141, 142, 143, and 159) will be suspended to allow for the periodic payment of duties, taxes, and fees.

Absent any specified alternate procedure, the current regulations apply.

VIII. Prototype Evaluation

Periodic evaluations will be conducted to determine effectiveness and accrued benefits to internal and external process operations. The following evaluation method has been suggested:

1. Evaluation questionnaire from both the prototype participants and Customs personnel; and
2. Reports to be run through the use of dataqueries.

Customs will request that participants be active in the evaluation of the semi-monthly test.

Dated: March 24, 1998.

Charles W. Winwood,

National Trade Compliance Process Owner.

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DEPARTMENT OF THE TREASURY

Customs Service

Live Entry Requirement for Non-Automated Entry: Determination Not To Proceed

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: General notice.

SUMMARY: The U.S. Customs Service has been evaluating the feasibility of requiring "live entry" procedures for non-automated entries, referred to as the "Track One" proposal. After a significant amount of research was done by Customs into the operational and legal issues associated with "Track

One" and consideration of comments solicited from Customs personnel and from the trade community, the Customs Trade Compliance Board of Directors has decided against proceeding with the implementation of "Track One" at the present time.

FOR FURTHER INFORMATION CONTACT:

Inquiries should be directed to Ms. Brenda Brockman, 1300 Pennsylvania Avenue, Rm. 6.4B, Washington, DC 20229 (Telephone (202) 927-1507).

SUPPLEMENTARY INFORMATION:

Background

In accordance with the Customs Modernization provisions of the North American Free Trade Agreement Implementation Act, which gives Customs the flexibility to tailor commercial operations to meet its needs and capabilities, Customs has undertaken an effort to redesign the entry process. Customs has proposed a four track entry process to better address current commercial practices. "Track One" would allow Customs to streamline the process used by non-automated commercial filers by requiring importers who file non-automated entry documents to file them as entry/entry summaries ("live entries"), along with all documentation and estimated duties, fees and taxes, prior to the release of the merchandise.

A significant amount of research was done by Customs into the operational and legal issues associated with adoption of Track One. On October 28, 1997, Customs published a document in the **Federal Register** (62 FR 55847) announcing a public meeting to discuss whether Customs should proceed with publication of a notice of proposed rulemaking to require all non-automated entry documents to be filed as entry/entry summaries before the release of merchandise. The document also solicited comments regarding a possible change. The public meeting was held on November 14, 1997. Upon completion of the research and consideration of the comments, a determination was made by the Customs Trade Compliance Board of Directors to forego steps toward the implementation of "Track One" at the present time.

Dated: March 24, 1998.

Charles W. Winwood,

Assistant Commissioner, Office of Strategic Trade.

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