

and not be statute, are these requirements important enough to be retained?

(19) How should the Commission accommodate filings which require verification under oath, attestations, and notarization?

#### **Security, Integrity, and Authentication**

(20) Should the Commission consider any special authentication or security measures, such as encryption, digital signatures, logon ID's and passwords?

(21) Are special measures only needed for certain documents (please specify)?

(22) What steps should the Commission take to detect security breaches in filings?

(23) How should the security breaches be handled?

#### **Automatic Acknowledgment**

(24) How should the Commission provide automatic acknowledgment?

(25) Should the receipt be sent to the web browser or by E-Mail?

(26) How should the Commission notify the filer of the docket number of an electronic filing in a new proceeding?

(27) Would posting the docket number on the Commission's Internet site be sufficient?

#### **Service**

(28) Should the Commission encourage electronic service between parties over the Internet?

(29) Should the Commission facilitate electronic service by posting documents on its Internet site or should the party making the filing make it available on its own Internet site?

(3) Is it adequate for the Commission to serve notice to the parties in a proceeding that it has issued an order, or should it disseminate the order directly to the parties electronically?

[FR Doc. 98-13294 Filed 5-18-98; 8:45 am]

BILLING CODE 6717-01-M

## **DEPARTMENT OF THE TREASURY**

### **Customs Service**

#### **19 CFR PART 123**

**RIN 1515-AB88**

#### **Foreign-Based Commercial Motor Vehicles in International Traffic**

**AGENCY:** Customs Service, Department of the Treasury.

**ACTION:** Proposed rule.

**SUMMARY:** This document proposes to revise the Customs Regulations to allow certain foreign-based commercial motor vehicles, which are admitted as instruments of international traffic, to engage in the transportation of merchandise between points in the United States where such transportation is incidental to the immediately prior or subsequent engagement of such vehicles in international traffic. Any movement

of these vehicles in the general direction of an export move or as part of the return movement of the vehicles to their base country shall be considered incidental to the international movement. The benefit of this liberalization of current cabotage restrictions inures in particular to both the United States and foreign trucking industries inasmuch as it allows more efficient and economical utilization of their respective vehicles both internationally and domestically.

**DATE:** Comments must be received on or before July 20, 1998.

**ADDRESSES:** Written comments (preferably in triplicate) may be addressed to and inspected at the Regulations Branch, U.S. Customs Service, 1300 Pennsylvania Avenue, NW., 3rd Floor, Washington, DC 20229.

#### **FOR FURTHER INFORMATION CONTACT:**

*Legal aspects:* Glen E. Vereb, Office of Regulations and Rulings, 202-927-2320.

*Operational aspects:* Eileen A. Kastava, Office of Field Operations, 202-927-0983.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

Section 141.4(a), Customs Regulations (19 CFR 141.4(a)), provides that entry as required by 19 U.S.C. 1484(a) shall be made of all merchandise imported into the United States unless specifically excepted. Foreign-based commercial motor vehicles are not among those excepted items listed in § 141.4(b) and would therefore be subject to entry and payment of any applicable duty unless otherwise exempted by law or regulations.

Pursuant to 19 U.S.C. 1322, vehicles and other instruments of international traffic shall be excepted from the application of the Customs laws to such extent and subject to such terms and conditions as may be prescribed in regulations or instructions of the Secretary of the Treasury.

This statutory mandate pertaining to foreign-based commercial motor vehicles is implemented under § 123.14 of the Customs Regulations (19 CFR 123.14). Section 123.14(a) states that to qualify as instruments of international traffic, such vehicles having their principal base of operations in a foreign country must be arriving in the United States with merchandise destined for points in the United States, or arriving empty or loaded for the purpose of taking merchandise out of the United States.

Section 123.14(c), Customs Regulations, states that with one exception, a foreign-based commercial

motor vehicle, admitted as an instrument of international traffic under § 123.14(a), shall not engage in local traffic in the United States. The exception, set out in § 123.14(c)(1), states that such a vehicle, while in use on a regularly scheduled trip, may be used in local traffic that is directly incidental to the international schedule.

Section 123.14(c)(2), Customs Regulations, provides that a foreign-based truck trailer admitted as an instrument of international traffic may carry merchandise between points in the United States on the return trip as provided in § 123.12(a)(2) which allows use for such transportation as is reasonably incidental to its economical and prompt departure for a foreign country.

In regard to these cabotage restrictions, Customs has received a petition from the American Trucking Association (ATA) requesting a change in Customs interpretation of its regulations governing the use of foreign-based trucks in local traffic in the United States. This petition is the culmination of joint discussions beginning in July of 1994 between the ATA and the Canadian Trucking Association (CTA) to obtain mutually agreed upon parameters with respect to the liberalization of current truck cabotage restrictions in their respective countries. The proposed amendments would, however, be universally applicable.

By way of additional background, reference is hereby made to a notice published in the Customs Bulletin pursuant to 19 U.S.C. 1625(c)(1) (see 31 Cust. Bull. and Dec. No. 40, 7 (October 1, 1997)), which revised the interpretation of when a foreign-based truck would be considered as used in international traffic under existing § 123.14. However, the proposal provided for herein regarding the use of a foreign-based commercial motor vehicle, including a truck, in permissible local traffic under § 123.14(c) was, of course, not addressed in the Customs Bulletin notice. To effect this change requires an amendment under the Administrative Procedure Act, 5 U.S.C. 553.

Accordingly, Customs has determined to propose such an amendment of § 123.14(c), which would allow certain foreign-based commercial motor vehicles, admitted as instruments of international traffic, to engage in the transportation of merchandise between points in the United States where such local traffic is incidental to the immediately prior or subsequent engagement of such vehicles in international traffic. In addition, this

revision would eliminate the current requirement that such international traffic be regularly scheduled. Furthermore, any movement of these vehicles in the general direction of an export move or as part of the return movement of the vehicles to their base country shall be considered incidental to the international movement.

In conjunction with the proposed amendments to § 123.14, this document also includes proposed conforming amendments to § 123.16 regarding the return of the qualifying vehicles to the United States.

#### Comments

Before adopting the proposed amendments, consideration will be given to any written comments that are timely submitted to Customs. Comments submitted will be available for public inspection in accordance with the Freedom of Information Act (5 U.S.C. 552), § 1.4, Treasury Department Regulations (31 CFR 1.4), and § 103.11(b), Customs Regulations (19 CFR 103.11(b)), on regular business days between the hours of 9:00 a.m. and 4:30 p.m. at the Regulations Branch, 1300 Pennsylvania Avenue, NW., 3rd Floor, Washington, DC.

#### Regulatory Flexibility Act and Executive Order 12866

The proposed rule would greatly relax current cabotage restrictions for both the U.S. and foreign trucking industries, enabling more efficient and economical use of their respective vehicles both internationally and domestically. As such, under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), it is certified that, if adopted, the proposed amendments will not have a significant economic impact on a substantial number of small entities. Nor would the proposed rule result in a "significant regulatory action" under E.O. 12866.

#### List of Subjects in 19 CFR Part 123

Administrative practice and procedure, Canada, Common carriers, Customs duties and inspection, Imports, International traffic, Motor carriers, Railroads, Trade agreements, Vehicles.

#### Proposed Amendments to the Regulations

It is proposed to amend part 123, Customs Regulations (19 CFR part 123), as set forth below.

#### PART 123—CUSTOMS RELATIONS WITH CANADA AND MEXICO

1. The general authority citation for part 123, and the relevant sectional authority citation, would continue to read as follows:

**Authority:** 19 U.S.C. 66, 1202 (General Note 20, Harmonized Tariff Schedule of the United States (HTSUS)), 1431, 1433, 1436, 1448, 1624.

\* \* \* \* \*

Sections 123.13—123.18 also issued under 19 U.S.C. 1322;

\* \* \* \* \*

2. It is proposed to amend § 123.14 by revising paragraph (c)(1) to read as follows:

**§ 123.14 Entry of foreign-based trucks, busses and taxicabs in international traffic.**

\* \* \* \* \*

(c) \* \* \*

(1) The vehicle may carry merchandise or passengers between points in the United States if such carriage is incidental to the immediately prior or subsequent engagement of that vehicle in international traffic. Any such carriage by the vehicle in the general direction of an export move or as part of the return of the vehicle to its base country shall be considered incidental to its engagement in international traffic.

\* \* \* \* \*

3. It is proposed to amend § 123.16 by revising paragraph (b) to read as follows:

**§ 123.16 Entry of returning trucks, busses, or taxicabs in international traffic.**

\* \* \* \* \*

(b) *Use in local traffic.* Trucks, busses, and taxicabs in use in international traffic, which may include the incidental carrying of merchandise or passengers for hire between points in a foreign country, or between points in this country, shall be admitted under this section. However, such vehicles taken abroad for commercial use between points in a foreign country, otherwise than in the course of their use in international traffic, shall be considered to have been exported and must be regularly entered on return.

Approved: March 31, 1998.

**Samuel H. Banks,**

*Acting Commissioner of Customs.*

**John P. Simpson,**

*Deputy Assistant Secretary of the Treasury.*

[FR Doc. 98-13217 Filed 5-18-98; 8:45 am]

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#### DEPARTMENT OF THE TREASURY

##### Internal Revenue Service

##### 26 CFR Part 1

[REG-209322-82]

RIN 1545-AU99

#### Return of Partnership Income; Hearing Cancellation

**AGENCY:** Internal Revenue Service, Treasury.

**ACTION:** Cancellation of notice of public hearing on proposed regulations.

**SUMMARY:** This document provides notice of cancellation of a public hearing on proposed regulations relating to partnership returns.

**DATES:** The public hearing originally scheduled for Tuesday, May 19, 1998, beginning at 10:00 a.m., is cancelled.

**FOR FURTHER INFORMATION CONTACT:** Mike Slaughter of the Regulations Unit, Assistant Chief Counsel (Corporate), 202) 622-7190 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:** The subject of the public hearing is proposed regulations under section 6031 and 6063 of the Internal Revenue Code. A notice of proposed rulemaking and notice of public hearing appearing in the **Federal Register** on Monday, January 26, 1998 (63 FR 3677), announced that the public hearing would be held on Tuesday, May 19, 1998, beginning at 10:00 a.m., in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC.

The public hearing scheduled for Tuesday, May 19, 1998, is cancelled.

**Michael L. Slaughter,**

*Acting Chief, Regulations Unit, Assistant Chief Counsel (Corporate).*

[FR Doc. 98-13221 Filed 5-18-98; 8:45 am]

BILLING CODE 4830-01-U

#### DEPARTMENT OF VETERANS AFFAIRS

##### 38 CFR Part 20

RIN 2900-AJ15

#### Board of Veterans' Appeals: Rules of Practice—Revision of Decisions on Grounds of Clear and Unmistakable Error

**AGENCY:** Department of Veterans Affairs.  
**ACTION:** Proposed rule.

**SUMMARY:** The Department of Veterans Affairs (VA) proposes to amend the Rules of Practice of the Board of Veterans' Appeals (Board) to implement the provisions of section 1(b) of Pub. L.