

state and the branch to be closed is located in a low-or moderate-income area,⁹ the notice shall contain the mailing address of the appropriate Federal banking agency and a statement that comments on the proposed branch closing may be mailed to that agency. The notice should also state that the agency does not have the authority to approve or prevent the branch closing. If the agency receives a written request by a person from the area in which the branch is located, relating to the proposed closing and stating specific reasons for the request, including a discussion of the adverse effect of such closing on the availability of banking services in the affected area, and if the agency concludes that the request is nonfrivolous, then the agency shall convene a meeting of agency representatives, other interested depository institution regulatory agencies, community leaders, and other appropriate individuals, organizations, and depository institutions, as determined by the agency in its discretion. The purpose of the meeting shall be to explore the feasibility of obtaining adequate alternative facilities and services for the affected area, including the establishment of a new branch by another depository institution, the chartering of a new depository institution, or the establishment of a community development credit union, following the closing of the branch. In the case of an institution which will become an interstate bank prior to the closure of a branch in a low-or moderate-income area, such information must be included in the notice unless the closure will occur immediately upon consummation of the transaction that causes the institution to become interstate. No action by the appropriate Federal banking agency under this provision shall affect the authority of an interstate bank to close a branch (including the timing of such closing) if the requirements of sections 42(a) and 42(b) of the FDI Act (regarding notice to the appropriate Federal banking agency and notice to the institution's customers)

⁹The term "low-or moderate-income area" means a census tract for which the median family income is: (1) Less than 80 percent of the median family income for the metropolitan statistical area (as designated by the Director of the Office of Management and Budget) in which the census tract is located; or (2) in the case of a census tract that is not located in a metropolitan statistical area, less than 80 percent of the median family income for the State in which the census tract is located, as determined without taking into account family income in metropolitan statistical areas in such State. (12 U.S.C. 1831r-1(d)(4)).

have been met by such bank with respect to the branch being closed.

On-Site Notice

Under section 42, an institution also must post notice to branch customers in a conspicuous manner on the branch premises at least 30 days prior to the proposed closing. This notice should state the proposed date of closing and identify where customers may obtain service following that date or provide a telephone number for customers to call to determine such alternative sites. An institution may revise the notice to extend the projected date of closing without triggering a new 30-day notice period.

Contingent Notices

In some situations, an institution, in its discretion and to expedite transactions, may mail and post notices to customers of a proposed branch closing that is contingent upon an event. For example, in the case of a proposed merger or acquisition, an institution may notify customers of its intent to close a branch upon approval by the appropriate Federal banking agency of the proposed merger or acquisition.

Policies for Branch Closings

The law requires all insured depository institutions to adopt policies for branch closings. Each institution with one or more branches must adopt such a policy. If an institution currently has no branches, it must adopt a policy for branch closing when it establishes its first branch. The policy should be in writing and meet the size and needs of the institution.

Each branch closing policy adopted pursuant to section 42 should include factors for determining which branch to close and which customers to notify, and procedures for providing the notices required by the statute.

Compliance

The Federal banking agencies will examine for compliance with section 42 of the FDI Act in accordance with each agency's compliance examination procedures, to determine whether the institution has adopted a branch closing policy and whether the institution provided the required notices when it closed a branch. If an institution fails to comply with section 42, the appropriate Federal banking agency may make adverse findings in the compliance evaluation or take appropriate enforcement action.

Dated: May 19, 1999.

John D. Hawke, Jr.,

Comptroller of the Currency.

By order of the Board of Governors of the Federal Reserve System, June 22, 1999.

Jennifer J. Johnson,

Secretary of the Board.

Dated: June 3, 1999.

Robert E. Feldman,

Executive Secretary, Federal Deposit Insurance Corporation.

Dated: June 18, 1999.

Ellen Seidman,

Director, Office of Thrift Supervision.

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DEPARTMENT OF THE TREASURY

Customs Service

Procedures if the Generalized System of Preferences Program Expires

AGENCY: Customs Service, Treasury.

ACTION: General notice.

SUMMARY: The Generalized System of Preferences (GSP) is a renewable preferential trade program that allows the eligible products of designated developing countries to directly enter the United States free of duty. The GSP is currently scheduled to expire at midnight on June 30, 1999, unless its provisions are extended by Congress. This document provides notice to importers that claims for duty-free treatment under the GSP will not be processed by Customs for merchandise entered or withdrawn from a warehouse for consumption on or after July 1, 1999, if the program is not extended before that date. This document also sets forth the mechanisms that will facilitate refunds, should the GSP be renewed with retroactive effect.

DATES: The plan set forth in this document will become effective as of July 1, 1999, if Congress does not extend the GSP program before that date.

FOR FURTHER INFORMATION CONTACT: For specific questions relating to the Automated Commercial System:

James Halpin, Office of Information Technology, 703-921-7128. For general operational questions:

Formal entries—John Pierce, 202-927-1249;

Informal entries—John Considine, 202-927-0042;

Mail entries—Robert Woods, 202-927-1236;

Passenger claims—Wes Windle, 202-927-0167

SUPPLEMENTARY INFORMATION:

Background

Section 501 of the Trade Act of 1974 (the Act), as amended (19 U.S.C. 2461), authorizes the President to establish a Generalized System of Preferences (GSP) to provide duty-free treatment for eligible articles imported directly from designated beneficiary countries. Beneficiary developing countries and articles eligible for duty-free treatment under the GSP are designated by the President by Presidential Proclamation in accordance with sections 502(a) and 503(a) of the Act (19 U.S.C. 2462(a) and 2463(a)). Pursuant to 19 U.S.C. 2465, as amended by section 1011(a) of Pub. L. 105-277, 112 Stat. 2681, duty-free treatment under the GSP is presently scheduled to expire on June 30, 1999.

Congress is currently considering whether to extend the GSP program. If Congress does not pass legislation renewing the GSP before midnight, June 30, 1999, no claims for duty-free treatment under the program will be processed by Customs on entries made after that time. If legislation renewing the GSP is enacted after the GSP expires, language may be included that would make the GSP effective back to the date of its present expiration.

Recognizing the effect that renewing GSP duty treatment with retroactive effect has on both importers, who must request refunds of duties deposited, and Customs, which must liquidate or reliquidate eligible entries, Customs developed a mechanism to facilitate certain refunds. Set forth below is Customs plan that will be implemented on July 1, 1999, if the GSP has not been extended by that date.

Formal Entries

Claims—Duties Must Be Deposited

Although Customs will accept claims for GSP duty-free treatment, as specified below, Customs will not process the claim as duty free under the GSP for merchandise entered, or withdrawn from warehouse for consumption on or after July 1, 1999. Further, duties at the normal-trade-relations rate must be deposited, unless an alternate claim is made under another preferential program for which the merchandise qualifies (for example, the Andean Trade Preference Act or the Caribbean Basin Economic Recovery Act).

On or after July 1, 1999, for all merchandise that would qualify for the GSP were the GSP still in effect, Automated Broker Interface (ABI) filers must deposit duties at the normal-trade-relations rate with their entry summaries, but may continue to claim GSP duty-free treatment by using the

Special Program Indicator (SPI) "A" as a prefix to the tariff number. Customs Automated Commercial System (ACS) will accept the SPI "A" transmission with the payment of duty. If the GSP is renewed with retroactive effect, the duties deposited will be refunded by Customs without further action by the ABI filer. In effect, use of the SPI "A" will constitute an ABI filer's request for a refund of duties paid for GSP line items if GSP is renewed with retroactive effect. It is noted that for ABI filers to take advantage of this system for receiving an automatic refund if GSP is renewed retroactively, the filers will have to reprogram their software to allow for the submission of estimated duties with the SPI "A" designation on entries. ABI filers who do not wish to reprogram their software will be required to request refunds in writing to the appropriate port director identifying the affected entry numbers if the GSP is renewed with retroactive effect.

While reprogramming is strictly voluntary, continued use of the SPI "A" has some benefits: one already mentioned is that the filer will not have to request a refund of deposited duties in writing should the GSP be renewed with retroactive effect; another is that ACS will perform its usual edits on the information transmitted by the filer, thereby ensuring that GSP claims are for acceptable country/tariff combinations and eliminating the need for statistical corrections.

Importers may not use the SPI "A" if they intend to later claim drawback, because claiming both the refund of duties deposited and drawback would be to request a refund in excess of duties actually deposited. Importers who are unsure as to whether they will claim drawback are advised not to use the SPI "A". If the GSP is renewed with retroactive effect, and the importer has not claimed drawback or enabled another person to claim drawback, then the importer may request a refund of duties deposited by writing to the port director at the port of entry. Also, importers may not use the SPI "A" if they have made an alternative duty-free treatment claim to GSP (for example, the Andean Trade Preference Act or the Caribbean Basin Economic Recovery Act).

Refunds

1. Automatic

If an ABI entry summary was filed with the SPI "A", should the GSP be renewed with retroactive effect, then Customs will liquidate or reliquidate all affected ABI entry summaries with a

refund for the GSP line items with no further action needed to be taken by the filer to request a refund.

2. Need for Written Request

If an ABI entry summary was filed without the SPI "A", then the request for a refund must be in writing. Further, all non-ABI filers must request refunds in writing. Instructions on how to request a refund in writing will be issued if the GSP is renewed with retroactive effect.

Informal Entries

Refunds on informal entries filed through the ABI with the SPI "A" designation will be processed in accordance with the automatic refund procedure outlined above.

Baggage Declarations and Non-ABI Informals

When merchandise is presented for clearance, travelers and importers will be advised verbally that they may be eligible for a refund of GSP duties. Travelers/importers desiring such refund should request the Customs Officer to annotate the receipt of payment to indicate that the merchandise would be eligible for GSP duty-free treatment. Then, should the GSP be renewed with retroactive effect, the traveler/importer must request the GSP duty refund in a letter that includes the copy of the receipt of payment and submit the request to the appropriate Customs port of entry.

Mail Entries

Should the GSP be renewed with retroactive effect, those addressees who received GSP eligible merchandise (identified on the CF 3419A, (Mail Entry)) may be eligible for a refund of GSP duties and should submit a separate written claim for a refund. The request for the refund and a copy of the CF 3419A should be submitted to the appropriate International Mail Branch identified at the bottom right-hand corner of the CF 3419A. (The copy of the CF 3419A must be included with the request, as the information contained on the form will be the only record of the GSP merchandise entered and whether the duties and fees were paid).

Dated: June 24, 1999.

Robert J. McNamara,

Acting Assistant Commissioner Field Operations.

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