

Dated: July 27, 1999.

Margaret H. McFarland,

Deputy Secretary.

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DEPARTMENT OF THE TREASURY

Customs Service

19 CFR Part 24

[TD 99-61]

RIN 1515-AC47

Exemption of Originating Mexican Goods From Certain Customs User Fees

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

ACTION: Final rule.

SUMMARY: This document amends the Customs Regulations to reflect that goods imported from Mexico that qualify as originating goods under the North American Free Trade Agreement (NAFTA) Implementation Act (the Act) and qualify as goods of Mexico for marking under the NAFTA Marking Rules will no longer be subject to the merchandise processing fees assessed under 19 U.S.C. 58c(a)(9) and (10). This amendment results from a provision of Title II of the Act, which eliminates application of the fees for originating Mexican goods after June 29, 1999.

EFFECTIVE DATE: August 3, 1999.

FOR FURTHER INFORMATION CONTACT: Howard Duchan, Office of Field Operations (202-927-0639).

SUPPLEMENTARY INFORMATION:

Background

Section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (codified at 19 U.S.C. 58c and referred to in this document as the COBRA provision), provides for the collection of various fees for providing Customs services in connection with the arrival of vessels, vehicles, railroad cars, aircraft, passengers and dutiable mail, in connection with the entry or release of merchandise, and in connection with Customs broker permits. The fees pertaining to the entry or release of merchandise are set forth in subsections (a)(9) and (10) of the COBRA provision (19 U.S.C. 58c(a)(9) and (10)) and include an ad valorem fee for each formal entry or release (subject to specific maximum and minimum limits), a surcharge for each manual entry or release, and specific fees for three types of informal entry or release.

Title II of the North American Free Trade Agreement (NAFTA) Implementation Act (the Act), Pub. L. 103-182, 107 Stat. 2057 (December 8, 1993), contains provisions relating to the administration of certain Customs laws. In section 204 of Title II, paragraph (10) of section 13031(b) of the COBRA (19 U.S.C. 58c(b)(10)) was amended to provide, in pertinent part, that for goods qualifying under the rules of origin set out in section 202 of the Act (19 U.S.C. 3332 and General Note 12, Harmonized Tariff Schedule of the United States (HTSUS) (pertaining to rules of origin)), the fees under subsection (a)(9) or (10) may not be increased after December 31, 1993, and may not be charged after June 29, 1999, with respect to goods that qualify to be marked as goods of Mexico pursuant to Annex 311 of the Act, for such time as Mexico is a NAFTA country (see 19 U.S.C. 58c(b)(10)(B)(ii)).

Regulations implementing the COBRA provision regarding merchandise processing fees are contained in § 24.23 of the Customs Regulations (19 CFR 24.23). Section 24.23(c)(3) pertains to an exemption from the merchandise processing fees (provided for under paragraphs (b)(1) and (b)(2)(i) of § 24.23) for goods originating in Canada within the meaning of either General Note 9 or General Note 12 of the HTSUS, where such goods qualify to be marked as goods of Canada pursuant to Annex 311 of the Act.

Customs, in this document, amends § 24.23(c)(3) to: (1) Add to the merchandise subject to the exemption goods originating in Mexico within the meaning of General Note 12, HTSUS, where such goods qualify to be marked as goods of Mexico pursuant to Annex 311 of the Act; (2) add language specifying that the exemption applies to such Mexican goods entered or released after June 29, 1999; and (3) remove the reference to General Note 9, HTSUS. Regarding the effective date, this exemption will apply to qualifying Mexican goods "entered or released" after June 29, 1999, within the meaning of that term as defined in § 24.23(a)(2) and 19 U.S.C. 58c(b)(8)(E). Regarding removal of the reference to General Note 9, HTSUS, this General Note pertained to the Canadian Free Trade Agreement which is suspended. Consequently, reference to it is no longer relevant for purposes of the section.

Inapplicability of Public Notice and Comment and Delayed Effective Date Requirements

Pursuant to the provisions of 5 U.S.C. 553(b)(B), Customs has determined that prior public notice and comment

procedures on this regulation are unnecessary. The regulatory change conforms the Customs Regulations to the terms of a statutory provision that is already in effect. In addition, the regulatory change benefits the public by providing specific information regarding the right to an exemption from the payment of certain import fees. Pursuant to the provisions of 5 U.S.C. 553(a)(1), public notice and comment is also inapplicable to this final regulation because it is within the foreign affairs function of the United States. For the same reasons, pursuant to the provisions of 5 U.S.C. 553(d)(1) and (3), Customs finds that there is good cause for dispensing with a delayed effective date.

Executive Order 12866

This document does not meet the criteria for a "significant regulatory action" as specified in E.O. 12866.

Regulatory Flexibility Act

Because no notice of proposed rulemaking is required for this rule, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) do not apply.

Drafting Information

The principal author of this document was Bill Conrad, Office of Regulations and Rulings, U.S. Customs Service. However, personnel from other offices participated in its development.

List of Subjects in 19 CFR Part 24

Accounting, Claims, Customs duties and inspection, Taxes, User fees, Wages.

Amendment to the Regulations

For the reasons stated in the preamble, part 24 of the Customs Regulations (19 CFR Part 24) is amended as set forth below.

PART 24—CUSTOMS FINANCIAL AND ACCOUNTING PROCEDURE

1. The authority citation for part 24 continues to read in part, and a new authority citation for § 24.23 is added to read, as follows:

Authority: 5 U.S.C. 301; 19 U.S.C. 58a-58c, 66, 1202 (General Note 20, Harmonized Tariff Schedule of the United States), 1450, 1624; 31 U.S.C. 9701.

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Section 24.23 also issued under 19 U.S.C. 3332;

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2. Section 24.23(c)(3) is revised to read as follows:

§ 24.23 Fees for processing merchandise.

* * * * *

(c) *Exemptions and limitations.* * * *

(3) The ad valorem, surcharge, and specific fees provided for under paragraphs (b)(1) and (b)(2)(i) of this section shall not apply to goods originating in Canada or Mexico within the meaning of General Note 12, HTSUS (see also 19 U.S.C. 3332), where such goods qualify to be marked, respectively, as goods of Canada or Mexico pursuant to Annex 311 of the North American Free Trade Agreement and without regard to whether the goods are marked. For qualifying goods originating in Mexico, the exemption applies to goods entered or released (as defined in this section) after June 29, 1999. Where originating goods as described above are entered or released with other goods that are not originating goods, the ad valorem, surcharge, and specific fees shall apply only to those goods which are not originating goods.

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Approved: June 14, 1999.

Raymond W. Kelly,
Commissioner of Customs.

John P. Simpson,
Deputy Assistant Secretary of the Treasury.
[FR Doc. 99-19807 Filed 8-2-99; 8:45 am]
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DEPARTMENT OF STATE

Bureau of Consular Affairs

22 CFR Part 41

[Public Notice 3077]

RIN 1400-A75

Visas: Passports and Visas Not Required for Certain Nonimmigrants

AGENCY: Bureau of Consular Affairs, DOS.

ACTION: Interim rule with request for comments.

SUMMARY: Current law provides for a Visa Waiver Pilot Program (VWPP) for nationals of countries qualifying under the provisions of the Pilot Program and designated by the Attorney General, in consultation with Secretary of State, as countries whose nationals benefit from the waiver of the nonimmigrant B-1/B-2 visa requirement. This interim rule adds Portugal, Singapore and Uruguay as participants in this Program.

DATES: This interim rule is effective August 9, 1999. The Department invites written comments which must be received on or before October 4, 1999.

ADDRESSES: Submit written comments, in duplicate, to the Chief, Legislation and Regulations Division, Visa Services, Room L-603C, Department of State, Washington, D.C. 20520-0106.

FOR FURTHER INFORMATION CONTACT: H. Edward Odom, Chief, Legislation and Regulations Division, Visa Office, Department of State, Washington, D.C. 20522-0113, (202) 663-1204.

SUPPLEMENTARY INFORMATION: This interim rule amends Part 41, Title 22 of the Code of Federal Regulations relating to visa waivers for certain nonimmigrants pursuant to section 217 of the Immigration and Nationality Act (INA).

History of INA 217

Pub. L. 99-603

Section 313 of the Immigration Reform and Control Act of 1986 (IRCA), Pub. L. 99-603, amended the INA by adding a new section 217. Section 217 provides for a Visa Waiver Pilot Program (VWPP) which waives the nonimmigrant visa requirement for nationals of certain countries having low nonimmigrant visa refusal rates and who are seeking to enter the United States for a period not to exceed ninety days. This original provision authorized the participation of eight countries in the VWPP to be designated by the Secretary of State and the Attorney General, acting jointly, from among countries meeting specific criteria. These original qualifying countries included: France; the Federal Republic of Germany; Italy; Japan, the Netherlands; Sweden; Switzerland; and the United Kingdom. [See **Federal Register** publications 53 FR 24903, June 30, 1988; 53 FR 50161, December 13, 1988; and 54 FR 27120, June 27, 1989.]

Pub. L. 101-649

On November 29, 1990, the President signed the Immigration Act of 1990 (IMMACT 90), Pub. L. 101-649, Section 201 of IMMACT 90 revised the VWPP set forth in section 313 of IRCA. It removed the eight-country cap and extended the provisions of the VWPP to all countries that meet the qualifying criteria of the VWPP and are designated by the Attorney General, acting jointly with the Secretary of State, as Pilot Program countries thereunder.

Effective October 1, 1991, Andorra, Austria, Belgium, Denmark, Finland, Iceland, Liechtenstein, Luxembourg, Monaco, New Zealand, Norway, San Marino, and Spain, having met all of the requirements for participants in the nonimmigrant Visa Waiver Pilot Program, were added as participants in the Program. [See 56 FR 46716, September 13, 1991.] Brunei was designated as a participant in the Visa Waiver Pilot Program in an interim rule published at 58 FR 40581, July 26, 1993.

Pub. L. 103-415

Section 1(m) of Pub. L. 103-415 extended the Visa Waiver Pilot Program through September 30, 1995.

Pub. L. 103-416

Section 210 of the Immigration and Nationality Technical Corrections Act of 1994 (INTC), Pub. L. 103-416, amended section 217 of the INA extending the VWPP to September 30, 1996. Section 211 of INTC created and established criteria for a new probationary qualification status for countries which met the criteria for that status under the VWPP and which were designated by the Secretary of State and the Attorney General, acting jointly, as countries whose nationals benefit from the waiver of the nonimmigrant B-1/B-2 visa requirement.

On March 28, 1995, the Department published an interim rule [59 FR 15872] to implement the provisions of sections 210 and 211 of Pub. L. 103-416. Ireland was determined to be the only country that met the criteria set forth for such probationary qualification status. On July 8, 1996 Argentina was added as a non-probationary VWPP country [61 FR 35628] and Australia became a non-probationary participating country on July 29, 1996 [61 FR 39318].

Pub. L. 104-208

On September 30, 1996 the President signed Pub. L. 104-208, the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, (IIRIRA). Section 635 of this law once again amended INA 217 by extending the Program until September 30, 1997. This law also named the Attorney General (in consultation with the Secretary of State) as the principal designator of VWPP countries, eliminated probationary VWPP qualification status and made countries then in probationary status (Ireland being the only country) permanent participating VWPP countries subject to the same disqualification criteria established for other VWPP countries. On September 30, 1997, the Attorney General added Slovenia as a participating country. [See 62 FR 51030.]

Pub. L. 105-173

Pub. L. 105-173 extended the VWPP through April 30, 2000. This law also modified the statutory language relating to low visa refusal rates that could extend the VWPP to additional countries previously unable to qualify.