

4.9(c).<sup>20</sup> Your comment will be kept confidential only if the FTC General Counsel, in his or her sole discretion, grants your request in accordance with the law and the public interest.

Postal mail addressed to the Commission is subject to delay due to heightened security screening. As a result, we encourage you to submit your comments online. To make sure that the Commission considers your online comment, you must file it at <https://ftcpublishcommentworks.com/ftc/redflagsinterimrule>, by following the instruction on the web-based form. If this Notice appears at <http://www.regulations.gov/serach/Regs/home.html#home>, you may also file a comment through that Web site.

If you file your comment on paper, write "Red Flags Interim Final Rule" on your comment and on the envelope, and mail or deliver it to the following address: Federal Trade Commission, Office of the Secretary, Room H-113 (Annex M), 600 Pennsylvania Avenue NW., Washington, DC 20580. If possible, submit your paper comment to the Commission by courier or overnight service.

Visit the Commission Web site at <http://www.ftc.gov> to read this Interim Final Rule and the news release describing it. The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before February 11, 2013. You can find more information, including routine uses permitted by the Privacy Act, in the Commission's privacy policy, at <http://www.ftc.gov/ftc/privacy.htm>.

**VI. Communications by Outside Parties to the Commissioners or Their Advisors**

Written communications and summaries of transcripts of oral communications respecting the merits of this proceeding from any outside party to any Commissioner will be placed on the public record.<sup>21</sup>

**VII. Regulatory Analysis**

**A. Paperwork Reduction Act**

The interim final rule does not include any new information collection requirements under the provisions of the Paperwork Reduction Act of 1995

<sup>20</sup> In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. See FTC Rule 4.9(c), 16 CFR 4.9(c).

<sup>21</sup> See 16 CFR 1.26(b)(5).

(PRA).<sup>22</sup> Nonetheless, the Commission anticipates that the narrowed definition of the term "creditor" will result in a decrease in the number of creditors covered by the Red Flags Rule. Commission staff has proposed revised estimates of hours and costs "burden" under the PRA in connection with the FTC's pursuit of renewed OMB clearance for the Red Flags Rule (under OMB Control No 3084-0137), which currently runs through November 30, 2012. These estimates, which factor in the anticipated effects of the amended Rule, appear separately in the **Federal Register** for public comment.<sup>23</sup>

**B. Regulatory Flexibility Act**

The Regulatory Flexibility Act (RFA), 5 U.S.C. 601-612, requires that the Commission provide an Initial Regulatory Flexibility Analysis (IRFA) with a proposed rule and a Final Regulatory Flexibility Analysis (FRFA), if any, with a final rule. As noted above, the Commission finds that good cause exists for adopting this interim final rule without advance public notice or an opportunity for public comment. Because notice and comment is not statutorily required, the requirement to publish an analysis under the Regulatory Flexibility Act does not apply in this proceeding.<sup>24</sup>

**List of Subjects in 16 CFR Part 681**

Consumer reports, Consumer report users, Consumer reporting agencies, Credit, Creditors, Fair credit, Information furnishers, Identity theft, Trade practices.

For the reasons discussed in the preamble, the Commission amends part 681 of title 16 of the Code of Federal Regulations as follows:

**PART 681—IDENTITY THEFT RULES**

- 1. Revise the authority citation for part 681 to read as follows:

**Authority:** 15 U.S.C. 1681m(e); 15 U.S.C. 1681m(e)(4); 15 U.S.C. 1681c(h).

- 2. Revise 681.1(b)(5) to read as follows:

**681.1 Duties regarding the detection, prevention, and mitigation of identity theft.**

\* \* \* \* \*  
(b) \* \* \*

<sup>22</sup> 44 U.S.C. 3501-3521. Under the PRA, federal agencies must obtain approval from OMB for each collection of information they conduct or sponsor. "Collection of information" means agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. 44 U.S.C. 3502(3).

<sup>23</sup> See 77 FR 58994 (Sept. 25, 2012) (comment period ending Oct. 25, 2012).

<sup>24</sup> 5 U.S.C. 603, 604.

(5) *Creditor* has the same meaning as in 15 U.S.C. 1681m(e)(4).

\* \* \* \* \*

By direction of the Commission.  
**Donald S. Clark,**  
*Secretary.*

[FR Doc. 2012-29430 Filed 12-5-12; 8:45 am]  
BILLING CODE 6750-01-P

**DEPARTMENT OF HOMELAND SECURITY**

**U.S. Customs and Border Protection**

**DEPARTMENT OF THE TREASURY**

**19 CFR Parts 10, 24, 102, 123, 128, 141, 143, 145, and 148**

[USCBP-2011-0042, CBP Dec. 12-19]

RIN 1515-AD69

**Informal Entry Limit and Removal of a Formal Entry Requirement**

**AGENCY:** U.S. Customs and Border Protection, Department of Homeland Security; Department of the Treasury.

**ACTION:** Final rule.

**SUMMARY:** Currently, for any merchandise valued over \$2,000, CBP requires importers to provide a surety bond, complete CBP form 7501, and pay a minimum of \$25 in Merchandise Processing Fees (MPF). The final rule increases the limit, from \$2,000 to \$2,500, for which merchandise may qualify for an "informal entry", thereby eliminating the need for a surety bond, expediting the customs clearance process, and reducing the required MPF amount to \$2 (assuming the entries are filed electronically). CBP is increasing the informal entry limit to mitigate the effects of inflation and in addition, to meet a commitment of the Beyond the Border Initiative between the United States and Canada, to increase and harmonize the value thresholds to \$2,500 for expedited customs clearance from the current levels of \$2,000 for the United States and \$1,600 for Canada.

This document also removes the language requiring formal entry for certain articles that were formerly subject to absolute quotas under the Agreement on Textiles and Clothing because CBP no longer needs to require formal entries for these articles. This document also makes a technical conforming amendment to reflect a recent statutory amendment that increased the *ad valorem* Merchandise Processing Fee (MPF) from 0.21 percent to 0.3464 percent. Finally, this document makes non-substantive editorial and nomenclature changes.

**DATES:** Effective January 7, 2013.

**FOR FURTHER INFORMATION CONTACT:** Elena Ryan, Acting Director, Trade Facilitation and Administration Division, Office of International Trade, Customs and Border Protection, 202–863–6578.

**SUPPLEMENTARY INFORMATION:**

**Background**

On October 28, 2011, U.S. Customs and Border Protection (“CBP”) published a proposed rule in the **Federal Register** (76 FR 66875) proposing to amend title 19 of the Code of Federal Regulations (“19 CFR”) to increase the informal entry limit from \$2,000 to \$2,500, the maximum statutory limit, in response to inflation and thereby to reduce the burden on importers and other entry filers. We note that an increase of the informal entry limit is also consistent with one of the goals of the Beyond the Border Initiative, which began on February 4, 2011, and encourages bilateral cooperation between the United States and Canada. Through the Beyond the Border Initiative, the United States and Canada have agreed to increase and harmonize the value thresholds to \$2,500 for expedited customs clearance from the current levels of \$2,000 for the United States and \$1,600 for Canada. (For further information on the Beyond the Border Action Plan, see <http://www.dhs.gov/files/publications/beyond-the-border.shtm>.) CBP also proposed to remove the language requiring formal entry for certain articles, because with the elimination of absolute quotas under the Agreement on Textiles and Clothing, CBP no longer needs to require formal entries for these articles. For further details on the proposal, please reference the published proposed rule.

CBP solicited public comments on the proposed rule.

**Technical Correction**

This document also makes a technical correction to conform the regulations to reflect the statutory amendment to section 13031(a)(9) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)(9)) by section 2 of the Trade Adjustment Assistance Extension Act of 2011 that increased the *ad valorem* Merchandise Processing Fee (MPF) of 0.21 percent to 0.3464 percent. See Pub. L. 112–40, 125 Stat. 401 (October 23, 2011). The increased MPF applies to imported merchandise entered on or after October 1, 2011 until June 30, 2014.

**Discussion of Comments**

Eighteen commenters responded to the solicitation of public comments in

the proposed rule. These comments can be found at <http://www.regulations.gov/#!docketDetail;dct=PS;rpp=25;po=0;D=USCBP-2011-0042>. The vast majority of the commenters expressed support for increasing the informal entry limit and/or removing the formal entry list. CBP’s responses to the comments are set forth below.

*Comment:* Fifteen commenters expressed general agreement with the proposal to increase the informal entry limit to \$2,500. Fourteen of these fifteen commenters agreed with the proposal to remove the formal entry requirement for certain articles and one commenter did not comment on the proposal concerning the formal entry requirement.

*CBP Response:* CBP concurs with proceeding to increase the informal entry amount to its statutory limit and to remove the formal entry requirement for certain articles that were previously subject to absolute quotas under the Agreement on Textiles and Clothing.

*Comment:* One commenter questioned whether filing an informal entry is less time consuming and burdensome than filing a formal entry. The commenter stated that an importer must use due diligence for both formal and informal entries.

*CBP Response:* CBP notes that importers filing by paper are required to complete more data elements in the formal entry paper form than in the informal entry form. For example, importers filing a formal entry paper form are required to provide the location of the goods, whereas importers filing an informal entry paper form are not required to provide this data element. Therefore, for paper filers, the informal entry is less time consuming. The bulk of affected filings are electronic, however, and in the electronic format filers provide the same data for both formal and informal entries. CBP agrees that the importer must use due diligence for filing both informal and formal entries.

*Comment:* Two commenters indicated that adjusting the informal entry limit to reflect inflation from 1998 to 2011 would raise the amount to approximately \$2,800 rather than the proposed \$2,500. One commenter suggested increasing the informal entry limit to \$3,000.

*CBP Response:* Although CBP agrees that inflation would increase the informal entry limit from \$2,000 to approximately \$2,800, CBP is bound by the statutory limit of \$2,500.

*Comment:* One commenter asked whether a study has been conducted to determine how many entries between the value of \$2,000 and \$2,500 would

have been filed in the past years if the informal entry limit were \$2,500.

*CBP Response:* As set forth in this document (see the “Executive Orders 12866 and 13563” section), CBP estimates that in fiscal year 2011 (the latest year of available data), there were approximately 852,000 formal entries between the value of \$2,000 and \$2,500. Approximately 558,000 of those entries would have been affected by this rule because they were required to pay MPFs.

*Comment:* One commenter suggested that CBP postpone the effective date of the rule until 2015 because promulgation of the rule would result in a net loss of \$11 million to the U.S. Treasury. Two other commenters stated that the timing of the policy seemed inconsistent with the recent Congressional decision to increase the *ad valorem* MPFs by 60 percent. These two commenters noted that CBP would lose revenue from MPFs by increasing the informal entry limit and one of these commenters additionally noted that removing the formal entry requirement for textile and apparel entries would reduce revenue further because of the reduced collection of MPFs.

*CBP Response:* CBP notes that the MPF is set by Congress and the level of the MPF is beyond the scope of this rule. The reduction in MPF for the shipments which are affected by this rule should facilitate trade.

*Comment:* Three commenters stated that the analysis of the impact on small entities was too conservative and did not address the savings that would be achieved by small and medium businesses. Four commenters cited a June 2011 study conducted by the Peterson Institute for International Economics (“Peterson study”) in support of this statement and in support of its statement that raising the informal entry level would result in a substantial savings to CBP, the United States Postal Service, the express industry, and U.S. consumers.

*CBP Response:* CBP has reviewed the Peterson study, and while we agree that this final rule could result in meaningful benefits for the public, the estimates in the study relied on assumptions that CBP could not verify or support. Given the limitations in the data available for this analysis, CBP cannot ascertain with any degree of certainty the specific monetary impacts to businesses based on size.

*Comment:* Two commenters questioned CBP’s ability to conduct post-entry audit on informal entries. One commenter noted that the security of the cargo and the accuracy of the cargo’s description is at risk because

there is no review of incoming air cargo prior to lading on board an aircraft. The other commenter stated that a similar issue would arise in the case of antidumping and countervailing duties entries that were not properly prepared.

**CBP Response:** CBP has the ability to conduct post-entry audits on informal entries because CBP has regulatory auditors who conduct either scheduled or random audits on importers' liquidated entries to determine compliance with applicable U.S. laws and regulations. Moreover, CBP notes that formal entries are required for all antidumping and countervailing duties entries. The commenter's concern regarding the security of the cargo prior to lading is not impacted by raising the informal entry limit because CBP screens all manifested merchandise on board the carrier without regard to its value.

**Comment:** One commenter asserted that CBP inspectors universally seem to agree that a large percentage of import violations occur when importers inaccurately claim that their goods are valued less than \$2,000.

**CBP Response:** Even when entries are informal, CBP reviews for correctness of the entry and the admissibility of the merchandise to ensure compliance with applicable U.S. laws and regulations.

**Comment:** One commenter asked whether Congress will allow resource deviation from CBP's enforcement efforts to the further development of the Automated Commercial Environment (ACE) system.

**CBP Response:** The anticipated actions of Congress are beyond the scope of this rulemaking.

## Conclusion

After review of the comments and further consideration, CBP has decided to adopt the proposed rule that was published in the **Federal Register** (76 FR 66875) on October 28, 2011, with the addition of the conforming technical amendment to the MPF as discussed above. Additional minor grammatical and editorial changes were made in this final rule.

## Executive Orders 12866 and 13563

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of

reducing costs, of harmonizing rules, and of promoting flexibility. This rule has been designated a "significant regulatory action" although not economically significant, under section 3(f) of Executive Order 12866.

Accordingly, the rule has been reviewed by the Office of Management and Budget (OMB). CBP has prepared the following analysis to help inform stakeholders of the potential impacts of this final rule.

CBP requires importers to submit a completed CBP Form 7501 (OMB Control Number 1651-0022) or its electronic equivalent with each entry of merchandise for consumption. Merchandise valued over \$2,000 requires a formal entry, which generally includes detailed information regarding the import transaction as well as commercial documents pertaining to the transaction. In addition, a surety bond is required, and the importer may take possession of the merchandise before duties and taxes are assessed. Currently, merchandise valued below \$2,000 may be entered informally without a bond; and duties and taxes are assessed immediately. However, based on his/her discretion, a port director, may require a formal entry to be filed. This final rule increases the ceiling for which merchandise may qualify for an informal entry from \$2,000 to \$2,500.

Unless exempt under a free trade agreement and in addition to any duty or tax owed, merchandise requiring a formal entry was subject to a 0.21 percent *ad valorem* MPF, which may be no greater than \$485 and no less than \$25. Since the publication of the NPRM, the *ad valorem* rate has increased from 0.21 percent to 0.3464 percent (starting on October 1, 2011). Any merchandise currently requiring a formal entry with a value of \$2,000 to \$2,500 is subject to the minimum \$25 MPF. Entries that are now considered informal entries as a result of the change in the threshold would now be subject to only a \$2 MPF (assuming they are filed electronically, see 19 CFR 24.23(b)(2)(i)). In the NPRM, CBP stated that in fiscal year (FY) 2009, 476,081 formal entries, valued between \$2,000 and \$2,500, were processed which were not subject to free trade agreements and were subject to the \$25 MPF. Since the publication of the NPRM, these formal entries have increased from 476,081 entries in FY 2009 to 558,259 entries for FY 2011. Consequently, raising the informal entry limited to \$2,500 would result in a loss of approximately \$14 million in revenues if the \$25 MPF were not collected for these entries in FY 2011 ( $558,259 \times \$25 = \$14.0$  million). Revenues would now be approximately

\$1 million ( $558,259 \times \$2 = \$1.1$  million), thus the net loss in fees collected would be approximately \$13 million (\$14 million - \$1 million). We note that the estimated loss in net fees collected has increased from approximately \$11 million estimated in the NPRM to \$13 million estimated here for the final rule.

Because the informal entry limit has not kept pace with inflation, some importers may have paid a higher MPF than would have been required if the informal entry limit had kept pace with inflation. Due to data limitations CBP is unable to determine the aggregate savings any particular firm will realize if this regulation is finalized. CBP estimates importers as a whole, however, will realize a benefit of approximately \$13 million when this regulation is finalized. CBP notes that this benefit to the trade represents a transfer from the government.

Additionally, this increase in the informal entry level meets the agreed upon value of \$2,500 for the Beyond the Border Initiative. Harmonizing the informal entry value thresholds of the United States and Canada eliminates one difference in the customs clearance process.

## Regulatory Flexibility Act

This section examines the impact of the rule on small entities as required by the Regulatory Flexibility Act (5 U.S.C. 601 *et. seq.*), as amended by the Small Business Regulatory Enforcement and Fairness Act of 1996. A small entity may be a small business (defined as any independently owned and operated business not dominant in its field that qualifies as a small business per the Small Business Act); a small not-for-profit organization; or a small governmental jurisdiction (locality with fewer than 50,000 people).

CBP has considered the impact of this rule on small entities. To the extent that this rule affects small entities, these entities would experience a small cost savings on a per-transaction basis. The total cost savings per entity would be based on its annual transaction levels. CBP does not believe such a small cost savings would rise to the level of a "significant economic impact." During the comment period for the NPRM, CBP did not receive any comments that would amend this conclusion. Thus, CBP certifies that this rule will not have a significant impact on a substantial number of small entities.

## Unfunded Mandates Reform Act of 1995

This rule will not result in the expenditure by State, local, and tribal governments, in the aggregate, or by the

private sector, of \$100 million or more in any one year, and it will not significantly or uniquely affect small governments. Therefore, no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995.

#### Executive Order 13132 (Federalism)

Executive Order 13132 requires CBP to develop a process to ensure “meaningful and timely input by State and local officials in the development of regulatory policies that have federalism implications.” Policies that have federalism implications are defined in the Executive Order to include rules that have “substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.” CBP has analyzed the rule in accordance with the principles and criteria in the Executive Order and has determined that it does not have federalism implications or a substantial direct effect on the States. The rule increases the informal entry limit from \$2,000 to \$2,500 and removes the formal entry list. States do not conduct activities with which this rule would interfere. For this reason, this rule would not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement.

#### Executive Order 12988 (Civil Justice Reform)

This rule meets the applicable standards set forth in sections 3(a) and 3(b)(2) of Executive Order 12988. That Executive Order requires agencies to conduct reviews, before proposing legislation or promulgating regulations, to determine the impact of those proposals on civil justice and potential issues for litigation. The Order requires that agencies make reasonable efforts to ensure that a regulation clearly identifies preemptive effects, effects on existing Federal laws and regulations, any retroactive effects of the proposal, and other matters. CBP has determined that this regulation meets the requirements of Executive Order 12988 because it does not involve retroactive effects, preemptive effects, or other matters addressed in the Order.

#### National Environmental Policy Act

Increasing the informal entry limit, removing the formal entry list, and amending the regulations to reflect a recent statutory amendment that increased the *ad valorem* Merchandise Processing Fee (MPF) from 0.21 percent to 0.3464 percent, is non-invasive and

there is no potential environmental impact of any kind. Therefore, an environmental statement under the National Environmental Policy Act of 1969 (NEPA; 42 U.S.C. 4321 *et seq.*) is not required.

#### Paperwork Reduction Act

The collection of information on the Entry Summary and Informal Entry has been previously reviewed and approved by OMB in accordance with the requirements of the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1651-0022. This collection of information is used to identify imported merchandise entering the commerce of the United States, to document the amount of duty and/or tax paid, and to serve as a record of the import transaction for the purposes of required certifications, enforcement information, and statistical data. An agency may not conduct or sponsor and an individual is not required to respond to a collection of information unless it displays a valid OMB control number. This rule does not implicate recordkeeping requirements; however, please note that the recordkeeping requirements for the filing of informal and formal entries are covered in part 163 of title 19 of the CFR (19 CFR part 163), and are approved under OMB control number 1651-0076.

#### Signing Authority

This document is being issued in accordance with 19 CFR 0.1(a)(1) pertaining to the Secretary of the Treasury’s authority (or that of his delegate) to approve regulations related to certain customs revenue functions.

#### List of Subjects

19 CFR Parts 10, 123, 128, 141, 143, and 145

Customs duties and inspection, Reporting and recordkeeping requirements.

19 CFR Parts 24 and 148

Customs duties and inspection, Reporting and recordkeeping requirements, Taxes.

19 CFR Part 102

Canada, Customs duties and inspection, Imports, Mexico, Reporting and recordkeeping requirements, Trade agreements.

#### Amendments to the CBP Regulations

For the reasons set forth in the preamble, parts 10, 24, 102, 123, 128, 141, 143, 145, and 148 of title 19 of the CFR (19 CFR parts 10, 24, 102, 123, 128, 141, 143, 145, and 148) are amended as set forth below.

#### PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED RATE, ETC.

■ 1. The general authority citation for part 10 continues to read as follows:

**Authority:** 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States (HTSUS)), 1321, 1481, 1484, 1498, 1508, 1623, 1624, 3314.

\* \* \* \* \*

#### § 10.1 [Amended]

■ 2. In § 10.1:

- a. Paragraph (a) introductory text is amended by removing the word “shall” and adding in its place the word “must”, and by removing the sum “\$2,000” and adding in its place the sum “\$2,500”;
- b. Paragraph (a)(1) is amended by revising “19 \_\_\_” to read “20 \_\_\_”;
- c. Paragraph (a)(2) introductory text is amended in the last sentence by removing the word “shall” and adding in its place the word “must”;
- d. Paragraph (b) is amended by removing the sum “\$2,000” and adding in its place the sum “\$2,500”;
- e. Paragraph (e) is amended by removing the word “shall” and adding in its place the word “will”;
- f. Paragraph (f) is amended by removing the word “shall” each place that it appears and adding in its place the word “must”;
- g. Paragraph (g)(1) is amended by:
  - i. Removing the word “Customs” each place that it appears and adding in its place the term “CBP”;
  - ii. Removing the word “shall” the first time that it appears and adding in its place the word “must”; and
  - iii. Removing the word “shall” in the last sentence and adding in its place the word “will”;
- h. Paragraph (g)(2) introductory text is amended by removing the word “shall” and adding in its place the word “must”, and by removing the word “Customs” and adding in its place the term “CBP”;
- i. Paragraph (g)(3) is amended by removing the word “Customs” and adding in its place the term “CBP”, and removing the word “shall” and adding in its place the word “will”;
- j. Paragraph (h)(1) introductory text is amended by removing the word “Customs” each place that it appears and adding in its place the term “CBP”, and removing the word “shall” each place that it appears and adding in its place the word “must”;
- k. Paragraph (h)(2) is amended by removing the word “shall” and adding in its place the word “will”, and by removing the word “Customs” and adding in its place the term “CBP”;

- l. Paragraph (h)(3) introductory text is amended by removing the word “Customs” each place that it appears and adding in its place the term “CBP”, and removing the word “shall” and adding in its place the word “must”;
- m. Paragraph (h)(4) introductory text is amended by removing the word “shall” and adding in its place the word “must”;
- n. Paragraph (h)(5) is amended by removing the word “Customs” and adding in its place the term “CBP”, and removing the word “shall” and adding in its place the word “will”;
- o. Paragraph (i) is amended by removing in the first sentence the word “Customs” the first two times it appears and adding in its place the term “CBP”, and by removing the word “shall” each place that it appears and adding in its place the word “must”; and
- p. Paragraph (j)(2) is amended by removing the word “Customs” each place that it appears and adding in its place the term “CBP”, and by removing the word “shall” each place that it appears and adding in its place the word “must”.

#### **PART 24—CUSTOMS AND FINANCIAL ACCOUNTING PROCEDURE**

- 3. The general authority citations for part 24 is revised and the specific authority citation for § 24.23 continues to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 58a–58c, 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1505, 1520, 1624; 26 U.S.C. 4461, 4462; 31 U.S.C. 3717, 9701; Pub. L. 107–296, 116 Stat. 2135 (6 U.S.C. 1 *et seq.*).

\* \* \* \* \*

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

\* \* \* \* \*

#### **§ 24.23 [Amended]**

- 4. In § 24.23:
  - a. Paragraph (a)(4) introductory text is amended by removing the word “shall” and adding in its place the word “must”;
  - b. Paragraph (b)(1)(i)(A) is amended by removing the sum “\$2,000” and adding in its place the sum “\$2,500”; and by removing the number “0.21” each place it appears and adding in its place the number “0.3464”;
  - c. Paragraph (b)(1)(i)(B) is amended by removing the word “shall” each place that it appears and adding in its place the word “must”;
  - d. Paragraph (b)(1)(ii) is amended by removing the word “shall” each place that it appears and adding in its place the word “will”;

- e. Paragraph (b)(3) is amended by removing the sum “\$2,000” and adding in its place the sum “\$2,500”;
- f. Paragraph (b)(4) introductory text is amended by removing the sum “\$2,000” and adding in its place the sum “\$2,500”;
- g. Paragraph (c)(1) introductory text is amended by removing the word “shall” and adding in its place the word “will”;
- h. Paragraphs (c)(2)(i) and (ii) are amended by removing the word “shall” and adding in its place the word “will”;
- i. Paragraph (c)(3) is amended by removing the word “shall” each place that it appears and adding in its place the word “will”;
- j. Paragraph (c)(4) is amended by removing the word “shall” and adding in its place the word “will”;
- k. Paragraph (c)(5) is amended by:
  - i. Removing the word “shall” and adding in its place the word “will”;
  - ii. Removing the word “Customs” and adding in its place the word “Customs”;
- l. Paragraph (d)(1) introductory text is amended by:
  - i. Removing the word “Customs” and adding in its place the term “CBP”; and
  - ii. Removing the word “shall” and adding in its place the word “will”;
- m. Paragraph (d)(2) is amended by:
  - i. Removing the word “shall” in the first sentence and adding in its place the word “must”;
  - ii. Removing the word “Customs” and adding in its place the term “CBP”; and
  - iii. Removing the word “shall” in the last sentence and adding in its place the word “will”;
- n. Paragraph (e)(1) is amended by removing the word “Customs”, in its heading and in its text, each place that it appears and adding in its place the word “customs”, and by removing the word “shall” each place that it appears and adding in its place the word “will”; and
- o. Paragraph (e)(2) is amended by removing the word “shall” and adding in its place the word “will”, and by removing the word “Customs” and adding in its place the word “customs”.

#### **PART 102—RULES OF ORIGIN**

- 5. The general authority citation for part 102 continues to read as follows:

**Authority:** 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1624, 3314, 3592.

\* \* \* \* \*

#### **§ 102.24 [Amended]**

- 6. Section 102.24 is amended by removing paragraph (a), the paragraph designation “(b)”, and the paragraph (b) subject heading and wrapping into one paragraph.

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#### **PART 123—CBP RELATIONS WITH CANADA AND MEXICO**

- 7. The general authority citation for part 123 and the specific authority citations for § 123.4 continue to read as follows:

**Authority:** 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States (HTSUS)), 1431, 1433, 1436, 1448, 1624, 2071 note.

\* \* \* \* \*

Section 123.4 also issued under 19 U.S.C. 1484, 1498;

\* \* \* \* \*

#### **§ 123.4 [Amended]**

- 8. In § 123.4:
  - a. The introductory text is amended by removing the word “shall” and adding in its place the word “must”, and by removing the word “Customs” and adding in its place the term “CBP”;
  - b. Paragraph (a) is amended by removing the word “Customs” and adding in its place the term “CBP”;
  - c. Paragraph (b) is amended by removing the sum “\$2,000” and adding in its place the sum “\$2,500”, and removing the word “Customs” each place that it appears and adding in its place the term “CBP”;
  - d. Paragraph (c) is amended by removing the word “Customs” and adding in its place the term “CBP”; and
  - e. Paragraph (d) is amended by removing the word “Customs” and adding in its place the term “CBP”, and removing the word “shall” and adding in its place the word “must”.

#### **§ 123.92 [Amended]**

- 9. In § 123.92:
  - a. Paragraph (b)(2)(i) is amended by removing the words “Customs Form (CF)” and adding in its place the term “CBP Form”;
  - b. Paragraph (b)(2)(ii) is amended by removing the sum “\$2,000” and adding in its place the sum “\$2,500”, and by removing the term “CF” and adding in its place the words “CBP Form”;
  - c. Paragraph (b)(2)(iii) is amended by removing the term “CF” and adding in its place the words “CBP Form”; and
  - d. Paragraph (c)(2) is amended by removing the term “Customs” and adding in its place the word “customs”.

#### **PART 128—EXPRESS CONSIGNMENTS**

- 10. The general authority citation for part 128 continues to read as follows:

**Authority:** 19 U.S.C. 58c, 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1321, 1484, 1498, 1551, 1555, 1556, 1565, 1624.

**§ 128.24 [Amended]**

- 11. In § 128.24:
  - a. Paragraph (a) is amended by removing the sum “\$2,000” each place that it appears and adding in its place the sum “\$2,500”;
  - b. Paragraph (b) is amended by removing the word “Customs” and adding in its place the term “CBP”, and by removing the word “shall” and adding in its place the word “must”;
  - c. Paragraph (c) is amended by removing the word “Customs” each place that it appears and adding in its place the term “CBP”, and by removing the word “shall” each place that it appears and adding in its place the word “must”;
  - d. Paragraph (d) is amended by removing the word “Customs” and adding in its place the term “CBP”; and
  - e. Paragraph (e) introductory text is amended by removing the word “shall” and adding in its place the word “will”.

**PART 141—ENTRY OF MERCHANDISE**

- 12. The general authority citation for part 141 is revised to read as follows:

**Authority:** 19 U.S.C. 66, 1448, 1484, 1498, 1624.

\* \* \* \* \*

**§ 141.82 [Amended]**

- 13. In § 141.82:
  - a. Paragraphs (b) and (c) are amended by removing the word “shall” each place that it appears and adding in its place the word “must”; and
  - b. Paragraph (d) is amended by:
    - i. Removing the sum “\$2,000” and adding in its place the sum “\$2,500”;
    - ii. Removing the words “Sections VII, VIII, XI, and XII; Chapter 94; and”; and
    - iii. Adding the symbol “)” after the word “States”.

**PART 143—SPECIAL ENTRY PROCEDURES**

- 14. The general authority citation for part 143 is revised to read as follows:

**Authority:** 19 U.S.C. 66, 1321, 1414, 1481, 1484, 1498, 1624, 1641.

\* \* \* \* \*

**§ 143.21 [Amended]**

- 15. In § 143.21:
  - a. Paragraphs (a) and (b) are amended by removing the sum “\$2,000” and adding in its place the sum “\$2,500”;
  - b. Paragraph (a) is further amended by removing the words “Sections VII, VIII, XI, and XII; Chapter 94 and”;
  - c. Paragraph (c) is amended by:
    - i. Removing the sum “\$2,000” and adding in its place the sum “\$2,500”;
    - ii. Removing the citation “§ 141.51” and adding in its place the citation “§ 141.52”; and

- iii. Removing the words “subheadings from Sections VII, VIII, XI, and XII; or in Chapter 94 and”;
- d. Paragraphs (f) and (g) are amended by removing the sum “\$2,000” and adding in its place the sum “\$2,500”;
- e. Paragraph (j) is amended by removing the word “Customs” and adding in its place the term “CBP”;
- 16. Section 143.22 is revised to read as follows:

**§ 143.22 Formal entry may be required.**

The port director may require a formal consumption or appraisal entry for any merchandise if deemed necessary for import admissibility enforcement purposes; revenue protection; or the efficient conduct of customs business. Individual shipments for the same consignee, when such shipments are valued at \$2,500 or less, may be consolidated on one such entry.

**§ 143.23 [Amended]**

- 17. In § 143.23:
  - a. The introductory text is amended by removing the word “shall” and adding in its place the word “must”, and by removing the word “Customs” each time it appears and adding in its place the term “CBP”;
  - b. Paragraphs (b) and (c) are amended by removing the word “Customs” and adding in its place the term “CBP”;
  - c. Paragraph (d) is amended by:
    - i. Removing the sum “\$2,000” and adding in its place the sum “\$2,500”;
    - ii. Removing the word “Customs” and adding in its place the term “CBP”; and
    - iii. Removing the words “Sections VII, VIII, XI, and XII; Chapter 94; and”;
  - d. Paragraph (e) is amended by removing the word “can” and adding in its place the word “may”;
  - e. Paragraphs (f), (g), (h)(1), and (h)(2) introductory text are amended by removing the word “Customs” each time it appears and adding in its place the term “CBP”; and
  - f. Paragraph (i) is amended by removing the sum “\$2,000” and adding in its place the sum “\$2,500”.

**§ 143.26 [Amended]**

- 18. In § 143.26:
  - a. Paragraph (a) is amended by removing, in its heading and in its text, the sum “\$2,000” each place that it appears and adding in its place the sum “\$2,500”, and by removing the word “Customs” and adding in its place the word “customs”; and
  - b. Paragraph (b) is amended by removing the space between “appropriatel” and “y” to read “appropriately”, and by removing the word “Customs” and adding in its place the word “customs”.

**PART 145—MAIL IMPORTATIONS**

- 19. The general authority citation for part 145 and the specific authority citations for §§ 145.4, 145.12, 145.31, 145.35, 145.41 continue to read as follows:

**Authority:** 19 U.S.C. 66, 1202 (General Notice 3(i), Harmonized Tariff Schedule of the United States), 1624.

\* \* \* \* \*

Section 145.4 also issued under 18 U.S.C. 545, 19 U.S.C. 1618;

\* \* \* \* \*

Section 145.12 also issued under 19 U.S.C. 1315, 1484, 1498;

\* \* \* \* \*

Section 145.31 also issued under 19 U.S.C. 1321;

Section 145.35 through 145.38, 145.41, also issued under 19 U.S.C. 1498;

\* \* \* \* \*

**§ 145.4 [Amended]**

- 20. In § 145.4:
  - a. Paragraph (a) is amended by removing the word “Customs” the first time it appears and adding in its place the term “CBP”, and by removing the word “Customs” the second time it appears and adding in its place the word “customs”; and
  - b. Paragraph (c) is amended by:
    - i. Removing the sum “\$2,000” and adding in its place the sum “\$2,500”;
    - ii. Removing the word “Customs” and adding in its place the term “CBP”; and
    - iii. Removing the word “shall” and adding in its place the word “must”.

**§ 145.12 [Amended]**

- 21. In § 145.12:
  - a. Paragraph (a)(2) is amended by removing the word “shall” and adding in its place the word “will”, and by removing the sum “\$2,000” and adding in its place the sum “\$2,500”;
  - b. Paragraph (a)(3) is amended by:
    - i. Removing the sum “\$2,000” each place that it appears and adding in its place the sum “\$2,500”;
    - ii. Removing the word “Customs” the first time that it appears and adding in its place the term “CBP”;
    - iii. Removing the word “Customs” the second time that it appears and adding in its place the word “customs”; and
    - iv. Removing the words “shall not” and adding in its place the word “cannot”;
  - c. Paragraph (a)(4) is amended by:
    - i. Removing the word “shall” in the first and second sentence and adding in its place the word “will”;
    - ii. Removing the word “shall” in the last sentence and adding in its place the word “must”; and
    - iii. Removing the word “Customs” and adding in its place the term “CBP”;

and adding the word, “customs” before the word, “station”;

- d. Paragraph (b)(1) is amended by:
- i. Removing the word “Customs” each place that it appears and adding in its place the term “CBP”;
- ii. Removing the word “shall” each place that it appears and adding in its place the word “will”;
- iii. Removing the sum “\$2,000” and adding in its place the sum “\$2,500”; and
- iv. Removing the word “shall” and adding in its place the word “will”;
- e. Paragraph (b)(2) is amended by removing the word “shall” and adding in its place the word “will”, and by removing the word “Customs” and adding in its place the term “CBP”;
- f. Paragraph (c) is amended by:
- i. Removing, in its heading and in its text, the sum “\$2,000” and adding in its place the sum \$2,500”;
- ii. Removing the word “Customs” each place that it appears in the first sentence and adding in its place the term “CBP”;
- iii. Removing the words “Customs treatment” in the third sentence and adding in its place the words “customs treatment”;
- iv. Removing the words “Customs office” and adding in its place the words “CBP office”; and
- v. Removing the word “shall” each place that it appears and adding in its place the term “will”;
- g. Paragraph (e)(1) is amended by removing the word “Customs” in each place that it appears and adding in its place the term “CBP”, and by removing the word “shall” and adding in its place the word “will”; and
- h. Paragraph (e)(2) is amended by:
- i. Removing the words “Customs Form” each place that it appears, in its heading and its text, and adding in its place the words “CBP Form”;
- ii. Removing the words “Customs officer” and adding in its place the words “CBP officer”;
- iii. Removing the words “Customs purposes” and adding in its place the words “customs purposes”;
- iv. Removing the word “shall” in the first sentence and adding in its place the word “must”; and
- v. Removing the word “shall” in the second sentence and adding in its place the word “will”.

#### § 145.31 [Amended]

- 22. Section 145.31 is amended by removing the word “shall” and adding in its place the word “will”.

#### § 145.35 [Amended]

- 23. Section 145.35 is amended by removing the sum “\$2,000” and adding in its place the sum “\$2,500”.

#### § 145.41 [Amended]

- 24. Section 145.41 is amended by removing the sum “\$2,000” and adding in its place the sum “\$2,500”.

### PART 148—PERSONAL DECLARATIONS AND EXEMPTIONS

- 25. The general authority citation for part 148 is revised and the specific authority citations for § 148.51 and 148.64 continue to read as follows:

**Authority:** 19 U.S.C. 66, 1496, 1498, 1624. The provisions of this part, except for subpart C, are also issued under 19 U.S.C. 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States).

\* \* \* \* \*  
 Sections 148.43, 148.51, 148.63, 148.64, 148.74 also issued under 19 U.S.C. 1321;  
 \* \* \* \* \*

#### § 148.23 [Amended]

- 26. In § 148.23:
- a. Paragraph (c)(1) is amended by removing, in its heading and in its text, the sum “\$2,000” and adding in its place the sum “\$2,500”;
- b. Paragraph (c)(1) is further amended by removing, in the text, the words “Sections VII, VIII, XI, and XII; Chapter 94; and”;
- c. Paragraph (c)(2) is amended by removing, in its heading and in its text, the sum “\$2,000” and adding in its place the sum “\$2,500”; and
- d. Paragraph (c)(2) is further amended by removing the words “Sections VII, VIII, XI, and XII; Chapter 94; and”.

#### § 148.54 [Amended]

- 27. In § 148.54
- a. Paragraph (b) is amended by removing the word “shall” and adding in its place the word “must”, and by removing the sum “\$250” and adding in its place the sum “\$2,500”; and
- b. Paragraph (c) is amended by removing the word “shall” each place that it appears and adding in its place the word “will”.

**David V. Aguilar,**

*Deputy Commissioner, U.S. Customs and Border Protection.*

Approved: November 28, 2012.

**Timothy E. Skud,**

*Deputy Assistant Secretary of the Treasury.*  
 [FR Doc. 2012–29193 Filed 12–5–12; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Parts 40, 46, and 602

[TD 9602]

RIN 1545–BK59

#### Fees on Health Insurance Policies and Self-Insured Plans for the Patient-Centered Outcomes Research Trust Fund

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Final regulations.

**SUMMARY:** This document contains final regulations that implement and provide guidance on the fees imposed by the Patient Protection and Affordable Care Act on issuers of certain health insurance policies and plan sponsors of certain self-insured health plans to fund the Patient-Centered Outcomes Research Trust Fund. These final regulations affect the issuers and plan sponsors that are directed to pay those fees.

**DATES:** *Effective Date:* These regulations are effective December 6, 2012.

*Applicability Dates:* These regulations apply to policy and plan years ending on or after October 1, 2012, and before October 1, 2019.

**FOR FURTHER INFORMATION CONTACT:** R. Lisa Mojiri-Azad at (202) 622–6080 (regarding self-insured health arrangements) or Rebecca L. Baxter at (202) 622–3970 (regarding health insurance policies).

#### SUPPLEMENTARY INFORMATION:

##### Paperwork Reduction Act

The collection of information contained in these final regulations has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) under control number 1545–2238. The collections of information in these final regulations are in § 46.4375–1(c)(2)(iv) (use of the snapshot method to calculate the fee under section 4375); § 46.4375–1(c)(2)(v) (use of the National Association of Insurance Commissioners (NAIC) Supplemental Health Care Exhibit to calculate the fee under section 4375); § 46.4375–1(c)(2)(vi) (use of certain state forms to calculate the fee under section 4375); § 46.4376–1(b)(2)(G) (identification or designation of a plan sponsor under the governing plan document for certain applicable self-insured health plans); § 46.4376–1(c)(2)(iv) (use of snapshot method to calculate the fee under section 4376); and § 46.4376–1(c)(2)(v) (use of the