

*Frequency:* On occasion.

*Burden Estimate:* The estimated burden remains 2,262 hours a year.

Dated: May 24, 2006.

**C.S. Johnson, Jr.,**

*Captain, U.S. Coast Guard, Acting Assistant Commandant for Command, Control, Communications, Computers and Information Technology.*

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BILLING CODE 4910-15-P

## DEPARTMENT OF HOMELAND SECURITY

### Bureau of Customs and Border Protection

#### Automated Commercial Environment (ACE): Periodic Monthly Statement Payment Process Available When Filing Entry for Split Shipments and Unassembled or Disassembled Entities Imported on Multiple Conveyances

**AGENCY:** Customs and Border Protection; Department of Homeland Security.

**ACTION:** General notice.

**SUMMARY:** This document announces that importers may use the periodic monthly payment statement process to pay estimated duties and fees when filing either a single entry or incremental entries involving split shipments, or a single entry or certain incremental entries involving unassembled or disassembled entities. Importers may use the periodic monthly payment statement process as participants in a National Customs Automation Program (NCAP) test.

**DATES:** *Effective Dates:* Importers may pay estimated duties and fees for Split Shipments through the method set forth in the NCAP test starting on June 2, 2006.

Importers may pay estimated duties and fees for Unassembled or Disassembled Entities Imported on Multiple Conveyances through the method set forth in the NCAP test starting on July 3, 2006.

**FOR FURTHER INFORMATION CONTACT:** For questions concerning this Notice: Mr. Jeremy Baskin via email at [Jeremy.Baskin@dhs.gov](mailto:Jeremy.Baskin@dhs.gov).

#### SUPPLEMENTARY INFORMATION:

##### Background

Importers choosing to file a single entry or incremental entries involving split shipments or unassembled or disassembled entities as a special permit for immediate delivery after the arrival of the first portion (Incremental Release) may now pay estimated duties and fees attributable to those entries through the

method set forth in the National Customs Automation Program (NCAP) test describing the periodic monthly statement process.

##### Entry: Split Shipments

Under the current regulations on split shipments at 19 CFR 141.57(d)(1) and 141.57(d)(2), an importer is allowed to file either a single entry or incremental entries with regard to split shipments (19 U.S.C. 1484(j)(2)). Split shipments are defined as merchandise that is capable of being transported on a single conveyance, and that is delivered to and accepted by a carrier in the exporting country as one shipment under one bill of lading or waybill, and is thus intended by the importer to arrive as a single shipment. However, the shipment is thereafter divided by the carrier into different parts which arrive in the United States at different times, often days apart.

Pursuant to the provisions of the regulations, an importer of split shipment of merchandise may file an entry or a special permit for immediate delivery, provided that the merchandise is eligible for such permit, once all portions of the split shipment have arrived at the port of entry. The entry or special permit must indicate the total number of pieces in, as well as the total value of, the entire shipment as reflected on the invoice(s) covering the shipment. See 19 CFR 141.57(d)(1). Alternatively, an importer of record may file a special permit for immediate delivery after the arrival of the first portion of a split shipment, but before the arrival of the entire shipment at such port, thus qualifying the split shipment for incremental release as each portion of the shipment arrives at the port of entry. The remaining portions may be released incrementally. See 19 CFR 141.57(d)(2) and 19 CFR 141.57(e).

##### Entry: Unassembled or Disassembled Entities

Pursuant to new regulations (see new 19 CFR 141.58) published in today's **Federal Register** as CBP Decision 06-11, importers may, effective 30 days after the date of publication in the **Federal Register**, file a single entry for merchandise the size or nature of which necessitates shipment in an unassembled or disassembled condition on more than one conveyance, or file incremental entries for each portion of the entity as it separately arrives.

An unassembled or disassembled entity consists of merchandise which is not capable of being transported on a single conveyance, but which is purchased and invoiced as a single

classifiable entity. By necessity, due to its size or nature, the entity is placed on multiple conveyances that arrive at different times at the same port of entry in the United States. The subject arriving portions are consigned to the same person in the United States. The final regulations permit the acceptance of a single entry in the case of a qualifying unassembled or disassembled shipment; however, importers may continue to file a separate entry for each portion of an unassembled or disassembled shipment as it arrives, if they so choose.

An importer may file an entry once all portions of the entity have arrived at the same port of entry in the United States. Any portion that arrives at a different port must be transported in-bond to the destination port where entry will be made. In the alternative, the importer may file a special permit for immediate delivery after arrival of all portions of the entity provided that it is eligible for such a permit under 19 CFR 142.21(a)-(d), (f) and (i). See 19 CFR 141.58(d)(1).

An importer of record may file an application for a special permit for immediate delivery after the arrival of the first portion of the entity covered by 19 CFR 141.58(b), and its remaining portions may be released incrementally pursuant to the requirements set forth in 19 CFR 141.58(e). All portions of the shipment must arrive timely at the same port of entry in the United States. Any portion that arrives at a different port must be transported in-bond to the destination port where entry will be made. See 19 CFR 141.58(d)(2).

##### Payment of Estimated Duties and Fees Through Periodic Monthly Statement

The Bureau of Customs and Border Protection (CBP) has published a series of General Notices in the **Federal Register** announcing the National Customs Automation Program (NCAP) test for the Periodic Monthly Payment Statement Process. See 69 FR 5362, 69 FR 54302, 70 FR 5199, 70 FR 45736, 70 FR 55623, and 71 FR 3315. These prior notices are incorporated by reference and continue to apply unless changed by this notice.

The test, which is part of CBP's Automated Commercial Environment (ACE), benefits participants by giving them access to operational data through the ACE Secured Data Portal ("ACE Portal"), which provides them the capability to interact electronically with CBP, and by allowing them to deposit estimated duties and fees on a monthly basis based on a Periodic Monthly Statement issued by CBP.

Participants in the Periodic Monthly Statement test are required to schedule

entries for monthly payment. A Periodic Monthly Statement will list Periodic Daily Statements that have been designated for monthly payment. The Periodic Monthly Statement can be created on a national basis by an ABI filer. If an importer chooses to file the Periodic Monthly Statement on a national basis, it must use its filer code and schedule and pay the monthly statements. The Periodic Monthly Statement will be routed under existing CBP procedures. Brokers will only view/receive information that they have filed on an importer's behalf. ACE will not route a Periodic Monthly Statement to a broker through ABI that lists information filed by another broker. See 69 FR 5362.

*Periodic Monthly Statement Process Available for Filing Entries for Split Shipments and Unassembled or Disassembled Entities Imported on Multiple Conveyances*

Through this notice, and beginning on the effective dates described earlier in the document, CBP announces that importers choosing to file a single entry involving split shipments consistent with the provisions of 19 CFR 141.57(d)(1) or unassembled or disassembled entities consistent with the provisions of 19 CFR 141.58(d)(1) may pay estimated duties and fees attributable to those entries through the method set forth in the National Customs Automation Program (NCAP) test describing the periodic monthly payment statement process. The date of filing of that entry identifies the month in which entry is filed and establishes the obligation to pay estimated duties and fees by the 15th working day of the month following the month in which entry is filed.

Importers choosing to file incremental entries involving split shipments consistent with the provisions of 19 CFR 141.57(d)(2) or unassembled or disassembled entities consistent with the provisions 19 CFR 141.58(d)(2) as a special permit for immediate delivery after the arrival of the first portion (Incremental Release) also may pay estimated duties and fees attributable to that entry through the method set forth in the National Customs Automation Program (NCAP) test describing the periodic monthly payment statement process. The date that the importer obtains release of the first portion of the entry as provided in sections 141.57(e) or 141.58(e) will identify the month that the entry is filed and establishes the obligation to pay estimated duties and fees by the 15th working day of the month following the month in which entry is filed.

**Previous Notices and Suspension of Regulations**

All requirements and aspects of the ACE test discussed in previous notices are hereby incorporated by reference into this notice and continue to be applicable, unless changed by this notice. Examples of such requirements and aspects are the rules regarding misconduct under the test and the required evaluation of the test (both of which are detailed in the notice published at 67 FR 21800 and 69 FR 5362).

During the testing of the Periodic Monthly Statement Process, CBP is suspending provisions in Parts 24, 141, 142, and 143 of the CBP regulations (Title 19 of the Code of Federal Regulations) pertaining to financial, accounting, entry procedures, and deposit of estimated duties and fees. Absent any specified alternate procedure, the current regulations apply.

Dated: May 26, 2006.

**Jayson P. Ahern,**

*Assistant Commissioner, Office of Field Operations.*

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**DEPARTMENT OF HOMELAND SECURITY**

**Federal Emergency Management Agency**

**[FEMA-2006-0001]**

**RIN 1660-ZA13**

**Privacy Act of 1974; The National Flood Insurance Program (NFIP) Claims Appeals System of Records**

**AGENCY:** Federal Emergency Management Agency, Department of Homeland Security.

**ACTION:** Notice of Privacy Act system of records.

**SUMMARY:** Pursuant to the Privacy Act of 1974, the Department of Homeland Security gives notice that the Federal Emergency Management Agency is establishing a new system of records entitled "The National Flood Insurance Program Claims Appeals Process." This appeals process is mandated by section 205 of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004.

**DATES:** The new system of records will be effective July 3, 2006, unless comments are received that result in a contrary determination.

**ADDRESSES:** You may submit comments, identified by DHS DOCKET NUMBER:

FEMA-2006-0001 by one of the following methods:

Federal e-Rulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

E-mail: [FEMA-RULES@dhs.gov](mailto:FEMA-RULES@dhs.gov). Include Docket Number FEMA-2006-0001 in the subject line of the message. Fax: (202) 646-4536.

Mail: Rules Docket Clerk, Federal Emergency Management Agency, Office of General Counsel, Room 406, 500 C Street SW., Washington, DC 20472; Maureen Cooney, Acting Chief Privacy Officer, 601 S. 12th Street, Arlington, VA 22202.

**FOR FURTHER INFORMATION CONTACT:**

Rena Y. Kim, Privacy Act Officer, Room 406, 500 C Street, SW., Washington, DC 20472; (telephone) (202) 646-3949; Maureen Cooney, Acting Chief Privacy Officer, 601 S. 12th Street, Arlington, VA 22202.

**SUPPLEMENTARY INFORMATION:** Pursuant to the Privacy Act of 1974, the Department of Homeland Security (DHS) is establishing a new system of records to be maintained by the Federal Emergency Management Agency (FEMA). The new system of records is entitled the "National Flood Insurance Program (NFIP) Claims Appeals Process."

Congress created the NFIP (42 U.S.C. 4001) in 1968 to reduce future flood losses through flood hazard identification, floodplain management (i.e., land use controls and building codes), and insurance protection. NFIP coverage is available to all owners and occupants of insurable property in a participating community upon payment of a premium.

FEMA was designated by Congress to be the administrator of the NFIP. In 1983, FEMA partnered with the private insurance industry in its efforts to expand the NFIP policy base. This partnership between FEMA and the private sector property insurance companies is termed the Write Your Own (WYO) program. Under the WYO program, private insurers agree to issue flood policies in their own name and take responsibility for policy administration, claims processing, marketing, and sales. Private insurers handle all claims issued in their name, and adjust and settle flood loss claims consistent with their general claims practices. Over 95 percent of flood policies in force are maintained by WYO Companies.

Because the WYO Companies are responsible for all administrative activities associated with the flood insurance policies they write, they also maintain policyholder information for