# DEPARTMENT OF THE TREASURY

#### **Customs Service**

19 CFR Parts 4, 19, 24, 101, 103, 111, 112, 113, 118, 122, 127, 141, 142, 146, and 174

[T.D. 95-77]

#### RIN 1515-AB84

#### Technical Corrections Regarding Customs Organization

**AGENCY:** Customs Service, Treasury. **ACTION:** Interim rule.

**SUMMARY:** This document amends the Customs Regulations to reflect Customs new organizational structure. The revisions are nonsubstantive or merely procedural in nature.

**DATES:** These changes are effective at 11:59 p.m., EST on September 30, 1995. Comments must be received on or before November 27, 1995.

ADDRESSES: Written comments (preferably in triplicate) may be addressed to the Regulations Branch, U.S. Customs Service, Franklin Court, 1301 Constitution Avenue, NW., Washington, DC 20229. Comments submitted may be inspected at Franklin Court, 1099 14th Street, NW—Suite 4000, Washington, D.C.

FOR FURTHER INFORMATION CONTACT: Jerry Laderberg, Office of Field Operations (202) 927–0415; Gregory R. Vilders, Attorney, Regulations Branch (202) 482– 6930.

#### SUPPLEMENTARY INFORMATION:

## Background

In its continuing efforts to achieve more efficient use of its personnel, facilities, and resources, to provide better services to carriers, importers, and the public in general, Customs is changing the structure of its organization both in the field and at Headquarters.

The current organizational structure is the result of reorganizations of the Customs Service by the President's Reorganization Plan No. 1 of 1965 and Reorganization Plan No. 2 of 1973; Headquarters reorganizations of 1979 and 1990; and a Regional consolidation in 1982.

The present reorganization is prompted by a number of changes within Customs and its operating environment: the tremendous growth in our workload; the size of the organization; the growth in administrative and overhead positions; changes in technology; new requirements placed on the agency; changes in trade and travel patterns; and unnecessary layers and barriers in the organization that have grown over time. Creating an organizational structure that addresses these current problems facilitates a move to process-oriented management, which allows adaptation to an environment of continuous change.

In the Fall of 1993, Customs began a study of its organizational structure. During the study, comments and suggestions were received from Customs Headquarters and field offices, the Treasury Department, the National Treasury Employees Union, consultants, trade organizations, and other government agencies. At the completion of the study in the Spring of 1994, a report entitled "People, Processes, & Partnerships: A Report on the Customs Service for the 21st Century" was issued which recommended that Customs reduce its management layers in the field and reorganize its Headquarters functions. As a result of the study, Customs has determined to reorganize from the ground up, with the ports of entry serving as the foundation.

Districts and regions will, for the most part, be eliminated. They will still exist as geographical descriptions for limited purposes such as for broker permits and certain cartage and lighterage purposes. The ports of entry now will be empowered with most of the functions and authority that have been held in the district and regional offices. Some ports will be designated as service ports, and will have a full range of cargo processing functions, including inspection, entry, collection, and verification. Headquarters will also be reorganized. The full reorganization will be effective at 11:59 p.m., EST on September 30, 1995.

Customs is also creating twenty Customs Management Centers (CMCs), which will report to the Assistant Commissioner of Field Operations at Customs Headquarters. While these CMCs will provide oversight of the core business processes at the ports of entry within their respective geographic areas, they will not play a substantive role in the trade community's interaction with Customs. They will not be a formal level of appeal for external matters; their most important function will be to ensure that Customs delivers high quality uniform service at the ports.

Five Strategic Trade Centers (STCs), each with a defined area of responsibility, are also created in the reorganization to enhance Customs capacity to address major trade issues, such as textile transshipments, valuation, antidumping, and the enforcement of intellectual property rights. Because the CMCs and STCs will not have direct contact with the public, Customs is not including any reference to these organizational entities in the regulations.

The current regulations contain a significant number of references (over 2,000) to organizational entities which will no longer exist or which will have a different functional context on October 1, 1995. Accordingly, regulatory references to "district directors", "regional commissioners", etc., are replaced with "port directors", "Assistant Commissioner", etc., to reflect the new field and Headquarters structure of Customs and where decisional authority will now lie. The changes set forth in this document are nonsubstantive or merely procedural in nature.

In a separate technical correction document published in today's Federal Register, changes are made throughout Chapter 1 of the Customs Regulations to reflect the reorganization. This document serves to revise certain sections contained in 15 Parts of the Customs Regulations (parts 4, 19, 24, 101, 103, 111, 112, 113, 118, 122, 127, 141, 142, 146, and 174) which are either obsolete or require such extensive rewriting that they cannot be presented in the column format adopted in the other technical correction document.

### Discussion of Amendments

In Part 4, 13 footnotes (footnotes 2, 21, 29, 63, 64, 66, 68, 69, 73, 90, 93, 94, and 100) are removed which reference the field term "collector" of Customs, an obsolete position, and applicable statutory text is added where appropriate to \$\$ 4.1(c)(2), 4.9(c), 4.31(a), and 4.61(b)(6) and (23). Also, \$4.14(c) is revised to remove references to regional field positions, and \$4.24(f) is revised to replace references to the Director of the service port (a new organizational entity, defined at \$101.1) located nearest to the port of entry.

In Part 19, a parenthetical reference to a definition of "district" found at § 112.1 is added to § 19.44(g).

In Part 24, a parenthetical reference to a definition of "district" found at  $\S 111.1$  is added to  $\S 24.1(a)(3)(i)$ , and the third sentences of paragraph (a) and subparagraph (c)(1) of  $\S 24.4$  are removed because there is no longer a necessity for importers to identify different ports in the application to defer payment of estimated import taxes on alcoholic beverages within districts, since districts are no longer part of Customs organization. Also, a similar requirement for district directors to notify other ports in his district is