

value, quantity, and amount of duty asserted at the time of entry by the importer of record.”.

SEC. 642. PAYMENT OF DUTIES AND FEES.

(a) AMENDMENT TO SECTION 505.—Section 505 (19 U.S.C. 1505) is amended to read as follows:

“SEC. 505. PAYMENT OF DUTIES AND FEES.

“(a) DEPOSIT OF ESTIMATED DUTIES, FEES, AND INTEREST.—Unless merchandise is entered for warehouse or transportation, or under bond, the importer of record shall deposit with the Customs Service at the time of making entry, or at such later time as the Secretary may prescribe by regulation, the amount of duties and fees estimated to be payable thereon. Such regulations may provide that estimated duties and fees shall be deposited before or at the time an import activity summary statement is filed. If an import activity summary statement is filed, the estimated duties and fees shall be deposited together with interest, at a rate determined by the Secretary, accruing from the first date of the month the statement is required to be filed until the date such statement is actually filed.

“(b) COLLECTION OR REFUND OF DUTIES, FEES, AND INTEREST DUE UPON LIQUIDATION OR RELIQUIDATION.—The Customs Service shall collect any increased or additional duties and fees due, together with interest thereon, or refund any excess moneys deposited, together with interest thereon, as determined on a liquidation or reliquidation. Duties, fees, and interest determined to be due upon liquidation or reliquidation are due 30 days after issuance of the bill for such payment. Refunds of excess moneys deposited, together with interest thereon, shall be paid within 30 days of liquidation or reliquidation.

“(c) INTEREST.—Interest assessed due to an underpayment of duties, fees, or interest shall accrue, at a rate determined by the Secretary, from the date the importer of record is required to deposit estimated duties, fees, and interest to the date of liquidation or reliquidation of the applicable entry or reconciliation. Interest on excess moneys deposited shall accrue, at a rate determined by the Secretary, from the date the importer of record deposits estimated duties, fees, and interest to the date of liquidation or reliquidation of the applicable entry or reconciliation.

“(d) DELINQUENCY.—If duties, fees, and interest determined to be due or refunded are not paid in full within the 30-day period specified in subsection (b), any unpaid balance shall be considered delinquent and bear interest by 30-day periods, at a rate determined by the Secretary, from the date of liquidation or reliquidation until the full balance is paid. No interest shall accrue during the 30-day period in which payment is actually made.”.

(b) CONFORMING AMENDMENT.—Subsection (d) of section 520 (19 U.S.C. 1520(d)) is repealed.

SEC. 643. ABANDONMENT AND DAMAGE.

Section 506 (19 U.S.C. 1506) is amended—

(1) by striking out “the appropriate customs officer” and “such customs officer” wherever they appear and inserting “the Customs Service”;

(2) by amending paragraph (1)—

(A) by striking out “not sent to the appraiser’s stores for” and inserting “released without an”,

(B) by striking out “of the examination packages or quantities of merchandise”,

(C) by striking out “the appraiser’s stores” and inserting “the Customs Service”, and

(D) by inserting “or entry” after “invoice”, and

(3) by amending paragraph (2)—

(A) by inserting “, electronically or otherwise,” after “files”, and

(B) by striking out “written”.

SEC. 644. CUSTOMS OFFICER’S IMMUNITY.

Section 513 (19 U.S.C. 1513) is amended to read as follows:

“SEC. 513. CUSTOMS OFFICER’S IMMUNITY.

“No customs officer shall be liable in any way to any person for or on account of—

“(1) any ruling or decision regarding the appraisal or the classification of any imported merchandise or regarding the duties, fees, and taxes charged thereon,

“(2) the collection of any dues, charges, duties, fees, and taxes on or on account of any imported merchandise, or

“(3) any other matter or thing as to which any person might under this Act be entitled to protest or appeal from the decision of such officer.”.

SEC. 645. PROTESTS.

Section 514 (19 U.S.C. 1514) is amended—

(1) by amending subsection (a)—

(A) by striking out “appropriate customs officer” in the text preceding paragraph (1) and inserting “Customs Service”,

(B) by inserting “or reconciliation as to the issues contained therein,” after “entry,” in paragraph (5),

(C) by striking out “and” and inserting “or” at the end of paragraph (6),

(D) by striking out the comma at the end of paragraph (7) and inserting a semicolon, and

(E) by striking out “appropriate customs officer, who” in the text following paragraph (7) and inserting “Customs Service, which”;

(2) by amending subsection (b) by striking out “appropriate customs officer” and inserting “Customs Service”;

(3) by amending the first sentence of subsection (c)(1) to read as follows: “A protest of a decision made under subsection (a) shall be filed in writing, or transmitted electronically pursuant to an electronic data interchange system, in accordance with regulations prescribed by the Secretary. A protest must set forth distinctly and specifically—

“(A) each decision described in subsection (a) as to which protest is made;

“(B) each category of merchandise affected by each decision set forth under paragraph (1);

“(C) the nature of each objection and the reasons therefor; and

“(D) any other matter required by the Secretary by regulation.”;

(4) by redesignating paragraph (2) of subsection (c) as paragraph (3) and by striking out “such customs officer” in

such redesignated paragraph and inserting “the Customs Service”;

(5) by designating the last sentence of paragraph (1) of subsection (c) as paragraph (2);

(6) by striking out “customs officer” in subsection (d) and inserting “Customs Service”; and

(7) by amending the section heading to read as follows:

“SEC. 514. PROTEST AGAINST DECISIONS OF THE CUSTOMS SERVICE.”

SEC. 646. REFUNDS AND ERRORS.

Section 520 (19 U.S.C. 1520) is amended—

(1) by inserting “or reconciliation” after “entry” in paragraphs (1) and (4) of subsection (a); and

(2) by amending subsection (c)—

(A) by striking out “appropriate customs officer” wherever it appears and inserting “Customs Service”;

(B) by inserting “or reconciliation” after “reliquidate an entry”, and

(C) by inserting “, whether or not resulting from or contained in electronic transmission,” after “inadvertence” the first place it appears in paragraph (1).

SEC. 647. BONDS AND OTHER SECURITY.

Section 623 (19 U.S.C. 1623) is amended—

(1) by inserting “and the manner in which the bond may be filed with or, pursuant to an authorized electronic data interchange system, transmitted to the Customs Service” after “form of such bond” in subsection (b)(1); and

(2) by inserting at the end of subsection (d) the following new sentence: “Any bond transmitted to the Customs Service pursuant to an authorized electronic data interchange system shall have the same force and effect and be binding upon the parties thereto as if such bond were manually executed, signed, and filed.”.

SEC. 648. CUSTOMHOUSE BROKERS.

Section 641 (19 U.S.C. 1641) is amended—

(1) by adding at the end of subsection (a)(2) the following new sentence: “It also includes the preparation of documents or forms in any format and the electronic transmission of documents, invoices, bills, or parts thereof, intended to be filed with the Customs Service in furtherance of such activities, whether or not signed or filed by the preparer, or activities relating to such preparation, but does not include the mere electronic transmission of data received for transmission to Customs.”;

(2) by amending subsection (c)(1) to read as follows:

“(1) **IN GENERAL.**—Each person granted a customs broker’s license under subsection (b) shall be issued, in accordance with such regulations as the Secretary shall prescribe, either or both of the following:

“(A) A national permit for the conduct of such customs business as the Secretary prescribes by regulation.

“(B) A permit for each customs district in which that person conducts customs business and, except as provided in paragraph (2), regularly employs at least 1 individual who is licensed under subsection (b)(2) to exercise respon-

Regulations.

sible supervision and control over the customs business conducted by that person in that district.”;

(3) by inserting at the end of subsection (c) the following new paragraph:

“(4) APPOINTMENT OF SUBAGENTS.—Notwithstanding subsection (c)(1), upon the implementation by the Secretary under section 413(b)(2) of the component of the National Customs Automation Program referred to in section 411(a)(2)(B), a licensed broker may appoint another licensed broker holding a permit in a customs district to act on its behalf as its subagent in that district if such activity relates to the filing of information that is permitted by law or regulation to be filed electronically. A licensed broker appointing a subagent pursuant to this paragraph shall remain liable for any and all obligations arising under bond and any and all duties, taxes, and fees, as well as any other liabilities imposed by law, and shall be precluded from delegating to a subagent such liability.”;

(4) by amending subsection (d)(2)(B)—

(A) by striking out “appropriate customs officer” and inserting “Customs Service” in the first and third sentences,

(B) by striking out “he” and inserting “it” in the third sentence,

(C) by striking out “15 days” and inserting “30 days” in the third sentence,

(D) by striking out “the appropriate customs officer and the customs broker; they” and inserting “the Customs Service and the customs broker; which” in the sixth sentence,

(E) by striking out “his” and inserting “the” in the seventh sentence, and

(F) by striking out “for his decision” and inserting “for the decision” in the eighth sentence; and

(5) by amending subsection (f) by striking out “United States Customs Service.” and inserting “Customs Service. The Secretary may not prohibit customs brokers from limiting their liability to other persons in the conduct of customs business. For purposes of this subsection or any other provision of this Act pertaining to recordkeeping, all data required to be retained by a customs broker may be kept on microfilm, optical disc, magnetic tapes, disks or drums, video files or any other electrically generated medium. Pursuant to such regulations as the Secretary shall prescribe, the conversion of data to such storage medium may be accomplished at any time subsequent to the relevant customs transaction and the data may be retained in a centralized basis according to such broker’s business system.”.

Regulations.

SEC. 649. CONFORMING AMENDMENTS.

(a) PLACE OF ENTRY AND UNLADING.—Section 447 (19 U.S.C. 1447) is amended by striking out “the appropriate customs officer shall consider” and inserting “the Customs Service considers”.

(b) UNLADING.—Section 449 (19 U.S.C. 1449) is amended by striking out “appropriate customs officer of such port issues a permit for the unloading of such merchandise or baggage,” and inserting “Customs Service issues a permit for the unloading of such merchandise or baggage at such port.”.

Subtitle C—Miscellaneous Amendments to the Tariff Act of 1930

SEC. 651. ADMINISTRATIVE EXEMPTIONS.

Section 321 (19 U.S.C. 1321) is amended—

(1) by amending subsection (a)(1)—

(A) by striking out “of less than \$10” and inserting “of an amount specified by the Secretary by regulation, but not less than \$20,”

(B) by inserting “, fees,” after “duties” wherever it appears, and

(C) by striking out “and” at the end thereof;

(2) by amending subsection (a)(2)—

(A) by striking out “shall not exceed—” and inserting “shall not exceed an amount specified by the Secretary by regulation, but not less than—”

(B) by striking out “\$50” and “\$100” in subparagraph (A) and inserting “\$100” and “\$200”, respectively,

(C) by striking out “\$25” in subparagraph (B) and inserting “\$200”,

(D) by striking out “\$5” in subparagraph (C) and inserting “\$200”, and

(E) by striking the period at the end thereof and inserting “; and”, and

(3) by inserting a new paragraph (3) at the end of subsection (a) to read as follows:

“(3) waive the collection of duties, fees, and taxes due on entered merchandise when such duties, fees, or taxes are less than \$20 or such greater amount as may be specified by the Secretary by regulation.”; and

(4) by amending subsection (b)—

(A) by striking out “to diminish any dollar amount specified in subsection (a) and”; and

(B) by striking out “such subsection” wherever it appears and inserting “subsection (a)”.

SEC. 652. REPORT OF ARRIVAL.

Section 433 (19 U.S.C. 1433) is amended—

(1) by amending subsection (a)(1)—

(A) by striking out “or” at the end of subparagraph (B),

(B) by inserting “or” after the semicolon at the end of subparagraph (C), and

(C) by adding after subparagraph (C) the following:

“(D) any vessel which has visited a hovering vessel or received merchandise while outside the territorial sea.”;

(2) by striking out “present to customs officers such” in subsection (d) and inserting “present, or transmit pursuant to an electronic data interchange system, to the Customs Service such information, data,”; and

(3) by amending subsection (e) to read as follows:

“(e) PROHIBITION ON DEPARTURES AND DISCHARGE.—Unless otherwise authorized by law, a vessel, aircraft or vehicle after arriving in the United States or Virgin Islands may, but only in accordance with regulations prescribed by the Secretary—

“(1) depart from the port, place, or airport of arrival; or

“(2) discharge any passenger or merchandise (including baggage).”.

SEC. 653. ENTRY OF VESSELS.

Section 434 (19 U.S.C. 1434) is amended to read as follows:

“SEC. 434. ENTRY; VESSELS.

“(a) FORMAL ENTRY.—Within 24 hours (or such other period of time as may be provided under subsection (c)(2)) after the arrival at any port or place in the United States of—

“(1) any vessel from a foreign port or place;

“(2) any foreign vessel from a domestic port;

“(3) any vessel of the United States having on board bonded merchandise or foreign merchandise for which entry has not been made; or

“(4) any vessel which has visited a hovering vessel or has delivered or received merchandise while outside the territorial sea;

the master of the vessel shall, unless otherwise provided by law, make formal entry at the nearest customs facility or such other place as the Secretary may prescribe by regulation.

“(b) PRELIMINARY ENTRY.—The Secretary may by regulation permit the master to make preliminary entry of the vessel with the Customs Service in lieu of formal entry or before formal entry is made. In permitting preliminary entry, the Customs Service shall board a sufficient number of vessels to ensure compliance with the laws it enforces.

“(c) REGULATIONS.—The Secretary may by regulation—

“(1) prescribe the manner and format in which entry under subsection (a) or subsection (b), or both, must be made, and such regulations may provide that any such entry may be made electronically pursuant to an electronic data interchange system;

“(2) provide that—

“(A) formal entry must be made within a greater or lesser time than 24 hours after arrival, but in no case more than 48 hours after arrival, and

“(B) formal entry may be made before arrival; and

“(3) authorize the Customs Service to permit entry or preliminary entry of any vessel to be made at a place other than a designated port of entry, under such conditions as may be prescribed.”.

SEC. 654. UNLAWFUL RETURN OF FOREIGN VESSEL PAPERS.

Section 438 (19 U.S.C. 1438) is amended—

(1) by striking out “section 435” and inserting “section 434”;

(2) by inserting “, or regulations issued thereunder,” after “of this Act”; and

(3) by striking out “the appropriate customs officer of the port where such vessel has been entered.” and inserting “the Customs Service in the port in which such vessel has entered.”.

SEC. 655. VESSELS NOT REQUIRED TO ENTER.

Section 441 (19 U.S.C. 1441) is amended—

(1) by amending the text preceding paragraph (1) to read as follows: “The following vessels shall not be required to make entry under section 434 or to obtain clearance under section

4197 of the Revised Statutes of the United States (46 U.S.C. App. 91).”;

(2) by amending paragraph (3) to read as follows:

“(3) Any vessel carrying passengers on excursion from the United States Virgin Islands to the British Virgin Islands and returning, if—

“(A) the vessel does not in any way violate the customs or navigation laws of the United States;

“(B) the vessel has not visited any hovering vessel; and

“(C) the master of the vessel, if there is on board any article required by law to be entered, reports the article to the Customs Service immediately upon arrival.”;

(3) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and inserting after paragraph (3) the following:

“(4) Any United States documented vessel with recreational endorsement or any undocumented United States pleasure vessel not engaged in trade, if—

“(A) the vessel complies with the reporting requirements of section 433, and with the customs and navigation laws of the United States;

“(B) the vessel has not visited any hovering vessel; and

“(C) the master of, and any other person on board, the vessel, if the master or such person has on board any article required by law to be entered or declared, reports such article to the Customs Service immediately upon arrival.”;

(4) by amending paragraph (6) (as so redesignated) by striking out “enrolled and licensed to engage in the foreign and coasting trade in the northern, northeastern, and northwestern frontiers” and inserting “documented under chapter 121 of title 46, United States Code, with a Great Lakes endorsement”; and

(5) by amending the section heading to read as follows:

“SEC. 441. EXCEPTIONS TO VESSEL ENTRY AND CLEARANCE REQUIREMENTS.”.

SEC. 656. UNLADING.

Section 448(a) (19 U.S.C. 1448(a)) is amended—

(1) by amending the first sentence—

(A) by striking out “enter)” and inserting “enter or clear”;

(B) by striking out “or vehicle arriving from a foreign port or place” and inserting “required to make entry under section 434, or vehicle required to report arrival under section 433,”;

(C) by inserting “or transmitted pursuant to an electronic data interchange system” after “issued”, and

(D) by striking out the colon after “officer” and the proviso and inserting a period;

(2) by amending the second sentence—

(A) by striking out “, preliminary or otherwise,” and

(B) by inserting “, electronically pursuant to an authorized electronic data interchange system or otherwise,” after “may issue a permit”;

(3) by striking out the last sentence and inserting the following: “The owner or master of any vessel or vehicle, or agent thereof, shall notify the Customs Service of any merchan-