

U.S. Department of Homeland Security
Washington, DC 20229



U.S. Customs and
Border Protection

FEB 23 2007

Michael Davenport
President
International Trade Surety Association
5200 Blue Lagoon Drive
Miami, Florida 33126

Dear Mr. Davenport:

Thank you for your letter of November 30, 2006, requesting U.S. Customs and Border Protection (CBP) consider the reinstatement of a separate Antidumping/Countervailing Duty Bond. I understand this topic was addressed at the recent Customs/Surety Executive Committee (C/SEC) meeting held on January 22, 2007, in Miami, Florida. In addition, based on your letter of November 30, 2006, a single topic meeting was held on February 20, 2007, with Revenue Division Officials in Indianapolis, Indiana.

Based on our review of the information in your letter and recent discussions, we believe there is a benefit for the trade and the government to further explore a separate bond to secure antidumping and countervailing duties. Accordingly, the Office of Finance, Revenue Division, in coordination with the Office of Trade, and Office of Regulations and Rulings, will work with C/SEC members to explore the possibility of adopting a separate Antidumping/Countervailing Duty Bond.

We appreciate your interest in Customs and Border Protection. The Office of Finance will follow up with you to develop a final proposal regarding this effort. If you have any questions, please contact Mr. Robert Hamilton, Director, Revenue Division, at (317) 298-1107.

Yours truly,

A handwritten signature in black ink, appearing to read "E. Schied".

Eugene H. Schied
Assistant Commissioner
Office of Finance

cc: Bruce S. Haskell, Executive Vice President
Customs Surety Association

Edward Gallagher, General Counsel
The Surety & Fidelity Association of America

CUSTOMS/SURETY EXECUTIVE COMMITTEE

November 27, 2006

W. Ralph Basham
Commissioner
Bureau of Customs & Border Protection
1300 Pennsylvania Avenue, N.W.
Washington, D.C. 20229

Reinstitution of Separate Antidumping/Countervailing Duty Bond

Dear Commissioner Basham:

On behalf of the surety trade associations of the Customs/Surety Executive Committee ("C/SEC"), we urge that the Bureau of Customs & Border Protection ("CBP") reinstitute the separate bond for antidumping/countervailing duties as a critical step toward eliminating or minimizing the continuing problem of antidumping/countervailing duty avoidance. Under current practice, there is nothing on the bond to indicate that the underlying transaction involves antidumping or countervailing duties. The surety, therefore, cannot underwrite the increased risk posed by such transactions, and the Government is deprived of the surety's help in properly securing, or occasionally excluding, imports or importers likely to be in violation of the law. The point of the bond is not just to pay duties in the event of a default. The surety and the Government have a common interest in preventing violations by assuring there is adequate security and opportunities to exclude imports or importers seeking to evade antidumping or countervailing duties. Without a separate bond for antidumping/countervailing duties, or a separate Activity Code on the CF 301 bond, it is much more difficult and often impossible for sureties to fulfill its role.

Antidumping and Countervailing duty avoidance has become an increasingly critical issue for Customs and the surety industry. CBP has assessed duties far in excess of bond coverage and found no importers available to pay; sureties have experienced losses for defaulting and/or fraudulent principals far in excess of their reasonable underwriting expectations. The severity of the problem was recognized by the Congress in P.L. 109-280, which was signed by the President on August 17, 2006. This legislation suspended "new shipper" anti-dumping bond provisions for three years, and directed the Administration to submit detailed reports on antidumping duty assessments and exposures during the suspension period. CBP also recognized the severity of the problem when it proposed a new formula for setting bond amounts for

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"importations involving elevated collection risks", stating (71 Fed Reg. No 205, of October 24, 2006, at page 62276): "However, importers have increasingly failed to pay additional AD/CVD duties determined to be due at liquidation. Recent defaults for AD/CVD supplemental bills are substantially higher than defaults that were the previous norm and are unprecedented."

The purpose of this letter is to suggest that the abilities of CBP to enforce the antidumping and countervailing duty laws and to develop the information required by the new law -- as well as the capacity of the surety industry to secure compliance with US law through sound business practices -- are at risk under today's procedures. These risks would be eliminated or greatly minimized by reinstatement of a separate antidumping/countervailing duty bond. We do not believe that the reformulation of bonds as proposed in the October Federal Register notice will achieve this purpose. We also believe that it would also have the undesirable effect of making bonds far too costly and perhaps unavailable to importers who are newly formed, small to medium size, or otherwise unable to meet the CBP standards for exemption from the proposed formula. The individual associations signatory to this letter will specifically and individually address the Federal Register Notice through the formal rule-making process.

Summary of Request

The purpose of re-creating a separate antidumping/countervailing duty bond -- accomplished by creating a new bond Activity Code on the existing CF 301, or re-creating a bond dedicated to AD/CVD transactions -- is to isolate and highlight the Antidumping and Countervailing Duty risk to both the United States and the surety community.

This proposal is not new. A separate bond, known as the "CF 7591", was required for antidumping duties by Customs but was eliminated to promote administrative efficiency when Customs consolidated all bonds into a single form (CF 301) in 1985. The need and possibility for reviving the separate AD/CVD bond has been under discussion in connection with the ACE e-bond program but any implementation is too far into the future to be helpful in resolving current problems.

A specific bond Activity Code or separate bond for antidumping/countervailing duty transactions would allow both Customs and the surety community to identify with particularity those parties and transactions that pose a high risk to both Customs and the surety. Implementation of the new bond Activity Code or separate bond would allow Customs and sureties to monitor risk prior to the entry transaction and while the merchandise is still under Customs control.

In recent years Customs has acknowledged the unique risk associated with utilizing ordinary Activity Code 1 bonds for all antidumping transactions. This is because, in part, the normal bond-setting formula does not always protect Customs and the surety against the enhanced antidumping duty avoidance risks associated with certain imported merchandise. Well-

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publicized problems with agriculture/aquaculture products, including shrimp, are examples of these increased risks.

Recent WTO challenges to the enhanced bond setting formulas for product-specific merchandise suggest that the re-creation of a separate antidumping/countervailing duty bond with an enhanced *but uniform* bond-setting formula, rather than a merchandise-specific bond-setting formula, would be a more effective way to protect Customs and the surety industry from riskier AD/CVD transactions while also avoiding discrimination claims by importers of targeted merchandise. As under current law, nothing would prevent a port director from demanding additional security against an antidumping bond if deemed necessary in a particular transaction.

Finally, the creation of either a new bond Activity Code or a completely new AD/CVD bond may be best accomplished in consultation with the Department of Commerce. As the agency directly responsible for the administration of the antidumping and countervailing duty laws, Commerce could provide important guidance in formulating the new bond.

Background

For more than 100 years, the United States Customs bond has provided the United States with the security necessary to both minimize the government's risk of revenue loss and to maximize the trade community's compliance with the customs laws including those which are enforced by CBP for other federal agencies. Those "other agencies" include the International Trade Administration of the Department of Commerce ("ITA"), the United States Food and Drug Administration, the Department of Transportation's National Highway Traffic and Safety Administration, the Environmental Protection Agency.

The United States Customs bond is an important tool for the facilitation of trade and the flow of legitimate commerce across the borders of the United States. Customs and the agencies whose laws and regulations are enforced by Customs as well as the legitimate importer all have come to rely on this institution. Unfortunately, from time to time, those who would violate the customs laws have used the bond as a cover or shield to mask their illegitimate activities and circumvent their revenue and import compliance obligations.

Since sureties share a strong common interest with Customs in assuring that importers are in full compliance with the law, it is not surprising that when misuse of the bond has been discovered, the surety industry has been proactive in bringing its discoveries to the attention of Customs and the other interested Federal agencies. For example, it was the surety industry that brought the wholesale circumvention of NHTSA and EPA requirements on imported vehicles to the attention of Customs, NHTSA and EPA. Unscrupulous automobile importers used the bond to clear their non-compliant vehicles and used the bonded period for compliance to sell the non-compliant vehicles, pocket the proceeds and disappear. When neither the importer nor the non-compliant merchandise could be found, Customs and the interested agencies would merely

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proceed against the bond and ignore the illegitimate importer and non-compliant vehicle or other product. Members of the surety community underwriting U.S. customs bonds brought these abuses to the attention of the Federal Agencies and worked with the agencies to craft remedial regulations to close these gaps in federal statutes and regulations. For example, when the level of non-compliant motor vehicles reached epidemic proportions and it became clear that bonds were being used to circumvent the compliance requirement, NHTSA with the support of the surety industry, worked with Customs to remove motor vehicle compliance obligations from the general-purpose customs bond. NHTSA and Customs, with the support of the surety industry, created a new bond to isolate and highlight the transactions covering the importation of motor vehicles; and severely limited, by remedial regulation, the parties who could engage in the activity of importing motor vehicles.

Clearly, the public interest is never served when the administration of law is allowed to shift its focus, as a matter of policy, from the smuggler and the contraband to merely collecting on the bond. In those cases in which sureties and Customs and other Federal agencies have worked together to close the loopholes through which the bonds were abused, compliance has soared and the purpose of the underlying statutes has been achieved.

Now, once again, the customs bond is being used, and remains capable of being used, for the wholesale circumvention of law. This time, bonds have been used to circumvent the deposit of United States antidumping duties. In the situation addressed by the Congressional action to suspend bonding privilege for so-called "New Shippers", Congress responded to the recent cases in which importers submitted a counterfeit invoice to Customs falsely identifying the shipper/exporter as a "New Shipper" entitled to the bonding privilege during a "New Shipper Review." By the time the Department of Commerce instructed Customs that the importation could not be verified as a true "New Shipper" shipment, and should be assessed the maximum antidumping duty rate, the importer had disappeared. This is only one of the several fraudulent schemes being perpetrated against the United States resulting in a circumvention of the United States Trade Laws.

The ability to use bonds to circumvent antidumping duty orders will continue so long as bonds are used to secure entries without reference to the fact that they cover importations subject to antidumping and/or countervailing duty orders. The continuous and single transaction bonds used to secure all importations are vulnerable to abuse by importers who never intend to pay any antidumping duty. They can obtain the release from Customs custody of multiple shipments of product over a short period of time, a few days or weeks, make quick sales and disappear months or years before the first demand for payment of the antidumping duties is made by Customs at the direction of the Department of Commerce, International Trade Administration.

The fact that importations subject to antidumping duties may be secured by continuous bonds which are general in nature and not set with reference to antidumping orders, perpetuates this ongoing obstacle to proper enforcement of the antidumping laws, creates opportunities for

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Conclusion

The surety industry strongly urges reestablishment of the separate antidumping/countervailing duty bond in order to refocus the administration of our trade laws upon the foreign exporters and U.S. importers of the products that are priced to compete unfairly with our domestic products and injure domestic industries. C/SEC stands ready to meet with you to discuss this important proposal in further detail and answer any questions or concerns that you may have.

Respectfully submitted,

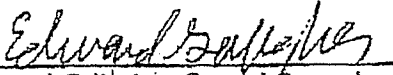
By: _____

Michael Davenport, President
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5200 Blue Lagoon Drive, Suite 600
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By: _____

Bruce S. Haskell
Customs Surety Association
720 Palisade Avenue
Englewood Cliffs, NJ 07632

By: _____


Edward Gallagher, General Counsel
The Surety & Fidelity Association of America
1101 Connecticut Avenue, N.W., Suite 800
Washington, D.C. 20036

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November 30, 2006

VIA OVERNIGHT COURIER

W. Ralph Basham
Commissioner
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Respectfully submitted,

By: Michael M. Davenport
Michael Davenport, President
International Trade Surety Association
5200 Blue Lagoon Drive, Suite 600
Miami, FL 33126

By: Bruce S. Haskell
Bruce S. Haskell, Executive Vice President
Customs Surety Association
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By: Edward Gallagher
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1101 Connecticut Avenue, N.W., Suite 800
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notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss. Comments are due 60 days from publication in the *Federal Register*. Comments must refer to Docket No. RM10-29-000, and must include the commenter's name, the organization they represent, if applicable, and their address in their comments.

25. The Commission encourages comments to be filed electronically via the eFiling link on the Commission's Web site at <http://www.ferc.gov>. The Commission accepts most standard word processing formats. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format. Commenters filing electronically do not need to make a paper filing.

26. Commenters that are not able to file comments electronically must send an original and 14 copies of their comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street NE., Washington, DC 20426.

27. All comments will be placed in the Commission's public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

VII. Document Availability

28. In addition to publishing the full text of this document in the *Federal Register*, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (<http://www.ferc.gov>) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5 p.m. eastern time) at 888 First Street, NE., Room 2A, Washington DC 20426.

29. From FERC's Home Page on the Internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

30. User assistance is available for eLibrary and the FERC's Web site during normal business hours from FERC Online Support at 202-502-6652 (toll free at 1-866-208-3676) or e-mail at ferconlinesupport@ferc.gov, or the Public Reference Room at (202) 502-8371, TTY (202) 502-8659. E-mail the

Public Reference Room at public.referenceroom@ferc.gov.

By the Commission.

Kimberly D. Bose,
Secretary.

[FR Doc. 2011-10010 Filed 4-25-11; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF COMMERCE

International Trade Administration

19 CFR Part 351

[Docket No. 110420253-1253-01]

RIN 0625-AA88

Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Proposed rule; request for comments.

SUMMARY: The Department of Commerce (the Department) proposes to modify its regulation that states that provisional measures during an antidumping or countervailing duty investigation usually take the form of a bonding requirement. The modification if adopted, would establish that the provisional measures during an antidumping or countervailing duty investigation will normally take the form of a cash deposit.

DATES: To be assured of consideration, comments must be received no later than May 26, 2011.

ADDRESSES: All comments must be submitted through the Federal eRulemaking Portal at <http://www.regulations.gov>, Docket No. ITA-2011-0005, unless the commenter does not have access to the Internet.

Commenters who do not have access to the Internet may submit the original and two copies of each set of comments by mail or hand delivery/courier. All comments should be addressed to Ronald K. Lorentzen, Deputy Assistant Secretary for Import Administration, Room 1870, Department of Commerce, 14th Street and Constitution Ave., NW., Washington, DC 20230. The comments should also be identified by Regulation Identifier Number (RIN) 0625-AA88.

The Department will consider all comments received before the close of the comment period. The Department will not accept comments accompanied by a request that part or all of the

material be treated confidentially because of its business proprietary nature or for any other reason. All comments responding to this notice will be a matter of public record and will be available for inspection at Import Administration's Central Records Unit (Room 7046 of the Herbert C. Hoover Building) and online at <http://www.Regulations.gov> and on the Department's Web site at <http://www.trade.gov/ia/>.

Any questions concerning file formatting, document conversion, access on the Internet, or other electronic filing issues should be addressed to Andrew Lee Beller, Import Administration Webmaster, at (202) 482-0866, e-mail address: webmaster-support@ita.doc.gov.

FOR FURTHER INFORMATION CONTACT: Thomas Futtner at (202) 482-3814. Mark Ross at (202) 482-4794, or Joanna Theiss at (202) 482-5052.

SUPPLEMENTARY INFORMATION:

Background

The Department proposes to modify its regulation to establish that the provisional measures during an antidumping or countervailing duty investigation will normally take the form of a cash deposit. The provisional measures period is the period between the publication of the Department's preliminary affirmative determination and the earlier of (1) the expiration of the applicable time period set forth in sections 703(d) and 733(d) the Tariff Act of 1930, as amended (the Act), or (2) the publication of the International Trade Commission's final affirmative injury determination.¹ During the provisional measures period in antidumping and countervailing duty investigations, the Department is instructed by the Act to order "the posting of a cash deposit, bond, or other security, as the administering authority deems appropriate." See Sections 703(d)(1)(B) and 733(d)(1)(B) of the Act.

Our regulations describe the preliminary determination in antidumping and countervailing duty investigations as the first point at which the Department may provide a remedy if we preliminarily find that dumping or countervailable subsidies has occurred. The regulations at 19 CFR 351.205(a) state that, "[t]he remedy (sometimes

¹ Also, pursuant to sections 703(e)(2) and 733(e)(2) of the Act, if the Department makes an affirmative determination of critical circumstances, then provisional measures shall apply on or after the later of (A) the date which is 90 days before the date on which the suspension of liquidation was first ordered, or (B) the date on which notice of the determination to initiate the investigation is published in the Federal Register.

referred to as 'provisional measures') usually takes the form of a bonding requirement to ensure payment if antidumping or countervailing duties ultimately are imposed." Section 351.205(d) states that, "[i]f the preliminary determination is affirmative, the Secretary will take the actions described in section 703(d) or section 733(d) (whichever is applicable)."

A key reason for requiring that the provisional measures during an antidumping or countervailing duty investigation take the form of a cash deposit is to better ensure that importers bear full responsibility for any future antidumping and countervailing duties they may owe. While most of the duties on entries secured by a bond during the provisional measures period are ultimately collected, these collections can be very slow and involve burdensome administrative problems for U.S. Customs and Border Protection (CBP).

We also believe that this change to our regulation will bring the United States in line with the practices of other World Trade Organization (WTO) Members. We are aware of no other WTO Member that is currently permitting importers the option of posting bonds during the provisional measures period of antidumping and countervailing duty investigations.

Explanation of Proposed Modification to 19 CFR 351.205

The second sentence of 19 CFR 351.205(a) states that, "[t]he remedy (sometimes referred to as 'provisional measures') usually takes the form of a bonding requirement to ensure payment if antidumping or countervailing duties ultimately are imposed." The Department proposes deleting most of this sentence because U.S. importers would normally no longer be permitted to post bonds during the provisional measures period. The Department proposes keeping the "(sometimes referred to as 'provisional measures')" phrase and moving it to the first sentence of 19 CFR 351.205(a). We view this phrase as a useful link between this part of our regulations and the terminology under Article 7 of the WTO Antidumping Agreement. Further, to clarify that provisional measures will take the form of cash deposits the Department proposes adding a sentence to 19 CFR 351.205(d) that states, "[w]ith respect to section 703(d)(1)(B) and 733(d)(1)(B) of the Act, the Secretary will normally order the posting of cash deposits to ensure payment if antidumping or countervailing duties ultimately are imposed." This change, in

our view, places the requirement for cash deposits in the appropriate part of 19 CFR 351 (*i.e.*, in the part that explains the effects of an affirmative preliminary determination). These modifications would reflect the Department's change in practice of normally requiring cash deposits rather than bonds during the provisional measures period. This modification is also in line with 19 CFR 351.205(d), which provides that "if the preliminary determination is affirmative, the Secretary will take the actions described in section 703(d) or section 733(d) of the Act (whichever is applicable)" because these sections of the Act provide that the Department shall order the posting of cash deposits or bonds, as the Department deems appropriate.

Classification

Executive Order 12866

This rule has been determined to be not significant for purposes Executive Order 12866.

Regulatory Flexibility Act

The Chief Counsel for Regulation has certified to the Chief Counsel for Advocacy of the Small Business Administration ("SBA") under the provisions of the Regulatory Flexibility Act, 5 U.S.C. 605(b), that the proposed rule would not have a significant economic impact on a substantial number of small business entities. A summary of the need for, objectives of, and legal basis for this rule is provided in the preamble, and is not repeated here.

The entities upon which this rulemaking could have an impact include foreign exporters and producers, some of whom are affiliated with U.S. companies, and U.S. importers. Some of these entities may be considered small entities under the SBA small business size standard. The Department is not able to estimate the number of small entities this proposed rule will affect; however, the Department anticipates that it will not be a substantial number based on our experience with the administration of antidumping and countervailing duty proceedings.

The Department also estimates that this proposed rule's economic impact on small entities will not be significant. In 2008 and 2009, antidumping and countervailing duty remedies were applied to less than 2% of imports into the United States. Further, because provisional antidumping and countervailing duties only apply during the investigation phase of a case, this proposed rule is not applicable to a

significant portion of our antidumping and countervailing duty remedies. Finally, the Act provides that provisional measures may only be in force for a four-month period, which can be extended to no longer than six months in antidumping cases.

Moreover, given the nature of our retrospective duty assessment system, eliminating effectively the bonding option and requiring cash deposits during the provisional measure period should not have a significant economic impact on small business entities. Under the U.S. retrospective system, for the provisional measure period an estimated antidumping or countervailing duty rate is established (based on the dumping margin or subsidy rate found in the preliminary determination of the original investigation), and this rate is applied to subject merchandise as it is imported. This duty rate is for deposit purposes only. Final duties are not assessed at the time the subject merchandise is imported into the United States. Rather, beginning one year after the imposition of any antidumping or countervailing duty order, interested parties (*e.g.*, domestic producers, importers, or foreign exporters) may request an administrative review to determine the actual amount of duties to be collected based on the level of dumping or subsidization that occurred during the review period. Further, small business entities will continue to have the option to post cash deposits during the provisional measures period, either from the entity's assets or borrowed from third parties.

For all of these reasons, the proposed rule would not have a significant economic impact on a substantial number of small business entities. Since this proposed modification to 19 CFR 351.222, if adopted, will not have a significant economic impact on a substantial number of small entities, an Initial Regulatory Flexibility Analysis is not required and, therefore, has not been prepared.

Paperwork Reduction Act

This rule does not contain a collection of information for purposes of the Paperwork Reduction Act of 1980, as amended (44 U.S.C. 3501 *et seq.*).

List of Subjects in 19 CFR Part 351

Administrative practice and procedure, Antidumping, Business and industry, Cheese, Confidential business information, Countervailing duties, Freedom of information, Investigations, Reporting and recordkeeping requirements.

Dated: April 20, 2011.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

For the reasons stated, 19 CFR part 351 is proposed to be amended as follows:

PART 351—ANTIDUMPING AND COUNTERVAILING DUTIES

1. The authority citation for 19 CFR part 351 continues to read as follows:

Authority: 5 U.S.C. 301; 19 U.S.C. 1202 note; 19 U.S.C. 1303 note; 19 U.S.C. 1671 *et seq.*; and 19 U.S.C. 3538.

2. In § 351.205, revise paragraphs (a) and (d) to read as follows:

(a) *Introduction.* A preliminary determination in an antidumping or countervailing duty investigation constitutes the first point at which the Secretary may provide a remedy (sometimes referred to as “provisional measures”) if the Secretary preliminarily finds that dumping or countervailing subsidization has occurred. Whether the Secretary’s preliminary determination is affirmative or negative, the investigation continues. This section contains rules regarding deadlines for preliminary determinations, postponement of preliminary determinations, notices of preliminary determinations, and the effects of affirmative preliminary determinations.

* * * * *

(d) *Effect of affirmative preliminary determination.* If the preliminary determination is affirmative, the Secretary will take the actions described in section 703(d) or section 733(d) of the Act (whichever is applicable). With respect to section 703(d)(1)(B) and 733(d)(1)(B) of the Act, the Secretary will normally order the posting of cash deposits to ensure payment if antidumping or countervailing duties ultimately are imposed. In making information available to the Commission under section 703(d)(3) or section 733(d)(3) of the Act, the Secretary will make available to the Commission and to employees of the Commission directly involved in the proceeding the information upon which the Secretary based the preliminary determination and which the Commission may consider relevant to its injury determination.

[FR Doc. 2011-10045 Filed 4-25-11; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket No. USCG-2011-0230]

RIN 1625-AA00

Safety Zone, Newport River; Morehead City, NC

AGENCY: Coast Guard, DHS.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard proposes the establishment of a safety zone on the waters of the Newport River under the main span US 70/Morehead City—Newport River high rise bridge in Carteret County, NC. This safety zone is necessary to provide for safety of life on navigable waters during the disestablishment of staging for bridge maintenance. This rule will enhance the safety of the contractors performing maintenance as well as the safety of the vessels that plan to transit this area between 10 a.m. and 4 p.m. on August 20, 2011.

DATES: Comments and related material must be received by the Coast Guard on or before May 26, 2011.

ADDRESSES: You may submit comments identified by docket number USCG-2011-0230 using any one of the following methods:

(1) *Federal eRulemaking Portal:*

<http://www.regulations.gov>.

(2) *Fax:* 202-493-2251.

(3) *Mail:* Docket Management Facility (M-30), U.S. Department of Transportation, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590-0001.

(4) *Hand delivery:* Same as mail address above, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The telephone number is 202-366-9329.

To avoid duplication, please use only one of these four methods. See the “Public Participation and Request for Comments” portion of the SUPPLEMENTARY INFORMATION section below for instructions on submitting comments.

FOR FURTHER INFORMATION CONTACT: If you have questions on this proposed rule, call or e-mail BOSN3 Joseph M. Edge, Coast Guard Sector North Carolina, Coast Guard; telephone 252-247-4525, e-mail Joseph.M.Edge@uscg.mil. If you have questions on viewing or submitting material to the docket, call Renee V.

Wright, Program Manager, Docket Operations, telephone 202-366-9826.

SUPPLEMENTARY INFORMATION:

Public Participation and Request for Comments

We encourage you to participate in this rulemaking by submitting comments and related materials. All comments received will be posted without change to <http://www.regulations.gov> and will include any personal information you have provided.

Submitting Comments

If you submit a comment, please include the docket number for this rulemaking (USCG-2011-0230), indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation. You may submit your comments and material online (via <http://www.regulations.gov>) or by fax, mail, or hand delivery, but please use only one of these means. If you submit a comment online via <http://www.regulations.gov>, it will be considered received by the Coast Guard when you successfully transmit the comment. If you fax, hand deliver, or mail your comment, it will be considered as having been received by the Coast Guard when it is received at the Docket Management Facility. We recommend that you include your name and a mailing address, an e-mail address, or a telephone number in the body of your document so that we can contact you if we have questions regarding your submission.

To submit your comment online, go to <http://www.regulations.gov>, click on the “submit a comment” box, which will then become highlighted in blue. In the “Document Type” drop down menu select “Proposed Rule” and insert “USCG-2011-0230” in the “Keyword” box. Click “Search” then click on the balloon shape in the “Actions” column. If you submit your comments by mail or hand delivery, submit them in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing. If you submit comments by mail and would like to know that they reached the Facility, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period and may change the rule based on your comments.

Viewing Comments and Documents

To view comments, as well as documents mentioned in this preamble

DEPARTMENT OF HOMELAND SECURITY
U.S. Customs and Border Protection

OMB No. 1651-0050 Exp. 03/31/2014

CUSTOMS BOND
19 CFR Part 113

CBP USE ONLY	BOND NUMBER (Assigned by CBP)
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Broker Filer Code: _____ Surety Reference Number: _____

In order to secure payment of any duty, tax or charge and compliance with law or regulation as a result of activity covered by any condition referenced below, we, the below name principal(s) and surety(ies), bind ourselves to the United States in the amount or amounts, as set forth below.

Execution Date

SECTION I – Select Single Transaction OR Continuous Bond (not both) and fill in the applicable blank spaces.

<input type="checkbox"/> SINGLE TRANSACTION BOND	Identification of transaction secured by this bond (e.g., entry number, seizure number, etc.)	Transaction Date	Port Code
<input type="checkbox"/> CONTINUOUS BOND	Effective Date	This bond remains in force for one year beginning with the effective date and for each succeeding annual period, or until terminated. This bond constitutes a separate bond for each period in the amounts listed below for liabilities that accrue in each period. The intention to terminate this bond must be conveyed within the period and manner prescribed in the CBP Regulations.	

SECTION II – This bond includes the following agreements. Check one box only. (Except 3a may be checked independently or with 3.)

Activity Code	Activity Name and CBP Regulations in which conditions codified	Limit of Liability	Activity Code	Activity Name and CBP Regulations in which conditions codified	Limit of Liability
<input type="checkbox"/> 1	Importer or broker§113.62		<input type="checkbox"/> 8	Detention of Copyrighted Material §113.70 -Single Transaction Only-	
<input type="checkbox"/> 1a	Drawback Payments Refunds§113.65		<input type="checkbox"/> 9	Neutrality§113.71 -Single Transaction Only-	
<input type="checkbox"/> 2	Custodian of Bonded Merchandise §113.63 (Includes bonded carriers, freight forwarders, cartmen and lightermen, all classes of warehouse, container station operators) -Continuous Bond Only-		<input type="checkbox"/> 10	Court Costs for Condemned Goods§113.72 -Single Transaction Only-	
<input type="checkbox"/> 3	International Carrier.....§113.64		<input type="checkbox"/> 11	Airport Security Bond.....Part 113 App A	
<input type="checkbox"/> 3a	Instruments of International Traffic... §113.66 -Continuous Bond Only-		<input type="checkbox"/> 12	International Trade Commission (ITC) Exclusion Bond.....Part 113 App B	
<input type="checkbox"/> 4	Foreign Trade Zone.....§113.73 -Continuous Bond Only-		<input type="checkbox"/> 14	In-Bond Export Consolidation Bond	
<input type="checkbox"/> 5	Public Gauger..... §113.67		<input type="checkbox"/> 15	Intellectual Property Rights (IPR)	
<input type="checkbox"/> 6	Wool & Fur Products..... §113.68 Labeling Acts Importation -Single Transaction Only-		<input type="checkbox"/> 16	Importer Security Filing (ISF)Part 113 App D	
<input type="checkbox"/> 7	Bill of Lading.....§113.69 -Single Transaction Only-		<input type="checkbox"/> 17	Marine Terminal Operator -Continuous Bond Only-	

PRINCIPAL

By checking the box you agree that you have a seal in accordance with 19 CFR 113.25 ▶

AFFIX SEAL or Check Box

Name and Physical Address (including legal description and state of incorporation)	CBP Identification Number:	<input type="checkbox"/> Check Box
	Signature	

Principal and surety agree that any charge against the bond under any of the listed names is as though it was made by the principal(s). Principal and surety agree that they are bound to the same extent as if they executed a separate bond covering each set of conditions incorporated by reference to the CBP regulations into this bond. If the surety fails to appoint an agent under Title 31, United States Code, Section 9306, surety consents to service on the Clerk of any United States District Court or the U.S. Court of International Trade, where suit is brought on this bond. That clerk is to send notice of the service to the surety at: ▶

Mailing Address Requested by the Surety

SURETY

Name and Physical Address (including legal description and state of incorporation)	Surety Number	Agent ID Number	<input type="checkbox"/> Check Box
	Signature		

Broker Filer Code: _____ Surety Reference Number: _____

Principal Name: _____ CBP Identification Number: _____

**AFFIX SEAL
or
Check Box**
By checking the box you agree
that you have a seal in
accordance with 19 CFR 113.25

CO-PRINCIPAL

<i>Name and Physical Address (including legal description and state of incorporation)</i>	CBP Identification Number:	<input type="checkbox"/> Check Box
	Signature	

SECTION III – List below the complete name of all trade names or unincorporated divisions that will be permitted to obligate this bond in the principal's name including their CBP Identification Number(s).

CBP Identification Number	Name	CBP Identification Number	Name
		Total Number of Importer Names listed in Section III:	

CO-SURETY

<i>Name and Physical Address (including legal description and state of incorporation)</i>	Surety Number	Agent ID Number	<input type="checkbox"/> Check Box
	Signature		

**CUSTOMS BOND
INSTRUCTIONS FOR FILING**

Broker/Filer Code: Number that identifies the customhouse broker filing the documents.
Surety Reference Number: To be completed with a self-generated control number to be assigned to the bond. This field is optional.
Execution Date: The date the CBP Form 301 is completed.
SECTION I
Single Transaction Bond, Transaction Date and Port Code: Only to be completed if this form is being used in connection with a single transaction.
Continuous Bond: Only to be checked if filing a continuous bond.
Effective Date of the Bond: The date the bond becomes effective.
SECTION II
Bond Type: Check appropriate activity code box.
SECTION III
List the unincorporated divisions of the principal: The identification number <u>must</u> match the base number (first nine digits of a principal's identification number on the bond) if the identification number is based upon an EIN issued by the Internal Revenue Service. List the <u>complete name</u> associated with the entity (i.e., ABC Company DBA 123 Company).
Total Number of Parties: List total number, if none, enter a 0 (zero) in the box.
Principal Name, Legal Designation and Address: Provide <u>full</u> name, list legal designation (i.e. corporation, partnership, individual, etc.) and physical address and if the principal or surety is a corporation, the name of the state of incorporation.
CBP Identification Number: CBP identification number filed pursuant to 19 CFR 24.5. When the Internal Revenue Service (IRS) EIN (employer identification number) is used, the two-digit suffix code <u>must</u> be shown and an eleven-digit number must be submitted.
Surety Name and Physical Address: The company's name as it is set forth in the <i>Treasury Listing of Approved Sureties</i> published in the <i>Federal Register</i> by the Department of the Treasury (Treasury Department Circular 570).
Surety Number: The three-digit identification code assigned by CBP to a surety company.
Surety Agent: The individual granted a <i>Corporate Surety Power of Attorney</i> , by the surety company executing the bond.
Agent Identification Number: The individual's SSN or identification number as identified by the surety granting such power of attorney.
If the bond has more than two co-principals, a CBP Form 301A <u>Must</u> be used.
For all bond coverage available and the bond conditions refer to Part 113, Subpart G, CBP Regulations.

Paperwork Reduction Act Notice: An agency may not conduct or sponsor an information collection and a person is not required to respond to this information unless it displays a current valid OMB control number and an expiration date. The control number for this collection is 1651-0050. The estimated average time to complete this application is 15 minutes. If you have any comments regarding the burden estimate you can write to U.S. Customs and Border Protection, Office of Regulations and Rulings, 799 9th Street, NW., Washington DC 20229

Privacy Act Statement: The following notice is given pursuant to section 7(b) of the Privacy Act of 1974 (5 U.S.C. 552a). Furnishing the information of this form, including the Social Security Number, is mandatory. The primary use of the Social Security Number is to verify, in the CBP Automated System, at the time an agent submits a CBP bond for approval that the individual was granted a Corporate Surety Power of Attorney by the surety company. Section 7 of Act of July 30, 1947, chapter 390, 61 Stat.646, authorizes the collection of this information.