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DEPARTMENT OF HOMELAND SECURITY
U.S. CUSTOMS AND BORDER PROTECTION

COBRA Fees to be Adjusted for Inflation in Fiscal Year 2018

CBP Dec. 17- 17

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: General notice.

SUMMARY: This document announces that U.S. Customs and Border Protection (CBP) is adjusting certain customs user fees and limitations established by the Consolidated Omnibus Budget Reconciliation Act (COBRA) for Fiscal Year 2018 in accordance with the Fixing America's Surface Transportation Act (FAST Act) as implemented by CBP regulations published elsewhere in this issue of the *Federal Register*.

DATES: The adjusted amounts of customs COBRA user fees and their corresponding limitations set forth in this notice for Fiscal Year 2018 are required as of January 1, 2018.

FOR FURTHER INFORMATION CONTACT: Bruce Ingalls, Director - Revenue Division, 317-298-1107, bruce.ingalls@cbp.dhs.gov; or Tina Ghiladi, Director - Fee Strategy, Communications, and Integration, 202-344-3722, tina.ghiladi@cbp.dhs.gov.

SUPPLEMENTARY INFORMATION:

Background

On December 4, 2015, the Fixing America's Surface Transportation Act (FAST Act, Pub. L. 114-94) was signed into law. Section 32201 of the FAST Act amended section 13031 of the

Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 (19 U.S.C. 58c) by requiring certain customs COBRA user fees and corresponding limitations to be adjusted by the Secretary of the Treasury (Secretary) to reflect certain increases in inflation.

In a final rule, CBP Dec. 17-16, published elsewhere in this issue of the *Federal Register*, CBP amended §§ 24.22 and 24.23 of title 19 of the Code of Federal Regulations (19 CFR 24.22 and 24.23) to implement the requirements of the FAST Act. Specifically, CBP created a new paragraph (k) in section 24.22 (19 CFR 24.22(k)) that sets forth the methodology to determine the change in inflation as well as the factor by which the fees and limitations will be adjusted, if necessary. The fees and limitations subject to adjustment, which are set forth in Appendix A and Appendix B of part 24, include the commercial vessel arrival fees, commercial truck arrival fees, railroad car arrival fees, private vessel arrival fees, private aircraft arrival fees, commercial aircraft and vessel passenger arrival fees, dutiable mail fees, customs broker permit user fees, barges and other bulk carriers arrival fees, and merchandise processing fees as well as the corresponding limitations.

Determination of Whether an Adjustment Is Necessary for Fiscal Year 2018

In accordance with the amended regulations in 19 CFR 24.22, CBP determines whether the fees and limitations must be adjusted to reflect inflation. For fiscal year 2018, this is done by comparing the average of the Consumer Price Index – All Urban Consumers, U.S. All items, 1982-84 (CPI-U) for the current year (June 2016-May 2017) with the average of the CPI-U for Fiscal Year 2014 to determine the change in inflation, if any. If there is an increase in the CPI of greater than one (1) percent, CBP must adjust the customs COBRA user fees and corresponding limitations using the methodology set forth in 19 CFR 24.22(k). Following the steps provided in paragraph (k)(2) of § 24.22, CBP has determined that the increase in the CPI between the most

recent June to May 12-month period (June 2016-May 2017) and Fiscal Year 2014 is 2.542 percent. (19 CFR 24.22(k)). As the increase in the CPI is greater than one (1) percent, the customs COBRA user fees and corresponding limitations must be adjusted for Fiscal Year 2018.

Determination of the Adjusted Fees and Limitations

Using the methodology set forth in §24.22(k)(2) of the CBP regulations (19 CFR 24.22(k)), CBP has determined that the factor by which the fees and limitations will be adjusted is 2.677 percent. In reaching this determination, CBP calculated the values for each variable found in 19 CFR 24.22(k) as follows:

- The arithmetic average of the CPI-U for June 2016-May 2017, referred to as (A) in the CBP regulations, is 242.328¹;
- The arithmetic average of the CPI-U for Fiscal Year 2014, referred to as (B), is 236.009;
- The arithmetic average of the CPI-U for the comparison year, referred to as (C), is 236.009;
- The difference between the arithmetic averages of the CPI-U of the comparison year (Fiscal Year 2014) and the current year (June 2016-May 2017), referred to as (D), is 6.320;
- This difference rounded to the nearest whole number, referred to as (E), is 6;
- The percentage change in the arithmetic averages of the CPI-U of the comparison year (Fiscal Year 2014) and the current year (June 2016-May 2017), referred to as (F), is 2.542 percent;
- The difference in the arithmetic average of the CPI-U between the current year (June 2016-May 2017) and the base year (Fiscal Year 2014), referred to as (G), is 6.320; and

¹ The figures provided in this notice may be rounded for publication purposes only. The calculations for the adjusted fees and limitations were made using unrounded figures, unless otherwise noted.

- Lastly, the percentage change in the CPI-U from the base year (Fiscal Year 2014) to the current year (June 2016-May 2017), referred to as (H), is 2.677 percent.

Announcement of New Fees and Limitations

The adjusted amounts of customs COBRA user fees and their corresponding limitations for Fiscal Year 2018 as adjusted by 2.677 percent set forth below are required as of January 1, 2018. Table 1 provides the fees and limitations found in 19 CFR 24.22 as adjusted for Fiscal Year 2018 and Table 2 provides the fees and limitations found in 19 CFR 24.23 as adjusted for Fiscal Year 2018.

Table 1 — Customs COBRA User Fees and Limitations Found in 19 CFR 24.22 as Adjusted for Fiscal Year 2018

19 U.S.C. 58c	19 CFR 24.22	Customs COBRA User Fee/Limitation	New Fee/Limitation adjusted in accordance with the FAST Act
(a)(1)	(b)(1)(i)	Fee: Commercial Vessel Arrival Fee	\$448.70
(b)(5)(A)	(b)(1)(ii)	Limitation: Calendar Year Maximum for Commercial Vessel Arrival Fees	\$6,114.46
(a)(8)	(b)(2)(i)	Fee: Barges and Other Bulk Carriers Arrival Fee	\$112.95
(b)(6)	(b)(2)(ii)	Limitation: Calendar Year Maximum for Barges and Other Bulk Carriers Arrival Fees	\$1,540.17
(a)(2)	(c)(1)	Fee: Commercial Truck Arrival Fee	\$5.65
(b)(2)	(c)(2) and (3)	Limitation: Commercial Truck Calendar Year Prepayment Fee	\$102.68
(a)(3)	(d)(1)	Fee: Railroad Car Arrival Fee	\$8.47
(b)(3)	(d)(2) and (3)	Limitation: Railroad Car Calendar Year Prepayment Fee	\$102.68
(a)(4)	(e)(1) and (2)	Fee and Limitation: Private Vessel or Private Aircraft First Arrival/Calendar Year Prepayment Fee	\$28.24
(a)(6)	(f)	Fee: Dutiable Mail Fee	\$5.65

(a)(5)(A)	(g)(1)(i)	Fee: Commercial Vessel or Commercial Aircraft Passenger Arrival Fee	\$5.65
(a)(5)(B)	(g)(1)(ii)	Fee: Commercial Vessel Passenger Arrival Fee (from one of the territories and possessions of the United States)	\$1.98
(a)(7)	(h)	Fee: Customs Broker Permit User Fee	\$141.70

Table 2 — Customs COBRA User Fees and Limitations Found in 19 CFR 24.23 as Adjusted for Fiscal Year 2018

19 U.S.C. 58c	19 CFR 24.23	Customs COBRA User Fee/Limitation	New Fee/Limitation adjusted in accordance with the FAST Act
(b)(9)(A) (ii)	(b)(1)(i)(A)	Fee: Express Consignment Carrier/Centralized Hub Facility Fee, Per Individual Waybill/Bill of Lading Fee	\$1.03
(b)(9)(B)(i)	(b)(1)(i)(B)(2)	Limitation: Minimum Express Consignment Carrier/Centralized Hub Facility Fee	\$0.36
(b)(9)(B)(i)	(b)(1)(i)(B)(2)	Limitation: Maximum Express Consignment Carrier/Centralized Hub Facility Fee	\$1.03
(a)(9)(B)(i); (b)(8)(A)(i)	(b)(1)(i)(B)(1)	Limitation: Minimum Merchandise Processing Fee	\$25.67
(a)(9)(B)(i); (b)(8)(A)(i)	(b)(1)(i)(B)(1)	Limitation: Maximum Merchandise Processing Fee	\$497.99
(b)(8)(A)(ii)	(b)(1)(ii)	Fee: Surcharge for Manual Entry or	\$3.08

		Release	
(a)(10)(C)(i)	(b)(2)(i)	Fee: Informal Entry or Release; Automated and Not Prepared by CBP Personnel	\$2.05
(a)(10)(C)(ii)	(b)(2)(ii)	Fee: Informal Entry or Release; Manual and Not Prepared by CBP Personnel	\$6.16
(a)(10)(C)(iii)	(b)(2)(iii)	Fee: Informal Entry or Release; Automated or Manual; Prepared by CBP Personnel	\$9.24
(b)(9)(A)(ii)	(b)(4)	Fee: Express Consignment Carrier/ Centralized Hub Facility Fee, Per Individual Waybill/Bill of Lading Fee	\$1.03

Tables 1 and 2 setting forth the adjusted fees and limitations for Fiscal Year 2018 will also be maintained for the public's convenience on the CBP website at www.cbp.gov.

Dated: October 30, 2017

Kevin K. McAleenan
Acting Commissioner
U.S. Customs and Border Protection

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