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## **DEPARTMENT OF HOMELAND SECURITY**

### **U.S. Customs and Border Protection**

**CBP Dec. 18-08**

### **COBRA Fees to be Adjusted for Inflation in Fiscal Year 2019**

**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 2019 in accordance with the Fixing America's Surface Transportation Act (FAST Act) as implemented by CBP regulations.

**DATES:** The adjusted amounts of customs COBRA user fees and their corresponding limitations set forth in this notice for Fiscal Year 2019 are required as of **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

**FOR FURTHER INFORMATION CONTACT:** Tina Ghiladi, Director - Office of Finance, 202-344-3722, [UserFeeNotices@cbp.dhs.gov](mailto:UserFeeNotices@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.

Sections 24.22 and 24.23 of title 19 of the Code of Federal Regulations (19 CFR 24.22 and 24.23) describe the procedures that implement the requirements of the FAST Act. Specifically, paragraph (k) in section 24.22 (19 CFR 24.22(k)) 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 2019**

In accordance with 19 CFR 24.22, CBP must determine annually whether the fees and limitations must be adjusted to reflect inflation. For fiscal year 2019, CBP is making this determination 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 2017-May 2018) with the average of the CPI-U for the comparison year (June 2016-May 2017) 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). (19 CFR 24.22(k)). Following the steps provided in paragraph (k)(2) of section

24.22, CBP has determined that the increase in the CPI between the most recent June to May 12-month period (June 2017-May 2018) and the comparison year (June 2016-May 2017) is 2.063<sup>1</sup> percent. 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 2019.

### **Determination of the Adjusted Fees and Limitations**

Using the methodology set forth in section 24.22(k)(2) of the CBP regulations (19 CFR 24.22(k)), CBP has determined that the factor by which the base fees and limitations will be adjusted is 4.866 percent (base fees and limitations can be found in Appendix A and B to part 24 of title 19). In reaching this determination, CBP calculated the values for each variable found in paragraph (k) of 19 CFR 24.22 as follows:

- The arithmetic average of the CPI-U for June 2017-May 2018, referred to as (A) in the CBP regulations, is 247.540;
- 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 242.328;
- The difference between the arithmetic averages of the CPI-U of the comparison year (June 2016-May 2017) and the current year (June 2017-May 2018), referred to as (D), is 5.212;
- This difference rounded to the nearest whole number, referred to as (E), is 5;

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<sup>1</sup> 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.

- The percentage change in the arithmetic averages of the CPI-U of the comparison year (June 2016-May 2017) and the current year (June 2017-May 2018), referred to as (F), is 2.063 percent;
- The difference in the arithmetic average of the CPI-U between the current year (June 2017-May 2018) and the base year (Fiscal Year 2014), referred to as (G), is 11.532; and
- Lastly, the percentage change in the CPI-U from the base year (Fiscal Year 2014) to the current year (June 2017-May 2018), referred to as (H), is 4.886 percent.

### **Announcement of New Fees and Limitations**

The adjusted amounts of customs COBRA user fees and their corresponding limitations for Fiscal Year 2019 as adjusted by 4.886 percent set forth below are required as of **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

Table 1 provides the fees and limitations found in 19 CFR 24.22 as adjusted for Fiscal Year 2019 and Table 2 provides the fees and limitations found in 19 CFR 24.23 as adjusted for Fiscal Year 2019.

**Table 1 — Customs COBRA User Fees and Limitations Found in 19 CFR 24.22 as Adjusted for Fiscal Year 2019**

<b>19 U.S.C. 58c</b>	<b>19 CFR 24.22</b>	<b>Customs COBRA User Fee/Limitation</b>	<b>New Fee/Limitation adjusted in accordance with the FAST Act</b>
(a)(1)	(b)(1)(i)	Fee: Commercial Vessel Arrival Fee	\$458.35
(b)(5)(A)	(b)(1)(ii)	Limitation: Calendar Year Maximum for Commercial Vessel Arrival Fees	\$6,245.97
(a)(8)	(b)(2)(i)	Fee: Barges and Other Bulk Carriers Arrival Fee	\$115.37
(b)(6)	(b)(2)(ii)	Limitation: Calendar Year Maximum for Barges and Other Bulk Carriers Arrival Fees	\$1,573.29
(a)(2)	(c)(1)	Fee: Commercial Truck Arrival Fee <sup>2</sup>	\$5.75 <sup>3</sup>
(b)(2)	(c)(2) and (3)	Limitation: Commercial Truck Calendar Year Prepayment Fee <sup>4</sup>	\$104.89
(a)(3)	(d)(1)	Fee: Railroad Car Arrival Fee	\$8.65
(b)(3)	(d)(2) and (3)	Limitation: Railroad Car Calendar Year Prepayment Fee	\$104.89
(a)(4)	(e)(1) and (2)	Fee and Limitation: Private Vessel or Private Aircraft First Arrival/Calendar Year Prepayment Fee	\$28.84
(a)(6)	(f)	Fee: Dutiable Mail Fee	\$5.77
(a)(5)(A)	(g)(1)(i)	Fee: Commercial Vessel or Commercial Aircraft Passenger Arrival Fee	\$5.77
(a)(5)(B)	(g)(1)(ii)	Fee: Commercial Vessel Passenger Arrival Fee (from one of the territories and possessions of the United States)	\$2.02
(a)(7)	(h)	Fee: Customs Broker Permit User Fee	\$144.74

<sup>2</sup> The Commercial Truck Arrival fee is the CBP fee only, it does not include the United States Department of Agriculture (USDA) Animal and Plant Health Inspection Services agricultural quarantine and inspection (APHIS/AQI) fee that is collected by CBP on behalf of USDA. *See* 7 CFR 354.3(c) and 19 CFR 24.22(c)(1). Once 19 Single Crossing Fees have been paid and used for a vehicle identification number (VIN)/vehicle in a Decal and Transponder Online Procurement System (DTOPS) account within a calendar year, the payment required for the 20th (and subsequent) single-crossing is only the APHIS/AQI fee and no longer includes the CBP Commercial Truck Arrival fee (for the remainder of that calendar year).

<sup>3</sup> The Commercial Truck Arrival fee is adjusted down from \$5.77 to the nearest lower nickel. *See* 82 FR 50523 (November 1, 2017).

<sup>4</sup> *See* footnote 2 above.

**Table 2 — Customs COBRA User Fees and Limitations Found in 19 CFR 24.23 as Adjusted for Fiscal Year 2019**

<b>19 U.S.C. 58c</b>	<b>19 CFR 24.23</b>	<b>Customs COBRA User Fee/Limitation</b>	<b>New Fee/Limitation adjusted in accordance with the FAST Act</b>
(b)(9)(A)(ii)	(b)(1)(i)(A)	Fee: Express Consignment Carrier/Centralized Hub Facility Fee, Per Individual Waybill/Bill of Lading Fee	\$1.05
(b)(9)(B)(i)	(b)(1)(i)(B)(2)	Limitation: Minimum Express Consignment Carrier/Centralized Hub Facility Fee <sup>5</sup>	\$0.37
(b)(9)(B)(i)	(b)(1)(i)(B)(2)	Limitation: Maximum Express Consignment Carrier/Centralized Hub Facility Fee	\$1.05
(a)(9)(B)(i); (b)(8)(A)(i)	(b)(1)(i)(B)(1)	Limitation: Minimum Merchandise Processing Fee <sup>6</sup>	\$26.22
(a)(9)(B)(i); (b)(8)(A)(i)	(b)(1)(i)(B)(1)	Limitation: Maximum Merchandise Processing Fee <sup>7, 8</sup>	\$508.70
(b)(8)(A)(ii)	(b)(1)(ii)	Fee: Surcharge for Manual Entry or Release	\$3.15
(a)(10)(C)(i)	(b)(2)(i)	Fee: Informal Entry or Release; Automated and Not Prepared by CBP Personnel	\$2.10
(a)(10)(C)(ii)	(b)(2)(ii)	Fee: Informal Entry or Release; Manual and Not Prepared by CBP Personnel	\$6.29
(a)(10)(C)(iii)	(b)(2)(iii)	Fee: Informal Entry or Release; Automated or Manual; Prepared by CBP Personnel	\$9.44
(b)(9)(A)(ii)	(b)(4)	Fee: Express Consignment Carrier/Centralized Hub Facility Fee, Per Individual Waybill/Bill of Lading Fee	\$1.05

<sup>5</sup> Although the minimum limitation is published, the fee charged is the fee required by 19 U.S.C. 58c(b)(9)(A)(ii).

<sup>6</sup> Only the limitation is increasing; the ad valorem rate of 0.3464% remains the same. See 82 FR 32661 (July 17, 2017).

<sup>7</sup> *Id.*

<sup>8</sup> For monthly pipeline entries, see: <https://www.cbp.gov/trade/entry-summary/pipeline-monthly-entry-processing/pipeline-line-qa>.

Tables 1 and 2 setting forth the adjusted fees and limitations for Fiscal Year 2019 will also be maintained for the public's convenience on the CBP website at *www.cbp.gov*.

Dated: July 27, 2018

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

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