

TO: Truck Carriers and Other Interested Trade Partners

SUBJECT: Replacement of 2006 User Fee Decals with Transponders for Automated Collection of Truck User Fees

Beginning with calendar year 2006, the user fee decal that has been issued to trucks arriving at land border ports of entry is being replaced by a transponder. This transponder is the same one that is used to identify trucks used by carriers participating in the Free and Secure Trade (FAST) program. This change was developed to allow for automated validation of user fees by the use of the transponder technology available at the larger land border ports. At the same time, Mellon Bank, the U.S. Customs and Border Protection (CBP) contractor for the collection and issuance of user fee decals, has developed an internet based process for the payment of 2006 decals that is intended to ease the transition to transponders and facilitate the issuance process.

Due to several factors including slower than anticipated processing of user fee applicants by Mellon Bank, delayed delivery of transponders and problems that have occurred in the development of CBP automated systems, the new process will not be fully ready for implementation on January 1, 2006. Instead, the Office of Field Operations will be implementing enforcement discretion procedures from January 1, 2006 to January 31, 2006. The following procedures shall be established:

- Vehicles that possess a transponder issued by CBP and installed on their windshield (usually on the lower corner, driver's side) will be assumed to have paid their 2006 annual user fee.
- Purchasers will receive a receipt from Mellon Bank that identifies every conveyance for which the annual user fee has been paid. Purchasers have been instructed to make this copy available for inspection by a CBP Officer upon arrival in the United States. CBP Officers should ask for this proof of payment when they are unsure if the fee has been paid.
- Other evidence of payment may be accepted such as screen prints or copies of completed applications and any other evidence that the carrier has accessed the Mellon Bank system to pay their 2006 annual user fee.
- If the carrier is unable to produce any of the above or if the driver of the conveyance is unaware of the payment of the fee, the single crossing user fee should be charged according to port procedures.

Sufficient decals should be issued and the appropriate technology to validate the user fees should be available no later than February 1, 2006. Carriers should continue to carry proof of payment as a backup for the rest of 2006.