

ATTORNEYS AT LAW

BRIEFINGS

ROUTING SLIP

2009 Training Seminars

- Details on the firm's 2009 seminar schedule are on our website at www.millerco.com. It includes two new advanced seminars: Advanced Import/Export 201 and Advanced FTZ. Our first session, a free client Import/Export 101, is scheduled for January 13 and 14. Register now by e-mail to Penny Freeman at pfreeman@millerco.com.

CPSCIA DEVELOPMENTS

The Consumer Product Safety Commission (CPSC) has issued a Final Rule on the Consumer Product Safety Information Act (CPSIA) of 2008. The Final Rule went into effect immediately upon publication and clarifies Certificate of Compliance requirements. Clients subject to the CPSIA must have procedures to generate certificates and ensure that they "accompany" each shipment. 73 Fed. Reg. [68328](#) (Nov. 18, 2008). The CPSC is also [posting](#) responses to Frequently Asked Questions on specific subjects, such as the CPSIA's applicability to children's products, including children's drugs. Contact Sean Murray with questions.

FISH & WILDLIFE REGS

The Fish and Wildlife Service (FWS) has issued a Final Rule, revising 50 C.F.R. Part 14, that contains new inspection fees, clarifies import/export license requirements, and updates license exceptions. 73 Fed. Reg. [74615](#) (Dec. 9, 2008).

SEASONS GREETINGS

BEST WISHES FOR A
HAPPY & HEALTHY
NEW YEAR

10 + 2 FINAL RULE

- Customs has issued an Interim Final Rule on 10+2 that will take effect January 26, 2009. It will significantly impact how and when many importers obtain and provide Customs information. Issues include new bond terms, data confidentiality, impact on FTZ admission processes such as direct delivery, and determining who will file the required data elements for the Importer Security Filings (ISF). Comments on the Interim Final Rule will be accepted through June 1, 2009. 73 Fed. Reg. [71730](#) (Nov. 25, 2008).

- Clients are reminded of the need to include ISF requirements in procedures, recordkeeping, and post-entry reviews. Contact Marshall Miller or Michael O'Neill for assistance.

SIEMENS ZAPPED \$1.6B

Siemens has [settled](#) Foreign Corrupt Practices Act (FCPA) charges with the Department of Justice and Securities and Exchange Commission for \$800m—17 times larger than any previous FCPA fine. The fine is \$450m in criminal fines and \$350m in civil penalties, with the company admitting to inadequate controls and false recordkeeping. Siemens will also pay the German government \$530m to settle similar charges, adding to a \$285m fine paid last year.

YEAR-END REMINDERS

- Yearly Blanket FTA Origin Certificates (e.g., NAFTA, CBPF 434s)
- FTZ Board Annual Report
- FOR CALENDAR YEAR FTZs**
- Customs Annual Systems Review/Reconciliation
- Yearly Blanket CBPF 216s
- Review/Update FTZ Scope of Authority/FTZ Operations Manual

PROCEDURES UPDATES

- The Firm has updated its format import and export procedures manuals to reflect the recent implementation of the Census Foreign Trade Regulations and the 10+2 Interim Final Rule, and to add a provision on confidentiality of trade data. Please contact us for more information.

EPA EXPORT FINES

Clients are reminded that they must identify when their imports and exports are subject to other government agency requirements. The U.S. Environmental Protection Agency (EPA) recently fined Jet Ocean Technologies \$10,300 for failing to file a notice with EPA for an export shipment of computer monitors with cathode ray tubes (CRTs), which the company identified as scrap metal. Customs alerted EPA to the shipment after it had been rejected by Hong Kong Customs and returned to the U.S. EPA regulations require exporters of CRTs to notify EPA and obtain consent from the importing country.

The material contained herein is not to be construed as legal advice or opinion. More information may be obtained by contacting any attorney within the firm.

© 2008 Miller & Company P.C.

4929 MAIN STREET
KANSAS CITY, MO 64112
816.561.4999
FAX 861.561.5999
E-MAIL intllaw@millerco.com
WEB <http://www.millerco.com>

1875 I STREET N.W., 5TH FLOOR
WASHINGTON, DC 20006

233 BROADWAY, SUITE 2702
NEW YORK, NEW YORK 10279

RECORD CONFIDENTIALITY

Clients are reminded that they must renew their requests for import/export data confidentiality in order to prevent public disclosure. A detailed explanatory memorandum and format filing letter can be secured by contacting Michael O'Neill.

CONTINUOUS BONDS

Customs has posted a [notice](#) establishing two new procedures for terminating and replacing continuous bonds. Current limitations restrict Customs' ability to override terminations, so gaps in coverage occasionally occur, causing severe problems for many importers.

NO MONKEY BUSINESS

- Customs has issued a [press release](#) reminding travelers that Customs will and can enforce the personal exemption. Travelers who fail to accurately declare their imported items are potentially subject to administrative fines and/or forfeiture of the merchandise.
- A Spokane woman has been [convicted](#) of smuggling charges for hiding a sedated monkey under her blouse during a flight from Thailand to Los Angeles. She claimed that she was pregnant. Sentencing is set for March 2009.

NAFTA SET RULING

Customs recently issued an interesting ruling on the application of NAFTA tariff preference and origin marking requirements to sets. The ruling involves "bed-in-a-bag" sets of sheets, pillow-cases, and pillow shams that would be considered of Pakistani origin if separately imported. However, they are sent to Mexico where they are combined with a comforter shell of Pakistani origin that is filled and sewn closed in Mexico. Applying the NAFTA preference override, Customs ruled that all of the set components are considered products of Mexico for NAFTA preference and marking purposes. HQ [H019439](#) (September 5, 2008).

TIS THE SEASON

- Customs has recently issued new [guidance](#) to field operations personnel on the classification of "festive articles." "Festive Articles" of HTSUS Heading 9505 should be "purely decorative" articles closely associated with a festive occasion.
- In a recent ruling revocation notice, Customs proposed to classify figurines of just the three wise men as "nativity figurines" in Heading 9505, finding them to be commonly and traditionally associated with Christmas nativity scenes. 42 [Cust. B. & Dec.](#) 8 (Oct. 8, 2008).

ONLINE REFERENCE TOOL

The International Trade Commission (ITC) is previewing its new online Harmonized Tariff Schedule Reference [Tool](#). The HTS Online Reference Tool features include links to Customs CROSS rulings system, searching by C.A.S. numbers, a "jump" capability relating an item to a related Chapter 99 classification, and the ability to print.

FDA PROGRESS REPORT

- The Food and Drug Administration (FDA) has issued a one-year progress [report](#) on implementation of its "Food Protection Plan," which addresses the safety of both imported and domestic food products. The report addresses FDA's efforts at cooperative preventive measures, increased inspections, developing a better screening system, and identifying product tracing best practices.
- The FDA has officially opened its first overseas offices in Beijing, Guangzhou, and Shanghai, China.
- The FDA has updated its Import Alert [#99-31](#) on food products containing melamine to include certain companies making chocolate products, hot cocoa, and coffee powders.

C-TPAT BENEFITS

Customs has issued a new guide that identifies the advantages to participating in the [C-TPAT](#) program.

STEEL MONITORING

The International Trade Administration has issued a Proposed Rule to extend the Steel Import Monitoring and Analysis (SIMA) system from the current March 20, 2009, expiration date to March 20, 2013. 73 Fed. Reg. [75624](#) (Dec. 12, 2008).

CHINA TEXTILE UPDATE

- On December 2, 2008 the International Trade Commission (ITC) released its first statistical [reports](#) on Chinese textile imports. The reports are by HTSUS classification and textile category. The ITC will continue to release reports every 2 weeks, as requested by the House Ways and Means Committee.
- The Department of Commerce Committee for the Implementation of Textile Agreements (CITA) has cancelled the ELVIS (electronic visa information system) requirements for Chinese textiles exported starting on January 1, 2009, in anticipation of the end of the U.S.-China bilateral agreement on textiles. Expect efforts toward new safeguards in early 2009. 73 Fed. Reg. [75085](#) (Dec. 10, 2008).

MUST SEE TV

- Customs officers and agents will be featured in a new reality TV series, "Homeland Security USA," that [premieres](#) January 6 on ABC.
- The Boston Customs Port Director was [arrested](#) December 5, and charged with employing an illegal immigrant for more than two years and providing advice on how to avoid detection. She faces up to 10 years in prison and a fine of \$250,000, if convicted.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 12/15/08		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	272	254
SUBZONES	624	521
PENDING		
ZONES		1
SUBZONES		24
MISCELLANEOUS		30
AVERAGE PROCESSING TIME (MONTHS)		
ZONES		8
SUBZONES		10