

ROUTING SLIP

BRIEFINGS

REPAIR AMERICA

- In an interesting policy move that would encourage the use of American parts, Customs has proposed amending the calculation of the value of foreign repairs, alterations, or processing under 9802.00.40, 9802.00.50, and 9802.00.60 to exempt the value of U.S.-origin parts. Comments are due May 12, 2009. 74 Fed. Reg. [10849](#) (May 13, 2009).
- The Bureau of Industry and Security (BIS) is requesting comments on whether U.S. export controls affect sourcing decisions. The deadline for comments has been extended to April 20, 2009. 74 Fed. Reg. [7658](#) (Feb. 19, 2009).

BIS EXPORT AUDIT TOOL

BIS has issued an export compliance [audit tool](#), with rigorous questions to identify issues in companies' export compliance programs. It illustrates what BIS looks for in its audits. Please contact Mark Teerink with questions.

ISF 10+2 – RLF

Importer Security Filing (ISF) and entry/entry summary data can now be [transmitted](#) using the Remote Location Filing (RLF) Prototype. If the ISF is filed in the same Automated Broker Interface (ABI) as the entry or entry summary, the importer of record number, consignee number, country of origin and commodity number(s) fields need only be populated once.

JEROME M. GREENWELL

Jerome M. Greenwell, retired Chief of the Census Bureau's Foreign Trade Division's Regulations, Outreach, and Education Branch and Trade Division Ombudsman has joined Miller & Company as a consultant. He served the Census Bureau for 36 years and received the Department of Commerce's Silver, Bronze, and Gold medals for leadership, including the development and implementation of the Automated Export System (AES) and the new Foreign Trade Regulations. Jerry will be speaking at the firm's Advanced Export Seminar May 12-13. [Register Today.](#)

2009 Training Seminars

- Details on the firm's 2009 seminar schedule are on our website at www.millerco.com. Register now by e-mail to Penny Freeman at pfreeman@millerco.com.

CUSTOMS 2008 REPORT

Customs has posted its Performance and Accountability [Report](#) for FY 2008, containing accomplishments, statistical highlights, and financial information. Customs processed 29 million entries in 2008, and collected \$34.5 billion in revenue.

CUSTOMS COMMISSIONER

Ralph Basham departed U.S. Customs on March 1. Deputy Commissioner Jason Ahern is now Acting Commissioner until a successor is appointed.

LICENSEE NAME CHANGES

The Bureau of Industry and Security (BIS) has [notified](#) the Trade that existing export licenses must be transferred to new or successor licensees before a corporate name change occurs as a result, for example, of an acquisition or merger. This is a critical, necessary first step.

LACEY ACT

Phased-in enforcement of the Lacey Act Declaration is scheduled to begin April 1, 2009. Product use, article name, scientific name, country of harvest, and quantity of plant material are part of the Customs and Trade Automated Interface [Requirements](#) (CATAIR). Filing may be electronic or form PPQ505 may be used. Currently, only sections of the Harmonized Tariff Schedule Chapters 44, 47, 48, and 94 require declaration, excluding plants and plant products used exclusively as packing material, "common cultivars," "common food crops," and plants for planting.

ANNUAL REPORT

The Foreign-Trade Zones Board has added to its website a [list](#) of the 79 Grantee Organizations that have not yet filed their annual reports which were due on January 31, 2009. This is the largest number in the history of the program. The Board suspends all actions for operations of non-filing Grantees. Please contact Scott Taylor if you require assistance.

FDA GLOBALIZATION ACT

The proposed Food and Drug Administration Globalization Act, [H.R. 759](#) includes a long list of new requirements for importers that will require significant efforts, including:

- Registration by importers of drugs, devices, foods and cosmetics.
- A unique identification number (UIN) for importers and facilities;
- Risk-based inspections every 4 years for foreign and domestic food facilities (2 years for drug and device facilities).
- Expedited processing of imports for companies that implement FDA-developed voluntary security guidelines.
- Final processing location indicator for processed food.
- Identification of the country of origin of all the ingredients of finished products on food and drug manufactures' web sites.
- Certification by 3rd parties accredited by the FDA of foreign food manufacturers as meeting all U.S. safety requirements.

EVEN MORE COOL

Thomas Vilsack, the new Secretary of Agriculture, released a [public letter](#) to Industry on February 20, 2009, in conjunction with the March 16, 2009 implementation of mandatory Country of Origin Labeling, encouraging more stringent labeling of processed foods, food products from multiple countries, and use of inventory labels for ground meat, and noting that the Department will be closely reviewing compliance with the provided suggestions for voluntary action.

SOFTWARE REEXPORTS

BIS has issued revised [guidance](#) on calculating *de minimis* U.S.-origin content of foreign-made items that include bundled U.S.-origin software, changing the rule that software was counted only in relation to other software, and providing that bundled software now is counted together with all other U.S.-origin content.

BIS CLASSIFICATIONS

BIS has posted the first sets of export classification [information](#) submitted by 17 companies in response to BIS' request for voluntary submission of such information, including information on electronics, motor vehicle components, chemicals and pharmaceuticals, cellular telephone items, and other commodities. However, the webpage states that "BIS will not validate or be responsible for the accuracy of the classification information." Users should verify any information posted. We can help with any questions.

FDA 3RD PARTY TEST

FDA has revised Import Alerts relating to food, vegetable protein, and pet food to require, as of March 5, 2009, importers to provide 3rd party laboratory analysis results verifying products do not contain melamine or cyanuric acid, as is already required for milk products, using test methods acceptable to FDA and meeting the method performance of [LC-MS/MS](#).

CANADIAN SEALS

Canada Border Service Agency has [reiterated](#) Canadian freight container seal requirements for its Partners in Protection Program, a program complementary to the C-TPAT Program, including use of verified to standards ISO/PAS 17712 mechanical seals, proper security measures preparatory to sealing, chain of custody records, compensating measures or devices for freight containers where high-security seals are not practical, and written procedures.

EXPORTS TO INT'L WATERS

The Census Bureau has [clarified](#) the Foreign Trade Regulations requirements for Automated Export Systems (AES) filings for exports to international waters, clarifying that shipments to vessels, buoys, offshore installations, and similar locations in international waters are "exports" for AES reporting purposes.

C-TPAT AND AEO HARMONY

Customs and the European Union are working to harmonize and achieve mutual recognition of the C-TPAT and EU's Authorized Economic Operator (AEO) supply chain security programs. U.S. Customs has posted an abridged external partner [version](#) of the action plans to mutual recognition.

USTR

- The President's [2009 trade policy agenda](#) has been released.
- During USTR confirmation hearings on March 9, Ron Kirk indicated that trade enforcement will be a top priority, including a review of all FTAs. He added that the pending Panama FTA appears to be the next to proceed, and the South Korea FTA is unacceptable as drafted.

TRADE RESTRICTIONS

On March 11, 2009 President Obama signed [H.R. 1105](#), the Omnibus Appropriations Bill, including an end to the Mexico trucking pilot program and pharmaceutical parallel import provision, which prevents U.S. trade negotiators from including provisions in FTAs that prevent owners of patented pharmaceutical products from controlling their importation.

E-MANIFEST: OCEAN

Enhanced Automated Commercial Environment electronic cargo processing capabilities will be [introduced](#) in Spring 2009 enabling sea carriers to use broker download and facilitate communication among carriers, brokers, and self-filing importers.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 3/15/09		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	272	254
SUBZONES	631	528
PENDING		
ZONES	2	
SUBZONES	24	
MISCELLANEOUS	30	
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	8	
SUBZONES	10	