

BRIEFINGS

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NAFTZ ANNUAL CONFERENCE

Several new developments were discussed at the NAFTAZ Annual convention this week in New Orleans:

- **FTZ Board Regs** - It appears that many of the NAFTAZ suggested changes may be adopted by the Board. The final Board regulations will simplify, streamline, and expedite necessary Board actions. Expect a [Federal Register](#) notice by early 2012 that will be in part a final rule and in part a request for comments on new significantly revised proposed regulations;

- **CBP FTZ Regs** - As General Counsel to the NAFTAZ, the firm has been actively engaged in very significant changes to the regulations. While the timing and final wording is unknown, the first update since 1986 is intended to simplify direct delivery, eliminate the entry 5 day rule/non processing stipulation, eliminate the yearly blanket 216 for manipulation, manufacturing, and exhibition, reduce the estimated 3461 data elements, restructure, cycle count-coverage/shortage reporting, etc.

- **FTZ Board Annual Report** - The reporting period, format, and filing method is changing immediately. The reporting period for 2011 will change to the calendar year from the federal fiscal year. The Board will not require reporting for the fourth quarter of 2010; only calendar year 2011 will be required. The data requirements will change and a new data confidentiality method will be implemented. All reporting must be electronic. No changes will occur to the CBP Annual Reconciliation timing or report. The firm will be providing detailed information and training.

2011 TRAINING SEMINARS

- A few spaces remain for the Import/Export 201 seminar on October 19, 2011.
- Space is available for FTZ 101 and 201 seminars on December 6 & 7, 2011.

Please see our website for details and register by email to [Penny Freeman](#). The 101 seminars are at no charge to clients. There is a fee for non-clients. Payment by credit card will soon be accepted.

LIQUIDATION NOTICES

In an effort to streamline the notification process and reduce printing and mailing costs, Customs has issued a Final Rule to discontinue mailing paper courtesy notices of liquidation effective September 30, 2011. All ABI filers will receive electronic courtesy notices and all Importers of Record with an ACE account can monitor the liquidation of their entries by using the reporting tool in ACE. Importer Self-Assessment (ISA) members may receive free Import Trade Activity (ITRAC) reports. There are legal issues to be resolved. 76 Fed. Reg. [52862](#) (Aug. 24, 2011).

FDA DEVELOPMENTS

At the NAFTAZ convention the following occurred:

- FDA indicated that the long awaited Weekly Entry procedures would be issued before year end;
- FDA is working on a ruling process similar to the Customs administrative ruling process on FDA product codes and HTS flags;
- FDA personnel may be accompanying Customs on C-TPAT validations.

EXPORTS - SCHEDULE B

The Census Bureau has announced in the July issue of its Trade Source newsletter, that it will no longer publish a printed version of the Schedule B. The electronic version will still be available. With limited and defined exceptions, exporters are permitted to use the Harmonized Tariff Schedule of the United States (HTSUS) instead of the Schedule B.

RULES OF ORIGIN

Customs has officially decided not to proceed with its 2008 proposal to extend the NAFTA country of origin marking rules codified in Part 102 of the Customs Regulations (19 C.F.R. Part 102) to most all Customs country of origin determinations. Customs did make changes to the Part 102 rules for pipe fittings, flanges, greeting cards, glass optical fiber, rice preparations, and certain apparel. 76 Fed. Reg. [54691](#) (Sept. 2, 2011).

AES MIGRATION

The Census Bureau's [AES Direct Program](#) is migrating to new servers and platforms in the coming weeks. Minor changes relate to error notices, improvements in searches between new and archived shipments, records consolidated into one search database, etc. Throughout September users will be moved in groups over to new servers so expect some issues.

BIS BEST PRACTICES

The Bureau of Industry and Security (BIS) placed on their [website a new list of best practices](#) to help prevent diversion.

FOREIGN POLICY CONTROLS

The Bureau of Industry and Security (BIS) is requesting comments on its current foreign-policy based export controls. These include controls based on crime control (CC), regional stability (RS), anti-terrorism (AT), chemical/biological weapons (CB), missile technology (MT), nuclear nonproliferation (NP), and various entity list controls. Comments are due by September 30. 76 Fed. Reg. [54426](#) (Sept. 1, 2011).

ON-LINE CJs REQUIRED

Effective immediately, the Directorate of Defense Trade Controls is requiring that all [Commodity Jurisdiction \(CJ\)](#) requests be submitting on-line using their [DS-4076](#) on-line form.

C-TPAT SVI UPDATE

Customs has posted an [update and tutorial](#) to the Customs - Trade Partnership Program Against Terrorism Portal Status Verification Interface (SVI) concerning email notifications being sent to a company when a participant's Partner Account SVI drops off the list, gets a new SVI number, or changes its status to Non-Certified or Certified.

LACEY ACT ENFORCEMENT

The Animal and Plant Health Inspection Service (APHIS) has posted a [revised PPQ 505 and new PPQ 505B \(supplement page\)](#) on its web site. The new form increases data collection.

FDA RADIATION PRODUCTS

The Food and Drug Administration (FDA) has issued a September 6, 2011 [letter](#) with recommendations to facilitate the review of import entry of medical and non-medical radiation-emitting electronic products, such as video monitors, laser products, hearing aids, etc., that are subject to FDA performance standards. Specifically, the FDA recommends that each entry line item contain the appropriate Affirmation of Compliance codes and other data.

ADD ENFORCEMENT

The Senate Appropriations Committee Report amending and approving H.R. 2017 Department of Homeland Security Appropriations Bill, 2010 would provide additional funds to Immigration and Customs Enforcement (ICE) for antidumping duty (ADD) and smuggling investigations and directs ICE and Customs to consider product verification (a.k.a. jump) teams to investigate ADD evasion by overseas suppliers. [S.Rept. 112.74](#). ADD jump teams are also being discussed by the Advisory Committee on Commercial Operations of Customs and Border Protection (COAC).

FDA ALERTS

The FDA has issued an "Import Alert" [fact sheet](#) for consumers indicating there are currently 264 alerts preventing future imports which represent 3100 types of products from 11,000 manufacturers in 150 countries. The FDA hopes FSMA requirements for importers to verify safety measures of suppliers will mean fewer alerts issued.

DOE PROPOSED RULE

The Department of Energy (DOE) has proposed a change to the 10 C.F.R. § 810 rules on exports of technical information related to nuclear applications. The proposed rule is more specific, clarifies "deemed exports," countries requiring approval, and technology controlled. Comments are due November 7. 76 Fed. Reg. [55278](#) (Sept. 7, 2011).

FDA IMPORT DEBARMENT

Clients are reminded of this unusual FDA import restriction remedy. The FDA issued an order debaring Hung Ta Fan from importing articles of food or offering such articles for importation into the United States. Hung was convicted of conspiring to import honey from China labeled as being from other countries to avoid over \$5 million in anti-dumping duties. 76 Fed. Reg. [50739](#) (Aug. 16, 2011).

UPDATED CBPF 301/301A

Newly updated CBP Forms 301 (Customs Bond) and 301A (Addendum to CBP Form 301) are now available for use. Customs will [accept](#) either version through the end of 2011. Beginning January 1, 2012, all bonds must be presented on the new forms.

ESSENTIAL CHARACTER

Providing a good example of essential character analysis, Customs recently issued a ruling determining that two Autumn-themed wreaths were correctly classified in different tariff provisions (Headings 4602 and 6702) based on different percentages of artificial berries and foliage to natural twigs. HQ [H162815](#) (July 20, 2011).

NEW SYRIAN SANCTIONS

The Office of Foreign Assets Control (OFAC) [issued a series of general licenses to Syria](#). These general licenses were issued even as additional sanctions are brought against Syrian government in its crackdown against its own citizens. The general licenses relate to certain diplomatic services; legal services; normal banking service charges; internet services; personal remittances; and activities authorized under the Export Administration Regulations (EAR). The [additional sanctions](#) include restrictions on dealings with the Syrian government, imports of Syrian petroleum, and additional sanctions on individuals in the Syrian government. Contact Chuck Ballard with questions.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 9/15/11		
	<u>APPROVED</u>	<u>CURRENTLY AUTHORIZED</u>
ZONES	277	260
SUBZONES	677	529
<u>PENDING</u>		
ZONES	2	
SUBZONES	20	
MISCELLANEOUS	36	
<u>AVERAGE PROCESSING TIME (MONTHS)</u>		
ZONES	8	
SUBZONES	10	

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.
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