

BRIEFINGS

BUSH TRADE POLICY

Incoming President-elect Bush will be working with Rep. Bill Thomas (R-CA) as the Chairman of the House Ways & Means Committee and Rep. Phil Crane (R-IL) as the Chairman of its Subcommittee on Trade; Rep. Billy Tauzin (R-LA) as the Chairman of the House Energy and Commerce Committee; and Robert Zoellick, Bush's USTR nominee. A full list of House [Ways & Means](#) and [Energy and Commerce](#) Committee and Subcommittee members is available on "What's New." Trade priorities for the new administration include: securing fast-track authority from Congress; continuing to negotiate FTAs initiated during the Clinton administration; mending US/EU trade relations; and pursuing FTAA negotiations.

PROTOTYPES

In a recent *Briefings*, we identified the Product Development Testing Act of 2000 that has the potential of resolving many TIB issues. Customs has issued an ABI message that provides interim guidelines for the duty free importation of "prototypes." Draft regulations, which are supposed to be published for comment in the next few weeks, should clarify recordkeeping requirements. See "[What's New](#)" on our firm website for additional information. Contact Sean Murray for more information.

FTZ MAINTENANCE PLAN

Detailed information was mailed during the Holidays. Clients are encouraged to join the Plan to better assure compliance and budget and reduce costs.

NAFTA-MEXICO

- Customs has issued detailed policy and procedures for implementing the NAFTA Duty Deferral Program as it pertains to Mexico. Effective January 1, 2001, Customs requires filing of the entry type "08" for withdrawals from the affected duty deferral programs (Foreign-Trade Zones, Bonded Warehouse, Temporary Importations Under Bond) for subsequent exportations to Mexico. [CEBB T-NAFTA7.TXT](#) (Jan. 8, 2001).
- A new Maquiladora/PITEX Decree was issued on Dec. 31, 2000, which supercedes and amends the prior decrees. We are securing translations. Contact Lee Shultz for more information.

CHINA

As of January 1, China reduced tariffs on 3462 items by an average of 6.6%. At the same time it increased its valuation basis from FOB to CIF.

NEW AND REVISED ICPs

- Textile and apparel rules of origin.
 - Classification of molds and molding tools.
- Access "[What's New](#)" on our web site.

FREIGHT CHARGES

Customs has issued a notice reiterating that importers are required to deduct actual freight, insurance and other charges on international shipments that have been included in the price paid or payable. However, Customs has recognized that this information is not always available, due to recent ocean shipping reforms. In these cases, Customs requires the importer to pay duties on the entire CIF value of the goods, and indicate a value of \$2.00 on the CF 7501 for charges to indicate to Customs that the actual freight charge is unknown to the importer. Furthermore, should the actual freight charge become available to the importer, it is required to amend the entry summary. [CEBB T-OSRA1.TXT](#) (Jan. 8, 2001).

HTSUS MODIFICATIONS

The International Trade Commission (ITC) has posted its preliminary report on the U.S. Harmonized Tariff Schedule modifications ([ITC Inv. No. 1205-5](#)) to its website. The changes affect a broad cross-section of the HTSUS; there is an impact on chemical and pharmaceutical companies. Comments on changes to headings 2934 and 2935 are due by January 19. 65 [Fed. Reg. 83082](#) (Dec. 29, 2000). The changes to the HTSUS are expected to be implemented in January 2002. Access "What's New" on our website.

GSP

- President Clinton issued Proclamation 7388 on December 18, providing for duty free treatment of articles from sub-Saharan African beneficiary countries that are classified in 1,835 8-digit HTSUS tariff provisions. The proclamation adds a new General Note 16 to the HTSUS and a "D" indicator in the applicable "Special" Column 1 Rates of Duty. 65 [Fed. Reg. 80723](#) (Dec. 21, 2000).
- The U.S. Trade Representative will be conducting hearings and accepting public comments on the status of Brazil, Pakistan, and Russia as Generalized System of Preferences beneficiary countries. Comments are due on February 5. 66 [Fed. Reg. 2034](#) (Jan. 10, 2001).

EXPORT CONTROLS

- The 33-member countries of the Wassenaar Arrangement have adopted a non-binding list of 18 "best practices" for enforcement of export controls. Access "[What's New](#)" on our website.
- BXA is expected to launch the export license application electronic supporting document (ESD) prototype this month. If successful, the prototype is expected to be fully operational by summer.
- OFAC has issued its quarterly list of countries that require trading partners to cooperate in a non-U.S. sanctioned boycott. 65 [Fed. Reg. 75459](#) (Dec. 19, 2000).

HMF

The CIT has denied a motion by 21 companies to amend their HMF refund judgement under U.S. Shoe Corp. v. U.S. (which did not allow for interest) to cite the jurisdiction applied in the Swisher Int'l v. U.S. case (which allowed for interest from the date their court case was filed). [Slip Op 00-172](#) (Dec. 28, 2000).

CBTPA/NAFTA PARTY

Customs has issued a notice that provides tariff treatment identical to that afforded to goods of Mexico under NAFTA for certain goods that qualify as "originating" under the Caribbean Basin Trade Partnership Act. [CEBB T-TBT68A.TXT](#) (Jan. 11, 2001).

CIVIL ASSET FORFEITURES

In accordance with the Civil Asset Forfeiture Reform Act of 2000 (CAFRA), Customs has amended its regulations to implement the CAFRA's applicable provisions regarding: notice of seizure; filing claims to recover seized property; release of seized property; and remission of forfeitures and payments. 65 [Fed. Reg. 78090](#) (Dec. 14, 2000).

IN-BOND

Customs issued an Administrative Message stating effective immediately in instances where an ABI entry is submitted at an inland destination to close out an immediate transportation (IT) in-bond shipment by truck, additional information (in-bond number; manifest bill of lading or pro-bill number; bill of lading issuing carrier's Standard Carrier Alpha Code (SCAC); and importing carrier's SCAC) is required in the entry transmissions or entry paperwork. ADM 00-1391 (Nov. 15, 2000).

DRUG RE-IMPORTS

Health and Human Services Director Donna Shalala has declined to implement the Medicine Equity and Drug Safety Act of 2000 passed by the last session of Congress. Continued Congressional interest in lowering drug costs may prompt revision of the bill or consideration of alternatives in the next session of Congress. Access "[What's New](#)" on our website.

ACE

Customs posted to its website on December 22, 2000, its final Request for Proposal (RFP) for a prime contractor for developing and building the Automated Commercial Environment (ACE) and modernizing associated Customs systems. Contractors must submit their proposals for the estimated \$1.3 billion modernization effort that will span from May 2001 to April 2006 by February 5, 2001. Access "[What's New](#)" on our website.

MADE IN USA

The Black & Decker Corporation and one of its subsidiaries have agreed to settle Federal Trade Commission (FTC) charges regarding misleading "Made in U.S.A." claims. FTC reviewed claims made by Black & Decker's subsidiary on its website and packaging on individual products as the basis for its claim. 66 [Fed. Reg. 799](#) (Jan. 4, 2001).

2001 HTSUS

The 2001 edition of the Harmonized Tariff Schedule of the United States has been posted on the International Trade Commission's website. The HTSUS can be accessed through the firm's website or directly at www.usitc.gov/taffairs.htm. The official print edition of the HTSUS is expected to be issued in late January.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 1/15/2001		
	APPROVED	PENDING
ZONES	238	7
SUBZONES	439	29
MISCELLANEOUS		34
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	11	
SUBZONES	11	