

BRIEFINGS

SED/AES

Census is requesting comments on proposed changes to the Automated Export System (AES) and the Shipper's Export Declaration (SED). The AES changes focus on including export control data, while the SED changes would add the forwarding agent's Employer Identification Number. Comment by February 26, 2002. [66 Fed. Reg. 67178](#) (Dec. 28, 2001).

GSP/ATPATAA

Conflict over Trade Promotion Authority is expected to delay House consideration of GSP renewal (H.R. 3010), Andean Trade Promotion (H.R. 3009), and Trade Adjustment Assistance (H.R. 3008). The DeMint limit on foreign sourced fabric has caused considerable controversy.

CUSTOMS TREATMENT

The CIT has increased protection for importers by rejecting Customs' argument that notice and comment proceedings are only necessary when Customs has specifically agreed to or ruled on an issue. In [Precision Specialty Metals, Inc. v. U.S.](#), the CIT reaffirmed its view that in determining whether Customs has established a "treatment" requiring notice and comment proceedings to change pursuant to 19 USC 1625(c), the focus is on Customs' actions. [Slip Op. 01-148](#) (Dec. 14, 2001).

CUSTOMS AUDITS

The U.S. Customs Service has significantly increased its revenues as a result of Compliance Assessments. The current statistics, which have not been made public, indicate that 426 Compliance Assessments have been completed and that the revenue from "voluntary payments" totals \$180 million. Clients are urged to definitely plan thorough reviews of Customs compliance in 2002. Contact Marshall Miller to arrange necessary action.

FTZ HTSUS

- Because of many changes to the 2002 HTSUS, the Foreign-Trade Zones Board has issued a Scope Determination stating that products within the scope of previous Board Orders are still within the scope, even if their classifications have been changed by the Harmonized System changes.

- For the complete 2002 HTSUS, access "[What's New](#)" on our website.

FDA FOOD SAFETY

The Food and Drug Administration issued a document entitled *Importers and Filers: Food Security Preventative Measures Guidance*. This document presents appropriate measures that food importers, storage warehouses, and filers can take to maintain food security. Access "[What's New](#)" on our website.

CUSTOMS/PORT SECURITY

- Since it was announced at the meeting in Washington, and reported in last month's *Briefings*, Customs has issued additional information on its Customs Trade Partnership Against Terrorism (CTPAT). General security guidelines have been posted to Customs' website. These general guidelines will be condensed and individualized for specific industries (warehouse operator, sea carrier, etc.) in the near future. All importers should be identifying necessary action now. Without some involvement in CTPAT, we expect importers will have a much slower import process. www.customs.gov/enforcem/security.htm

- The Senate approved the "Port and Maritime Security Act of 2001" (S. 1214) by voice vote on Dec. 20. House action is expected soon. The legislation is intended to increase seaport security and also tighten security procedures and requirements for railways and highways that link directly with port facilities. It is a complex bill. In-bond movements would require 3 data elements: shipper, consignee, and HTSUS code to the sixth digit.

BANANA DISPUTE ENDS

The Council of the European Union approved a regulation adjusting EU tariff-rate quotas as of Jan. 1, finally ending the Banana Dispute with the U.S. Access "[What's New](#)" on our website.

EU

On January 1, 2002, the European Union implemented a new tariff preferences system for developing countries. Until December 31, 2004, all non-sensitive products are duty free, and all other products receive a flat rate reduction of 3-5% .

SPECIAL 301 - IPR

The USTR is seeking written comments by noon February 15, 2002, regarding whether any foreign countries should be identified under Section 182 of the Trade Act of 1974 (19 USC 2242), commonly referred to as Special 301, concerning intellectual property rights protection. [66 Fed. Reg. 66492](#) (Dec. 26, 2001).

CHINA 2002 TEXTILE QUOTAS

The Committee for the Implementation of Textile Agreements issued a notice announcing the 2002 quotas for certain textile and apparel articles produced or manufactured in China and exported during calendar year 2002. This notice also implements the first, second, and third stages of integration of China's textile and apparel products into the WTO, as well as agreed annual growth. [66 Fed. Reg. 67229](#) (Dec. 28, 2001).

NTR

President Bush extended permanent Normal Trade Relations (NTR) status to China, effective January 1, 2002. Legislation is pending that would extend NTR status to Russia and Afghanistan. Presidential Proclamation 7516 (China), [67 Fed. Reg. 479](#) (Jan. 4, 2002).

TRADE RELATIONS

Customs has established an Office of Trade Relations to replace the Office of Trade Ombudsman. Andrew Maner has been named Director of the Office.

STEEL

The International Trade Commission announced its recommendations and remedy in its global safeguard investigation of steel imports. Expect significant increases in Customs duties. The report is available at ftp.usitc.gov/pub/reports/opinions/PUB3479.pdf. On Jan. 3, 2002, the USTR, requested additional information. Access "[What's New](#)" on our website.

EU WOOD PACKING REGS

APHIS has posted to its website updated answers to the frequently asked questions section and revised its summary of the EU regulations on coniferous solid wood packing materials (SWPM) originating in the US, Canada, China, or Japan. www.aphis.usda.gov/ppq/swp/enunmwp.html

CANADA SHIPMENTS

In December, Canadian Customs introduced the "Customs Self-Assessment," a pre-clearance/expressed passage program to speed imports into Canada of low-risk goods, carriers, and drivers. Access "[What's New](#)" on our website.

BXA FINAL RULE

The Bureau of Export Administration issued a final rule, effective January 3, 2002, which modifies the Commerce Control List (CCL) in order to, among other things, implement changes in the List of Dual-Use Goods and Technologies maintained and agreed to by governments participating in the Wassenaar Arrangement. [67 Fed. Reg. 457](#) (Jan. 3, 2002).

NAFTA ACCELERATION

The U.S., Canada, and Mexico have implemented accelerated NAFTA tariff eliminations, effective Jan. 1, 2002. www.ustr.gov/regions/whemisphere/naftareports.shtml

CATFISH

Congress recently approved Agriculture Appropriations in December that include a provision that would essentially bar imported catfish from being called catfish. The FDA would only be allowed to inspect and process catfish species that are specifically found in the southern rivers of the United States. This practice will deny low cost imports from Vietnam at the same time that the U.S. and Vietnam are implementing an FTA. WTO scrutiny is expected, as it has previously ruled against the manipulation of trade definitions.

ASEAN FTA

The Association of Southeast Asian Nations (ASEAN) Free Trade Area was implemented on January 1, 2002. The ASEAN Free Trade Area consists of Brunei, Indonesia, Laos, Malaysia, Myanmar (Burma), the Philippines, Singapore, Thailand, and Vietnam. Notable countries not included are Japan, China, and India. www.aseansec.org/economic/afta/trade.htm

FSC DISPUTE

The World Trade Organization Appellate Body has upheld a prior Dispute Settlement Panel decision, which found that the FSC-replacement legislation passed by Congress in August 2001 is inconsistent with the US' obligations under the WTO. www.ustr.gov/releases/2002/01/02-05.pdf

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 1/15/2002		
	APPROVED	PENDING
ZONES	244	4
SUBZONES	467	10
MISCELLANEOUS		26
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	10	
SUBZONES	10	