

BRIEFINGS

ROUTING SLIP

2005 EXPORT MANAGEMENT

Clients who do not have a rigorous export management program in place should put this on their agenda for 2005:

- Census has completed proposed regulations that are expected to significantly increase requirements and penalties.
- Required transmissions and prior notice are expected by the Fall of 2005.
- Census auditors are trained and Census audits of export transactions are expected to begin soon.
- We can analyze Census records and identify necessary corrections to current export filings. Format documented procedures and all other information to correct classification, valuation, origin, etc. can be provided.

2005 C-TPAT

- Clients who have not yet secured C-TPAT status should seriously consider doing so in 2005. The firm has a detailed implementation plan for client C-TPAT action.
- At the recent Commissioner's yearly Symposium in Washington, D.C., it was made clear that security and C-TPAT participation is the number one focus of Customs.
- With C-TPAT, compliance, measurements are reduced from one in three hundred entries to one in forty-seven entries.
- Customs has issued a third draft of proposed C-TPAT [Minimum Security Standards](#) as minimum requirements.

RECONCILIATION

Pursuant to a provision in the recently enacted Miscellaneous Trade Bill, Customs has issued a General Notice that, effective for entries Feb. 9, 2005, the Reconciliation Filing requirement is extended from 15-months to 21-months. 70 Fed. Reg. [1730](#) (Jan. 10, 2005).

CBP REGULATORY AGENDA

The DHS has published its semi-annual regulatory agenda. There is a wide variety of Customs items of interest. 69 Fed. Reg. [73186](#) (Dec. 13, 2004).

WCO FRAMEWORK

The WCO has completed a "[Framework of Standards to Secure and Facilitate Global Trade](#)" that it will present to its 164 members at its June 2005 Annual Meeting. Comments from interested parties are welcome.

SENTENCING GUIDELINES

As a result of twin Supreme Court [rulings](#), *United States v. Booker*, No. 04-104 and *United States v. Fanfan*, No. 04-105, federal judges are no longer bound by the mandatory federal sentencing guidelines.

CWC

The Bureau of Industry and Security (BIS) has extended until February 7, 2005, the deadline for public comments on the proposed rule amending the Chemical Weapons Convention Regulations (CWCR) proposed rule. 70 Fed. Reg. [1216](#) (Jan. 6, 2005).

2005 CUSTOMS SYMPOSIUM

A record 800 people attended the Symposium in Washington, D.C. last week.

- The program was almost solely focused on security and followed up the [Homeland Security Cargo Summit](#) that occurred on Dec. 16. The Commissioner called the ocean container the "Trojan horse of the 21st century."

- C-TPAT, with 8000 participants, will be changed in the future to require more than manifest and nearer Customs entry data from origin to destination. New incentives are likely. While remaining voluntary, the incentive to accept increased requirements is the potential of Congressional action.

- The National Targeting Center has a new toll-free number that operates 24/7 to discuss "no load" holds globally and other issues at 1.866.324.9169.

- Expect a requirement of high security container seals soon.

- The WCO is actively engaged in developing one global set of Customs standards for security, advance notice and revenue.

- C-TPAT will no longer be a prerequisite to participate in the ACE monthly entry program.

- Trade resumption, if a terrorist incident occurs, will be prioritized with links to C-TPAT and CSI.

BROKER EXAM

The next Customs broker licensing exam is scheduled for April. 4. Additional details can be found on Customs' [web site](#).

FTZ - AUTOMATED 214

Members of the NAFTAZ Automation Task Force met at Customs Headquarters on January 13th to discuss each side's expectations for the ACS interim solution proposal to automate submission of the CBPF 214 using existing ABI functionality. The anticipated timetable continues to be June 2005 for an automated CBPF 214. Topics of discussion included bond liability transfer (Importing carrier, in-bond carrier/cartman, FTZ Operator), obtaining Operator concurrence when Applicant is not the Operator, mandatory data fields relative to foreign vs. zone-to-zone transfer admissions, standardization of the zone Admission Number. The next meeting is scheduled for Feb 17th.

SCHEDULE B

- Census has posted a revised list of Harmonized Tariff Schedule numbers that are not allowed for use in the Automated Export System. Exporters should review this list to ensure that they use [Schedule B](#) numbers for these classifications.
- Census has posted on its website the 2005 [Schedule B](#) as well as a list of the changes that have been made to Schedule B effective January 2005.

FTA - AUSTRALIA

- Customs indicated that any goods eligible for U.S.-Australia FTA treatment might not be entered under ABI due to current programming that is in process. Non-ABI entries are required for qualifying goods until further notice.
- CBP has issued instructions for securing preferential tariff treatment under the U.S.-Australia FTA. [CBP Memorandum TC# TCF 05-0529 \(Dec. 30, 2004\)](#).

AGOA ELIGIBILITY

On Dec. 21, 2004 President Bush [approved](#) 36 countries to be eligible for tariff preferences under the African Growth and Opportunity Act (AGOA).

TEXTILES

- The Committee for the Implementation of Textile Agreements (CITA) has issued a directive to Customs canceling the Visa requirements for WTO-member countries effective January 1, 2005. 69 Fed. Reg. [75516](#) (Dec. 17, 2004).
- Customs has posted an updated [Frequently Asked Questions](#) dated January 5, 2005 for quota and visa requirements.
- The United States Court of International Trade (USCIT) has issued a preliminary injunction enjoining the Committee for the Implementation of Textile Agreements (CITA) from further accepting, considering, or otherwise proceeding with requests for safeguard measures based on a threat of market disruption. *U.S. Association of Importers of Textiles and Apparel v. United States*. Slip Op [04-162](#) (Dec. 30, 2004).

CCL AMENDMENTS

The BIS has issued a final rule amending the Commerce Control List (CCL) to revise ECCN 2B351, which covers certain toxic gas monitoring systems. 69 Fed. Reg. [76842](#) (Dec. 23, 2004).

FTZ - REFINERY REVIEW

As per FTZ Board Order 1116, an industry review will involve an overall industry-wide evaluation of economic effects of the oil refining use of FTZ procedures. Public comment on the review is invited from interested parties by March 21, 2005. 69 Fed. Reg. [77986](#) (Dec. 29, 2004).

FTZ - ESTIMATED CBPF 214

CBP has posted a [notice](#) announcing the elimination of the estimated CBPF 214 for oil refineries that are approved for the direct delivery program and import liquid bulk petroleum into their FTZ.

CBP FEDERAL HOLIDAYS

Customs and Border Protection has published its list of federal holidays for 2005.

BIS UPDATES AG CHANGES

The Bureau of Industry and Security (BIS) published a final rule to amend the Export Administration Regulations (EAR) to implement the June 2004 changes to the Australia Group (AG). 69 Fed. Reg. [77890](#) (Dec. 29, 2004) and 70 Fed. Reg. [2348](#) (Jan. 13, 2005).

FTA MIDDLE EAST

The U.S.-Bahrain FTA has created a level of concern for Saudi Arabia in that imports from the United States passing through countries such as Bahrain to Saudi Arabia because the FTA may violate the rules of the Gulf Cooperation Council, a regional customs union.

HOMEOPATHIC PRODUCTS

Customs has now officially revoked two rulings on the classification of homeopathic "drug" products and has issued two new rulings classifying them in HTSUS 3004.90.9190 (duty-free) as dosage-form medicaments effective Feb. 20. 38 *Cust.B. & Dec.* [52](#) (Dec. 22, 2004)

EXPORT NONPROLIFERATION

The State Department has recently imposed sanctions, including denial of export privileges and government contracts or procurement, against 9 entities for engaging in proliferation activities contrary to Section 3 of the Iran Nonproliferation Act of 2000. 70 Fed. Reg. [133](#) (Jan. 3, 2005).

CHINA WTO

The USTR has issued its 2004 [report](#) to Congress on China's WTO compliance.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 1/15/05		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	262	249
SUBZONES	553	465
PENDING		
ZONES	2	
SUBZONES	17	
MISCELLANEOUS	39	
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	7	
SUBZONES	9	