

BRIEFINGS

FTZ REFERENCE GUIDE

The Millennium (2000) version in CD format is in the mail. It contains a number of enhancements. A special program will allow you to add a firm icon to your computer desktop screen for quick access to our website.

MISCELLANEOUS TRADE BILL

- The President signed P.L. 106-476, which contains notable provisions: treatment of certain multiple entries as a single entry; a new prototype provision; development of a Treasury Department report on Customs procedures; a new drawback provision for recovered materials; the establishment of specific user fee Customs Services at the Detroit Metro, San Antonio, and Ft. Lauderdale/Hollywood, Florida Airports; various duty reductions and suspensions; and the liquidation/reliquidation of certain entries. Access "[What's New](#)" on our website.
- Multiple/Single Entry allows an importer to aggregate multiple shipments into one entry. Significant savings could occur.
- The Prototype provision simplifies R&D imports. It could replace TIBs, FTZs and drawback.

FTZ HMT

The CAFC will hear oral arguments in BMW Mfg. v. U.S. on Dec. 5. Sid Kuflik, Of Counsel to the firm, will argue the case on HMT paid on FTZ admissions.

FTZ MAINTENANCE PLAN

The firm has announced an FTZ Maintenance Plan for zone operators. This new plan will aid clients in their compliance efforts and reduce costs. Explanatory information has been mailed to all Grantees and Operators. Explanatory information is also posted on a new special section of our [website](#).

AD/CVD

The President signed the Agriculture Appropriations Bill (P.L. 106-387) that contains a provision added by Sen. Robert Byrd (D-WV) that would distribute funds collected in AD/CVD cases to the firms filing the petitions. This provision will create a "feeding frenzy" of new AD/CVD actions and a new import management requirement. Clients are encouraged to begin a process now to identify antidumping case numbers that relate to products imported. The Customs Service must change its computer system to be able to identify products by antidumping case number in order to effect refunds. Access "[What's New](#)" on our website.

MEXICAN/EFTA FTA

Mexico concluded an FTA with the member states of the European Free Trade Association: Iceland, Norway, Liechtenstein, and Switzerland. In July, it implemented a similar agreement with the EU. <http://secretariat.efta.int>

NAFTA - MEXICO

Mexico has published amendments to both the Maquiladora and PITEX Decrees implementing the provisions of the North American Free Trade Agreement. Amendments to the Decree were also published establishing the Sectoral Promotion Programs. The amendments create as many questions as they answer. The amendments are often ambiguous, inconsistent and imprecise creating uncertainty with respect to the intended meaning of the provisions. General Rules must now be issued by Hacienda; The Mexican Congress must pass required changes to the Mexican Customs Law. Contact the firm for more detailed information.

FSC

[H.R. 4986](#) replaces the Foreign Sales Corporation Tax with a new mechanism that would exclude extraterritorial income for U.S. income tax purposes. It is much broader than the current law. The EU opposes it and announced a \$4 billion retaliation plan. Expect a quick WTO review.

FTZ NAFTA ENTRIES

Clients are reminded that effective January 1, 2001, the NAFTA Duty Deferral Program will apply to all goods manufactured in FTZs shipped to Mexico, and Canada. Contact the firm for guidance.

EXPORT LAWS

- HR 5239, signed by the President on November 13, extended the EAA statute that had expired in 1994 until August 20, 2001. Access "[What's New](#)" on our website.
- BXA issued a final rule that modifies the CCL, and relaxes export controls on certain medical equipment, and diagnostic/food testing kits. The rule also clarifies provisions of the CCL for certain other ECCNs. [65 Fed. Reg. 58911](#) (Oct. 3, 2000).
- BXA issued a final rule amending the regulations governing exports/reexports of encryption items to certain countries. [65 Fed. Reg. 62600](#) (Oct. 19, 2000).

OECD GUIDELINES

The Organization for Economic Cooperation and Development has revised its "Guidelines for Multinational Enterprises." www.oecd.org/daf/investment/guidelines/index.htm.

DRAWBACK PROCESS REGS

Customs has requested comments by December 22 on the Drawback Process Regulations and Entry collection documents. [65 Fed. Reg. 63285](#) (Oct. 23, 2000).

U.S.-JORDAN FTA

The U.S. and Jordanian governments signed a bilateral trade agreement on October 24, 2000. This FTA is the first to have labor and environmental standards. Congress is expected to consider approval of the Agreement in 2001. <http://www.ustr.gov>.

DUTY FREE STORES FUEL

The deadline has passed for the U.S. to appeal the CIT's decision in [Ammex, Inc. v. U.S.](#), where the Court ruled that gasoline and diesel fuel are eligible to be sold from a duty-free store. [Slip Op 00-108](#) (Aug. 25, 2000).

TRADE MEETINGS

- Customs will sponsor a Trade Symposium on Thurs., Nov. 30 at the Ronald Reagan Building in Washington. The agenda will include Customs' programs, major new initiatives, strategic programs and vision for the 21st century. Registration (\$150.00) must be made on-line by Nov. 24th. Access "What's New" at our website for the registration form. [65 Fed. Reg. 65040](#) (Oct. 31, 2000).
- AAEL, JIG and other trade groups will meet on Dec. 6 at the National Association of Manufacturers in Washington, D.C. to discuss Customs modernization through the legislative and regulatory environment. Access "[What's New](#)" at our website.

APPAREL ICP

Customs has published an Informed Compliance publication "Apparel Terminology Under The HTSUS." Access "[What's New](#)" on our website.

INDIA GSP

The USTR issued a notice that establishes the process that it will follow when considering modifications to the HTS numbers that are eligible for duty-free treatment under GSP. Comments are due by December 6, 2000. [65 Fed. Reg. 65370](#) (Nov. 1, 2000).

BROKER AUDIT HANDBOOK

Customs has released a copy of its Customs Broker Audit Program Handbook, which details audit steps and procedures used by auditors. Contact the firm for a copy.

CUSTOMS DIRECTIVES

Thirteen updated Customs Directives, five on NAFTA issues, have been posted to the Customs Electronic Bulletin Board. <http://www.cebb.customs.treas.gov/public/cgi/cebb.exe?mode=fa&area=12>

FTZ-HR 5396

As General Counsel of the NAFTAZ, we identified, researched, and prepared the Association's response to the introduction of HR 5396. The legislation would have eliminated all but one firm as a foreign-trade zone operator nationwide and provided a significant tax benefit to that sole foreign-trade zone operator. After very significant efforts, the legislation was withdrawn. Access "[What's New](#)" on our website.

TARIFF SCHEDULE

The ITC has posted a revised version of the 2000 HTSUS. Access "[What's New](#)" on our website.

FDA PRODUCT CODE

The FDA has developed a web-based product code builder on its website. www.accessdata.fda.gov/scripts/ora/pcb/pcb.htm. CEBB T-ABI26.TXT (Nov. 15, 2000).

1592 LIST

Just two weeks after its initial posting, Customs removed the list of companies that paid penalties under 19 CFR 1592 during the first half of 2000.

FOREIGN TRADE BARRIERS

Comments are due by Nov. 27 for the USTR's 2001 National Trade Estimate Report on Foreign Trade Barriers. [65 Fed. Reg. 65037](#) (Oct. 31, 2000).

COMMERCE WEB SITE

The Commerce Department has a new website that promotes U.S. businesses abroad at no charge. www.myexports.com

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 8/15/99		
	APPROVED	PENDING
ZONES	237	8
SUBZONES	437	25
MISCELLANEOUS		34
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	13	
SUBZONES	11	