

# BRIEFINGS

## FDA ENFORCEMENT

The FDA is significantly increasing its enforcement activities as a result of the Sept. 11 terrorist attacks. It is planning to double the number of field inspectors, shift to 24-hour operation at some ports, and increase the number and rigor of audits and inspections. It is in the process of revising Import Alert 66-66 to reportedly increase the necessary requirements for the import and inspection of FDA materials.

## MADE IN USA LABELING

The FTC has announced "Made in USA" Marking Consent Decrees by five firms in the Pharmaceutical Industry. Detailed information is available on the FTC website. <http://www.ftc.gov/opa/2001/11/musa.htm>

## CUSTOMS COMMISSIONER

Judge Robert Bonner was sworn in as the 17th Commissioner of Customs on September 24, 2001. Bonner was born in Wichita, Kansas, is a graduate of Georgetown Law School and served as an Assistant U.S. Attorney in Los Angeles, U.S. Attorney for the Central District of California, a U.S. District Judge, Administrator of the DEA, and has been an attorney in private practice. The firm has worked with him in his private Law practice. U.S. Treasury Press Release PO-631 (Sep. 24, 2001).

## WTO

The WTO meeting in Doha has produced some startling initial results; it marks a major change from the failure to reach agreement in Seattle in 1999 and thereafter. WTO members have agreed to proceed with a new round of global trade talks. The discussions to reduce trade barriers and duties will not proceed quickly. More importantly, they have agreed on an outline agenda that includes potentially significant changes in current intellectual property protections applied to pharmaceuticals, AD/CVD rules, environmental standards, market access, and agricultural markets. It represents major concessions by the U.S. and E.U. impacted by the war on terrorism and the current rapidly declining global economy. Access "[What's New](#)" on our website for final documents issued at Doha.

WTO members have formally approved the accession of China and Taiwan. Membership is effective December 11, 2001 for China.

## CANADIAN (AMPS)

The CCRA's Administration Monetary Penalty System (AMPS), effective Dec. 3, 2001, with a grace period until April of 2002, will focus on corrective measures, self assessment, and graduated responses to non-compliance and will track importer history. Access "[What's New](#)" on our website.

## FOCUSED ASSESSMENTS

On Oct. 1, 2001, Customs began its new Focused Assessment (FA) program that replaces the Compliance Assessment (CA) process. Our preliminary view is that this does not represent an easing of the audit process, but in fact represents a higher set of requirements for importers. An FA consists of two parts - a Pre-Assessment Survey (PAS) to evaluate the company's internal controls over Customs operations, and if significant control weaknesses are found, Assessment Compliance Testing (ACT) is conducted to measure those areas where weak controls indicate a significant risk of non-compliance or loss of revenue. A comprehensive (250+ pages) group of documents on the FA program were issued. Customs is expected to begin notifying those importers that have been selected to undergo a FA within the next few months. Access "[What's New](#)" on our website. For further information contact Marshall Miller.

## FDA IMPORT FOR EXPORT

Language that would eliminate section 801(d)(3) of the Federal Food, Drug and Cosmetic Act, "Import for Export," is being circulated by the House Energy and Commerce Committee. The language is expected to appear in a bioterrorism bill that is still in draft. Access "[What's New](#)" on our website.

## TOXIC SUBSTANCES

Importer compliance information on the Toxic Substances Control Act is now available at the EPA web site at <http://es.epa.gov/oecca/ccsmd/tsca.html>.

## HMT REFUNDS

December 31 is the deadline for filing requests for refunds of Harbor Maintenance Fees (HMFs) paid on exports that occurred more than a year ago. After that, Customs new rule imposing a one-year limit on such claims goes into effect. Clients who have not yet filed for a refund are encouraged to contact the firm.

## BROKER EXAMS

The October 2001 exam and key as well as many years previous exams and keys, are available on Customs web site. The pass rate of over 50% for October's exam is double the average for the previous two exams. Customs announced the next Customs Broker Licensure Examination will be held on Monday, April 1, 2002. Exam applications must be received by Mar. 1, 2002. Access ["What's New"](#) on our website.

## ULTIMATE CONSIGNEE

Customs issued CD 3550-079A, a revised Directive on the appropriate ultimate consignee identification. This continues to be a very sensitive issue of Customs compliance.

## PROTESTED NY ENTRIES

Customs has indicated that the port of NY is creating a report of all protests, 520(c) claims, and NAFTA claims that are believed to have been destroyed on in the WTC. Based on that report, protestants and claimants should prepare a single complete copy of the destroyed submission. HMF claims need not submit reconstructed entries with a copy of the protest.

## IMPORT STUDY

The ITC is holding a hearing for its follow-up investigation into the economic effects of U.S. import restraints on the U.S. economy. A public hearing will be held on December 4, 2001, in Washington D.C. [66 Fed. Reg. 55004](#) (Oct. 31, 2001).

## EXPORT INFORMATION

Commerce has launched Export Alert!, a Web service that will provide interested exporters with electronic updates of any changes in foreign government regulations that may impact exports from the United States. Organizations may sign up online at <http://ts.nist.gov/ts/htdocs/210/217/export-alert.htm>

## MAD COW

APHIS has added an additional requirement for certification of animal materials imported into the U.S. Animal products from non-bovine spongiform encephalopathy countries must be accompanied by a statement stating the product was not physically associated with, exposed to or commingled with animal material. CEBB [T-APHIS2.TXT](#) (Oct. 19, 2001).

## DOCUMENTATION REQUEST

Due to the destruction of the Customs Service library at 6 WTC in N.Y., the agency is rebuilding its collection and is asking for donations of Customs and international trade related materials, other legal materials including treaties, manufacturing reference materials, court reports, etc. This is a new opportunity for importers to supply the Customs Service decision makers on merchandise classification with explanatory data on their merchandise. If proper data is provided, it could make the decision process better. For a complete list of Customs requirements contact [ellen.k.berg@customs.treas.gov](mailto:ellen.k.berg@customs.treas.gov).

## FTAA

USTR has issued a notice that the negotiation committee for the FTAA has invited public comments on all aspects of the FTAA, including draft agreements, negotiations, and the process. Comments should be sent to the FTAA Secretariat no later than May 1, 2002, and should follow the format outlined at [www.ftaa-alca.org/spcomm/derdoc/dcs9e.doc](http://www.ftaa-alca.org/spcomm/derdoc/dcs9e.doc). [66 Fed. Reg. 56893](#) (Nov. 13, 2001).

## SWPM

As of October 1, the EU has joined the growing list of countries that have implemented regulations requiring heat treatment of wood-packing materials.

## STEEL DECISION

The ITC ruled on Oct. 22 that U.S. steel makers have suffered serious injury from foreign competition. Increased duties or quotas may be imposed on imported steel. The number of steel products covered by the ruling is broad enough that it is estimated to cover 79% of domestic production. <http://www.usitc.gov/er/nl2001/ER1113y1.htm>.

## CUSTOMS SYMPOSIUM

Customs will hold Tuesday, November 27<sup>th</sup> in Washington, D.C., its 2001 Trade Symposium. Registration is available on-line at [www.customs.gov/trade2001/trade2001.htm](http://www.customs.gov/trade2001/trade2001.htm). Representatives of the firm will be attending; if you plan on attending, please inform us so that we can make contact.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 11/15/01		
	APPROVED	PENDING
ZONES	244	4
SUBZONES	465	11
MISCELLANEOUS		26
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	11	
SUBZONES	9	