

BRIEFINGS

IMPORT SAFETY

- On November 6, the Interagency Working Group on Import Safety submitted to the President its "[Action Plan for Import Safety: A roadmap for continual improvement](#)". The Action Plan contains 14 broad recommendations and 50 specific action steps designed to protect the health and safety of consumers. The Plan shifts in emphasis from intervention to prevention.
- The new plan aims to restrict importation of hazardous food and products through targeted inspections of high-risk products or producers and prohibiting importation.
- The Food and Drug Administration has released a "[Food Protection Plan](#)" that includes several measures specific to the safety of imported and exported food, including recommended legislative changes involving electronic import certificates for high risk products, a new export certificate fee, and the denial of U.S. entry for food from foreign companies that deny or limit FDA inspections.

EXPORT PENALTIES RAISED

[S. 1612](#), signed into law by President Bush on October 16, significantly increases the civil penalties for violating the Export Administration Regulations (EAR) to the greater of \$250,000 or twice the amount of the transaction, and criminal penalties to a maximum of \$1 million or 20 years in prison.

FTZ ACCESS

The Foreign-Trade Zones Board has extended the public comment period to January 31, 2008 for comments on uniformity of FTZ treatment, including potential conflicts of interest by third-party agents of Grantees that may control local access to zone benefits. 72 Fed. Reg. [62430](#) (Nov. 5, 2007).

TSA SECURITY PROGRAM

The Transportation Security Administration (TSA) has announced a "Certified Shipper" program, which it will roll out in 2008 on a limited basis. The program is part of TSA's response to H.R.1, which President Bush signed into law in August. It requires 100% screening of cargo on passenger aircraft by 2010. The program shares many fundamentals with the Customs-Trade Partnership Against Terrorism (C-TPAT).

EXPORT CONTROL AUDIT

The Department of Homeland Security's Office of Inspector General (OIG) has posted an [unclassified summary](#) of its audit of CBP export control activities, finding that CBP is not consistently targeting and inspecting outbound shipments because they do not devote sufficient resources, do not have the information necessary to effectively monitor the program, and do not have performance measures to evaluate results.

10 + 2 UPDATE

Customs Commissioner Basham has indicated that the new Security Filing (i.e., "SF" or "10+2") advance data requirements are to be phased-in in early 2008. Customs will also phase-in enforcement. The SF will require ten additional data elements from importers prior to loading overseas, including the Harmonized Tariff Schedule classification to the 6-digit level. Clients should already be introducing operations to ensure the advanced data elements are generated at the necessary time.

C-TPAT

- Customs has released minimum [security](#) criteria and an implementation plan for air carriers. Current C-TPAT carrier participants must meet these requirements by 120 days from November 14.
- Customs Commissioner Basham stated at the recent Western Cargo Conference that China has agreed to allow U.S. inspectors to conduct foreign site C-TPAT validations. Details are pending, including whether U.S. Customs supply chain security specialists will be free to visit Chinese companies on their own or if joint validations will be conducted with China Customs.

e214s

Customs has posted a [list](#) of 17 field offices whose ports accept the electronic CBP Form 214 zone admission/status designation.

FTAs

- The House Representatives passed the Peru Foreign Trade Agreement (FTA) on November 8 by a vote of 285-132. It must now pass the Senate.
- Both the House and Senate trade committees have indicated that the U.S.-Panama FTA should be the next to be considered after the recent passage of the Peru FTA in the House.
- The USTR has requested public comment by November 14 on the impact of renewal of the U.S.-Israel Agreement on Trade in Agricultural Products. The agreement expires December 31, 2008. 72 Fed. Reg. [58688](#) (Oct. 16, 2007).
- Customs has posted [guidance](#) on its web site regarding the treatment of textiles under each FTA.
- Customs has issued interim regulations for the U.S.-Bahrain FTA. Comments are due December 17. 72 Fed. Reg. [58511](#) (Oct. 16, 2007).

ITAR EXEMPTIONS

A recent Government Accountability Office (GAO) [report](#) criticized State and Defense Department handling of license exemptions under the International Traffic in Arms Regulations (ITAR), urging better cooperation between the agencies and stronger oversight.

IRAN SANCTIONS

The State Department recently imposed sanctions against Iranian banks, companies, and individuals for engaging in proliferation activities contrary to the Iran Nonproliferation Act of 2000. [State Department Fact Sheet](#) (Oct. 25, 2007).

MARITIME SECURITY

The Government Accountability Office (GAO) has released [testimony](#) before the Senate Committee on Homeland Security and Governmental Affairs on the progress made in maritime security one year after the SAFE Port Act.

VEU

- The Bureau of Industry and Security (BIS) has issued a Final Rule, listing five validated end-users in China approved to receive exports, reexports, and transfers of certain items under the new Validated End-User (VEU) program. 72 Fed. Reg. [59164](#) (Oct. 19, 2007).
- BIS has posted [additional information](#) regarding India's recent inclusion in the Validated End-User (VEU) program, including a press release, a fact sheet, Q&A, links to the final rule and regulations, and guidance for submitting advisory opinion requests.
- BIS has published [Q&A](#) regarding the China and India Validated End-User programs.

NEW FOIA OFFICE

Customs has [opened](#) a new Freedom of Information Act (FOIA) office.

ANTIBOYCOTT

- Expeditors International recently settled two civil violations of the antiboycott law for \$2,250. BIS charged Expeditors with furnishing information regarding a boycotted country and failing to report the request to furnish information. [Expeditors International of Washington, Inc.](#) BIS Case No. [06-23](#).
- The Department of the Treasury has listed the following countries as potentially requiring participation in, or cooperation with boycotts: Kuwait, Lebanon, Libya, Qatar, Saudi Arabia, Syria, United Arab Emirates, and Yemen. Iraq's status remains under review. 72 Fed. Reg. [60930](#) (Oct. 26, 2007).

OIL FOR FOOD

The U.S. Justice Department has [announced](#) that Ingersoll-Rand will pay a total of \$4.45 million in fines and disgorge \$2.27 million in profits and interest for alleged wire fraud and Foreign Corrupt Practices Act violations by Irish and Italian subsidiaries related to payments to Iraqi government officials under the U.N. Oil for Food program.

ELECTRONIC FILING

BIS has issued a Proposed Rule requiring electronic filing via the Simplified Network Application Process (SNAP-R) system of all export/ reexport license applications, classification and encryption review requests, license exception "AGR" notifications, and related documents. 72 Fed. Reg. [59231](#) (Oct. 19, 2007).

BURMA

- BIS has issued a Final Rule amending the Export Administration Regulations (EAR), moving Burma into a more restrictive country group and imposing a license requirement for most items. 72 Fed. Reg. [60248](#) (Oct. 24, 2007).
- BIS has published a set of [questions and answers](#) regarding the enhanced Burma sanctions.

WASSENAAR CHANGES

BIS has issued a Final Rule, revising the EAR to implement numerous Wassenaar Arrangement changes, including amending certain entries that are controlled for national security reasons, adding new Commerce Control List (CCL) entries, amending and addressing EAR definitions, and adding a new Statement of Understanding on source code. 72 Fed. Reg. [62524](#) (Nov. 5, 2007).

ANTI-COUNTERFEITING

The USTR has [announced](#) that the U.S. and other developed countries intend to negotiate an Anti-Counterfeiting Trade Agreement to curb piracy and counterfeiting of consumer goods.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 11/15/07		
CURRENTLY		
	<u>APPROVED</u>	
<u>AUTHORIZED</u>		
ZONES	271	256
SUBZONES	599	497
	<u>PENDING</u>	
ZONES	1	
SUBZONES	22	
MISCELLANEOUS	26	
	<u>AVERAGE PROCESSING TIME (MONTHS)</u>	
ZONES	8	
SUBZONES	8	