

BRIEFINGS

CHINA WTO ACCESSION

Agreement has been reached by the US; EU continues to have a number of open issues. Expect final WTO approval this year.

SUGAR SYRUP DECISION

This hotly disputed revocation reported in September's *Briefings* has now been reversed by the Court of International Trade. The CIT determined the case on the principles of tariff classification that (1) goods are classified in their condition as imported and (2) importers can fashion goods to obtain lower duty rates, and did not delve into the political pressures that allegedly influenced Customs' decision. [Heartland By-Products Inc. v. U.S., CIT Slip Op. 99-110 \(Oct. 19, 1999\)](#). Access "What's New" on our website.

EXPORT ENFORCEMENT

A freight forwarder employee received 2-years probation and a \$1,000 fine for his failure to file a Shipper's Export Declaration (SED/7525-V) for a shipment to Iran, and for failing to accurately state the value of the goods.

OFAC

OFAC offers a new free 24-hour fax-on-demand service at 202-622-0077. Forms, articles, regulations, brochures, nationals and blocked persons lists, terrorism, narcotics, and non-proliferation information, and sanctions information is available. www.treas.gov/ofac/info.html

ORIGIN MARKING

Pentax Corp., its parent, and an affiliate have settled mis-marking claims for \$20 million. Customs pursued the company even though it had made a prior disclosure of its marking violations, alleging that the disclosure was fraudulent. Apparently the issues involved pre and post disclosure actions by the company. Rumors are that further actions involving \$50-\$100 million are pending on other firms.

OVERVALUING OF GOODS

A jury recently found that a company was not negligent under 19 USC 1592 for purposefully overstating the value of goods on entry documents. While Customs argued that the company exhibited a lack of reasonable care, the company argued that there was no revenue loss and, in fact, higher MPF and HMT were paid. [U.S. v. Tri-State Hospital Supply Corp. CIT Slip Op. 99-107 \(Oct. 8, 1999\)](#). Access "What's New" on our website.

Y2K

The International Y2K Cooperation Center's website, established by the United Nations, has individual country information and is located at www.iy2kcc.org. The U.S. State Department has individual country information at <http://travel.state.gov/y2kca.html>. Access "What's New" on our website.

FTZ REPORTING

The Bureau of the Census has published a new edition of "The Automated Foreign-Trade Zone Reporting Program" which includes changes and new requirements for electronic transmission. Effective January 1, 2000, all participants will be required to transmit their data in the new format (reflected in their February 10, 2000 transmission/diskette). Cartridge submissions will no longer be accepted. Copies are available from the firm. Bureau of the Census (Oct. 22, 1999).

FTZ WEEKLY ENTRY/GSP

The Senate and House are now trying to reconcile with each other their versions of the Trade Bill. Action is expected in the next few days. H.R. 434 (Feb. 2, 1999)

MAQUILADORA TAX

The Mexican government has delayed for three years a new tax program announced in late December of 1998 whereby maquiladora operations in Mexico would be liable for Mexican income tax as a "permanent establishment."

EXPORTERS

Written comments are due by December 3, 1999, on [Census](#) and [BXA](#) proposed rules concerning changed responsibilities of parties for export transactions. Access "What's New" on our website.

HTS SIMPLIFICATION

Customs has commented on the initial draft of the International Trade Commission's proposed simplification of the Harmonized Tariff Schedule (HTS). Customs states that it strongly supports the ITC's draft and also identified many additional HTS numbers that could be simplified. Customs also suggested that during development the 484f Committee (representatives from Customs, ITC, and Census) should consider a moratorium on adding any new HTS statistical suffixes and possibly adopt some of the proposals that do not require legislation. <http://www.usitc.gov/sec/i0326w2m.htm>

COMPLIANCE TOOLS

Customs has posted to the section of its website version 2.0 of a publication entitled "Trade Compliance Tools and Other Resources - A Resource Guide for Measuring and Improving Compliance" (dated July 1999). It provides useful insight. <http://www.customs.ustreas.gov/contract/modern/docs/tctools.pdf> Access "What's New" on our website.

INTEREST CALCULATIONS

The U.S. Customs service has issued an interim rule concerning the assessment of interest on underpayments and overpayments of duties, taxes, and fees. The interim rule would basically conform the Customs Regulations with existing practice. Comments are due December 20, 1999. [T.D. 99-75; 64 Fed. Reg. 56433 \(Oct. 20, 1999\).](http://www.fedreg.gov)

EXPORTS VIA CANADA

The U.S. Customs Service recently announced that in the second quarter of 1999 it found that 25% of truck shipments that entered Canada for transshipment to other countries did not have export declarations filed when required.

TRADE BARRIERS

USTR is requesting public comments that identify significant barriers to exporting US goods and services. Comments are due December 3 to be incorporated into the *National Trade Estimate Report on Foreign Trade Barriers*. [64 Fed. Reg. 59223 \(Nov. 2, 1999\).](http://www.fedreg.gov)

CEBB

Customs has issued a general notice announcing that effective on or after January 1, 2000, access to the Customs Electronic Bulletin Board (CEBB) will be available only through the Internet at <http://www.customs.gov>. [64 Fed. Reg. 57185 \(Oct. 22, 1999\).](http://www.fedreg.gov)

DRAWBACK

- The Federal Circuit U.S. Court of Appeals in Washington recently overturned a Court of International Trade decision and ruled in favor of International Light Metals, who was previously denied duty drawback for "same kind and quality" claims when using domestic goods gathered from scrap. [International Light Metals v. United States, CAFC 99-1032 \(Oct. 25, 1999\).](http://www.fedreg.gov)
- Customs is modifying a ruling pertaining to expanding the definition of *bona fide* export to include the sale of rejected merchandise to a foreign seller, who takes the merchandise to a foreign country where it is processed and recovered. 33 Cust. B. & Dec. 44 (Nov. 3, 1999).

CUSTOMS FORMS

The U.S. Customs Service has recently posted 11 additional forms to its website, bringing the total number available for viewing, downloading and printing to 43. Customs notes that non-standard size and carbon-type forms not available on the internet are available from Customs Service Ports. <http://www.customs.gov/travel/forms.htm>

APHIS

- APHIS has amended 7 CFR 319.40-7 (f) and 319.40-5 (g), effective Nov. 3, that fumigated imported unmanufactured wood articles imported into the U.S. must be aerated to meet EPA, OSHA, and Plant Protection and Quarantine Treatment Manual requirements. [64 Fed. Reg. 59603 \(Nov. 3, 1999\).](http://www.fedreg.gov)
- New regulations announced by the Chinese government require all imported packing materials made of US pinewood to be heat-treated and certified as such by the US government or exporter. The USDA has established a help-line for exporters (301) 734-8295.

CANADIAN-US AUTO PACT

An interim WTO dispute resolution panel has found that Canada's practice of extending preferential import tariffs to US automakers who agree to use a particular level of domestic resources in the manufacture of cars violates several provisions of the GATT and the GATS.

ACE

Customs posted to its web site a draft version of its request for proposal (RFP) to solicit a prime contractor for developing and building the Automated Commercial Environment (ACE) and modernizing associated Customs systems. <http://www.customs.ustreas.gov/contract/modern/docs/rfpdraft.pdf>

BONDED WAREHOUSES

Customs issued a Final Rule effective Nov. 26, amending the Customs Regulations concerning bonded warehouses. [64 Fed. Reg. 57564 \(Oct. 26, 1999\).](http://www.fedreg.gov)

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 11/15/99		
	APPROVED	PENDING
ZONES	232	5
SUBZONES	417	32
MISCELLANEOUS		28
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	12	
SUBZONES	12	