

# BRIEFINGS

## YEAR-END FTZ ACTION

Grantees and Operators are reminded that FTZ Board "Annual Reports" as of September 30 are due; Annual Reconciliations must be completed for Customs purposes.

## FTZ MAINTENANCE PLAN

The firm's new program will assist clients in assuring compliance. Detailed information is available on a special section on our website or via a direct mailing.

## GENERAL ORDER

The recent change to a 15-day timetable for merchandise imports to be cleared has created a new General Order problem for Customs nationwide. A wide range of materials are going into General Order because the correct documentation has not been provided in a timely manner.

## SINGAPORE/CHILE FTAs

On Nov. 16, the Administration announced the start of FTA negotiations with Singapore. Comments are due to the ITC by December 20. [65 Fed. Reg. 77672](#) (Dec. 12, 2000). On Nov. 29, the Administration announced the commencement of an FTA process with Chile. Comments are due to USTR by noon January 29, 2001. [65 Fed. Reg. 78253](#) (Dec. 14, 2000). Both are expected to be concluded quickly.

**SEASONS GREETINGS**  
BEST WISHES FOR A  
HAPPY & HEALTHY  
NEW YEAR

## HMT

- Oral arguments in [BMW Mfg. v. US](#) occurred on December 5. A decision is expected in two to four months.
- The Supreme Court has denied the U.S. Government appeal in [Swisher Int'l v. U.S.](#). This denial paves the way for refunds of all HMT paid on exports since the inception of HMT in April 1987. It is unclear if interest will be paid. The CIT is expected to establish procedures to handle the refund. [CAFC Slip.-Op. 99-1277](#).
- Customs has issued a proposed rule to establish a one-year time limit for requesting a refund of quarterly paid HMT, or for other miscellaneous claims. This directly relates to FTZ filings. Comments are due by Feb. 13, 2001. [65 Fed. Reg. 78430](#) (Dec. 15, 2000).

## PEAP

The new version of the Post-Entry Amendment Policy (PEAP) was recently published. It does not provide a simple mechanism. The threshold amount has been reduced to \$20. Comments are due by December 28. Clients are encouraged to submit comments directly or through the firm. [65 Fed. Reg. 70872](#) (Nov. 28, 2000).

## I. D. - DUTY REDUX

Customs has again authorized the release of most types of merchandise under immediate delivery (ID) procedures for the 12/15 - 12/31 period. Material moved under an I.T. are excluded. Importers may elect to use a 2001 entry summary date as the "time of entry" and take advantage of lower duty rates or special programs for 2001. Access "What's New" on our website. [Adm 00-1524](#) (Dec. 12, 2000).

## NAFTA

- Effective January 1, 2001, the NAFTA Duty Deferral program applies to all Mexican shipments.
- The US has agreed effective January 1, 2001 to accelerate the elimination of tariffs on NAFTA qualifying goods of Mexico classified under 31 specific HTS sub-headings.

## CUSTOMS AGENDA

Customs has published its semi-annual regulatory agenda in the November 30, 2000 *Federal Register*. The agenda is a comprehensive list of Customs' regulations at the proposed, final, long term and completed stages. Access "[What's New](#)" on our website.

## WORLD DEVELOPMENT

The World Bank has issued its 2000/2001 "[World Development Report](#)." Access "What's New" on our website.

## TRADE SYMPOSIUM 2000

On November 30, Customs conducted its first-ever Trade Symposium, where it explained several aspects of its "modernization" drive, including:

- Automated Commercial Environment (ACE) - Congress has authorized the first installment of \$130 million for development expenses.
- Compliance Assessments - Customs discussed changes to Compliance Assessments including: creation of Trade Liaisons; holding importers accountable only for things they are actually responsible for; issuing new guidelines in March 2001 to prevent classification "gray areas" from being counted against importers; and considering ending the CAM program that allows companies to review Compliance Assessment documents before giving them to Customs.
- Drawback - Customs is willing to consider radical changes to the Drawback program, including its complete elimination. Customs encourages comments from all interested parties.
- Entry Revision Project (ERP) Customs issued the third draft of the ERP. It is disappointing. The goal is to move to an account-based entry system.
- Ultimate Consignee - Customs has released a draft directive clarifying the "Ultimate Consignee" designation. [Access "What's New"](#) on our website for more information.

## HTS REVISIONS

The WCO is revising the Harmonized Tariff Schedule and Explanatory Notes to be published in 2007. Access the proposed [U.S. HTS revisions](#) on our website at "What's New." Clients are encouraged to review and comment on the document and discuss concerns with the firm before contacting the U.S. International Trade Commission.

## FTZ APPLICATIONS

Recent "restructuring" by the United States Customs Service Headquarters to expedite the review of Foreign-Trade Zones Board Applications appears to have been effective. Sign off by the Commissioner of Customs is no longer required. A recent Expansion Application was processed in less than fifteen days.

## EXCLUSION ORDER BONDS

Customs has issued amended bond procedures applicable to merchandise subject to exclusion orders. The final rule allows such merchandise to enter under a special bond in an amount deemed to be sufficient to protect the exclusion order complainant from injury. [65 Fed. Reg. 77813](#) (Dec. 13, 2000).

## PATENT DATABASE

The U.S. Patent and Trademark Office has expanded its web-based patent database to include every U.S. patent awarded, for a total of over 6.5 million patents accessible. Access ["What's New"](#) on our website.

## AFRICAN TRADE

- The USTR has posted an implementation guide for the Africa Growth & Opportunity Act (AGOA) to its web site. The guide provides an overview summary of the Act; information on Customs related requirements; and a discussion of general country eligibility requirements. Access ["What's New"](#) on our website.
- As part of the implementation of the AGOA, the ITC issued its confidential "Advice on Providing Additional GSP Benefits for Sub-Saharan Africa" to the President in Oct. The report identifies the probable economic impact on the US for each of the 1,897 HTS numbers proposed. Access ["What's New"](#) on our website.

## RECORDKEEPING

Customs has issued final guidelines (TD 00-63) effective November 8, for all section 1509 violations (failing to comply with a lawful Customs demand for the production of (a)(1)(A) entry records and entry information) occurring on or after July 15, 1996, the date the (a)(1)(A) list was published in the *Federal Register*. [34 Cust. B & Dec. 45](#) (Nov. 8, 2000).

## ACS RECONCILIATION

Reconciliation entries are due for flagged entries in the first full year of the prototype. Failure to timely file will result in liquidated damages. The U.S. Customs Service is planning a series of non-statutory changes.

## TEXTILE TRANSSHIPMENT

The U. S. Customs Service has issued its semi-annual list of foreign entities that have been penalized for violations of textile/apparel transshipment and/or origin violations. [65 Fed. Reg. 62409](#) (Oct. 18, 2000).

## CUSTOMS RULINGS

The General Accounting Office (GAO) has issued its report regarding the timeliness of Customs Headquarter Rulings. A random sample of recent Customs ruling found that two-thirds were not completed within the 120 day goal; 16% of these rulings took longer than a year to issue. Expect the 120 day target time line to be lengthened.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 12/15/00		
	APPROVED	PENDING
ZONES	238	7
SUBZONES	438	29
MISCELLANEOUS		34
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	11	
SUBZONES	11	