

BRIEFINGS

C-TPAT

- The Commissioner's Chief of Staff, Andrew Maner, indicated in a speech that membership in C-TPAT may be capped. However, there has been no official imposition of a membership cap.
- Customs has indicated that it will perform validations on C-TPAT participants.
- The firm has a highly detailed and structured action plan for developing a C-TPAT compliance program. Access "[What's New](#)" on our website or contact Marshall Miller for information on the plan.

CUSTOMS RULINGS

Customs has wiped out its backlog of Customs Rulings. We urge clients to review the new rulings. The speed in which rulings are being issued is resulting in incorrect analysis in some cases. Ruling requests should not be submitted to Customs without very careful consideration.

TARIFF FREE WORLD

The U.S. has proposed the global elimination of all tariffs on consumer and industrial goods by 2015. This highly political proposal was met with immediate opposition by certain U.S. trade groups and many countries where Customs duties are the primary source of government revenue. More information is available from the [USTR](#) website.

SEASONS GREETINGS
BEST WISHES FOR A
HAPPY & HEALTHY
NEW YEAR

I.D. - DUTY REDUX

Customs has issued an ABI message authorizing the release of most types of merchandise under immediate delivery (ID) procedures beginning Dec. 17. Under ID, importers may elect to use a 2003 entry summary date as the "time of entry" and take advantage of previously negotiated lower duty rates or special programs for 2003. Access "What's New" on our website. ADM [02-1710](#) (Dec. 12, 2002).

24-HOUR RULE

Effective December 2, 2002, Customs began requiring vessel cargo manifests be filed with Customs 24 hours before the cargo loads onto vessels destined for the U.S. An explanatory memo is available from the firm. Customs has posted to its website a document on its expectations for the 24-hour rule. Access "[What's New](#)" on our website.

2003 HTSUS

The International Trade Commission (ITC) has posted the 2003 Harmonized Tariff [Schedule](#) of the United States (HTSUS) to its website. Access "What's New" on our website.

FOCUSED ASSESSMENT

Customs has posted to its website an updated Focused Assessment Kit (FA Kit). The updated FA Kit contains 15 new documents and numerous revisions to the FA Kit published in Oct. 2001. The FA Kit contains the same documents utilized by Customs when it conducts a Focused Assessment. Access "[What's New](#)" on our website.

WEST COAST PORTS

The Pacific Maritime Association (PMA) and the International Longshore and Warehouse Union (ILWU) have reached a tentative six year labor agreement. The union will vote on it during the week of January 6, 2003.

FTZ YEAR END REMINDER

- FTZ Board Annual Reports for fiscal year 2002 are due to the Board by Jan. 31, 2003.
- FTZ operators whose zone year is on a calendar year basis are reminded to file an Annual Blanket CF 216 by Dec. 31, complete the Annual Reconciliation and Internal Review by March 31, and certify the reconciliation and review to Customs within 10 days afterwards.

NAFTA

Clients are reminded that yearly blanket NAFTA certificates expiring in December should be reissued for 2003.

FTZs

- The Customs Service has indicated in a recent Administrative Message that firms must migrate from the Paperless export procedure to the QP Electronic Process. We understand that Customs will not enforce this change until June 2003. However, firms should initiate a process to examine alternatives. Contact Krista Helvey for more information. ADM [02-1598](#) (Nov. 21, 2002).
- Customs Headquarters has announced that it will withdraw its Proposed Weekly Entry Regulation. This will have no impact whatsoever on current Weekly Entry activity. All companies are authorized by statute to utilize the Weekly Entry process for distribution without regulations. Access ["What's New"](#) on our website.
- For the first time, the FTZ Board has issued a Scope Determination involving FTZ operations. It involves the oil refining industry. It should be very carefully considered and identified as a precedent for future actions. Access ["What's New"](#) on our website.
- Customs has initiated a nationwide effort to confirm the payments on ocean freight shipments received at zones. If clients have not received notification yet from Customs, they will. We can provide detailed assistance on this matter.

ACE PARTICIPANTS

Customs has selected 40 importers to participate in the National Customs Automation Program (NCAP) pilot test of the first release of ACE, due out in February 2003. The first functionality that will be released is account management. As a condition of participation, all participants must have joined C-TPAT. Access ["What's New"](#) on our website.

SECURITY

- The Department of Transportation (DOT) and Customs announced the launch of Operation Safe Commerce (OSC). OSC will explore business processes and technology prototypes that protect the movement of commercial ocean shipments from threats of terrorist attack, illegal immigration, and contraband. OSC will serve as a laboratory for trade security initiatives. 67 Fed. Reg. [70110](#) (Nov. 20, 2002).

WTO

- The World Trade Organization (WTO) has issued its 2002 Annual Report noting that world trade decreased by 1.5% in 2001. This is a dramatic drop, considering world merchandise trade increased by 12% in 2000 and averaged 7% growth during the 1990s. Access ["What's New"](#) on our website.
- The WTO International Trade Statistics Report identified many surprising trade trends. 2001 was the first year since 1982 that world merchandise trade declined. 2001 was the first decrease in world merchandise output since 1991. North America had the largest decrease in export and import volume. Only 5 out of 150 developed or developing countries account for 60% of manufactured goods exports. Access ["What's New"](#) on our website.

NAFTA-MEXICAN TRUCKS

- Effective November 27, 2002, President Bush issued a memorandum allowing qualified motor carriers domiciled in Mexico to provide cross-border truck and bus services. 67 Fed. Reg. [71795](#) (Dec. 2, 2002).
- On December 2, opponents filed a petition to stop implementation. Access ["What's New"](#) on our website.

FTAs

- The U.S.-Chile Free Trade Agreement (FTA) has been completed and now goes to Congress.
- The U.S.-Singapore FTA is near completion. Once in effect, the majority of U.S. duties and goods will go to zero. Singapore will reduce all of its tariffs on goods to zero immediately. This would be the first free port country providing tax holidays to have FTA status.
- The United States and the Central American countries of El Salvador, Guatemala, Honduras, Costa Rica, and Nicaragua are set to begin negotiations for a FTA in late January.
- USTR has issued a request to the ITC to investigate the impact of a potential Free Trade Agreement with Australia.
- The significance of trade under FTAs has increased dramatically in the last decade. Before NAFTA was implemented in 1992, Mexico accounted for 6.46% of U.S. imports and 9.32% of U.S. exports. These amounts have increased to 11.78% and 13.69% in 2002. U.S. FTAs account for 31.53% of U.S. imports and 37.38% of U.S. exports. It is estimated that when existing FTAs are combined with the FTAs under negotiation, FTA-related trade will account for 39.23% of U.S. imports and 58.32% of U.S. exports.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 12/15/02		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	254	241
SUBZONES	522	442
PENDING		
ZONES		3
SUBZONES		21
MISCELLANEOUS		20
AVERAGE PROCESSING TIME (MONTHS)		
ZONES		11
SUBZONES		10