

BRIEFINGS

BTA FDA PRIOR NOTICE

- The Dec. 12 implementation occurred without major impediments; the timetable for implementation provides a term of "discretionary" enforcement until March 12, 2004. Thereafter, enforcement and CBP penalties will occur. Clients are encouraged to consider an effective/efficient process.
- The first step is to identify products that require Prior Notice. The FDA [Guidance to Industry](#) identifies flagged HTS numbers.
- Additional key documents include: [What You Need to Know About Prior Notice of Imported Food Shipments](#); [What You Need to Know About Registration of Food Facilities](#); Small Entity Compliance Guides (SECGs), [68 Fed. Reg. 69408 \(Dec. 12, 2003\)](#); CBP [Interim Bioterrorism Trade Act \(BTA\) Procedures](#); CBP [Administrative Message 03-2812](#); and CBP [Questions & Answers](#).
- The NAFTAZ submitted a confirmation letter to Customs regarding FTZ issues with the BTA. A PN number on the CF 214 at initial zone admission is the only requirement. No action is necessary on zone-to-zone transfer receipts or exports.

STEEL

Presidential Proclamation 7741 terminated steel safeguard measures. Steel import licensing and the surge monitoring system will remain in place. [68 Fed. Reg. 68483 \(Dec. 8, 2003\)](#); [68 Fed. Reg. 68594 \(Dec. 9, 2003\)](#).

SEASONS GREETINGS

BEST WISHES FOR A
HAPPY & HEALTHY
NEW YEAR

YEAR-END REMINDERS

- NAFTA Yearly Blanket CF 434s
- 2004 Duty Reductions/New FTAs
- FTZ Board Annual Report FOR CALENDAR YEAR FTZS:
- Customs Reconciliations
- Yearly Blanket CF 216s

I.D. - DUTY REDUX

Importers may elect to choose a 2004 entry date as the "time of entry" rather than the 2003 release date for goods released between 12/17/03 and 12/31/03. This will allow importers to benefit from any reduced duty rates that begin Jan. 1, 2004 (e.g., staged duty reductions, the US/Chile and US/Singapore FTAs, etc.). Exceptions apply.

HTSUS

An [Interim 2004 Harmonized Tariff Schedule of the United States \(HTSUS\)](#) has been posted to the ITC Web site. It contains corrections as of Dec. 10, and is effective Jan. 1, 2004.

SWPM FINAL RULE

[APHIS](#) is finalizing its proposed rule requiring all non-exempt solid wood packing material to be either heat treated or fumigated.

C-TPAT

- At the annual Customs Trade Symposium held Nov. 20-21 in Washington, D.C., key areas included: unified cargo operations, development of a secure C-TPAT Web site, DHS regionalization, ACE, CSI, and FAST. Customs said that implementation of C-TPAT smart containers is now in its initial phase; the "smart container" will be a best practice for CBP in the near future, not mandatory.
- Nearly 200 C-TPAT validations have been undertaken this fiscal year, with over 100 completed.
- Over 70 of the top 100 importers by container volume are C-TPAT participants and there are a total of 4731 participants.

NAFTA COMMENT REQUEST

USTR has requested public comments on liberalizing the NAFTA rules of origin. The notice also seeks proposals to request the harmonization of the Most Favored Nation (MFN) tariff rates of the United States, Canada, and Mexico. Comments are due to the USTR on Feb. 6, 2004. Clients should definitely submit comments. [68 Fed. Reg. 68430 \(Dec. 12, 2003\)](#).

FEDERAL HOLIDAYS

The President has declared December 26, 2003 as a federal holiday; 2004 holidays are listed. [ADM 03-2840](#); [ADM 03-2846 \(Dec. 10, 2003\)](#).

EXPORT LEGISLATION

- The State Department has amended the ITAR to: remove Angola from the list of proscribed countries; partially lift the denial policy for Iraq; and remove Iraq as a country supporting acts of international terrorism. 68 Fed. Reg. [65633](#) (Nov. 21, 2003).
- BIS has issued a proposed rule that would require all export license applications, reexport license applications, encryption review requests, license exception "AGR" notifications, and classification requests and their related documents to be filed electronically via a revised version of its SNAP system, called "SNAP+," unless the application is for a Special Comprehensive License (SCL) or BIS approves the applicant for paper filing. Comments are due Jan. 12, 2004. 68 Fed. Reg. [64009](#) (Nov. 12, 2003).
- State's final rule issued on October 27, 2003, regarding mandatory AES filing included additional details. Mandatory AES filing for hardware products on the USML was effective October 18, 2003. A paper copy of the AES transmission must be provided at the port of export until December 18, 2003. Exports of defense services or technical data require a manual prenotification to State rather than filing through AES. Customs may request a copy of this prenotification for any hand carries of technical data. The prenotification is slated to become electronic by mid-Jan. 2004. 68 Fed. Reg. [61098](#) (Oct. 27, 2003).
- In response to its May request for comments, BIS has posted an amended [guidance](#) document entitled "Best Practices for Transit, Transshipment, and Reexport of Dual-Use Items Subject to the Export Administration Regulations."

CHINESE SAFEGUARDS/AD

- CITA has re-imposed quotas on Chinese knit fabric, brassieres, and dressing gowns, effective as of the date CITA formally requests consultations with China to discuss the quotas. They will be based on the trade levels for the products for the year ending August 2003, plus an additional 7.5%.
- DOC has made a preliminary determination on the alleged dumping of color television receivers from China and Malaysia; dumping rates from China vary from a specific rate of 27.94% to a country-wide rate of 78.45%.

ATPDEA

Customs has published interim regulations of the ATPDEA. 68 Fed. Reg. [67338](#) (Dec. 1, 2003).

CUSTOMS USER FEES

For financial reasons, a ten year extension to the Merchandise Processing Fee and other Customs user fees was included as Section 614 the Medicare Improvement Act of 2003. MPF is now extended until Sept. 30, 2013. [P.L. 108-173](#) (Dec. 8, 2003).

FTZ BOARD

The Department of Treasury and DHS have reached an understanding relating to the Foreign-Trade Zones Board. The Board's Executive Secretary will provide each proposed Board decision directly to a designee of the Secretary of the Treasury and to DHS. When the Departments agree, the Board vote will be recorded accordingly. If the Departments disagree, Treasury will ultimately decide. However, before exercising such authority, Treasury will consult with DHS to see whether an agreement can be reached.

CBP FORMS

CBP has posted to its Web site updated Customs [forms](#) that reflect "U.S. Department of Homeland Security" and "Bureau of Customs and Border Protection." The forms are now referred to as "CBP Forms." The revision date in the bottom right hand corner has not been changed since the information required on the forms has not been revised. CBP Form 7501 is not available. Our firm has scanned the updated forms into the OmniForm software. Contact Clarissa Pence if you would like to receive the OmniForm versions of the CBP Forms.

STATUTORY NON-ACTION

- Miscellaneous Trade and Technical Corrections Act of 2003, which included Duty Suspensions.
- Repeal of the FSC/ETI tax.
- Repeal of the Byrd Amendment, which allows for the distribution of anti-dumping duties to those parties that claimed injury.

SYRIA

The President signed HR 1828 December 12, 2003, that is designed to stop Syria from supporting terrorism. The legislation provides for a prohibition of exports to Syria and investment by U.S. businesses in Syria.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 12/15/03	
	CURRENTLY APPROVED AUTHORIZED
ZONES	258 245
SUBZONES	527 446
PENDING	
ZONES	3
SUBZONES	12
MISCELLANEOUS	34
AVERAGE PROCESSING TIME (MONTHS)	
ZONES	9
SUBZONES	9