

BRIEFINGS

ROUTING SLIP

2010 TRAINING SEMINARS

Details on the firm's 2010 seminar schedule are on our [website](#). Our first session, a free, client-only Import/Export 101 is scheduled for February 23-24, 2010. Register now by e-mail to [Penny Freeman](#).

YEAR-END FTZ CHECKLIST

Clients are reminded of the following year-end actions:

- FTZ Board Annual Report
- CBP Annual Reconciliation
- Renewal of Yearly Blanket CBPF 216
- FTZ Scope of Authority and Land/Buildings Activation Review

The firm has prepared a basic [Memorandum](#) on the subjects. Contact Scott Taylor with questions.

ACE AD/CVD ENTRIES

Customs is [scheduled](#) to deploy Entry Type 03 (Antidumping/Countervailing Duty entries) in ACE on January 17, 2010. Unlike the original deployment of Entry Types 01 and 11, it will be immediately available to all entry summary processing ports. Filers will also be able to run a query of AD/CVD case information.

CBP COMMISSIONER

Acting U.S. Customs Commissioner Jayson Ahern has [announced](#) that he plans to retire in January 2010. Alan Bersin has been nominated to be the next Commissioner, but is still awaiting confirmation.



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



ISF JANUARY 2010

- Acting Commissioner Jayson Ahern [confirmed](#) at the recent Customs Trade Symposium that "full enforcement" of the Importer Security Filing requirements, using the "informed compliance" approach, will begin January 26, 2010.
- Customs is requiring a separate ISF Power of Attorney for agents filing on the importer's behalf based on the CBPF 5291 in 19 C.F.R. § 149.5(c). Clients are encouraged to use a more limited POA. The firm has developed a limited ISF POA for use. Please contact David Jackson for more information.
- Changes to the SF90 record and ISF error code list went into effect on December 12. CSMS [#09-000361](#) (Dec. 4, 2009).

IMPORT SAFETY

Department of Homeland Security (DHS) Secretary Janet Napolitano has [announced](#) the formation of the Import Safety Commercial Targeting and Analysis Center (CTAC) in Washington, DC. The CTAC will be headed by Customs, but utilize CBP, Immigration and Customs Enforcement, CPSC, FDA, and other government agency personnel.

ANNOUNCEMENTS

The firm welcomes Michael Thomas and Charles Ballard to the Kansas City office. Michael is a Licensed Customs Broker and Certified Public Accountant with 20 plus years experience in trade compliance, including FTZ automation. Charles has come to the firm after working in-house on trade compliance issues in the high technology industry, focusing on export controls and licensing.

NOTABLE 2009 TRADE STATS

- The past year has seen a continued increase in Customs staffing (11,000 new hires in the past two years) and an official drop in entry volume of 6-7%, but unofficial estimates at some ports say 25-50%. We have seen a sharp increase in CF28s and CF29s. Customs is reviewing FTA claims and finding about 50% compliance.
- Bureau of Industry and Security (BIS) enforcement statistics for Fiscal Year (FY) 2009 show 47 convictions and assessment of over \$14 million in civil fines, most of which were assessed in conjunction with the Treasury Department's Office of Foreign Asset Controls (OFAC). The majority of issues had to do with either China or Iran, but exports to India, Russia, and even Australia and Canada were involved. There have already been 17 indictments, 5 convictions, 3 arrests, and 11 search warrants for FY 2010.

IMPORT/EXPORT DATA

Now is the time to order 2009 [Customs](#) and [Census](#) data and reports from the firm. The firm has prepared a detailed Memorandum on its proprietary data report and analysis program. Contact Marshall Miller with questions.

BANANA DISPUTE RIP?

On December 15, 2009, the WTO announced that the European Union, U.S., and Latin American parties to the banana trade dispute running since 1993 have finally come to an [agreement](#). The EU has agreed to cut its import tariffs on bananas in eight stages in exchange for the dropping of all other disputes and demands for further cuts in tariffs in the ongoing Doha round negotiations. The USTR has yet to comment on the brokered deal.

FWS INSPECTION FEES

The U.S. Fish and Wildlife Service (FWS) is implementing its 2008 Final Rule, increasing import and export inspection [fees](#) for commercial and non-commercial shipments effective January 1, 2010. 73 Fed. Reg. [74615](#) (Dec. 9, 2008).

HMF FINAL RULE

19 C.F.R. Part 24 has been amended to provide an alternative electronic procedure by which the quarterly Harbor Maintenance Fee (HMF) payments or refund requests may be submitted to Customs. Customs will continue to accept quarterly HMF payment or refund requests via e-mail. 74 Fed. Reg. [61267](#) (Nov. 24, 2009).

OFAC

- The Office of Foreign Asset Controls (OFAC) has issued new guidance on one year licenses granted for medical and agricultural end uses for Iran and Sudan. 74 Fed. Reg. [61030](#) (Nov. 23, 2009).
- The OFAC has issued a Final Rule defining "Financial, Material, or Technological Support." 74 Fed. Reg. [61036](#) (November 23, 2009).

GSP/AGOA

- The House passed legislation (H.R. [4284](#)) on December 14 to extend the GSP and ATPA trade preference programs for one year. The programs are set to expire on December 31 unless the extension is also passed by the Senate and signed into law.
- Representative McDermott (D-WA) has introduced H.R. [4101](#) which would modify GSP and AGOA.

CASH 4 GOLD

Showing how difficult it can be to declare accurate values, Customs has applied the "fallback" provision in Customs valuation (19 U.S.C. 1401a(f)) to gold articles sent from customers in Canada to "Cash 4 Gold" in the U.S. Customs determined that the most reasonable means to ascertain the value is to apply the price that the company offers to pay the customer after it receives the merchandise. Note the post-entry obligations. HQ [H056445](#) (July 24, 2009). Please contact Tom Lobred with questions.

LICENSE INQUIRIES

BIS and DDTC are implementing new systems for license updates:

- [STELA](#), the long-time BIS phone license status system, has now been supplemented with an on-line version.
- DDTC License applicants can get partial statuses of their license requests without logging on to the D-Trade 2 interface through a new system called [MARY "lite."](#) DDTC is calling it a precursor to the full-up Status Retrieval Service, known as MARY, which is expected to be available in a few months.

DRAWBACK CLOSURE

Customs is proposing to close the Port of Los Angeles-Long Beach Drawback Center as a part of its plan to consolidate Drawback operations in 4 regional centers: Chicago, New York City, Houston, and San Francisco. Comments are due by December 31, 2009. 74 Fed. Reg. [62715](#) (Dec. 1, 2009).

WASSENAAR CHANGES

BIS has issued a Final Rule to make changes to 73 individual Export Control Classification Numbers (ECCNs) in all but the "0" and "5" categories to accommodate revisions to the Wassenaar Arrangement. 74 Fed. Reg. [65662](#) (Dec. 10, 2009).

EU ORIGIN MARKING

The European Parliament has adopted a resolution to harmonize the marking practices of its member states to "ensure a level playing field" between the EU and other countries that have compulsory marking requirements, like the United States. The Parliament notes that marking will provide more information about social and environmental product and processing standards. [Eur. Parl. Res. 0093](#) (Nov. 25, 2009).

DDTC ON IMPORTS

The Directorate of Defense Trade Controls (DDTC) has published new [guidance](#) on temporary imports, including when to file a Voluntary Disclosure versus filing a DSP-5.

TPP

The Obama Administration sent a formal notification to Congress on December 14 of its intent to participate in the Trans-Pacific Partnership agreement negotiations (March 2010).

CBP RULINGS BACKLOG

On December 10 CBP [published](#) sixteen new proposed rulings for the first time since September 3, 2009. Customs has been reviewing the ruling process. There is no information about the expected publication schedule of future rulings.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 12/15/09		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	273	256
SUBZONES	645	540
PENDING		
ZONES	1	
SUBZONES	27	
MISCELLANEOUS	29	
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	8	
SUBZONES	10	