

BRIEFINGS

WTO SEATTLE

An accurate assessment of the full impact of the collapse of the World Trade Organization meeting will not occur for some time. Expect no rapid action on trade liberalization or duty reductions. Widely divergent groups with contradictory agendas that never before collaborated will now work together on future projects. The control of the WTO by the Quad has been reduced and all WTO actions will be materially slowed. Pending legislation on China, trade, and the WTO will be in limbo. Finally, the anxiety over globalization will not be easily remedied. Openness and transparency are not normal in the trade process.

GSP

President Clinton has not yet signed the legislation authorizing the Generalized System of Preferences (GSP) for a 27 month period through September 30, 2001. The legislation provides retroactive GSP duty free benefits back to July 1, 1999.

Y2K

The U.S. Customs Service [announced](#) procedures available to automated filers that may experience trouble on December 31, 1999 and January 1, 2000. Emergency Response Center Staff can be reached at (703) 921-6501. Access "What's New" on our website for more information.

SEASONS GREETINGS
BEST WISHES FOR
THE NEW MILLENNIUM

NEW YEARS RESOLUTIONS

Clients are encouraged to consider: undertaking and completing Customs Compliance Assessments and Compliance Manuals; restructuring import/export operations to optimize cycle time and cost reduction; initiating new FTZ operations; and reviewing existing FTZ operations for scope of authority and operations simplification.

COMPLIANCE ASSESSMENTS

The U.S. Customs Service has posted a [notice](#) on its web site concerning proposed revisions to the compliance assessment process. The proposed changes include: (1) an increase in the number of errors allowed to pass; (2) revisions to the materiality criteria; (3) creation of a grace period before risk categories are determined; (4) an increase in the number of risk categories; and (5) an adjustment in the risk category criteria. Customs is requesting that comments on the proposal be e-mailed to comments.regaudit@customs.treas.gov by December 17. Access "What's New" on our website.

YEAR END DUTY REDUX

Customs issued an ABI Administrative [message](#) announcing a temporary policy allowing the use of the 2000 entry summary date as the "time of entry" instead of the 1999 date of release for most types of shipments released during the period of December 16-31, 1999. This provides the advantage of any lower duty rates or special programs which take effect on or after January 1, 2000. Access "What's New" on our website.

2000 HTSUS

The year [2000 edition](#) of the HTSUS can be downloaded from the ITC's Web site accessible on our website under "What's New". Paper copies will not be available for 4-6 weeks.

AES

- As of Jan. 1, 2000, AES will be the only option for filing the SED electronically and those AERP users who have not made the change to AES will have to file paper SEDs with Customs at the port of export prior to departure.
- The newly enacted "[Proliferation Prevention Enhancement Act of 1999](#)," signed into law Nov. 29, mandates the use of AES to file SEDs for all exports on the US Munitions List (USML) and the Commerce Control List (CCL). Access "What's New" on our website.

MAQUILADORA TAX

The U.S. and Mexico have reached agreement on certain Mexican asset tax questions involving an exemption from permanent establishment rules for the 2000-2002 period. Firms have until April 30/May 31, 2000 to make appropriate application. Copies are available from our office. IR-INT-1999-13.

BROKERS EXAM

The U.S. Customs Service has posted the October 4, 1999 [Customs broker exam and answer key](#). The passage rate was approximately 25%. Access "What's New" on our Website for both documents.

SUGAR

- Comments are due Jan. 1, 2000 on a USTR interim rule, effective Jan. 31, 2000, that would require Canadian sugar export certificates to accompany sugar product imports established in HTS Chapter 17, Additional U.S. Note 8. Countries that participate in the export certificate program must have an in-quota allocation and show that it is eligible to use export certificates. [64 Fed. Reg. 67152 \(Dec. 1, 1999\)](#)
- Customs issued an ABI administrative message announcing the ABI programming specifications regarding the export certificate that will be required at the time of entry for imports of certain Canadian-original sugar-containing products on or after January 31, 2000. [ADM 99-1083 \(Dec. 7, 1999\)](#). Access "What's New" on our website.

FTZ HMT CASES

On November 12, 1999, an appeal was filed in the case of [BMW Manufacturing v. U.S.](#), which challenges the validity of the Harbor Maintenance Fee as applied to foreign-trade zone admissions. This stage of the effort is expected to take one year or more.

FORCED CHILD LABOR

The U.S. Customs Service issued a proposed rule that would amend the Customs regulations regarding imported merchandise that is suspected of being produced with prison labor. The proposed rule would include forced child labor in the same category as convict labor. This would allow Customs to seize any suspected merchandise made with forced child labor and proceed with forfeiture actions. Comments are due by January 18, 2000. [64 Fed. Reg. 62618 \(Nov. 17, 1999\)](#)

CHINA

The U.S. and China signed a bilateral trade agreement on November 15, 1999 regarding China's accession to the World Trade Organization that would provide significant access to the Chinese market for U.S. businesses including Distribution, Quotas, Services, Antidumping, Motion Pictures, Automobiles and Telecommunications. Vital details are not yet available. Expect significant time delays and confusion during implementation.

APHIS-CHINA

In response to Chinese regulations that require all imported packing materials made of US pinewood to be heat-treated and bear a certificate that so indicates, APHIS has issued [guidelines](#) for exporter self-certification and has created a draft "Certificate of Heat Treatment." Self-certification is only available to those exporters who are not using SWPM in their shipments to China, while the APHIS Certificate would be required for those exporters who are using SWPM. Access "What's New" at our website for the draft certificate and guidelines.

TSCA CERTIFICATIONS

Customs has issued an ABI administrative message indicating that Customs and the EPA will accept the Toxic Substances Control Act (TSCA) certification in the transmission of the electronic invoice filed under the Remote Location Filing (RLF) and Electronic Invoice Program (EIP). ADM 99-1068 (Dec. 2, 1999).

FDA INTERFACE

Customs has issued an ABI administrative message concerning rejections by the FDA interface with ABI. Two scenarios were identified in the messages as the most common reasons for rejection: (1) listing of a foreign-based consignee, and (2) making "pen and ink changes" to FDA-regulated tariff numbers. Customs reminded filers that manual FDA processing will cease in the near future. All future FDA related rejections must be corrected through ABI. ADM 99-1004 (Nov. 16, 1999).

EC TEXTILE VISAS

Effective January 1, CITA will allow single visas or ELVIS transmissions for multiple shipments exported from the EC for certain textile products. The products include fiber blends containing 16% or more by weight of cotton. The directive affects shipments exported on or after August 16, 1999. [64 Fed. Reg. 68087 \(Dec. 6, 1999\)](#) Access "What's New" at our website.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 12/15/99		
	APPROVED	PENDING
ZONES	229	6
SUBZONES	405	26
MISCELLANEOUS		26
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	14	
SUBZONES	11	