

BRIEFINGS

C-TPAT

- A new fact sheet states that Customs has combined its audit program for designating low-risk importers with the C-TPAT initiative into one program based on adherence to both trade and security compliance. Access ["What's New"](#) on our website.
- The Commercial Operations Advisory Committee (COAC) presented a report representing industry's recommendations and reactions to Customs' C-TPAT proposal. Contact Krista Helvey for a copy of the COAC report, or for a copy of the Firm's memorandum on the current security environment.

FDA FINAL RULE

The Food and Drug Administration (FDA) issued a Final Rule, effective March 19, that establishes recordkeeping requirements for persons exporting human drugs, biological products, devices, animal drugs, food, and cosmetics that may not be marketed or sold in the U.S. These regulations implement parts of the 1996 FDA Export Reform and Enhancement Act. [66 Fed. Reg. 65429](#) (Dec. 19, 2001).

BROKER EXAM

Customs has announced the next broker licensing exam will take place on April, 1, 2002. Applications and fees must be submitted to the local port by March 1. Access ["What's New"](#) on our website.

TROJAN BOX

The phrase, coined in [The Economist](#) 2/9-2/15 magazine, refers to the increasing focus on 20/40 foot ocean containers as instruments of possible use by terrorists. Expect Customs and other agencies to physically inspect far more ocean and air containers for both import and export, increasing the supply chain time period and requiring higher inventory levels. As a side benefit that supports increased inspections, increased inspections since 9/11 have caused a 29% increase in drug seizures on the West Coast. The changes, in the words of soon-to-retire San Francisco Customs Port Director Alice Rigdon, "will be just as monumental as the enormous change from break bulk to containerized cargo handling."

BRASS PROGRAM

Subpart D of 19 CFR Part 142, which currently outlines the Line Release program, would be replaced by a proposed rule termed the Border Release Advanced Screening and Selectivity (BRASS) program. [67 Fed. Reg. 4930](#) (Feb. 1, 2002).

TARIFF SCHEDULES

The Department of Commerce ITA website contains a directory of tariff and tax information with links to over 60 national tariff schedules. Many require free registration, and some do not contain duty rates. Access ["What's New"](#) on our website.

ATPA TEMPORARY RELIEF

In a unique action at the request of the Administration, Customs issued a temporary rule allowing importers to have the option of deferring the payment of Customs duties and fees until May 16 for merchandise entered for consumption on or after Feb. 15, that, but for the expiration of the Andean Trade Preference Act (ATPA), would have been entitled to duty free treatment. This temporary rule is expected to bridge the gap until the ATPA is renewed and implemented retroactively, thus avoiding the need for importers to file for a refund of duties. Similar action has never been taken for GSP. [67 Fed. Reg. 7070](#) (Feb. 15, 2002).

HTS USE PROVISIONS

Customs has proposed revocation of HQ 961431, which would require consumption entries made under a "use provision" to be supported by a declaration of intended use at the time of presentation of the entry to Customs. Previously, HQ 961431 allowed importers to present the declaration prior to liquidation of the entry. Comments were due on or before February 8, 2002, but can still be filed. [36 Cust. B. & Dec. 2](#) (Jan. 9, 2002).

HTSUS

The ITC posted an updated version of the HTSUS. Access ["What's New"](#) on our website.

EXPORT CONTROLS

- BXA has posted a fact sheet to its web site regarding the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSRA), which liberalized export controls on agricultural products, medicines, and medical devices to Cuba, Iran, Libya, and Sudan. Access "[What's New](#)" on our web site.
- The GAO has submitted a report to Congress on its investigation of the efficiency of the State Department's export licensing process. Access "[What's New](#) on our website. [GAO Report 02-203](#) (Dec. 31, 2001).
- Treasury has issued the current list of countries that may require participation in or cooperation with a prohibited International Boycott. [67 Fed. Reg. 628](#) (Jan. 4, 2002).

NAFTA TRUCK REPORT

The General Accounting Office has published its report on issues associated with the introduction of Mexican trucks into the U.S. highway system. [GAO Report 02-238](#) (Dec. 21, 2001).

FDA/OASIS

Customs has issued an Administrative Message that the Food and Drug Administration's Operational and Administrative System for Import Support (OASIS) was not properly functioning from January 14-21, 2000. The initial screening may now require review by FDA entry reviewers. [ADM 02-0105](#) (Jan. 25, 2002).

TOOL, DIE AND MOLDS

The U.S. International Trade Commission (ITC) began an investigation on January 11, 2002 of competitive conditions facing the U.S. tool, die, and molds industries. The ITC will hold a public hearing on May 21, 2002. Access "[What's New](#)" on our website.

UKRAINE

The United States Trade Representative has imposed a 100% *ad valorem* duty under Section 301(b) for violations of intellectual property laws and practices on certain oil products, mineral and chemical fertilizers, pigments, diamonds, footwear, certain metals, and heat pumps imported from the Ukraine. See the notice for a complete list. [67 Fed. Reg. 120](#) (Jan. 2, 2002).

OR&R RULINGS

Customs Commissioner Robert Bonner stated at the January 25, 2002 COAC meeting that he has recently directed HQ OR&R to meet a new standard - that rulings be issued within 90 days. Bonner also noted that the Acting Assistant Commissioner for OR&R will be recommending improved processes for issuing rulings and developing regulations.

NAMIBIA-AGOA

Customs has issued a notice stating that as of December 3, 2001, Namibia is eligible for preferential treatment under the African Growth Development Act. [CEBB T-TBT216.TXT](#) (Dec. 13, 2001).

APHIS

The USDA's Animal and Plant Health Inspection Service (APHIS) has posted updated information to its website regarding the European Union's (EU's) emergency measure requiring certain solid wood packing materials (SWPM) destined for the European Union to be subject to special treatments. Access "[What's New](#)" on our website.

TRADE AGENDA

U.S. Trade Representative Robert Zoellick outlined the Administration's 2002 Trade Agenda to Congress during the first week of February. The agenda mirrors President Bush's budget proposals. Access "[What's New](#)" on our website.

AD/CVD DISTRIBUTIONS

- Customs issued a notice of its intent to distribute AD/CV duties collected in FY 2001 that were not previously listed by Customs as eligible for distribution. Affected domestic producers must file written certifications by March 18. [67 Fed. Reg. 2511](#) (Jan. 17, 2002).
- Customs posted detailed results of the first disbursements of AD/CV duties to affected producers for FY 2001. Details include: claimant's name; claim amount; and disbursement amount. Over \$200 million has been distributed. Access "[What's New](#)" on our website.

ORIGIN MARKING

Customs has issued a modification to HQ 561829 on the country origin marking of disposable tube containers that are imported empty and would be filled in the U.S. with U.S. origin material. The modification will allow such tubes to be marked with a U.S. address, as well as be marked "Made in U.S.A." This modification will harmonize Customs' position on the matter as it relates to other Customs rulings. See HQ 734240, HQ 734781, HQ 734573. [36 Cust. B. & Dec. 3](#) (Jan. 16, 2002).

MEXICAN DOWNTURN

The current downturn in the U.S. economy has caused a record number of closures and reductions. The maquiladoras sector lost an estimated 230,000 workers between Nov. 2000 and Nov. 2001.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 2/15/2002		
	APPROVED	PENDING
ZONES	244	5
SUBZONES	469	15
MISCELLANEOUS		37
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	10	
SUBZONES	11	