

BRIEFINGS

STEEL

President Bush announced new Section 201 import tariffs on certain steel products. The tariffs will be as much as 30% during the first year with a reduction during the second and third years. The new tariffs are effective March 20, and include imports from China, Russia, the European Union, South Korea, Japan, and Brazil. Canada, Mexico, and certain developing countries have been excluded. Expect retaliation. [Presidential Proclamation](#) No. 7529 (March 5, 2002).

FREIGHT CHARGES

In a policy change, Customs no longer allows filers to record a \$2 charge on the CF-7501 when actual charge amounts are not known or expected to be known. This replaces a January 2001 message requiring the \$2 flag. Estimated freight and other charges are now to be reported, but not deducted, from invoice values. General Statistical Note 1(b)(ii) has been amended in the 2002 HTSUS to reflect the change. Access "[What's New](#)" on our website.

TEMP DUTY SUSPENSION

The Senate Finance Committee has requested that any proposed temporary duty suspension legislation be submitted by April 12, 2002. Expect introduction in the Senate this summer. Final passage is problematic. Access "[What's New](#)" on our website.

CUSTOMS BUSINESS

In recent months, Customs has issued three rulings addressing the matter of "Customs business" for firms with internal Customs compliance functions. While these rulings may have a level of technical correctness, they are not practical. Customs Headquarters has indicated they do not intend to enforce the Rulings. AAEI, JIG, etc. are working on a legislative correction that Customs indicates it will support. See HQ [115248](#), HQ [115278](#), and HQ [115262](#). Clients are urged to contact Marshall Miller.

MANDATORY AES

Census, BXA, and the State Department are currently preparing rules to require the mandatory filing through the Automated Export System (AES) for items on the Commerce Control List (CCL) and U.S. Munitions List (USML). Census expects to publish its proposed rule this month and it will become mandatory 90 days after its publication. Additionally, several bills pending in Congress would require mandatory use of AES for all exports.

CUSTOMS USE PROVISIONS

Customs has issued HQ 965354 that requires declarations of intended use to accompany consumption entries made under a "use provision" at the time of presentation to Customs. [36 Cust. B. & Dec. 10](#) (Mar. 6, 2002).

PROTOTYPES

Customs has issued (19 CFR 10.91) proposed regulations, for prototypes entered under HTS 9817.85.0100. Comments are due by April 8, 2002. These regulations require change before implementation. A detailed firm memo concerning necessary changes for pharmaceutical industry use is available from Sean Murray. [67 Fed. Reg. 10636](#) (March 8, 2002).

C-TPAT/SECURITY

- A revised version of its C-TPAT Fact Sheet, the C-TPAT Importer Participation Agreement, a list of suggestions for establishing, improving, or amending security procedures for each link in the supply chain, and a fact sheet on the developing Container Security Initiative have been posted on Customs website. <http://www.customs.gov/enforce/tpat.htm>.
- U.S. and Canadian Customs have recently concluded an agreement to place U.S. Customs Inspectors at Canadian seaports and vice versa. U.S. inspectors are already stationed in Vancouver.
- The U.S. is negotiating a "smart border" plan with Mexico to speed the flow of legitimate cargo across the border.
- The U.S. Coast Guard has implemented new security guidelines for Pacific area waterfront facilities <http://www.uscg.mil/pacarea/pcp/newsreleases/2002/jan/0202.htm>

RECONCILIATION

Customs published an updated ACS Reconciliation Prototype Compliance Guide. The Reconciliation Prototype is a method of addressing issues involving post-entry adjustments. Access "[What's New](#)" on our website.

COSTUME CLASSIFICATION

In Rubie's Costume Company v. U.S., the CIT has ruled that textile costumes of all types are classified in Chapters 61 or 62, ending Customs' policy of classifying certain costumes as "festive articles" in Chapter 95. CITA intends to apply quota and visa requirements to these goods that are exported on or after April 1, 2002. [Slip Op. 02-14](#) (Feb. 19, 2002). [67 Fed. Reg. 9504](#) (March 1, 2002).

CIVIL ASSET FORFEITURES

Customs has issued its final rule on civil asset forfeitures under the Civil Asset Forfeiture Reform Act (CAFRA). The final rule creates a new subpart H to 19 CFR Part 162. T.D. 02-08. [67 Fed. Reg. 9188](#) (Feb. 28, 2002).

EXPORT CONTROLS

BXA has issued a final rule modifying certain sections of Chapter 4 (Computers) of the Commerce Control List (CCL) to implement changes mandated by the Wassenaar Arrangement. [67 Fed. Reg. 10611](#) (March 8, 2002).

PROPRIETARY DATA

Customs revoked or modified nine separate rulings, finding that proprietary data imported on hard drives incorporated in a computer system is classifiable with the system, whereas proprietary data imported on separate floppy disks is classified under 8524.90.40. HQ [965254](#), HQ 965255, HQ 965256, HQ 965271, HQ 965272, HQ 965273, HQ 965276, HQ 965277, and HQ 965279 (Jan. 23, 2002).

INTEREST ON HMF REFUNDS

The CIT has ruled in two cases regarding interest payments on HMF refunds. In both IBM v. U.S. and Swisher, International, Inc. v. U.S., the CIT found that HMF refunds made under 28 USC 1581(i) are not eligible for interest payments. However in Swisher, the court ruled that refunds made under 28 USC 1581(a) are eligible for interest payments. Slip Op. [02-17](#) (Feb. 21, 2002) and Slip Op. [02-19](#) (Feb. 21, 2002).

CUSTOMS DIRECTIVES

Customs has posted 22 more Customs Directives to its website. Access "[What's New](#)" on our website.

ACCOUNT MANAGEMENT

The new *Account Management Handbook* outlines Custom's policy for the Account Management program, as well as describes the program's stages and activities. C.D. 3500-06. Access "[What's New](#)" on our website.

PEAP

Customs has issued a general notice extending its Post-Entry Amendment Processing (PEAP) program through December 31, 2002. The procedures set forth in the original November 2000 notice will continue to be followed. [67 Fed. Reg. 768](#) (Jan. 7, 2002).

CHICKEN LEG DISPUTE

Recently, Russia announced a ban on imports of U.S. poultry, stating the poultry contained antibiotics and other products detrimental to safety standards that could be a threat to human health. The U.S. government has assured Russia that its chicken meets defined safety standards. Approximately 20% of total U.S. exports to Russia consist of poultry products, and 50% of all U.S. poultry is exported to Russia.

ITC TARIFF INQUIRY

The United States International Trade Commission (USITC) is seeking public comment on two new investigations regarding the probable economic effect of the reduction or elimination of U.S. and foreign tariffs. Hearings will be held during the first week of May; written appearance requests are due by [April 17, 2002](#). Written comments should be submitted by May 10, 2002. Access "[What's New](#)" on our website.

CATFISH

The FDA has issued non-binding guidance for importers of catfish that would be affected by Section 775 of the FDA appropriations act for 2002. <http://vm.cfsan.fda.gov/~acrobat/slcf2002.pdf>.

US-SINGAPORE FTA

The USTR requested an investigation of the economic impact of a Free Trade Agreement (FTA) between the U.S. and Singapore. A similar study was done for the U.S.-Chile FTA. Access "[What's New](#)" on our website.

US-JORDAN CLAIM

Customs recently posted a notice to CEBB advising industry of the system changes needed to file a claim under the U.S.-Jordan Free Trade Act (FTA). Once the programming changes are made, Customs will notify the trade that claims will be able to be filed through the ABI system. ([I-TBT232.TXT](#)).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 3/15/2002		
	APPROVED	PENDING
ZONES	245	4
SUBZONES	472	16
MISCELLANEOUS		32
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	11	
SUBZONES	11	