

BRIEFINGS

ROUTING SLIP

MANDATORY AES PROPOSAL

The Census Bureau has issued a Proposed Rule requiring all export data to be filed via the Automated Export System (AES). This would eliminate the use of the paper Shipper's Export Declaration (SED). Comments are due April 18, 2005. Contact the firm for a summary memo on the proposed changes. 70 Fed. Reg. [8200](#)(Feb. 17, 2005).

AES NEWSLETTER UPDATE

In the January 2005 AES newsletter, Census summarized the common AES/SED reporting problems for Canadian transshipments and reminded readers that starting April 1, 2005, a Power of Attorney is required for Data Entry Centers (DECs) to submit Census data on behalf of USPPIs. [AES Newsletter](#), Vol. 1, Issue 21 (2005).

BTA & FTZs

Customs has issued an Administrative Message reminding importers that Prior Notice is not required under the FDA's Bioterrorism Act (BTA) at the time of entry of merchandise out of a foreign-trade zone. It is required prior to admission to the zone. Special filing requirements are also noted to ensure proper release of merchandise. ADM [05-0216](#) (Feb. 24, 2005).

CBPF 214 AUTOMATION

Customs has announced that the planned automation of the CBPF 214 has been delayed until September.

FIRM SEMINARS

The firm still has limited space available at the following no charge client seminars at our Kansas City office:

March 22-23 - FTZ

April 26-27 - Import/Export

June 21-22 - FTZ

Sept. 14 - Current Import/Export/FTZ Developments (at NAFTAZ convention)

Dec. 7-8 - Import/Export

Contact Janet Haynes ASAP at jhaynes@millerco.com for reservations. More detailed information is available on our web site.

C-TPAT UPDATES

• A final [draft](#) of new C-TPAT security standards for importers has been completed. Expect the new standards to be a requirement for new C-TPAT applicants and phased in according to a fixed schedule for current participants. The revised standards include clear statements on supply chain security from origin to destination, enhancements to the business partner requirements and to container security, physical security, personnel security, physical assets controls, and information technology security guidelines.

• Customs has issued a new [set](#) of C-TPAT Frequently Asked Questions (FAQs).

• A GAO Report on the C-TPAT program is expected to be released soon. Initial reviews indicate that the GAO findings are unfavorable.

CUSTOMS STRATEGIC PLAN

Customs has issued a draft [Strategic Plan](#) for fiscal years 2005-2010. The draft plan states the following six strategic goals as priorities: (1) preventing terrorism at ports of entry; (2) preventing terrorism between ports of entry; (3) unifying as one border agency; (4) balancing legitimate trade and travel with security; (5) protecting America and its citizens; and (6) modernizing and managing Customs infrastructure. Comments are due by the end of March 2005.

ACE DEVELOPMENTS

• Customs has posted to its web site various materials from the Jan. 31-Feb. 3, 2005 meeting of the [Trade Support Network](#). Materials include: Periodic Payment (ACE Release 3); information and computer based training on e-manifests (trucks); Account Revenue and Secure Trade Data (Release 5); and Finance/Post-Release and Accounts (Release 5).

• The [Automated Commercial Environment \(ACE\) Report](#) to Congress (June 30, 2004) has been released. It details several ACE issues including program costs, accounting concerns, and auditing recommendations. CBP believes ACE development will be completed in the 2010-2012 time frame, later than had been envisioned originally. A more definite program schedule and cost is to be determined when the new ACE Program Plan review is completed later this summer.

CUSTOMS BOND UPDATE

- Customs has updated its [web site](#) to include an updated guidance [document](#) on its bond centralization pilot program.
- A Bond Reject Team has been established to shorten the processing times for compliant bond applications. If discrepancies are detected during the initial review of a bond application, they will be referred to the Reject Team. A referral to the Reject Team may add a minimum of 5 business days to the overall processing time.

REASONABLE CARE

Illustrating the dangers to importers of managing assists and value reporting, the CIT has sent a case to trial to determine whether an importer complied with its informal agreement with Customs, violated various Customs laws, or filed a valid prior disclosure. *United States v. Ford Motor Company*. Slip Op. [05-25](#) (Feb. 18, 2005).

REVISED POLICY GUIDE

The FDA has issued a revised Compliance Policy Guide (CPG) on the Bioterrorism Act. Comments are due April 4. 70 Fed. Reg. [10657](#) (Mar. 4, 2005).

CANADA TRADE

Canada is seeking authorization from the WTO to impose \$3.3 billion in [sanctions](#) against the U.S. for refusing to lift countervailing and antidumping duties imposed on softwood lumber imports. Additionally, Canadian officials plan to challenge the Byrd law based on the argument that its redistribution of antidumping duties that are collected on softwood lumber violates NAFTA. The suit would seek an injunction on the redistribution of \$4.1 billion in antidumping duty deposits to U.S. companies.

MISC. TARIFF BILL

The House Ways and Means Committee's Trade Subcommittee has requested all temporary duty suspension legislation be introduced by April 28, 2005.

CBP TRADE TRENDS

Customs has issued its [Fiscal Year 2004 Trade Trends Report](#). For 2004, \$1.41 trillion in import value was imported. This was a 14 percent increase over 2003. Customs collected \$21 billion in duties, which equates to an effective duty rate of 1.5 percent.

CHILE FTA

Customs has published an Interim Rule, effective March 7, implementing regulatory changes required by the U.S.-Chile Free Trade Agreement. Comments are due June 6, 2005. 70 Fed. Reg. 10868 (Mar. 7, 2005).

CARNETS

Hand carries continue to be a compliance problem for many companies, but the use of ATA Carnets by U.S. exporters continues to grow. Last year over 15,000 Carnets were issued, a 5.4 percent increase. An [online application](#) is now available. Contact the firm with questions.

CHINA TEXTILES

• China has implemented an automatic export [licensing program](#) for certain apparel exports to the United States. The licensing program is strictly a Chinese export control program and does not affect U.S. entry requirements.

• The Commerce Department has filed an appeal with the U.S. Court of Appeals for the Federal Circuit regarding the U.S. Court of International Trade's injunction against special safeguard actions based on the anticipated material injury from Chinese imports of textiles and apparel.

• China's trade surplus grew in January to \$6.48 billion. Exports grew 42.2 percent over the same month a year ago. Its textile exports rose 35.1 percent from last January to \$2.93 billion. One category, 434, increased over 3000% from a year earlier.

• Overall, the U.S. trade deficit increased to \$58.3 billion from \$55.7 billion in January. This is the second highest trade deficit in history. The record (\$59.4 billion) occurred in November 2004.

FORFEITURE NOTICES

Customs has issued a Final Rule, effective March 24, 2005, that amends the Customs Regulations to raise the threshold value of seized property for which Customs must publish a forfeiture notice in a newspaper from \$2,500 to \$5,000. 70 Fed. Reg. [8509](#) (Feb. 22, 2005).

WTO-EXPRESS DELIVERY

The United States has proposed including separate expedited Customs procedures for express delivery shipments in the WTO Doha Round talks.

CAFTA

• The USTR has [issued](#) a Central America Free Trade Agreement (CAFTA) briefing book that provides a sector-by-sector analysis of CAFTA's impact on agriculture and manufacturing.

• Guatemala has signaled that it is revising its intellectual property protection law for pharmaceutical test data to allow it to remain a part of CAFTA.

• Two new [agreements](#) to supplement the CAFTA's environmental provision have been signed. This is in response to possible Congressional opposition to CAFTA.

STEEL LICENSING

The Commerce Department has implemented an Interim Final Rule on the Steel Import Monitoring and Analysis (SIMA) system. The purpose of the SIMA system is to collect timely statistics on steel imports. Comments are due May 10, 2005. 70 Fed. Reg. [12133](#) (Mar. 11, 2005).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 3/15/05

	<u>APPROVED</u>	<u>CURRENTLY AUTHORIZED</u>
ZONES	262	249
SUBZONES	558	489
	<u>PENDING</u>	
ZONES	4	
SUBZONES	16	
MISCELLANEOUS	36	
	<u>AVERAGE PROCESSING TIME (MONTHS)</u>	
ZONES	7	
SUBZONES	10	