

# BRIEFINGS

ROUTING SLIP

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## ANTIDUMPING CHANGE

Customs has recently begun liquidating entries subject to antidumping at the generally higher "all others" rate even though importers entered the goods at the "producer" rates. Clients that purchase AD material from parent firms may be directly affected with higher rates. This change results from a 2003 Notice published by the ITA in the Federal Register that many importers did not fully understand. The Firm has drafted a [memo](#) explaining how importers may mitigate the impact of this change. 68 Fed. Reg. [23954](#) (May 6, 2003).

## U.S. v. FORD - NAFTA

Customs has filed a [complaint](#) against Ford Motor Company, seeking \$41.9 million in fines for failing to produce documents supporting the NAFTA-originating status of goods manufactured by a 100%-owned Mexican subsidiary and imported into the U.S. by Ford. Customs has requested bills of material and other manufacturer information to support the NAFTA claim, and is seeking to hold Ford liable for that information as the parent company of the Mexican manufacturer/supplier. *U.S. v Ford*, W.D. TX No. EP06CA0013 (Jan. 11, 2006).

## FTA ORG

The *Ford* case should be a wakeup call for clients to organize their FTA compliance process. We have a [program](#) that provides information to aid in the effort.

## TRAINING

The firm offers a series of no-charge [seminars](#) for clients. The next Import/Export Seminar is April 5-6 and a few spaces are open. Contact Sarah Rogers at [srogers@millerco.com](mailto:srogers@millerco.com)

## C-TPAT

Customs recently held a seminar for Customs-Trade Against Terrorism (C-TPAT) participants. Three key developments were raised at the seminar: (1) Customs has published a C-TPAT [Best Practices](#) catalog; (2) Customs has introduced a new web portal that C-TPAT participants will be required to use and which will give Customs greater visibility of company C-TPAT operations and; (3) C-TPAT participants will be required to sign an annual certification that they are in compliance with the C-TPAT criteria (similar to ISA's annual certification). The Firm has drafted a memo that provides a more extensive summary of the seminar.

## MEDICINE/MEDICAL DEVICES

The U.S. Trade Representative (USTR) has [joined](#) Switzerland and Singapore in introducing a proposal to eliminate certain tariffs imposed on medicines and medical devices as a part of the WTO's non-agriculture market access agenda. Access <http://geneva.usmission.gov/Press2006/022406USTRMed.pdf> for additional information.

## C-TPAT NOW

The Dubai Ports proposal has collapsed, but attention is now focused on port security and programs like Customs-Trade Against Terrorism (C-TPAT). Expect Congressional legislation quickly. The firm offers a [package](#) to assist clients in joining C-TPAT and managing their ongoing C-TPAT program. We encourage clients to join C-TPAT.

## AES CONCERNS

Serious [concerns](#) arose publicly between Customs and U.S. Census Bureau at the Export Committee meeting of the TSN in California on February 27. New demands by the Department of Homeland Security (DHS) to either eliminate or greatly tighten the requirements for using "Option 4" (post-departure filing) and to allow other federal agencies and foreign governments access to information filed with Census have delayed finalization of the proposed Census Foreign Trade Regulations. A political solution is necessary. Clients are urged to contact their Congressman to support the Census position.

## USTR TRADE AGENDA

The Bush Administration has submitted its [2006 Trade Policy Agenda and 2005 Annual Report](#) to Congress, outlining its trade initiatives for 2006.

## CENSUS AES MEETINGS

Census is holding a [series](#) of conferences on the mandatory Automated Export System (AES).

## FREE TRADE AGREEMENTS

- The U.S. and Korea announced that they are launching negotiations for an FTA to be concluded by the end of 2006. Written comments are due on March 24, 2006. 71 Fed. Reg. [6820](#) (Feb. 9, 2006).
- The ITC will investigate the economic impact of a Korean FTA on U.S. industries and consumers. 71 Fed. Reg. [10066](#) (Feb. 28, 2006).
- The USTR has [announced](#) the intent to negotiate an FTA with Malaysia.
- A presidential [proclamation](#) implementing the CAFTA-DR for El Salvador was effective March 1, 2006. El Salvador is the first country for which CAFTA-DR has been implemented.
- President Bush has issued [Proclamation 7971](#) amending the HTSUS to implement the U.S.-Morocco FTA. Eligible merchandise is included in General Note 27 of the HTSUS.
- The International Trade Commission (ITC) has released a [report](#) stating that the U.S.-Oman FTA would have a positive, but minor, impact on the U.S. economy.

## BOND CENTRALIZATION

As part of its Pilot Bond Centralization Program, Customs has [posted](#) expanded guidance, pending centralized contacts and procedures for submitting Activity Code 1 continuous bonds. Individual Ports retain responsibilities for processing Activity Code 1A, 2, 3, 3A, 4, and 5 continuous bonds, and there has been no change in the processing of Single Transaction Bonds (STBs).

## PRESCRIPTION MEDICINE

Customs has [posted](#) a slightly revised version of its guidance on the importation of prescription medicines by individuals.

## e-214 EXTENSION

Effective March 1, Customs has extended the roll-out of the e-214 to the New York, Los Angeles and San Juan ports of entry.

## BROKER EXAM

Customs has [announced](#) that it will conduct the next Customs Broker License Examination on April 3, 2006. Applications and exam fees must be received by March 3, 2006.

## EXPORT VIOLATIONS

The Bureau of Industry and Security has announced a series of penalties for export violations:

- Hittite Microwave Corp. has agreed to pay a \$221,250 civil [penalty](#) for unauthorized shipments of electronics to Russia, China, and Latvia.
- A Greece-based ZOLL Medical Corporation sales manager has been [fined](#) \$120,000 and denied export privileges for five years for his part in two sales of medical defibrillators from the United States to Iran through a South African intermediary. BIS also fined ZOLL Medical \$82,500, [STAT Medical](#) (the South African intermediary) \$14,000, and [Exel North American Logistics](#) (the U.S. freight forwarder) \$8,000 for their roles in the transaction.
- A [New Jersey](#) company and an [Indian](#) company were assessed penalties of \$19,800 and \$22,000, respectively, and denied export privileges for 4 years for an attempted export of toxins to North Korea.
- An NBC cameraman was [denied](#) export privileges for 9 years for exporting night vision lenses stolen from NBC to Iran.
- The U.S. Army and State Department have [suspended](#) freight forwarder Eagle Global Logistics, Inc. (EGL) from business with the U.S. Government following the guilty plea of a former EGL vice president on charges of major fraud against the government, making the company ineligible for participation in any transactions involving the U.S. Government.

## FALSELY MARKED CARPETS

Customs has [seized](#) 5 shipping containers from Egypt carrying carpets worth more than \$360,000 that were mismarked "Crafted with pride in the USA."

## EU SUPPLY CHAIN SECURITY

The European Commission has issued [proposed regulations](#) to increase supply chain security, including creation of a "secure operator" quality label. A "secure operator" will have to implement and document a security management system, ensure resources are made available to counter security risks, and meet a number of specific requirements set out in annexes to the proposed regulations. The proposal must be approved by the European Parliament and Council of Ministers, and would go into effect within 18 months of final approval. Clients shipping to Europe are encouraged to contact Sean Murray for assistance in development of strategy.

## C-TPAT HIGHWAY CARRIERS

Customs has posted new [minimum-security criteria](#) for C-TPAT highway carriers, effective March 13, 2006 with immediate implementation for new applicants and phased implementation for existing members.

## TSCA EXPORTS

The EPA has issued a proposed rule to reduce the burden on exporters of certain substances subject to the Toxic Substances Control Act (TSCA), including requiring only one-time notification to EPA and foreign governments for such exports rather than annual notifications, and no notification requirement for exports involving *de minimis* concentrations of certain chemicals. Written comments are due by April 10, 2006. 71 Fed. Reg. [6733](#) (Feb. 9, 2006).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 3/15/06		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	267	253
SUBZONES	576	476
<b>PENDING</b>		
ZONES	3	
SUBZONES	16	
MISCELLANEOUS	34	
<b>AVERAGE PROCESSING TIME (MONTHS)</b>		
ZONES	9	
SUBZONES	10	