

BRIEFINGS

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FTZ BOARD REGULATIONS

- The public comment period for the proposed re-writing of the Foreign-Trade Zones Board Regulations has been extended to May 26, 2011. The proposed changes would dramatically impact grantees, operators, and FTZ manufacturing. Clients are encouraged to submit their own comments. 76 Fed. Reg. [12887](#) (March 9, 2011).
- Four National Association of Foreign-Trade Zones Committees/Task Forces have provided very extensive comments and suggested changes. Under consideration is an entirely new approach to reducing the paperwork burdens for all parties, and reduced and expedited FTZ Board filings. It is unlikely that the final, new set of regulations will be completed this year. Contact Marshall Miller with questions.

AGENCY CONSOLIDATION

President Obama has issued a Presidential memorandum directing Jeffrey Zients, the Deputy Director for the Office of Management and Budget, to lead review of Federal agencies and programs with a goal of increasing trade, competitiveness, and exports. Recommendations are to be submitted to the President within 90 days. 76 Fed. Reg. [14273](#) (March 16, 2011).

IMPORT/EXPORT DATA

Now is the time to order full calendar year 2010 [Customs](#) and [Census](#) data and reports from the firm. The firm has prepared a detailed Memorandum on its proprietary data report and analysis program. Contact Brenda Zeller with questions.

2011 TRAINING SEMINARS

Details on the firm's 2011 seminar schedule are on our [website](#). The spring sessions include:

- April 5, 2011 - FTZ 101
- April 6, 2011 - FTZ 201
- May 3, 2011 - Import/Export 101
- May 4, 2011 - Import/Export 201 (including Incoterms 2010)

The 101 seminars are no charge to clients. More information is available on our website. Register by email to [Penny Freeman](#).

INSUFFICIENT BONDS

Customs recently [outlined](#) actions it will take when it identifies that a principal has been made aware of the insufficiency of their continuous bond yet continues to use that bond for Customs transactions.

IIT RESIDUE ENFORCEMENT

Customs has announced through a revised [FAQ](#) that it will begin enforcement of its declaration requirements for Instruments of International Traffic (IIT) with residue on July 17, 2011. The Customs methodology will be very difficult for many companies to manage. Contact Sean Murray with questions.

MEXICO TRUCKING DISPUTE

The White House has [announced](#) a preliminary agreement with Mexico to resolve the NAFTA dispute over U.S. access for Mexican trucking services that will include a reduction of Mexico's retaliatory tariffs.

TRADE POLICY AGENDA

- On March 1, 2011, the office of the U.S. Trade Representative (USTR) posted the President's [Trade Policy Agenda](#). Further work is promised on the National Export Initiative, Free Trade Agreements (FTAs) with Colombia, Panama, and Korea, reauthorization of the Generalized System of Preferences (GSP) and Andean trade acts, and Russian WTO membership.
- The U.S. Trade Representative (USTR) [testified](#) before the Senate Finance Committee that the Administration is committed to resolving issues with the pending FTAs with Colombia and Panama this year. The USTR also [testified](#) that preparatory work on the implementing legislation of the Korea FTA is complete and ready for technical consideration by the Committee. Senate Finance Chairman Max Baucus (D-MT) has joined Republicans in requesting that the Obama Administration submit all three FTAs at the same time for approval. Republicans are threatening to hold up the nomination of the new Commerce Secretary unless all three FTAs are presented.

AES CHANGES

Comments on the proposed changes to the Automated Export System are due March 22. These proposed changes would, among other things, eliminate post departure filing for almost all filers, require that exporters list the actual country of origin, change the definition of the Foreign Principal Party in Interest, and require reporting of end-use data. Contact Jerry Greenwell with questions. 76 Fed. Reg. [4002](#) (Jan. 21, 2011).

HONOLULU "SNOW DAY"

The Customs Port of Honolulu has pushed back its upcoming "Snow Day" (i.e., a move to its new location) to March 18. CSMS #[11-000068](#) (March 8, 2011).

PARTS AND ITAR

The Directorate of Defense Trade Controls (DDTC) has requested comments on a Proposed Rule that would amend Section 123.28 of the International Traffic in Arms Regulations to allow exporters to export repair and spare parts without a license, provided they had licensed the original system. Comments are due by April 14. 76 Fed. Reg. [13928](#) (March 15, 2011).

U.S./CANADA WPM CHANGE

The U.S. Animal and Plant Health Inspection Service (APHIS) and the Canadian Food Inspection Agency (CFIA) have [agreed](#) to a phased-in move toward enforcement of International Standard for Phytosanitary Measures (ISPM) No. 15, the requirement for heat-treatment or fumigation of wood packaging materials (WPM) being shipped between the two nations.

LICENSE REVOCATIONS

The Bureau of Industry and Security (BIS) has issued a Final Rule that allows revocation, suspension, or revision of a license without notice. Previously, the Export Administration Regulations allowed such actions only when a violation had occurred or was about to occur. 76 Fed. Reg. [12279](#) (March 7, 2011).

CUSTOMS PHARMA CEE

Customs has posted a [notice](#) providing the Trade with contact information for the newly established Pharmaceutical Center of Excellence and Expertise (CEE). The CEE is to provide technical guidance on imports, information on Customs policies, CF-28s and other forms, cargo holds, and counterfeit/substandard imported pharmaceuticals.

SCHEDULE B LIST UPDATED

Census has updated the Automated Export System [2011 Schedule B list](#) on February 16. Users of the AESPClink must update their code tables to reflect the 2011 Schedule B numbers.

ACE UPDATES

- The fiscal year 2010 [report](#) to Congress on the International Trade Data System (ITDS) recommended using already available ITDS funding to complete the adding of data elements and functionality required by PGAs.
- Customs PGAs and the trade community are working together to map requirements against the [ITDS](#) Concept of Operators, and identify gaps. This is a big deal for clients with PGA regulated imports because it will determine where and how PGA interfaces occur at import. Work is expected to be completed in April 2011. Contact Linda King, who serves on the Trade Support Network, with questions.

LACEY ACT COMMENTS

The Animal and Plant Health Inspection Service is seeking public comments on the import declaration requirements for certain plants and plant products under the Lacey Act. Comments are due April 14, 2011. Clients are encouraged to submit comments on the difficulties of complying with the Lacey Act. 76 Fed. Reg. [10874](#) (Feb. 28, 2011).

BLUE LANTERN REPORT

The Directorate of Defense Trade Controls (DDTC) has published the results of the fiscal year (FY) 2009 Blue Lantern end-use monitoring [report](#). 13% of the shipments investigated were different than what was stated in the application or license.

U.S. TRADE DEFICIT

The Department of Commerce [reported](#) in February that the U.S. annual trade deficit grew from approximately \$375 billion in 2009 to almost \$498 billion in 2010, a 33% increase.

FDA/FSMA REQUIREMENTS

- The Food and Drug Administration (FDA) has posted [background information](#) on requirements of the Food Safety Modernization Act (FSMA).
- The FDA [announced](#) a March 29 public meeting in Silver Springs, MD to discuss FSMA implementation. Written comments may also be submitted until April 29, 2011.

EPA IMPORT SETTLEMENT

The Environmental Protection Agency has issued a [press release](#) announcing that Mississippi-based Power Train, Inc. agreed to pay \$2 million to settle charges that it had imported almost 80,000 Chinese engines with Clean Air Act-required certificates of conformity that did not list the correct models, power ratings, or manufacturers.

DEEMED EXPORTS & VISAS

The deemed export certification added to part 6 of the [I-129](#) Visa Form went into effect February 20, 2011. The firm has developed a process for satisfying the visa certification requirement. Contact Sean Murray with questions.

SENTRI

Customs continues to publicize offenses by "trusted travelers." Customs officers at the San Ysidro port of entry [recently](#) arrested a SENTRI (Secure Electronic Network for Travelers Rapid Inspection) program participant after discovering 635 pounds of marijuana in his vehicle.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 3/15/11

	APPROVED	CURRENTLY AUTHORIZED
ZONES	275	258
SUBZONES	673	529

	PENDING
ZONES	2
SUBZONES	23
MISCELLANEOUS	27

	AVERAGE PROCESSING TIME (MONTHS)
ZONES	8
SUBZONES	10

The material contained herein is not to be construed as legal advice or opinion. More information may be obtained by contacting any attorney within the firm.
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