

# BRIEFINGS

## RECONCILIATION

A recent ABI administrative message provides detailed instructions for submitting Reconciliation entries. This is in addition to the Handbook that was recently published. Access "What's New" on our website for the Handbook. ADM 00-0337 (Apr. 6, 2000).

## PEA/SILS

Customs unveiled a new Post Entry Amendment policy to replace the current Supplemental Information Letters (SILs) policy for unliquidated entries. A notice implementing the new policy is to be published soon. Customs posted a press release explaining the new policy on its website. The firm secured a copy of notes of a Customs video program for employees and a video tape of the program. Access ["What's New"](#) on our website.

## VALUE DEDUCTIONS

Customs issued a notice on March 29, 2000 (TD 00-20) providing guidelines for declaring the amount that can be deducted from the price paid or payable for such things as: 1)freight, insurance and costs associated with international shipping; 2) Foreign inland freight costs; and 3) Post importation transportation costs. The TD introduces a degree of flexibility. Submissions should follow Port procedures. Copies of the TD are available from the firm.

## INFORMED COMPLIANCE

New ICPs available at Customs website are "Customs Brokers," "Fines, Penalties, etc.," "Turbojets, Turbopropellers, and other Gas Turbines," "Writing Instruments of HTS 9609," "New Decisions on Candle Holders v. Decorative Glass Articles," "Accreditation of Laboratories and Gaugers," and "Cane and Beet Sugar Quota, Classification and Entry," "Freight and Other Value Deductions," "Wadding and Gauze," Coated Nonalloy Flat-Rolled Steel," and "Table & Kitchen Glassware." Access ["What's New"](#) on our website.

## EXPORT INVALID HTS NOS.

Export shipments with certain HTS numbers will be rejected by AES and AES Direct. Associated Schedule B numbers, available in the Notice to Exporters section preceding HTS Chapter 1, should be used. The items include certain meats and fish, beans, corn, sugar, tobacco, cotton, aircraft engines and equipment, and electronic equipment. Access ["What's New"](#) on our website.

## FTZ EXPORTS

Census and Customs are concerned that some FTZ merchandise is being exported without proper documentation. A letter has recently been issued and has been posted to the Census website. Access ["What's New"](#) on our website.

## COMPLIANCE

- The firm is seeing a very significant increase in Customs compliance activity. Clients are advised to initiate/update their compliance efforts.
- Classification and valuation prior disclosures have netted the Customs Service \$96 million in increased duty revenue since 1996. This figure represents 65-70% of monies identified as being owed the government for lost duty revenue. The remaining 30-35% is recovered when Customs discovers errors during compliance audits. <http://www.customs.gov/custoday/mar2000/comply.htm>

## NEW MARKING REGS

Customs has reopened the comment period on its proposed revisions to its country of origin marking regulations. We encourage clients to carefully review these proposed revisions since they would significantly restructure the existing regulations, particularly in terms of defining the "ultimate purchaser." Comments are now due April 26, 2000. [65 Fed. Reg. 17473](#) (Apr. 3, 2000).

## BOYCOTT

The Department of Treasury issued an updated list of countries that require participation or cooperation with an International Boycott which is prohibited by U.S. law. [65 Fed. Reg. 17002](#) (Mar. 30, 2000).

## BANANA WARS

- The WTO has given Ecuador the initial go ahead to impose retaliatory trade measures, including the suspension of intellectual property protection, against the EU in response to its banana import regime. The ruling is the first to allow a developing country to impose retaliatory measures on another WTO member. Access ["What's New"](#) on our website
- The US and the EU continue to negotiate a mutually acceptable resolution to the WTO ruling against the EU banana regime. The US maintains its 100% ad valorem duties on a list of EU products.

## REGULATIONS/FTZ

New Customs broker regulations issued last month conflict with the [ICP](#) on the same subject. Explanations of what customs activities an FTZ operator can undertake on behalf of those for whom it operates differ between the two. See section 111.2. An effort will be made to correct the error. Access ["What's New"](#) on our website.

## EXCLUSIVITY PAYMENTS

The CIT upheld Customs position that exclusivity payments for footwear are dutiable. In [Tikal Distributing Corp. v. U.S.](#), the Court found that exclusivity payments can be defined as either: a part of the total payment made by the buyer to the seller; or proceeds of the resale that are due the seller. [Slip Op 00-24](#) (Feb. 28, 2000).

## BXA EXPORT CONTROLS

BXA amended the EAR by modifying the procedures it must follow to determine the loss of export privileges, and clarify which export privileges may be denied. [65 Fed. Reg. 14862](#) (Mar. 20, 2000).

## EU-MEXICO

The Free Trade Agreement (FTA) between Mexico and the European Union requires that products be covered by certificates of origin known as "movement certificates" or by a statement on the commercial invoice or other commercial documents indicating where the products originate. Unlike NAFTA, origin certificates for the FTA will not be issued by exporters. Exporters will have to seek this certification from the Customs authorities in the exporting country. This information can be verified by Customs officials in the country of importation through a written request to the Customs authorities in the country of exportation.

## US-INDIA TRADE

A new US-India trade agreement has recently been made public. The treaty was reached in December 1999 to resolve a US complaint in the WTO against India. The agreement is twofold: India will remove certain quantitative import restrictions; and the US will accept higher duty rates (up to 80% increase in some cases) on 15 products to receive tariff cuts (up to 75% on several items) on eleven agricultural products. Implementation of the agreement is expected to be completed by April 2001 for part one and by May 2000 for part two.

## MEXICO-ISRAEL FTA

A Free Trade Agreement entered into between Israel and Mexico will begin to take effect on July 1. Most restrictions regarding industrial and agricultural goods traded between the two countries will be eliminated immediately. Other restrictions will be phased out by 2005.

## WTO/US AD

A WTO dispute panel has issued its final report on the U.S. Antidumping Act of 1916 finding that the Act provides grounds, procedures, and remedies that violate WTO antidumping rules. The 1916 Act is completely separate from the primary U.S. antidumping laws, which are contained in the Tariff Act of 1930. Access ["What's New"](#) on our website.

## TRADE AGREEMENTS

The GAO issued a report entitled "Strategy Needed to Better Monitor and Enforce Trade Agreements" that recommends that federal agencies involved in foreign trade develop a strategy to manage the workload of the U.S. monitoring of trade agreements. The GAO has found agency reductions in staff have adversely affected trade monitoring and enforcement efforts. Access ["What's New"](#) on our website.

## AERONAUTICAL IMPORTS

The FAA proposed revisions to its advisory circular (AC) on the agency's objectives, regulations, and general practices for the airworthiness or acceptance of civil aeronautical product imports. Airworthiness agreements between the U.S. and other countries facilitate the certification of aeronautical products that are exported and imported. Comments are due May 8, 2000. [65 Fed. Reg. 12315](#) (Mar. 8, 2000).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 4/15/00		
	APPROVED	PENDING
ZONES	233	8
SUBZONES	422	34
MISCELLANEOUS		24
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	14	
SUBZONES	14	