

BRIEFINGS

SECURITY INITIATIVES

- CF 28s: Jayson Ahern, Asst. Commissioner of Field Ops., has issued a letter stating that the practice of using the CF 28s to obtain supply chain security information is being discontinued. Access ["What's New"](#) on our website.
- CSI: The Bureau of Customs and Border Protection has posted to its website a series of questions and answers regarding the Container Security Initiative (CSI).

CIT

- In *American Sporting Goods v. US*, the CIT ruled that in making "especially close" classification determinations based on laboratory testing, Customs has a "special duty" to ensure that its determinations are accurate and well substantiated. Slip Op [03-31](#) (March 20, 2003).
- The CIT has a new web address. www.cit.uscourts.gov

AES CHANGES

According to C. Harvey Monk, Jr., Chief of the Foreign-Trade Division, the Census Bureau will begin a licensing program by mid-2004 for filers of export documentation through the Automated Export System (AES). Filers will be required to take a licensing exam and be subject to a background investigation. Census intends to have at least one licensed filer at each location or company that utilizes AES.

NAFTA CERTIFICATES

Customs NAFTA verification activity is increasing. Three recent Customs rulings (HQ 561933, HQ 561955 and HQ 562517) confirm the need for a valid NAFTA Certificate of Origin in hand when claiming a NAFTA preferential tariff rate and another ruling (HQ 561820) confirms that a Certificate existing on the date of importation may be corrected by an amended Certificate dated after the date of importation. Careful NAFTA origin compliance is necessary.

VENDOR HUB VALUATION

The firm has obtained a ruling applicable to certain U.S. vendor hub operations wherein title and obligation to pay does not occur until shipment from the U.S. hub. The ruling held that the commercial invoice price at the date of exportation represented a reasonably adjusted transaction value under the fallback provision. For further information contact Marshall Miller. [HQ 548236](#) (March 27, 2003).

ACE

Despite ample funding for the Customs Service's Automated Commercial Environment (ACE) system in the new FY 2003 budget, development continues to fall behind schedule and planned performance standards have not been met.

FOOD IMPORTS

As part of Operation Liberty Shield, the Food and Drug Administration (FDA) has increased examinations and sampling of imported foods, added over 800 new inspectors and field personnel in this area, and issued four voluntary guidance documents designed as an aid to operators of food importing establishments, storage warehouses, and filers. Customs has also issued an administrative message, stating that the FDA is increasing surveillance activities which will result in an increase in the number of shipments identified for FDA review.

HTSUS/ABI UPDATE

- Numerous updates have been issued to the HTSUS. Specifically, Customs has updated FDA flags for HTS numbers requiring FDA filing, quota flags mandated by NAFTA, and tax flags mandated by the ATF, and has also added approximately 200 tariff numbers to Chapter 99 with regard to certain steel products and Section 203 of the Trade Act of 1974. [ADM 03-1272](#) (April 10, 2003).
- The United States Trade Representative (USTR) has also published technical corrections to the HTSUS to correct inadvertent errors and omissions in Chapters 29, 42, 64, 98, and 99. 68 Fed. Reg. [18319](#) (April 15, 2003).

TERRORISM RISK INSURANCE

The Treasury Department has issued an interim final rule effective February 28, 2003 and a proposed rule as part of its implementation of Title I of the Terrorism Risk Insurance Act of 2002. The Act established a temporary Terrorism Risk Insurance Program until December 31, 2005 under which the federal government will share the risk of insured loss from certified acts of terrorism with commercial property and casualty insurers. The interim final rule and proposed rule are the first of a series of regulations that the Treasury Department will issue to implement the Program. 68 Fed. Reg. [9803](#), [9815](#) (Feb. 28, 2003).

FDA PROPOSED RULE

FDA has issued a notice that it will hold a public meeting May 7, 2003, via satellite downlink to provide information on proposed regulations implementing two sections in Title III of the Public Health Security and Bioterrorism Preparedness and Response Act of 2002. 68 Fed. Reg. [16998](#) (April 8, 2003).

EXPORT CONTROLS

- Commerce has launched an initiative to help reduce illegal transshipments, re-exports, and diversion of United States goods and technologies. The Transshipment Country Export Control Initiative (TECI) is designed to work with both governments and industry in key transshipment countries and will be headed up by [BIS](#).

- The effort for an Export Administration Act (EAA) reauthorization geared more toward security than economics is getting support from the Chairman of the Senate Banking Committee. Senator Shelby (R-AL) and four colleagues have called for a new EAA that would include many new and expanded export control regulations.

STEEL

- The World Trade Organization has issued an interim ruling that the U.S. Section 201 steel safeguard violates multi-lateral safeguard rules. The U.S. Trade Representative has indicated that the U.S. would appeal the report, and the steel safeguards would remain in place while appeal was still going.

- The Bureau of Customs and Border Protection (CBP) published a final rule, effective March 21, requiring the inclusion of an import license number on any entry summary or foreign-trade zone admission for which the Department of Commerce requires an import license under its steel licensing program. 68 Fed. Reg. [13835](#) (March 21, 2003).

- The United States Trade Representative has issued a *Federal Register* Notice excluding certain steel products from Section 203 Safeguard measures. Additionally, the same Notice makes technical corrections to Chapter 99 of the HTS to correct several inadvertent errors and omissions. 68 Fed. Reg. [15494](#) (March 31, 2003)

SILS

As reported in last month's *Briefings*, Customs has made changes in the Supplemental Information Letter (SIL) process. The cover sheet that is now required to be submitted to Customs when submitting an SIL is now contained within the "[Sample Post Entry Database](#)" on Customs website.

NAFTA

Customs has issued a proposed rule that would allow components recovered from the disassembly of used goods in a NAFTA country to be entitled to NAFTA originating status when imported into the U.S. 68 Fed. Reg. [12011](#) (March 13, 2003).

FOREIGN TRADE BARRIERS

The 2003 National Trade Estimate Report on Foreign Trade Barriers was released by the Office of the U.S. Trade Representative on April 1. The report is required by the 1988 Omnibus Trade and Competitiveness Act, and this year it examined the trading practices of 56 countries. Access "[What's New](#)" on our website.

PATENT AND TRADEMARK

The United States Patent and Trademark Office has published its proposed amendments to its regulations that would implement the Madrid Protocol Implementation Act of 2002. This Act provides companies the option of submitting a single international application through the International Bureau of the World Intellectual Property Organization to seek protection of their marks in any of the 57 countries that are party to the Protocol. Comments must be received by May 27, 2003. A public hearing will be held on May 30, 2003 in Arlington, Virginia. 68 Fed. Reg. [15119](#) (March 28, 2003).

AD/CVD ORDERS

The International Trade Commission (ITC) has updated its list of current antidumping (AD) and countervailing (CV) duty orders in effect as of March 21, 2003. Access "[What's New](#)" on our website.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 4/15/03		
	CURRENTLY	
	<u>APPROVED AUTHORIZED</u>	
ZONES	255	242
SUBZONES	526	445
	<u>PENDING</u>	
ZONES	2	
SUBZONES	21	
MISCELLANEOUS	26	
	<u>AVERAGE PROCESSING TIME (MONTHS)</u>	
ZONES	10	
SUBZONES	10	