

BRIEFINGS

EXPORTS

The proposed rule requiring the mandatory use of the Automated Export System (AES) for reporting export data will likely be published in the *Federal Register* in June 2004. Census expects to have a 60 day comment period, followed by publication of a final rule in the *Federal Register* in October 2004, effective January 2005. Once an automated database is available, expect an increase in government enforcement actions.

EAR AMENDMENTS

The Bureau of Industry and Security (BIS) has published a final rule, amending the EAR by adding nine new signatories to the Chemical Weapons Convention (CWC), including Libya. However, Libya is still an embargoed destination under U.S. law. ECCNs 1C351.a, 1C351.c, 1C352, and 1C353.a are affected. 69 Fed. Reg. [12789](#) (Mar. 18, 2004).

ISA

There are now nearly 100 firms that have signed up for ISA; 20% have been approved. The primary benefit of sidestepping a Focused Assessment will be more difficult with the new requirement that a firm be C-TPAT certified. The sole Customs ISA office in Ft. Mitchell, Kentucky, has now been supplemented with Customs' auditors offices in Nashville and St. Louis.

WEB SITE

- A list of current seminars provided at no charge to clients is available on our [web site](#).
- Our web site has been significantly updated. The *What's New* section is organized by topic.
- Under a new section on the Main Page is a link entitled "[Federal Register Notice Documents on Public Inspection](#)," which provides notice titles that will be published in the near future.

FTZ BOARD CHANGE

As part of the Department of Commerce's manufacturing initiative, the FTZB invited public comment on two proposals. The first proposal involves a procedural change whereby the Board would delegate authority to the Board's Executive Secretary for decision-making on certain requests for temporary or interim manufacturing authority. The second proposal includes enhancements to the Board's pre-application counseling procedures and application guidelines. Public Comments are due by April 30, 2004. 69 Fed. Reg. [17643](#) (Apr. 5, 2004).

CUSTOMS ICP

U.S. Customs and Border Protection (CBP) has issued a new informed compliance publication titled, "[What Every Member of the Trade Community Should Know About: Entry](#)." It contains useful information.

IMPORT/EXPORT ANALYSES

The firm has redesigned its software to analyze our clients' imports and exports. A detailed management report with accompanying charts, reports, and graphs assist companies in monitoring compliance, streamlining logistics, and allocating resources. We understand this is a one-of-a-kind service offered by our firm. Details are on our [web site](#).

MEXICO/JAPAN FTA

Expect signing by the end of May, ratification in the Fall, and an effective date in 2005. A wide range of parts and finished products will be Customs duty free in 2005. It is a very important strategic move. The impact on U.S. production, U.S. exports to Mexico, and FTZ activity will be significant.

F.R. COMMENTS

Comments on federal documents published in the *Federal Register* can now be submitted [online](#).

DATA EXCHANGE

The U.S. and Mexico have agreed to provide U.S. export data to Mexico under the US/Mexico Smart Border Accord. The data is to be used for border security activities, export control, and revenue fraud investigations. Clients are encouraged to review their U.S.-Mexico transactions to identify any discrepancies before the [data exchange](#) begins.

FDA BTA PRIOR NOTICE

- The Interim Final Rule has been reopened for public comment after the issuance of a joint FDA/Customs plan. Comments are requested by May 14, 2004. 69 Fed. Reg. 19763 (Apr. 14, 2004).
- Customs has issued Administrative Messages indicating that certain enhancements will be made to Automated Broker Interface (ABI) for submission of entries that may or may not be subject to Prior Notice. This change reinforces for importers that it is the use of the imported good that determines whether Prior Notice is required, not the "FD" codes. ADM [04-0586](#) (Mar. 24, 2004); [04-0802](#) (Apr. 7, 2004).
- FDA recently issued a document entitled "[Compliance Summary Information: Prior Notice](#)" that provides various statistics related to Prior Notice submissions from December 12, 2003, through mid-February 2004.

USTR

- USTR has Published its annual [National Trade Estimates Report of Foreign Trade Barriers](#).
- USTR has [Issued](#) its 2004 Trade Policy Agenda and 2003 Annual Report on the Trade Agreements Program.

HTSUS CORRECTIONS

- The ITC has published a list of known errors in the 2004 HTSUS.
- USTR has issued a notice identifying several technical corrections to the HTSUS due to omissions or errors in various Presidential Proclamations. 69 Fed. Reg. 15917 (Mar. 26, 2004).

ACE - STATUS

Customs has [posted](#) on its web site various documents related to the Automated Commercial Environment (ACE), detailing ACE successes plus the expected milestones for 2004.

FTAs

- FTA negotiations with Morocco concluded March 2nd; President Bush notified Congress of his intent to sign the U.S.-Morocco FTA. 69 Fed. Reg. 11491 (Mar. 10, 2004). The USTR released the U.S.-Morocco FTA [text](#).
- FTA negotiations between the U.S. and Colombia will begin May 18.
- The Advisory Committee for Trade Policy and Negotiations issued a report to the President, Congress and USTR on the [U.S.-Australia FTA](#) (Mar. 12, 2004).
- On March 24, 2004, President Bush notified Congress of his intent to sign the CAFTA with El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. 69 Fed. Reg. 16159 (Mar. 26, 2004).
- On April 26, 2004, the USTR intends to initiate FTA negotiations with Panama. A public hearing was held on March 23, 2004. Comments were requested. 69 Fed. Reg. [8518](#) (Feb. 24, 2004).
- The European Union (EU) and Mercusor are near agreement on an FTA. Expect an announcement in May and finalization in October.

AES REDESIGN

Customs and Census plan to deliver a redesign of the commodity module of the Automated Export System (AES) on June 8. The new commodity redesign will be moved into production during a 72 hour system outage, June 5-7, 2004.

USER FEES

The "Military Family Tax Relief Act of 2003" (P.L. 108-121) was signed into Law by President Bush, which, among other things, extended the Merchandise Processing Fee (MPF) and the Consolidated Omnibus reconciliation Act of 1985 (COBRA) user fees through March 1, 2005.

HS EXPLANATORY NOTES

The World Customs Organization published [amendments](#) to the Harmonized System Explanatory Notes (EN), which reflect the official interpretation of the Harmonized Commodity Description and Coding System. While the EN are not binding on Customs, they are followed whenever possible.

DHS RAIL SECURITY

The Department of Homeland Security has announced new [security initiatives](#) for the rail and transit systems.

ITC WEB SITE

The International Trade Commission (ITC) has posted to its [web site](#) World Customs Organization (WCO) documents relating to the work of the Harmonized System Committee (HSC).

ABI FTZ ENTRIES

Customs has issued an administrative message concerning the programming for ABI HN border cargo release. ADM 04-0768 (Apr. 6, 2004).

US-JAPAN TAX TREATY

On March 9, 2004, the Senate approved a new income tax treaty with Japan.

AD/CVD COLLECTIONS

Customs revealed that in FY 2003, Customs failed to collect \$130 million in payments on imports that were subject to AD/CVD orders.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 4/15/04		
	CURRENTLY	
	APPROVED	AUTHORIZED
ZONES	259	246
SUBZONES	530	449
	PENDING	
ZONES	4	
SUBZONES	13	
MISCELLANEOUS	31	
	AVERAGE PROCESSING TIME (MONTHS)	
ZONES	7	
SUBZONES	8	



