

BRIEFINGS

ROUTING SLIP

ACE

- The Government Accountability Office (GAO) has published a report critical of the Customs Automated Commercial Environment (ACE) program. [GAO-05-267](#) (March 2005).
- A [table](#) that describes ACE's future features and benefits, impacted accounts, and involved Customs personnel has been posted to the Customs web site.

SPOT CHECKS

A Customs Port Director recently stated that his port was coordinating with Immigration and Customs Enforcement (ICE) when conducting Customs spot checks. The coordination may mean that immigration (work authorization) questions are asked during spot checks.

BYRD AMENDMENT

As a result of the U.S. failure to repeal the Byrd Amendment:

- The Canadian government has [announced](#) a 15% tariff, effective May 1, on U. S. exports of cigarettes, live pigs, oysters, and specialty fish.
- The European Commission has announced a [list](#) of U.S. products that will be subject to a 15% tariff beginning May 1, 2005.

EXPORT ENFORCEMENT

The Bureau of Industry and Security (BIS) has issued press [releases](#) on nine export enforcement cases concluded in the past six weeks. Penalties total almost \$900,000.

FIRM SEMINARS

The firm still has limited space available at the following no charge client seminars at our Kansas City office:

- June 21-22 - FTZ
 - Sept. 14 – Current Import/Export/FTZ Developments (at NAFTA Convention)
 - Dec. 7-8 – Import/Export
- Contact Janet Haynes ASAP at jhaynes@millerco.com for reservations. More detailed information is available on our web site.

RLF

Customs has issued a *Federal Register* notice amending the Remote Location Filing (RLF) requirements to permit RLF use for goods transported in-bond. 70 Fed. Reg. [16510](#) (March 31, 2005). However, Customs has already issued an Administrative Message stating that AVI and ACS are not capable of accepting RLF transmissions for in-bond entries. Therefore, until further notice, RLF is not to be used for in-bond entries. ADM [05-0349](#) (March 31, 2005).

MANIFEST REQUIREMENTS

- Customs plans to require importers and customs brokers to provide more complete manifest data for shipments that are destined for the United States.
- Customs has begun issuing fines for inaccurate manifest information. One air carrier received a penalty for more than \$250,000 for one shipment.

CENSUS

Comments on the proposed new Foreign Trade Regulations, which include mandatory AES usage, are due April 18, 2005. Clients are encouraged to carefully review the proposed regulations and consider filing comments. 70 Fed. Reg. [8199](#) (Feb. 17, 2005).

C-TPAT

- Customs has [issued](#) its revised Customs-Trade Partnership Against Terrorism (C-TPAT) security criteria. The criteria is mandatory for all C-TPAT participants. New C-TPAT applicants must meet the criteria at the time of applying, whereas current participants are allowed a phased-in approach. The firm has drafted a [memo](#) analyzing the new criteria.
- Customs has posted an online C-TPAT [application](#) for importers to its web site.
- There are currently over 8,800 C-TPAT members. 4,775 of those members are certified. Only 455 of the 4,775 certified members have been validated, but 493 validations are underway.

ORIGIN MARKING

Customs has posted to its web site a revised [brochure](#) on U.S. country of origin marking requirements. The brochure is for general information purposes only, and specifically states that reliance solely on its general information may not be considered reasonable care.

CHINA TEXTILES

- Four trade associations have filed requests for China textile safeguard actions with the Committee for Implementation of Textile Agreements (CITA). The requests cover numerous [products](#).
- CITA has [announced](#) its decision to initiate safeguard proceedings to determine whether imports of various cotton textile products are disrupting the U.S. market. Preliminary import data for the first quarter of 2005 indicates imports from China in these categories grew by approximately 1,250%, 1,500%, and 300%, respectively, from the same quarter last year.

NORTH AMERICA SPP

On March 23, the U.S., Canada, and Mexico established the Security and Prosperity Partnership of North America (SPP). [SPP](#) is to create a common approach to internal and external security, while allowing legitimate, low-risk traffic across shared borders.

CUSTOMS BONDS

The Court of Appeals for the Federal Circuit (CAFC) has upheld the Customs 10% (of duties, taxes, and fees) standard for determining appropriate bond amounts. *Carolina Tobacco Co. v. U.S. CAFC Slip Op.* [04-1269](#) (April 4, 2005).

CURRENT AD/CVD CASES

The ITC has posted to its website a [list](#) of antidumping (AD) and countervailing (CV) duty orders in effect as of Jan. 27, 2005.

FOOD DETENTIONS

The FDA has issued a [guidance document](#) on the administrative detention of food.

CAFTA RATIFICATION

Congress has begun hearings on Central America Free Trade Agreement (CAFTA) implementation. Debate is centered on the treatment of sugar, textiles, labor rights, and the environment.

BIS REGULATORY CHANGES

- BIS has issued an advanced notice of rule making on deemed exports. Significant changes are expected. Comments are due May 27, 2005. 70 Fed. Reg. [15607](#) (March 28, 2005).
- BIS has issued Final Rules on: Libyan export and reexport restrictions; certain chemical and biological weapons end users/end uses; and changes agreed to by the Missile Technology Control Regime (MTCR). 70 Fed. Reg. [14387](#) (March 22, 2005) (Libya); 70 Fed. Reg. [16110](#) (March 30, 2005) (chem/bio weapons); 70 Fed. Reg. [11858](#) (March 10, 2005) (MTCR).

EXPORT RESOURCE

The U.S. government is one step closer to creating a consolidated [list](#) for restricted party screening. The General Services Administration (GSA) has recently added OFAC's list of Specially Designated Nationals and Blocked Persons to the screening that can be performed on the Excluded Parties List System (EPLS). EPLS identifies parties precluded from Federal contracts/ subcontracts and Federal assistance and benefits. Parties restricted by BIS or State are not yet included on EPLS.

FTA IMPACT

The average Customs duty rate declined from 3.33% in 1990 to 1.47% in 2004. Recent trade data suggests that multilateral staged tariff reductions may have more of an impact than FTAs on trading relationships with other countries.

ORIGIN RULES

All sides are claiming a win in a World Trade Organization [ruling](#) on the European Union's food origin labeling program. The EU's geographic registration program, (e.g., "Parma ham," "Roquefort cheese") was upheld, but the WTO agreed with U.S. and Australian complaints that the registration process was discriminatory and must be changed to allow registration and protection of non-EU products.

STEEL INVESTIGATION

The ITC has launched an investigation to evaluate the effectiveness of the steel licensing and monitoring safeguard measures imposed on certain steel products. Comments are due July 12. 70 Fed. Reg. [17113](#) (April 4, 2005).

FAST TRACK

- President Bush has submitted to Congress a request to extend Trade Promotion Authority (TPA) for an additional two years. Formerly known as "fast track," TPA is the process whereby Congress must approve or reject a trade agreement in its entirety. Expect a lively Congressional debate. The Office of the U.S. Trade Representative issued a [report](#) on TPA and the U.S. International Trade Commission has launched an [investigation](#) into the impact of U.S. free trade agreements with Chile, Singapore, and Australia that were implemented using TPA. 70 Fed. Reg. [19095](#) (April 12, 2005).

ISA CHANGES

Customs has issued [revisions](#) to the ISA Handbook, ISA Memorandum of Understanding, ISA Annual Notification Letter, and Guidance on Internal Controls.

EN REVISIONS

The World Customs Organization (WCO) has [issued](#) Supplement No. 6, amending various Explanatory Notes (ENs).

FOREIGN TRADE BARRIERS

The Office of the U.S. Trade Representative has released its [Annual Report](#) on foreign trade and investment barriers.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 4/15/05		
CURRENTLY	APPROVED	AUTHORIZED
	ZONES	262
SUBZONES	560	491
PENDING		
ZONES	5	
SUBZONES	15	
MISCELLANEOUS	34	
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	7	
SUBZONES	10	