

BRIEFINGS

FQA

The Act is effective June 1, 1999; implementing regulations are expected by June 24, 1999. Congressional legislation has been introduced that would delay implementation. The Department of Commerce has submitted its report on the Act to Congress. It notes significant improvements in fastener quality since the FQA was passed and recommends that requirements and oversight be scaled back, if regulation is continued at all.

<http://www.nist.gov/fqa>

CUSTOMS WEB SITE

Customs has redesigned and enhanced its website. It contains a better navigational format, search capabilities, enhanced import-export information, and easier access to Headquarters and New York Rulings, 19 U.S. Code, 19 CFR and the HTS. www.customs.ustreas.gov can be accessed through a link on the firm's web page.

CUSTOMS BROKERS

Customs has issued a proposed rule amending 19 CFR Part III governing the licensing and conduct of customs brokers. Written comments are due by June 28, 1999. [64 Fed. Reg. 22726 \(Apr. 27, 1999\)](http://www.fedreg.gov)

GSP

The GSP program is set to expire on June 30. Actions to extend the program are underway with the Senate Finance Committee expected to include an extension in an Omnibus Trade bill it is drafting.

NEW FTZ OPS MANUALS

With the maturing of the zone program, it has become clear that to assure correct compliance, it is necessary to have a very detailed internal FTZ operations manual. The firm has developed two computer formats, modeled after ISO manuals. An Internal Operations Manual provides a level of detail that describes exactly who and what is involved in every aspect of receipts, processing, and shipments. A new Customhouse broker manual is designed specifically for the client's broker and their responsibilities/interface with company personnel in the FTZ receipt/shipment process. Both documents are now being successfully used by clients with newly activated zone projects. Contact Marshall Miller for more information.

ACS RECONCILIATION

Customs has adopted a "grandfather clause" policy which allows importers that were in the middle of a reporting period on October 1, 1998 to finish that period and report adjustments using existing local, unofficial practices. Notification to Customs must be given by June 1, 1999. <http://www.customs.ustreas.gov/imp-exp2/comm-imp/recon/grext.htm>

CUSTOMS-JUSTICE DEPT.

Customs has initiated direct contact with U.S. Attorneys offices. Expect an increased level of civil and criminal prosecutions in the Customs area.

VALUATION ENCYCLOPEDIA

Customs posted to the Customs Electronic Bulletin Board (CEBB) its "Customs Valuation Encyclopedia 1980-1998." It includes provisions of Customs Regulations, portions of the Customs Valuation Code, and rulings. [CEBB VAL98WP.EXE](http://www.cebbs.com) (May 6, 1999)

HAGGAR

The Supreme Court ruled that federal courts must give deference to Customs regulations when ruling on disputes between the agency and importers. The decision means courts must now uphold any Customs regulation that they consider a "reasonable" interpretation of the law. The standard will make it harder for importers to challenge U.S. Customs regulations. [U.S. vs. Hagggar Apparel Co.](http://www.uscourts.gov) Slip Op 97-2044 (Apr. 21, 1999).

AES

AERP, which allows batching of export documents for monthly filing will end January 1, 2000. Firms that have not signed up for the new Automated Export System (AES) will have to file Shipper's Export Declarations (SEDs) in paper form. Detailed information on AES can be secured at <http://www.customs.ustreas.gov/impexpo/impexpo.htm>

FLAVORS/FRAGRANCES

The US ITC published a new industry report on Flavor and Fragrance materials. Publication 3162. [ftp://ftp.usitc.gov/pub/reports/studies/pub3162.pdf](http://ftp.usitc.gov/pub/reports/studies/pub3162.pdf)

ACS/ABI/ACE/ITDS

The controversy continues with no clear resolution. Organization and funding for the necessary new Customs computer system has not been decided. The chances for a new added user fee appear remote. The National Customs Brokers and Forwarders Association of America (NCBFAA) recently stated their belief that the International Trade Data System (ITDS) "would cause major harm to the flow of international trade and result in the creation of a system that would greatly complicate and disrupt the vast majority of international trade transactions." The [General Accounting Office \(GAO\)](#) reviewed Customs' management of the Automated Commercial Environment (ACE) and concluded that Customs is not managing ACE effectively and does not know if ACE is a cost effective solution.

DUTY ELIMINATION

The International Trade Commission is seeking comments for its study on the economic effects of reducing or eliminating U.S. import tariffs. The ITC study (No. 332-405) will be used in the next round of WTO multilateral trade negotiations. Written comments are due by August 10. Information is available at <http://www.usitc.gov/er/nl1999/ER0414W2.htm>.

CUSTOMS AGENDA

Customs has published its semi-annual regulatory agenda consisting of a comprehensive list of its regulations at the proposed, final, long-term, and completed stages. [64 Fed. Reg. 21048 \(Apr. 26, 1999\)](#)

USDA

Compliance information on Section 8e of the USDA's Agricultural Marketing Agreement is available at <http://www.ams.usda.gov/fv/8ewelcome.html>.

MEXICO IMPORTS

Effective May 1, 1999, Mexican Customs is cracking down on under-valued invoices of imports. Reportedly, a Mexico Customs agent caught allowing goods to enter the country 40% or more below its correct value can be held responsible for the missing duty. Merchandise valued 50% or more below similar goods may be embargoed. As a result, expect the import process to be slowed.

IPR

The USTR identified on April 30, 1999, 53 trading partners as failing to provide adequate and effective intellectual property protection and fair and equitable market access to persons who rely on such protection under section 182 of the Trade Act of 1974. [64 Fed. Reg. 24438 \(May 6, 1999\)](#)

EXPORTS - SUPER 301/ TITLE VII

March 31, President Clinton issued Executive Order 13116 that reinstated USTR's Super 301 authority that expired in 1997 and Title VII authority that expired in 1996. Super 301 requires identification of priority foreign country practices whose elimination has the most significant potential to increase US exports; Title VII requires identification of discriminatory foreign government procurement practices. On May 6, USTR published its Super 301 Report. [64 Fed. Reg. 24439 \(May 6, 1999\)](#)

STEEL DUMPING

In a surprise decision that definitely will slow the momentum of these actions, the International Trade Commission voted 6-0 on May 10, 1999 that certain stainless steel round wire that the Commerce Department had determined had been dumped, nevertheless created no injury or threat to U.S. industry. As result, antidumping duties will not be imposed.

CMC'S

The roles and responsibilities of Customs Management Centers and the Ports of Entry under their Supervision have been defined in C.S.D. 2130-006 (Feb. 12, 1999). Significant changes have occurred.

MAQUILADORAS

January 1, 2001, Mexico's Maquiladora industry will no longer be allowed to import items duty free for production. While there are a number of possible actions to be taken, no final action has been determined by the government of Mexico. Clients with Maquiladoras should very carefully begin the planning effort for this change.

TARIFF LEGISLATION

Rep. Phillip M. Crane (R-IL), Chairman of the House Subcommittee on Trade, has indicated to Congress that it must submit all changes or corrections to tariff and trade legislation by June 11. The subcommittee will then identify the bills introduced and request public comment. www.house.gov/ways_means/trade/106cong/tr-9.htm

ORIGIN MARKING

The Court of Appeals for the Federal Circuit (CAFC) recently upheld the special NAFTA country of origin marking rules in 19 CFR 134.35, ruling that the special NAFTA marking rules displace the "substantial transformation" test for purposes of NAFTA goods. [Bestfoods v. U.S.](#), CAFC Slip Op. 98-1069 (Jan. 25, 1999).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 5/15/99			
	APPROVED	PENDING	
ZONES	229	6	
SUBZONES	406	27	
MISCELLANEOUS		27	
AVERAGE PROCESSING TIME (MONTHS)			
ZONES	15		
SUBZONES	10		