

BRIEFINGS

ROUTING SLIP

POTENTIAL HMF INCREASE

A new House Bill ([H.R. 2355](#)) known as the "Movement Act" would increase the Harbor Maintenance Fee from 0.125% to 0.4375% and impose a 0.3125% value tax on commercial cargo entering the U.S. from foreign ports. No tax shall be imposed on goods originating in Canada or Mexico. This may be an attractive option for increasing tax revenues. Lobbying efforts are already underway to stop it.

FTR VIOLATION LETTERS

Customs issued guidelines in January for enforcement of the Census Foreign Trade Regulations. Now Customs is beginning to issue Warning Letters for FTR violations. We have identified some areas of concern, including letters being issued for clerical errors and failing to provide Customs contact information for questions or resolution. Please contact Jerry Greenwell with questions.

PARTS OF GENERAL USE

Serving as a useful reminder that tariff classifications need to be carefully considered, in [Honda of America Mfg. v. U.S.](#) the Court of International Trade classified a specialized bolt as a fastener instead of as a part of an automobile. It ruled that the bolts remain classifiable as parts of general use even if they possess specialized or unique features. CIT Slip Op. [09-51](#) (June 5, 2009).

2009 TRAINING SEMINARS

The firm has several introductory and advanced training seminars scheduled through the end of the year:

- **July 7-8** - Advanced FTZ 201
- **July 28-29** - Import/Export 101
- **Aug. 18-19** - Advanced Valuation Training
- **Sept. 21** - Breaking Trade and FTZ Issues in conjunction with the NAFTA Convention in Dallas
- **Oct. 20-21** - Advanced Classification Training
- Additional details are on our website at www.millerco.com. Register now by e-mail to Kelly Hall: khall@millerco.com.

NEW EXPORT SEMINAR

- Mark Teerink and Jerry Greenwell are leading a one-day seminar on Census export reporting and Commerce/State export controls in Salt Lake City, Utah on July 22. Check our [website](#) for details and register with Jackie Davis at jdavis@millerco.com.

ISF STATUS MESSAGING

Two new Customs status notifications are being provided to the issuer of bills of lading via the [Automated Manifest System](#): the messages are to confirm the Importer Security Filing is matched ("On File") and to indicate an ISF has been "Deleted."

FTZ ANNUAL REPORTS

The comment period on the Foreign-Trade Zones Board's proposal to change the scope and format of Annual Reports closes July 14, 2009. The proposal adds significant automation and detail to the Annual Report, raising business confidentiality concerns. Please contact Marshall Miller or Scott Taylor with questions or for assistance with comments. 74 Fed. Reg. [22888](#) (May 15, 2009).

AIR IN-BOND FILINGS VIA ABI

Customs has [delayed ABI filing](#) for air in-bond movements until late summer. When available, filings via the Automated Commercial System (ACS) will utilize "QX" and "WX" application identifiers. The Automated Commercial Environment (ACE) M2.1 deployment scheduled 2010 will include in-bond functionality utilizing "QP" and "WP" identifiers.

BUY AMERICAN

Comments on the interim final guidance that augments the "Buy American" Federal Acquisition Regulations for Stimulus Bill contracts are due by June 22, 2009. 74 Fed. Reg. [18449](#) (Apr. 23, 2009). The application of these "Buy American" requirements is raising concerns and the threat of WTO action from trading partners.

GLOBAL ECONOMY

The World Bank is now [projecting](#) a 3% slump in the global economy for 2009.

ORIGIN LABELS

The USTR has requested comments by July 1 on requests for WTO consultations by Canada and Mexico concerning USDA country of origin labeling (COOL) requirements. 74 Fed. Reg. [24059](#) (May 22, 2009).

DAIRY IMPORTS

The U.S. Department of Agriculture (USDA) has issued a controversial Proposed Rule to impose a \$0.075 per 100 pounds assessment on imported milk. The funds are to be used to promote dairy consumption. Foreign milk sources complain that the program violates WTO commitments. Comments are due by June 18, 2009. 74 Fed. Reg. [23359](#) (May 19, 2009).

FDA SUPPLY CHAIN SECURITY

- The U.S. Food and Drug Administration's proposed [2010 budget](#) includes a 19% funding increase to strengthen supply chain safety and security for food and medical products. The budget also proposes new user fees for registering food facilities, a process to allow the importation of drugs approved in other countries, and reviewing and inspecting of generic drug facilities.

FOOD SAFETY BILL

The Health Subcommittee of the House Commerce Committee is considering an amended [Food Safety Enhancement Act of 2009](#) (H.R. 2749) that includes a compliance certification requirement at import for high risk products or countries, makes food "misbranded" if not properly labeled with its country of origin, and imposes registration and fee requirements on food importers and brokers.

ANTI-COUNTERFEITING

The Office of the U.S. Trade Representative has [announced](#) that the Obama Administration will move forward with the Anti-Counterfeiting Trade Agreement (ACTA) talks, which are to continue in July, with the goal of a final agreement in 2010.

2009 GSP REVIEW

Petitions are being accepted through June 24 to add, withdraw, limit, or otherwise modify product coverage under the Generalized System of Preferences. 74 Fed. Reg. [25605](#) (May 29, 2009).

BIS FOREIGN BUYER SURVEY

The Bureau of Industry and Security (BIS) has posted [comments](#) responding to its January 2009 Federal Register [notice](#) requesting feedback on the impact of U.S. Export Administration Regulations (EAR). Comments were mostly negative and listed increased costs caused by export regulations as a major reason foreign buyers avoid buying U.S. goods and technology.

BIS VSD RATE STEADY

BIS has indicated that the rate at which exporters file voluntary self-disclosures has remained relatively steady at about 200 per year since before the 2007 five-fold increase in civil penalties for EAR violations, suggesting that either the potential of greater penalties has not prompted a correspondingly greater level of self-policing by the trade or has made exporters less inclined to disclose violations.

IMAGING CAMERA EXPORTS

BIS has issued a Final Rule that imposes a license requirement for re-exports of certain thermal imaging cameras and commodities containing such cameras that are manufactured outside the U.S., regardless of the level of U.S. origin content. The rule went into effect May 22, 2009. 74 Fed. Reg. [23941](#) (May 22, 2009).

FTAs

U.S. Trade Representative Ron Kirk has indicated that the Panama FTA will be held until healthcare reform legislation is passed. Senator Judd Gregg (R-NH) has indicated that he does not believe any pending FTAs will be considered this year because of the Administration's focus on domestic legislative priorities.

BAHRAIN FTA

Customs has issued an Interim Final Rule, effective May 22, eliminating a requirement that merchandise imported from either the U.S. or Bahrain to the other FTA country that passes through a third country must be under Customs control in the third country. 74 Fed. Reg. [23949](#) (May 22, 2009).

FTZ MANUALS

- NAFTZ Members are working with Customs on the latest update to the Customs FTZ Manual. Significant changes have been provided to Customs for their final review. Expect publication of the new Manual by Fall.
- Census has prepared a draft Foreign Trade Zones Best Practices Manual. NAFTA Members have commented to Census on this Manual as well.
- Contact Linda King with questions.

NEW ACE DOCUMENTS

Customs has issued documents on Business Rules and Process, Entry Summary Instructions, CBPF 7501 Test, and Entry Summary Rejection Response to [assist](#) with processing Automated Commercial Environment (ACE) entry summaries. The new ACE Entry Summary was successfully piloted in Buffalo starting in April and in Chicago, Laredo, and Long Beach in May.

C-TPAT AND EXAMS

The Port of New York/Newark has issued a Pipeline on expediting cargo clearance exams for Customs-Trade Partnership Against Terrorism (C-TPAT) participants. Pipeline No. 09-016-NWK (June 8, 2009).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 6/15/06		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	260	247
SUBZONES	534	453
PENDING		
ZONES	3	
SUBZONES	13	
MISCELLANEOUS	28	
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	8	
SUBZONES	8	