

# BRIEFINGS

## FTA-DRAWBACK

The United States Trade Representative is accepting public comments on the treatment of duty drawback and deferral regimes in free trade agreements (FTAs) currently under negotiation. This is one more sign of the new FTA's complexity. There is an opportunity for clients to maintain drawback and for FTZs, to eliminate the Article 303 Duty Deferral/Platforming structure. Clients are encouraged to file detailed letters; a draft, prepared by the firm, will be posted to our website by July 23. Comments are due July 30, 2003. 68 Fed. Reg. [39614](#) (July 2, 2003).

## CARGO MANIFESTS

- Customs has posted to its website a revised "Cargo Declaration" form ([CF 1302](#)), entitled "Inward Cargo Declaration." Customs revised the form, which may be completed on-line, due to the implementation of the 24-hour advance manifest filing rule for ocean cargo.
- Many Non-Vessel Operating Common Carriers (NVOCCs) have been experiencing significant delays in their ability to move cargo in-bond. It is expected that Customs will soon implement new procedures on how carriers and NVOCCs file their bills of lading with Customs to eliminate the problems and delays.

## FTZ/TREASURY ISSUE

Mr. Timothy Skud, Deputy Assistant Secretary, Tax, Trade and Tariff Policy, confirmed late Friday that since May 15, he has stopped signing all documentation authorizing Foreign-Trade Zone Applications at the Treasury Department. He is questioning the ministerial legal authority that he has to sign the documents based upon the second Delegation Order of the Treasury Department, T.D. 100-16 (May 15, 2003). We have submitted a [Brief](#) supporting his current legal authority. Contact Marshall Miller.

## C-TPAT

- Customs officials have indicated that they are formulating plans to expand the Customs-Trade Partnership Against Terrorism (C-TPAT) program to include foreign manufacturers and exporters to the United States.
- The Senate is considering legislation that would require Customs to spend 20% of its C-TPAT budget for the sole purpose of verification of, and compliance with, security plans.

## CSI

19 of the top 20 container seaports have now joined the Container Security Initiative. Fifteen have started CSI operations. Sri Lanka and Thailand have also recently agreed to participate in CSI.

## QP/WP

At the specific request of the NAFTAZ, Customs will allow QP/WP participants to print hard copy CF 7512s for presentation to the destination port to allow arrival and exportation updates in ACS by Customs, amendments to quantity, and air freight shipments. The changes apply to all QP/WP and FTZ participants, and may be used for direct and indirect export shipments and zone-to-zone transfers. ADM 03-[1753](#) (July 9, 2003).

## STEEL

On July 11, the WTO issued a dispute settlement panel [report](#), which concluded that the safeguard measures imposed by the U.S. on certain imported steel products violate WTO obligations. The U.S. plans to appeal the decision. The EU list of U.S. exports (\$2.2 billion) with a 100% tariff should stimulate negotiations.

## MISCELLANEOUS TRADE BILL

In an effort to bypass the hold placed on the bill by Senator Shelby, two-thirds of the Senate members have submitted a letter to Senate Majority Leader Bill Frist requesting that the Miscellaneous Trade and Technical Corrections Act of 2003 be submitted to the Senate floor under normal procedures. The support of 66 members is sufficient to block a filibuster by Senator Shelby.

## HMF EXPANSION

Rep. Michael Capuano (D-MA) and Senator John Kerry (D-MA) have introduced companion legislation to impose harbor maintenance taxes on imported cargo that arrives at certain private ports. HMT is currently levied only on cargo that arrives at deep-water ports that accept federal monies for construction, operation, or maintenance. Private ports would be forced to collect HMT if imports exceed \$100 million annually. H.R. 2564/S.1310.

## QUOTA/VISA

Customs has issued a potentially very significant ruling on quota/visa requirements. [HQ 115828](#) (Dec. 2, 2002), holds that a company may avoid quota and visa certification requirements by shipping textile articles directly to consumers and making the consumers the importer of record.

## FDA WARNING LETTER

The FDA plans to implement a six month pilot program beginning September 22, 2003, in which it will post certain responses to Warning Letters on its website in an effort to make information publicly available. However, the recipient of the Letter must actually request that the response be posted, which should limit the program. 68 Fed. Reg. [37162](#) (June 23, 2003).

## CUSTOMS FORMS

- CBP has updated its "Forms" web page so that most forms may be completed and printed online.
- Effective July 14, 2003, all Supplemental Information Letters (SILs) and Post Entry Adjustments (PEAs) must be filed using a revised Post Entry Adjustment cover sheet. Customs has indicated that Brokers and importers may create their own cover sheet, as long as it contains the required information. ADM [03-1738](#) (July 8, 2003).

## GSP CHANGES

President Bush has signed Proclamation 7689, which includes several changes to the country/Harmonized Tariff Schedule number combinations for GSP purposes. The Generalized System of Preferences' Annex I and II went into effect on July 1, 2003, while Annex III was effective on July 2, 2003. 68 Fed. Reg. [39795](#) (July 2, 2003).

## BYRD AMENDMENT

- A WTO [arbitration](#) panel has determined that the U.S. has until late December of 2003 to repeal the Byrd Amendment, which directs that proceeds from AD/CVD assessments be distributed to affected U.S. producers.
- Customs has issued its notice of intent to distribute assessed antidumping or countervailing duties for Fiscal Year 2003. 68 Fed. Reg. [41597](#) (July 14, 2003).

## CUSTOMS PAYMENTS

The Bureau of Customs and Border Protection (CBP) has posted procedures for submitting payments of Customs bills on the CBP website.

## ANTI-DUMPING

World Trade Organization consultations are being requested by the European Union on U.S. anti-dumping methodology. The EU has stopped using the "zeroing" anti-dumping methodology and is requesting that the U.S. do the same.

## MARAD E-SEALS

On [June 20](#), the U.S. Department of Transportation's Maritime Administration (MARAD) announced the preliminary results from the Cargo Handling Cooperative Program's testing and evaluation of electronic seal (e-seal) technologies for intermodal freight containers. A full report on the evaluation effort will be released in July 2003.

## DHS FIELD OPERATIONS

DHS is considering organizing its field operations along regional lines, rather than having all decision-making in Washington. This has raised concerns and complaints from importers about consistency in Customs treatment. No decision on a regional structure has been made. DHS has promised consistent Customs enforcement of Customs rules at all ports of entry.

## FTAs

- The U.S. International Trade Commission has released two reports on the [U.S.-Chile FTA](#) and the impact of the [U.S.-Singapore FTA](#).
- Senator Max Baucus (D-MT) and Rep. Cal Dooley (D-CA) have requested a General Accounting Office investigation into the Bush Administration's choices for partners in free trade agreements.
- Rep. Sander Levin (D-MI) has warned the Bush Administration that it should not use certain labor, origin, and environmental provisions from the Chile and Singapore FTAs as models for future FTA agreements.

## CHINA WTO

A report has been released on China's compliance problems with its World Trade Organization commitments. A statement released with the report by the U.S.-China Business Council urges China to meet its WTO commitments.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 7/15/03		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	255	242
SUBZONES	527	444
	PENDING	
ZONES	4	
SUBZONES	23	
MISCELLANEOUS	32	
	AVERAGE PROCESSING TIME (MONTHS)	
ZONES	10	
SUBZONES	10	