

BRIEFING

ROUTING SLIP

ACE

At the Trade Support Network (TSN) meeting, it was announced that many key functions will not be available until 2009/2010. In addition, though the ACE staffing is at 900, Customs will require significant company trade support through 2006 to complete basic programming.

CUSTOMS BUSINESS

Customs has issued a ruling that slightly expands on and clarifies its limitations on corporate compliance functions performing "corporate compliance activities." Customs ruled that employees of one wholly-owned subsidiary could provide classification and valuation information, as well as other unspecified "input and advice" to another wholly-owned subsidiary, and provide "information" to a broker "for the filing of entries." Responding to CF28/29s and audit inquiries, and submission of PEAs and SILs was ruled to be impermissible. HQ [116220](#) (June 21, 2004).

EXPORT REDELIVERY

The recently published Treasury Agenda identifies a proposal to amend the international carrier bond to change the conditions to provide U.S. Customs Border and Protection with greater control over exports including seizure. This is one more sign of the serious new Customs export enforcement plan. 69 Fed. Reg. [37965](#) (June 28, 2004).

EXPORT MANAGEMENT

Clients are advised to carefully review all aspects of their export management. All evidence points to a concerted U.S. government effort to organize a serious new enforcement effort as of early 2005. Clients are advised to focus on origin, classifications, valuation, parties screening, etc. We have developed a comprehensive management upgrade process that is described in detail on our [web site](#).

FED SENTENCING GUIDES

The U.S. Supreme Court decision in [Blakely v. Washington](#) (No. 02-1362) undercut the validity of the Federal Sentencing Guidelines and similar state guidelines with a holding that the U.S. Constitution requires that sentencing decisions under such guidelines should be based on jury fact findings rather than judicial fact determinations.

REGULATORY AGENDAS

The semi-annual government agency regulatory Agendas have been issued with an estimated timetable and contact information. The Treasury Department's proposed Agenda includes new uniform rules of origin marking, enforcement procedures for intellectual property, NAFTA and FTA rules, FTZ weekly entry procedures, prototypes, and single entry for shipments that are imported on multiple conveyances 69 Fed. Reg. [37965](#) (June 28, 2004).

ANTIDUMPING

- A preliminary affirmative antidumping duty determination has been made by the International Trade Administration (ITA) on wooden bedroom furniture from China. The rates range from 7.04% to 198.08%. Comments are to be submitted by July 31, 2004. 69 Fed. Reg. [35312](#) (June 24, 2004).
- Preliminary [antidumping](#) duty investigations made by the ITA determined that shrimp from China and Vietnam were sold at prices well below fair market value. The proposed duties range from 8% to 113% for China, and 12% to 93% for Vietnam. The case will now go back to the USITC for final determination.

MARITIME SECURITY

Effective July 1, the [Coast Guard](#) denied entry to nine foreign vessels, 10 were expelled, and 30 were detained in port or had their operations restricted during July 1-6, for non-compliance with the International Ship and Port Facility Security (ISPS) Code and Maritime Transportation Security Act (MTSA). Thirty-three U.S. vessels and 18 U.S. port facilities were restricted or suspended from certain operations for non-compliance with MTSA.

USITC IMPORT RESTRAINTS

The USITC recently issued an update of its report [The Economic Effects of Significant U.S. Import Restraints](#). Clients are encouraged to review the document.

TEXTILE QUOTAS

- All WTO members' quotas on textile and apparel goods are scheduled to be phased out by January 1, 2005. The Committee for the Implementation of Textile Agreements (CITA) has issued a [notice](#) stating that it will enforce 2004 quota requirements, which are based on the date of export, not import.
- Customs has recently created a [web page](#) specifically to address textile and apparel quota phase outs. Included on the web page is an [FAQ](#) on the quota phase outs.

VALUATION ENCYCLOPEDIA

Customs has posted an updated (June 2004) version of the [Customs Valuation Encyclopedia](#) to its web site. The *Valuation Encyclopedia* is a good summary of the value rules. New material is indicated by text boxes.

WTO 2004 ANNUAL REPORT

WTO's [Annual Report 2004](#) summarizes Doha Development Agenda activities, results of the Cancún ministerial conference, accession negotiations, and major trade matters under discussion.

TIFA - AFGHANISTAN

The United States and Afghanistan have announced their intent to pursue a bilateral Trade Investment Framework Agreement (TIFA). This agreement is typically entered into in advance of a more comprehensive bilateral Free Trade Agreement. White House Press [Release](#) (June 15, 2004).

AD/CVD ORDERS

The International Trade Commission (ITC) has recently updated its web site to reflect all current antidumping (AD) and countervailing (CV) duty Orders that were in place as of June 3, 2004, including suspended AD and CV duty orders. The [Orders](#) may be searched by a variety of methods including country, date of order, and product group.

FTA

- The United States has submitted to Chile a proposal to accelerate the elimination of the remaining tariffs on Chilean and U.S. goods under the U.S.-Chile FTA.
- The U.S.-Thailand FTA negotiations began June 28, 2004 in Hawaii. It is expected that negotiations may move slowly. Thailand is a major producer of light trucks, sugar, and rice, which are sensitive industries in the United States.

MEMPHIS - NEW PORT LIMITS

Effective August 11, 2004, Customs has extended the limits of the Memphis, Tennessee port to include DeSoto County, Mississippi. 69 Fed. Reg. [41749](#) (July 12, 2004).

FDA PRIOR NOTICE

- The FDA has issued a new version of its Compliance Policy Guide (Guide) on the Customs enforcement strategy for prior notice requirements on the importation of food. Additionally, Customs has issued a [Memorandum](#) with procedures for implementing enforced compliance with guidelines for penalty assessment and mitigation.
- If either the ABI system or ACS system are down, prior notice must be submitted through FDA's [Prior Notice System Interface](#) (PNSI). When prior notice is submitted through FDA's PNSI, a paper copy of the prior notice confirmation page must be submitted with the Customs entry.

CUSTOMS ATTACHÉS

U.S. Customs and Border Protection (CBP) has announced its plan to partner its attachés with U.S. Immigration and Customs Enforcement (ICE) in order to expand its security initiative.

ELECTRONIC INVOICES

Customs has issued an ABI Administrative Message outlining procedures for preparation of electronic invoices. ADM [04-1500](#) (June 22, 2004).

CUSTOMS BROKER EXAM

- Customs has published a [notice](#) that the deadline for filing appeals for the April 2004 exam will be July 13, 2004. The same notice also announced that the next broker exam will be Monday, October 4, 2004.
- The April 2004 examination and answer keys are posted on Customs [web site](#).

GSP-IRAQ

The Office of the United States Trade Representative (USTR) has issued a notice announcing that Iraq is to be considered for eligibility under the Generalized System of Preferences (GSP) for developing countries. Public comments are due August 2, 2004. 69 Fed. Reg. [39997](#) (July 1, 2004).

GSP

- The Office of the United States Trade Representative (USTR) has issued a notice that, as a result of their accession into the European Union on May 1, 2004, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, and Slovakia were terminated as beneficiary developing countries under the Generalized System of Preferences (GSP) program. The termination was effective on the date of their accession. 69 Fed. Reg. [28185](#) (May 18, 2004).
- Effective July 1, 2004, Annex 1 of the HTS was amended to reflect changes in GSP eligibility for selected products and countries. 69 Fed. Reg. [40297](#) (July 1, 2004).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 7/15/04		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	260	247
SUBZONES	536	453
PENDING		
ZONES	3	
SUBZONES	12	
MISCELLANEOUS	25	
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	8	
SUBZONES	9	