

BRIEFINGS

ROUTING SLIP

CHINA CATCH ALL

The Bureau of Industry and Security (BIS) has issued the Final Rule on exports to China. Effective June 19, it imposes end-use controls on several items listed on the Commerce Control List (CCL), clarifies the licensing policy, establishes a "Validated End-User" (VEU) program to facilitate exports to specific civil destinations, and revises the circumstances whereby Chinese government End-User Statements must be obtained. 72 Fed. Reg. [33646](#) (June 19, 2007).

FAST TRACK RIP?

President Bush's Trade Promotion Authority ("Fast Track") expired on June 30, 2007. House Democratic leadership has indicated that renewal is not a high priority.

DOHA RIP?

The WTO talks in Potsdam, Germany concluded without agreement on June 21. The U.S. and EU blame Brazil and India for being inflexible on market access issues, while developing countries blame the U.S. and EU for the same inflexibility. Key representatives maintain that discussions will continue.

CHINA C-TPAT VALIDATORS

Customs has issued a [notice](#) announcing its list of third-party C-TPAT "validators" selected to conduct validations in China. Customs will continue to determine the facilities to visit and make all decisions concerning the C-TPAT status of importers.

2007 SEMINAR SCHEDULE

- By client demand, we are scheduling three more Advanced Seminars in 2007. The Advanced Seminars are scheduled for:
 - Sept. 18-19 - Exports
 - Oct. 23-24 - Classification
 - Nov. 13-14 - Value
- Client-only free seminars are scheduled for:
 - Oct. 2 - Customs/Trade/ FTZ Developments at the NAFTA Convention in Phoenix.
 - Nov. 28-29: Import/Export 101
- More information is available on our web site. All seminars are on a first-come, first-served basis. Register now by e-mail to Kelly Galate at kgalate@millerco.com.

PREPARE FOR CHANGES

Two significant new regulations are in the final stages of approval:

- Implementation of the [10+2 advance data rule](#), which will require ten additional data elements from importers and two from ocean carriers, is expected by November 2008. Clients should start now to determine how to comply with this significant change in when data must be provided.
- The comment period has closed on a Proposed Rule to create a new Country Group "C." Exports to Country Group C nations, otherwise known as "Destinations of Diversion Control," will be subject to stricter export licensing reviews and more license conditions. 72 Fed. Reg. [8315](#) (Feb. 26, 2007).

ZONE ADMISSIONS

As of July 1, 2007, Census is accepting statistical data from Customs for zone admissions filed via the e-214, eliminating the requirement to file CBPF 214As. With this impediment removed, Customs wants all zone users to use the e-214. Clients find the e-214 to be a significant simplification and time reduction. Census will end the Automated Foreign-Trade Zone Reporting Program (AFTZRP) on Dec. 31, 2007, so beginning Jan. 1, the only way to file a cumulative/blanket zone admission (one for all receipts received during the day) will be via e-214. Companies can design their own e-214 interface with Customs, or purchase a program from brokers and software vendors. Contact Linda King with questions.

TAINTED CHEMICALS/FOOD

- For companies who think origin marking concerns are outdated: Sen. Richard Durbin (D-IL) recently stated that "'Made in China' is rapidly becoming a warning label for American consumers." Look for increased inspections of Chinese imports and origin marking reviews/enforcement. Clients should take steps to ensure continuity of their supply chain.
- China is not the sole source of tainted products. The *New York Times* reported on July 12, 2007 that food imports have been stopped from India, Mexico, the Dominican Republic, Denmark, and Japan.

FTA SUMMARY

Customs has posted an updated [PowerPoint presentation](#) on its website that summarizes 15 free trade agreements/special trade programs.

FTA INTERIM RULES

Customs has issued [Interim Rules](#) regarding preferential treatment under the Jordan and Morocco FTAs. Comment periods close for each in late August. 72 Fed. Reg. [35154](#) (June 27, 2007) (Jordan); 72 Fed. Reg. [35647](#) (June 29, 2007) (Morocco).

SOUTH KOREA FTA

The U.S. and South Korea have agreed to changes in the FTA that was signed on June 30, 2007. South Korea accepted new labor and environmental provisions requested by Congress, while the U.S. accepted two Korean requests regarding patents and environmental issues.

PANAMA FTA

The U.S. and Panama signed an FTA on June 28, 2007. Democratic Congressional leaders have stated that Panama must change some laws for the FTA to be approved.

U.S.-COLOMBIA FTA

The USTR has posted a [summary](#) of the U.S.-Columbia FTA. The FTA was revised on June 28, 2007, to incorporate changes necessary for passage.

FTA COMPROMISE

On June 25, the U.S. Trade Representative announced that it and the House Ways and Means Committee and Senate Finance Committee have finalized the formal text reflecting the Bush Administration- Congressional compromise on labor and environmental standards for the Peru, Columbia, Panama, and South Korea FTAs. Based on subsequent comments by Congressional Democrats, it is not clear that this compromise will lead to quick FTA passage.

CONSPIRACY CHARGES

The Department of Homeland Security has issued a [press release](#) summarizing a nationwide, undercover smuggling investigation by Customs and Border Protection (CBP) and Immigration and Customs Enforcement (ICE). Twenty-nine individuals have been charged in three separate Complaints with conspiracy to smuggle counterfeit and authentic merchandise into the U.S. through numerous ports. Defendants include importers, freight forwarders, customs brokers, bonded warehouse managers, and managers of a container freight station and a CBP exam site. False documentation included Permits to Transfer and in-bond moves through the U.S. to Canada and Mexico, so further scrutiny of in-bond programs could result.

ATPA/ATPDEA

While FTAs involving member countries are pending, the Andean Trade Preference Act (ATPA)/Andean Trade Promotion and Drug Eradication Act (ATPDEA), which was scheduled to expire on June 30, 2007, was extended an additional eight months by President Bush.

ACE ESAR DELAY

Customs has issued an Administrative Message announcing a delay in the ACE Entry Summary, Accounts and Revenue (ESAR) A1 Drop until August 25, 2007. Foreign-Trade Zone Operators are one of the new ACE participants in the ESAR A1 release. ADM [07-0158](#) (July 6, 2007).

SEIZED MERCHANDISE

The Customs Port of Los Angeles has issued a Public Bulletin stating that a new entry number is required for the release of seized merchandise. This change in procedures applies to entire entries, regardless of whether or not the entire entry was seized. LA [07-014](#) (June 15, 2007).

2007 HTSUS CHANGES

Customs has [issued](#) an administrative message regarding recent Harmonized Tariff Schedule (HTS) changes. The changes include modifications to GSP, and corrections resulting from the significant Feb. 2007 HTS revisions. ADM [07-0151](#) (June 29, 2007).

GSP/AGOA

President Bush recently issued a proclamation that modified the duty-free treatment of certain articles from specific countries. The Generalized System of Preferences (GSP) changes went into effect July 1. The President also designated Mauritania as a beneficiary country under the African Growth and Opportunity Act (AGOA), and made several technical changes to the HTSUS. 72 Fed. Reg. [35893](#) (June 29, 2007).

SUPPLY CHAIN SECURITY

The Department of Homeland Security (DHS) and Customs are considering a privately-owned and operated "data warehouse" system, which it is calling the Global Trade Exchange, to receive, store, and filter trade data. The data would be available to all governments globally to measure cargo security supply chain risk. The idea is highly controversial both because it is not clear how the use of the additional data would justify the expense involved in developing the system, and because confidential business information reported to the U.S. Government would be given to a private company and shared with foreign governments.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 7/15/07

	APPROVED	CURRENTLY AUTHORIZED
ZONES	271	257
SUBZONES	596	496
PENDING		
ZONES	1	
SUBZONES	16	
MISCELLANEOUS	25	
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	8	
SUBZONES	8	