

# BRIEFINGS

## ADVANCE MANIFEST RULE

- Customs published [proposed rules](#) requiring the advance presentation of manifests for both exports and imports. The ocean import requirements are unchanged. For air, truck, and rail imports the time periods have substantially changed from the original Customs proposal. Air, truck, and rail export manifests will also be required prior to departure effective only when AES is redesigned and mandatory. There are new consolidated shipment rules. See *also* HQ 115944 (July 8, 2003). The firm has developed a detailed memo on the subject. Access "What's New" on our website. Comments are due August 22, 2003. 68 *Fed. Reg.* 43574 (July 24, 2003)
- The proposed [FDA Bioterrorism regulations](#) differ on timing and detail. Harmonization can be expected.

## CORPORATE COMPLIANCE

Customs has published a final rule, effective September 10, 2003, that amends 19 C.F.R. Part 111 to allow corporate customs compliance functions for related business entities (50% or more) for the purpose of exercising "reasonable care." Prior Customs interpretations had limited the permissible activities. Some limits remain, including the actual filing of documents with Customs. Corporate clients are encouraged to closely review this document. 68 *Fed. Reg.* [47455](#) (Aug. 11, 2003)

## FTZ/TREASURY ISSUE

The backlog of 16 Applications at Treasury has been eliminated. Our legal position in our [Brief](#) submitted last month was accepted by Treasury. A delegation Order has been signed providing temporary authority to Mr. Timothy Skud. The final structure of the arrangement among the Board, Commerce, Treasury, DHS, and Customs will take some time to resolve. For more information contact Marshall Miller.

## FTZ WEEKLY ENTRY

Customs has released a Directive to Customs Directors, Field Operations, that outlines certain significant changes to the Customs weekly entry processes and the FDA Weekly Entry Filing Program. The NAFTAZ has filed objections with Customs. Access "[What's New](#)" on our website.

## INBOND/7512 CHANGES

CBP [Directive No. 3240-036A](#) dated August 7, 2003, implements changes to the current system. There is a mandatory requirement for input into the Customs automated system prior to the movement of merchandise. Customs examinations are encouraged. New instructions for CF7512 completion are included. It is effective October 20, 2003. It will encourage use of AMS/QP/WP to avoid the inherent delays in the new procedure.

## C-TPAT

- The GAO has issued a report on C-TPAT and CSI. It identifies a wide range of shortcomings. Access "[What's New](#)" on our website.
- The Firm has learned that C-TPAT certified firms are only added to the Customs' computer system on a quarterly basis. Expect significant delays in reducing Customs exams even after completion of the C-TPAT process.
- The Firm has recently updated its C-TPAT Compliance program with added documents and automation of the analysis of U.S. and foreign site data.

## FDA BIOTERRORISM

- FDA has issued guidance for registrants to indicate which of certain food categories they manufacture, process, pack, or hold. Access "[What's New](#)" on our website.
- On July 23, 2003, the Food and Drug Administration (FDA) issued a progress report. FDA has increased its examinations of imported food by more than five times with an additional 300 field personnel. Access "[What's New](#)" on our website.

## FOCUSED ASSESSMENTS

The new federal fiscal year begins October 1. A significant number of firms are on the audit list. The firm has structured a program to review current status and initiate corrective actions before an audit begins. Access "[Focused/Compliance Assessment Plan](#)" on our website.

## USPPI ADDRESS

In a Final Rule, the Bureau of Census has amended 15 CFR § 30.7 to clarify the address of the United States Principal Party In Interest (USPPI) that must be filed on the SED or in AES. The USPPI is to report the address location from which the merchandise actually starts its journey to the port of export. 68 *Fed. Reg.* [42534](#) (July 17, 2003)

## GLOBAL TRADE SECURITY

It is clear that detailed advance electronic transmission of import/export data will be a global requirement. The World Customs Organization (WCO) has issued a detailed recommendation. Individual countries such as Japan, Canada and the European Union are implementing their own advance notice supply chain security measures.

## GSP

The deadline for submitting petitions for the 2003 Annual Generalized System of Preferences ([GSP](#)) Product and Country Eligibility Practices Review has been extended to September 2, 2003.

## JAPAN-MEXICO FTA

The Mexican President Fox is scheduled to visit Japan in October. It is possible that negotiations on the Japan-Mexico Free Trade Agreement could be completed by that time. Agricultural issues have delayed the negotiations.

## U.S.-CANADA TRADE

The Toronto-based C.D. Howe Institute released a report entitled [The Road to a Canada-U.S. Customs Union: Step-by-Step or in a Single Bound?](#)

## CSI

[China](#), [South Korea](#), and South Africa have joined the CSI program. [South Africa](#) is sending its Customs officials to the U.S. for location in major U.S. ports to target exported cargo.

## BURMA TRADE SANCTIONS

The [Burma Sanctions Bill](#) was signed into law by President Bush late July 28, 2003, and [Executive Order 13310](#) was issued. The sanctions are effective for one year from the date of implementation or until the President determines that Burma has met certain requirements. A ban on Burmese imports is effective August 28, 2003.

## MANDATORY AES

The Census Bureau published a final rule amending the Foreign-Trade Statistics Regulations (FTSR) effective August 18, 2003; Census will not implement provisions of the rule until October 18, 2003. Changes made to the FTSR include: AES filing will be mandatory for only those Commerce Control List (CCL) and U.S. Munitions List (USML) items that would normally require filing a Shipper's Export Declaration (SED); adding to the paper SED requirement to enter the freight forwarder's Employer Identification Number (EIN) when required; and removes AES Filing Option 3. 68 *Fed. Reg.* [42534](#), (July 17, 2003)

## DIAMONDS

July 29<sup>th</sup> President Bush issued [Executive Order 113112](#) implementing the Clean Diamond Trade Act. Effective July 30, 2003, The Office of Foreign Assets Control (OFAC) issued an amendment to 31 CFR Part 591 and new Part 592. 68 *Fed. Reg.* [45777](#) (Aug. 4, 2003)

## MAQUILADORAS

A recent study by the General Accounting Office (GAO) identifies the causes and effects of the declines in maquiladora production and demand in recent years. Access ["What's New"](#) on our website.

## VIETNAM

- On July 17, 2003, the U.S. and Vietnam signed the [Bilateral Textile Agreement](#) and the [Export Visa Arrangement](#).
- The Committee for the Implementation of Textile Agreements (CITA) published a notice establishing export visa requirements effective August 11, 2003 for certain cotton, wool, and man-made fiber textiles and textile products produced or manufactured in Vietnam. 68 *Fed. Reg.* [44748](#) (July 30, 2003).

## COUNTERFEIT MERCHANDISE

Customs has amended its final rule regarding the importation of counterfeit merchandise and the civil fines imposed. The fines will be based solely on the manufacturer's suggested retail price (MSRP). The effective date of this final rule is August 25, 2003. 68 *Fed. Reg.* [43635](#) (July 24, 2003)

## FTAs

Congress passed the U.S.-Chile FTA Implementation Act and the U.S.-Singapore FTA Implementation Act. Consultations must occur with various parties before the FTAs enter into force on or after January 1, 2004. USTR has begun FTA negotiations with Bahrain and added the Dominican Republic to the current Central American negotiations.

## TRADE AGREEMENT IMPACT

The ITC has sent to Congress a study entitled *The Impact of Trade Agreements; Effect of the Tokyo Board, U.S.-Israel FTA, U.S.-Canada FTA, NAFTA, and the Uruguay Round on the U.S. Economy*. It is interesting and comprehensive. Access ["What's New"](#) on our website.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 8/15/03		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	255	242
SUBZONES	526	445
PENDING		
ZONES	2	
SUBZONES	24	
MISCELLANEOUS	28	
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	10	