

BRIEFINGS

ROUTING SLIP

NEW ORIGIN RULES?

Customs has again proposed replacing the current "substantial transformation" standard for origin marking purposes with the tariff shift-based NAFTA country-of-origin (COO) marking rules in 19 C.F.R. Part 102. Customs is also proposing to make them applicable to COO determinations under Free Trade Agreements (FTAs) that currently use the "substantial transformation" standard (e.g., U.S.-Bahrain and U.S.-Morocco FTAs). The Proposed Rule also includes a few product-specific changes to the Part 102 rules for greeting cards, pipe fittings, etc. Comments are due by September 23, 2008. Clients should review the Proposed Rule for impact and file comments if they oppose the change or believe the rules applicable to their products should be changed. Contact Sean Murray with questions or for assistance in filing comments. 73 Fed. Reg. [43385](#) (July 25, 2008).

FIRST SALE REPORTING

Clients who utilize the "first sale rule" to declare transaction value may soon have an additional entry obligation. Customs has indicted that beginning as early as August 20, 2008, importers utilizing the first sale must put an "F" in a new field to be created by Customs in the ABI. The field will be entry-line specific. Clients who do not declare a first sale value would leave the new field blank. For further information, contact Tom Lobred or Sean Murray.

2008 Seminar Schedule

- On September 22, 2008, the firm will host a reception on Customs/Trade/FTZ Developments at the NAFTA Annual Convention in Palm Beach, Florida.
- We have three remaining Advanced Seminars for 2008:
 - **Oct. 21-22** – Valuation
 - **Nov. 12-13** – Classification
 - **Dec. 9-10** – Exports
- More information is available on our web site. All seminars are on a first-come, first served basis. Register now by e-mail to Jackie Davis at jdavis@millerco.com.

HMF PROCEDURES

Customs has issued a Proposed Rule that would amend 19 C.F.R. Part 24 to allow electronic payments of the quarterly Harbor Maintenance Fees (HMF) and clarify the regulations to state that each HMF quarterly payment (paper or electronic) must be accompanied by an HMF Quarterly Summary Report (CBPF 349). Comments are due by October 6, 2008. 73 Fed. Reg. [45364](#) (Aug. 5, 2008).

10 + 2 DATA

Customs has [posted](#) new and updated draft transaction sets that provide the records and other information allowing the Importer Security Filing (10+2) data elements to be transmitted. Customs has also provided acceptable formats for carrier Stow Plans and Container Status Messages.

CBP LAPTOP POLICY

Customs has shared its [policy](#) on searches of laptops and other media. The policy indicates that the examination of documents, books, printed material, computers, discs, hard drives, and other digital storage devices are a Customs legal responsibility to ensure compliance and protect against terrorism. Basically, Customs [position](#) is that although laptop inspections are rare, they are legal and essential.

DOHA COLLAPSES—AGAIN

The seven-year saga of the Doha Round of World Trade Organization (WTO) talks may have finally reached an end on July 29, when a WTO ministerial meeting collapsed. Countries have already suggested restarting the talks, but the U.S. has expressed reluctance to resume talks until prospects for negotiating a successful outcome have increased.

REVISED CENSUS FORM

A revised "Request for Change in Census Parameters" [form](#) is now available on the Customs website. This form may be used to request an update or correction to the commodity parameters set by Census to stop warning messages that recur.

C-TPAT OCEAN ENTRIES

Customs has published a [notice](#) reminding ocean importers that to receive their full C-TPAT benefits of reduced cargo exams, entry must be filed at least 24 hours prior to vessel arrival.

UNTRUSTED TRAVELERS

• Several persons registered as “trusted travelers” with Customs have been [arrested](#) for illegally attempting to smuggle narcotics into the United States. C-TPAT participants should take note that as a C-TPAT participant subject to a reduced number of exams, their cargo is a potential target for persons seeking to smuggle things into the U.S.

• Notwithstanding these continuing issues with expedited entry programs, Customs has announced the expansion of its pilot International Registered Traveler program (“Global Entry”) to four more airports. The program allows expedited clearance of “pre-approved, low-risk travelers” into the United States. 73 Fed. Reg. [47204](#) (Aug. 13, 2008).

TRADE DEFICIT

According to U.S. Census Bureau [trade data](#), the U.S. trade deficit narrowed again in June, surprising some analysts. U.S. exports—spurred by a weak U.S. dollar—continued to expand faster than the increase in imports.

CONSUMER SAFETY ACT

The Consumer Product Safety Improvement Act of 2008 was enacted into law on August 14, 2008. The Act overhauls U.S. product safety standards and directs the Consumer Product Safety Commission to work with Customs to stop imports of merchandise that do not meet the new product standards. Pub. L. 110-314, 122 Stat. [3016](#).

AIRCRAFT PARTS

The State Department has just published a Final Rule on the export license requirements for aircraft parts. For parts not containing Significant Military Equipment (SME), a Commodity Jurisdiction (CJ) determination will not be required. The amendments to Part 121 of the International Traffic in Arms Regulations (ITAR) are effective August 14, 2008. 73 Fed. Reg. [47523](#) (August 4, 2008).

IPR STATS

Customs has released mid-year [statistics](#) for intellectual property seizures. China accounted for 85% of the seized property, while footwear was the most commonly seized product, accounting for 36% of the total value of seizures.

GSP EXTENSION

On July 29, the House of Representatives passed [H.R. 6560](#), a bill related to trade preferences, with three primary components: (1) extending the Generalized System of Preferences (GSP) program for one year through December 2009; (2) establishing a “2 for 1” textile and apparel program for the Dominican Republic; and (3) altering the African Growth and Opportunity Act (AGOA) to help lesser developed participating countries take advantage of textile and apparel benefits. The bill has not yet been taken up by the Senate.

CONTAINER SEALS

Customs has issued a notice requiring freight container seals to meet the ISO/PAS 17712 standard, effective October 15, 2008. Containers not readily securable by a seal, or that cannot possibly accommodate an ISO/PAS 17712 seal, can be exempted. 73 Fed. Reg. [46029](#) (Aug. 7, 2008).

FTAs

• With two minor technical corrections, Customs has adopted as a Final Rule its previously-issued Interim Rule on the implementation of preferential tariff treatment and other Customs-related provisions for the FTA with Bahrain. The Final Rule is effective August 22, 2008. 73 Fed. Reg. [42679](#) (July 23, 2008).

• Customs has adopted a Final Rule, effective Sept. 4, 2008, that incorporates several Interim Rules and amendments to preferential tariff treatment and other Customs-related provisions under the FTA with Morocco. 73 Fed. Reg. [45351](#) (Aug. 5, 2008).

MISC. TARIFF BILL

The Senate Finance Committee minority trade counsel stated on August 1 that the Senate will not consider a Miscellaneous Tariff Bill in 2008, putting temporary duty suspension bills and other miscellaneous trade legislation on hold. Some of the trade legislation could still be included in other bills.

ILLEGAL EXPORTS

A former ground services coordinator at O'Hare International Airport has been [sentenced](#) to two years in prison for his participation in illegal smuggling out of the country of weapons scopes, military night vision goggles, and a cellular phone jammer.

ACE UPDATES

• A phase 2 enhancement of ad hoc ACE Reports capabilities, scheduled to deploy on September 6, 2008, will allow the creation of new reports and account holder modification of reports.

• The September 2008 Trade Support Network (TSN) meeting will focus on Participating Government Agency (PGA) plans for ACE integration. Contact Linda King, our TSN participant, with questions.

• The ACE Rail and Sea Manifest release, scheduled for a Fall 2008 deployment, will be delayed a projected 6-8 months due to new requirements and software problems. A 4-6 month delay is also projected for the early 2009 release of A2 Entry Summary Capabilities.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 8/15/08		
	<u>APPROVED</u>	<u>CURRENTLY AUTHORIZED</u>
ZONES	272	256
SUBZONES	614	506
<u>PENDING</u>		
ZONES		1
SUBZONES		24
MISCELLANEOUS		28
<u>AVERAGE PROCESSING TIME (MONTHS)</u>		
ZONES		8
SUBZONES		10