

# BRIEFINGS

## NAFTA

- Under NAFTA in 2001, certain non-NAFTA materials will be fully dutiable in Mexico.
- Mexico is following the Canadian example and reducing to zero Customs duties on a wide range of imported parts for Maquilas. If successful, the strategy will eliminate the need for the NAFTA duty deferral program in Mexico leaving the U.S. as the only country of the three using the methodology.
- Recent figures indicate there were 3,521 Maquilas that employ 1,242,779.

## PEAP

On September 7<sup>th</sup> Customs conducted a satellite broadcast on the new [Post Entry Amendment Policy](#) (PEAP). A video copy will be available from the firm. PEAP replaces the current Supplemental Information Letter and will likely become effective Oct. 1. Access "What's New" on our website.

## RECONCILIATION

The Automated Commercial System (ACS) Reconciliation Prototype has been extended indefinitely. Applications to participate in the prototype will continue to be accepted. [65 Fed. Reg. 55326](#) (Sept. 13, 2000).

## BROKER EXAM

The next [Broker licensing exam](#) will take place October 2. Access "What's New" on our website.

## CUSTOMS AUDITS

- An increasing number of FTZ audits are underway nationwide with mixed results. Clients are urged to immediately undertake internal audits now in order to identify/correct any errors.
- Customs announced a second round of mini audits beginning October 1 for approximately 300 large importers who were previously compliance assessed over the past several years. The audits are being portrayed as "second chances" for those importers who were found to be non-compliant during their first audit.
- Clients are urged to verify all Customs entries prepared/filed. Increasingly, in Customs audits, we are seeing significant errors being made on entries that clients were unaware of.

## FTZ DECISION

The foreign-trade subzone operator elected, in error on the CF 214, the wrong zone status and paid very significant additional duties. The USCIT held that the action was not a 520(c)(1) correctable "clerical error" because the training, documentation, and supervision by the operator was not sufficient. [Ford Motor Company v. U.S., Slip Op. 00-103](#) (Aug. 21, 2000).

## DUTY FREE FUEL

The USCIT held that sales of gasoline and diesel fuel are permitted in duty-free stores. An appeal is expected. [Ammex, Inc. v. U.S., Slip Op. 00-108](#) (Aug. 25, 2000).

## CUSTOMS PERSONNEL

- We have been informed that, in the next five (5) years, fifty percent (50%) of all Customs employees nationwide will be eligible for retirement; 63% of Customs Headquarters employees will be eligible for retirement in three (3) years. This will make an enormous impact on the U.S. Customs Service and firms interface.
- Customs is planning on transferring the duties of port national field import specialists to New York NIS's.

## FOREIGN INVESTMENT

The *Financial Times* reports that European companies have spent \$113 billion in U.S. acquisitions as of July.

## CUSTOMS BULLETIN ONLINE

The *Customs Bulletin & Decisions* is now available on the Customs Web site; June is the current edition. <http://www.customs.ustreas.gov/impexpo/impexpo.htm>

## PETITIONS FOR RELIEF

Customs has published, effective October 1, a Final Rule revising the Customs Regulations pertaining to Petitions for Relief in penalty, liquidated damage, and seizure cases. Customs has also published a related General Notice that makes specific delegations of authority to decide Petitions. T.D. 00-57 [65 Fed. Reg. 53565](#) (Sept. 5, 2000); T.D. 00-58 [65 Fed. Reg. 53804](#) (Sept. 5, 2000).

## DRAWBACK

Customs issued *Concept for a "Notice of Intent" Drawback Module Within the Automated Export System.* The AES NOI module would eliminate the manual CF 7553. It would allow for faster processing of unused or rejected merchandise claims. Comments are due by Sept. 29. Access "What's New" on our website.

## COMPUTER DUTIES/TAXES

Commerce's Office of Information Technologies has updated a listing of duties and taxes that are assessed on computer hardware, software and manual imports for 84 countries in Africa, the Americas, Asia/Pacific, and Eastern Europe. Access "[What's New](#)" on our website.

## US-EU TPI

USTR is requesting comments on general negotiating objectives regarding the US-EU transatlantic partnership initiatives on insurance, architectural and engineering services. Comments are due by Sept. 11. [65 Fed. Reg. 49623](#) (Aug. 14, 2000).

## GSP

- Eight nations are being targeted by several large NGOs to lose GSP access over labor and intellectual property violations.
- Textile makers are petitioning the USTR to revoke GSP benefits for S. Africa, Egypt, India and Pakistan.
- Nigeria has been named a GSP beneficiary country as of August 27. [65 Fed. Reg. 52901](#) (Aug. 30, 2000).

## UK NAFTA

The ITC has released a study indicating that there would be "negligible" economic benefit to the [US and the UK](#) if the UK were to join NAFTA. Access "What's New" on our website.

## ANTIDUMPING MANUAL

The ITA has issued an antidumping (AD) [manual](#) that summarizes applicable laws and regulations. It is a "must read" for those interested in the subject. Access "What's New" on our website.

## COMPLIANCE PUBLICATIONS

- "[Production Equipment Primary Focus Industry.](#)"
- "[Decorative Glassware](#) under HTS 7013.99.10.9906.70.01 and 9906.70.02." Access "What's New" on our website.

## FSC'S

- Congress is moving forward with final action on a new FSC system ([H.R. 4986](#)). EU objections have been addressed. Access "What's New" on our website.

## ACH DEBIT INSTRUCTIONS

Customs has issued an Administrative Message modifying its ACH debit instructions. ADM 00-0920 (Aug. 21, 2000).

## COMPLIANCE INTERVENTION

Customs' NY Strategic Trade Center (NYSTC) has begun a country of origin marking "intervention" for the Wearing Apparel Primary Focus Industry. CEBB [T-MARK8A.TXT](#) (Aug. 29, 2000).

## GRAY MARKET IMPORTS

Nintendo America has applied to Customs for "Lever-Rule" protection against gray market imports of video game systems intended for sale in Japan. 34 Cust. B & Dec. 25 (Jun. 21, 2000).

## MEXICO-JAPAN FTA

Mexico is seeking a Trade Agreement with Japan as bilateral trade between the countries totaled \$6 billion last year. Japan has been Mexico's third source of direct foreign investment after the United States and European Union.

## SELLING COMMISSIONS

In a recent Customs Headquarters ruling, Customs ruled that fees paid to a company for postings on its web site did not constitute selling commissions for valuation purposes. If the seller incorporates the fee in the price charged then it would be dutiable as part of the price paid or payable. [HQ 547596](#) (July 13, 2000).

## FASTENERS

- The General Accounting Office (GAO) is requesting written comments on any changes that have been made as a result of the small lot exemption clause of the 1999 Fastener Quality Act (FQA) Amendments Act. [65 Fed. Reg. 48714](#) (Aug. 9, 2000)
- In [Rocknel Fastener, Inc. v. U.S.](#), the CIT held that industry standards should be utilized to determine whether a fastener is a screw or a bolt. [Slip Op. 00-112](#) (Aug. 29, 2000).

## SED

Effective October 10<sup>th</sup>, filers using paper [SEDs](#) must enter the U.S. principal party in interest in the exporter block. Approval of a revised paper version of the SED is expected. Customs will allow a six-month grace period to exhaust the supply of paper SED's. Access "What's New" on our website.

## CHINA PACKING MATERIALS

APHIS has issued a final rule that modifies Form 553. [65 Fed. Reg. 50128](#) (Aug. 17, 2000)

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 9/15/00		
	APPROVED	PENDING
ZONES	237	7
SUBZONES	435	35
MISCELLANEOUS		34
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	12	
SUBZONES	10	



