

BRIEFINGS

ROUTING SLIP

ADV MANIFESTS-TRUCKS

• Nov. 15, 2004, is the first compliance date for transmitting advance electronic cargo information for cargo arriving by trucks at certain U.S. ports. The general requirement is 1 hour prior to arrival, and 30 minutes prior to arrival for FAST qualified shipments. Implementation at the various ports is in three stages with Mexican border and some Canadian border ports first, and all others on Dec. 15, 2004, or Jan. 14, 2005. Ports are listed in the notice. 69 Fed. Reg. [51007](#) (Aug. 17, 2004).

• Frequently Asked Questions for truck carriers regarding implementation have been posted to the CBP web site.

• A NCAP test of the transmission of automated truck manifest data will be phased in at selected ports no earlier than Nov. 29, 2004. 69 Fed. Reg. [55167](#) (Sept. 13, 2004).

CBP INCREASED SECURITY

Customs has issued a [list](#) of actions and initiatives to increase security during the time leading up to the Presidential Election. Expect import delays.

DRAFT EXPORT REGS

The U.S. Department of Commerce is expected to publish in September proposed regulations revising Foreign Trade Statistics Regulations (15 CFR Part 30) to be finalized in January 2005. The proposed regulations will include provisions for Prior Disclosure/Voluntary Notification, Export Management, Penalties, etc. It is expected to have significant changes.

SPECIAL PROGRAMS

The firm offers special programs for the following:

- Import/Export Statistical Analyses
- Focused Assessment (Audit) Review/Preparation/Upgrades
- HTS Classification Review/Analysis
- Export Management Review/Upgrades
- Export Screening Software Analysis

More information is available on our [web site](#) or from Marshall Miller.

PROTOTYPE PROVISION

At a meeting at Customs Headquarters on Sept. 1, 2004, Customs agreed to modify their June 22, 2004 interim procedures on the duty free entry of prototypes (HTSUS subheading 9818.85.01) to simplify the process. On September 8, 2004, a revised Administrative Message was published. Importers are required to submit a Declaration of Intent and maintain records supporting the use. Incorporation into other products and non-sale continue as requirements. Even with the recent changes, this provision should be used only as narrowly defined. ADM [04-1968](#) (Sept. 8, 2004).

CUSTOMS SYMPOSIUM

Customs will be holding its annual Trade Symposium December 9-10, 2004 in Washington, D.C. Registration, agenda, and other details will be posted on Customs [web site](#) in October.

FTZ PRODUCTION

The FTZB has adopted by Board Order two proposals to expedite manufacturing approval for all sizes of companies in existing general-purpose zones and subzones. Manufacturing authority can be secured within 75 days of filing; approval is for a temporary period of up to 2 years while traditional processes occur to secure permanent approval. The FTZB staff is authorized to provide additional Application support. This represents a special effort to encourage new U.S. manufacturing activity. 69 Fed. Reg. [17643](#) (April 5, 2004) and [52857](#) (Aug. 30, 2004).

STEEL IMPORT LICENSING

The Department of Commerce is seeking public comments by September 24, 2004 on whether to extend the current steel import monitoring and analysis (SIMA) system beyond the March 21, 2005 expiration date. The House (H.R. [4730](#)) and the Senate (S. [2722](#)) both have legislation pending to make the SIMA system permanent. 69 Fed. Reg. [52211](#) (Aug. 25, 2004).

BYRD AMENDMENT

The World Trade Organization (WTO) announced its arbitration [decision](#) August 31, 2004, regarding the Byrd Amendment. Because the U.S. has not repealed the Byrd Amendment, the decision sets the amount of retaliation using the formula of 0.72 of duties collected by the U.S. on imports from the co-complainants. Currently, this is potentially \$150 million.

FTA'S

- We have secured portions of the Japan-Mexico FTA that will be effective January 1, 2005. It appears to be much simpler than NAFTA and places U.S. production in jeopardy. Combined with the Mexico-EU FTA, it makes Mexico one of the most powerful export manufacturing platforms in the world.
- There are currently almost 200 FTA's in effect or under negotiation around the world. The United States is in negotiations with 21 countries that received approximately \$70 billion in U.S. exports in 2003. Exports to these countries represent 10% of all U.S. exports.
- The USITC has released a [report](#) on the impact of DR-CAFTA on the U.S. economy.
- The U.S. and Bahrain [signed](#) [52811](#) (Aug. 30, 2004). an FTA on September 14, 2004.

ACE PARTICIPATION

Customs has issued a new General Notice on ACE participation. A prerequisite is participation in C-TPAT. Periodic Monthly Statement processing is the most significant feature. Potential applicants should consider whether the benefits of participating are worth the additional effort and cost. 69 Fed. Reg. [54302](#) (Sept. 8, 2004).

GSP

The President issued a Proclamation on September 7, 2004, that, among other things, added Iraq to the list of countries eligible for the Generalized System of Preferences (GSP). 69 Fed. Reg. [54739](#) (Sept. 9, 2004).

INCOTERMS

The UCC shipping and delivery terms are being removed from the UCC and, as a practical matter replaced with INCOTERMS. The change will occur as State legislatures adopt the current UCC update amendments. In the interim, contracting parties can always achieve uniformity by incorporating INCOTERMS into their contracts.

QP/WP CHANGES

Customs has issued an Administrative Message regarding very significant QP/WP in-bond processing changes. Effective August 21, 2004, the QP application allows in-bond filing at less than full bill quantity. WP arrival/export updates can only be done at the in-bond level. Clients should consider QP/WP use as an alternate to CBP 7512 procedures. ADM [04-1892](#) (Aug. 23, 2004).

PATENT SURVEYS

CBP amended its Regulations to eliminate patent surveys. The elimination is due to lack of interest and the effectiveness of the program. The ability of Customs to enforce the laws and Section 337 ITC actions continues. 69 Fed. Reg. [52811](#) (Aug. 30, 2004).

CBP/CEBB CHANGES

The Customs Electronic Bulletin Board (CEBB) has been integrated into CBP's "[Communications to Trade](#)" page on their web site. The URL to CEBB is now invalid. The page links to a variety of items of interest, such as ADD/CVD, currency rates, duty rates, etc.

BOND CENTRALIZATION

Baltimore, Maryland and Boston, Massachusetts ports are now participating in Customs Pilot Bond Centralization Program for Type 1 Importer continuous transaction bonds as of August 16, 2004. Details are provided on the [Pilot Centralization Program](#).

FDA – PRIOR NOTICE

The FDA has updated their [notice](#) that describes new features of its web based Prior Notice System Interface (PNSI). The notice now includes a history section of HTS numbers and their indicator flags.

RECONCILIATION

Customs has issued a General Notice on the U.S.-Chile FTA and other changes effective October 4th. 69 Fed. Reg. [53730](#) (Sept. 2, 2004).

H.S. EXPLANATORY NOTES

The World Customs Organization (WCO) has issued an [amending supplement](#), No. 5 dated February 2004, to the Harmonized System Explanatory Notes (ENs). Although not binding on U.S. Customs, the ENs are followed by Customs whenever possible.

ORIGIN

A recent [court decision](#) in California involving Kwikset emphasizes the need to be cautious when using claims such as "Made in the U.S.A." Though the Federal Trade Commission (FTC) regulates the "Made in the U.S.A." label, California and other states have similar legislation.

CENSUS AES UPDATE

Census has posted updates in its July 2004 newsletter. Many monitoring issues are included. It also provides guidance for AES filing for shipments to/from Puerto Rico. [AES Newsletter](#), Vol. 1, Issue 19 (2004).

COAST GUARD SECURITY

The USCG has listed a group of 17 countries that failed to submit information that is required by the Maritime Transportation Security Act of 2002 and are in noncompliance with the ISPS Code. Vessels arriving in the U.S. that landed at one of the 17 countries in their last 5 port calls will be subjected to increased security reviews. Merchandise delays will occur.

DEFICIT

The U.S. experienced a record \$166.2 billion trade/capital deficit last quarter. Expect the dollar to continue to decline.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 9/15/04		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	260	247
SUBZONES	540	457
PENDING		
ZONES	4	
SUBZONES	12	
MISCELLANEOUS	30	
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	7	
SUBZONES	9	