

ROUTING SLIP

# BRIEFINGS

## CLIENT TRAINING SEMINARS

During 2005, Miller & Company conducted a number of seminars substantially similar to our no-charge seminars at client offices or at our office for client's employees only on a variety of bases. We can produce the same seminars in 1-hour, 2-hour, ½-day, 1-day, 2-day and 3-day segments. We have also taken specific subject matters such as classification, valuation, origin marking and produced ½-day, 1- and 2-day seminars on each specific subject. All such seminars are provided to clients on a fee-basis. Please contact Marshall Miller for more information.

## AD CERTIFICATES

Customs has made a major [change](#) in handling Antidumping Reimbursement Certificates. Customs will no longer reject an entry or send a CBP Form 28 to the importer requesting an Antidumping (AD) Reimbursement Certificate. The responsibility to provide the certificate is now entirely on the importer. If the certificate is not produced prior to the date of liquidation, the entry will be liquidated with double the antidumping duties.

## 2006 HTSUS

The U.S. International Trade Commission has [posted](#) to its website the 2006 Harmonized Tariff Schedule of the United States (HTSUS).

## SEMINAR SCHEDULE

Our 2006 client seminar schedule is as follows:  
March 14 - 15 FTZ  
April 5 - 6 Import/Export  
September 19 - Customs/  
Trade/FTZ Developments  
At NAFTA Conference  
October 24-25 FTZ  
December 5-6 Import/Export

All seminars are provided to our clients at no charge on a first come first served basis. Contact Sarah Rogers for reservations at [srogers@millerco.com](mailto:srogers@millerco.com).

## WPM REGULATIONS

- Phase 2 of the U.S. [implementation](#) of new wood packaging materials (WPM) regulations (ISPM 15) starts February 1, 2006, with the rejection of non-compliant crates and pallets and continuing informed compliance on other types of WPM. Canada is following a similar schedule, with infested shipments and those lacking either the ISPM 15 mark or a phytosanitary certificate being rejected as of February 1, 2006. Mexico will implement the WPM requirements fully on February 1, 2006, requiring the ISPM 15 marking on all WPM.

- China has fully [implemented](#) the ISPM 15 requirements as of January 1, 2006, except that China is requiring longer fumigation times for coniferous woods from certain countries than is required by ISPM 15.

## NEW ORLEANS

Clients are encouraged to travel soon to New Orleans. Conventions, seminars, corporate meetings, and private vacations will help restore much needed business activity, pump badly needed funds into the city's economy, and is the right thing to do.

## C-TPAT

- Customs has [announced](#) a Customs-Trade Partnership Against Terrorism (C-TPAT) anti-terrorism seminar, March 1-3, 2006 in Costa Mesa, CA for certified C-TPAT members only. Online [registration](#) is available. Attendees will be selected on a first come, first-served basis and C-TPAT membership status.

- Customs has provided additional insight into its C-TPAT validation process through comments included in validation reports. For additional information, please contact Sean Murray or Scott Taylor.

## EXPORT PENALTIES

The following penalties were recently imposed by the Bureau of Industry and Security (BIS):

- CIT Group, Inc. [agreed](#) to pay \$74,800 for 17 alleged unauthorized exports of oscilloscopes to Israel and the Philippines.

- Becton, Dickinson & Co., [agreed](#) to pay \$123,000 for alleged unauthorized exports of biomedical products from Singapore to India.

## IPR E-RECORDATION

Customs has initiated a new online method of recording Intellectual Property Rights (IPR). E-recordation is now available on the [Customs website](#), which should significantly reduce the amount of time required to process IPR applications.

## NEW ACE CAPABILITIES

Customs has [expanded](#) the definition of an "account" to include "any entity" doing business with Customs. New participants will be sureties and foreign-trade zone (FTZ) operators.

## BYRD AMENDMENT

A compromise repeal of the Byrd amendment was included in the budget reconciliation package ([S. 1932](#)) passed by the House and Senate. However, because the Senate made a minor change to the bill, the House will need to vote on it again before it can be sent to the President for his signature.

## CAFTA IMPLEMENTATION

None of the six countries that signed the Central American Free Trade Agreement (CAFTA) with the United States were able to meet the January 1, 2006 target date for implementation. The countries must still change their national laws to satisfy the agreement. The United States is hopeful that El Salvador will be ready to implement CAFTA on February 1, 2006 and that other countries may be ready by March 1, 2006. Central American countries that have not implemented CAFTA will retain their benefits under the Caribbean Basin Trade Partnership Act.

## EAA REAUTHORIZATION

The Export Administration Act (EAA) has lapsed repeatedly (most recently in 2001). Its effect has been maintained by Executive Orders, pending a reauthorization bill. The reauthorization bill passage is again in doubt.

## NOTICE/PRIVILEGE-CIT

The Court of International Trade (CIT) has rejected Custom's attempt to amend a negligence action against Optrex America Inc. to add new counts of gross negligence and fraud, holding that administrative procedures must be pursued first. The CIT previously had [ruled](#) that Optrex partially waived the attorney-client privilege when it asserted "reasonable care" as an affirmative defense on the basis that it had consulted counsel on the classification. On the fraud claim, the CIT ruled that the 5-year statute of limitations would run from the date Customs discovered the fraud, allowing Customs to pursue the required administrative procedures. CIT Slip Op. [05-160](#) (Dec. 15, 2005).

## TEXTILE MIDS

Customs has [issued](#) further instructions on constructing the manufacturer identification code (MID) for certain textile and apparel entries. The MID must be constructed from the name and address of the manufacturer that performs the origin-conferring operations. Based on the nature of the textile business, this may not be easy for importers to accomplish.

## U.S. JOINS REVISED WCO

Customs and Border Protection (CBP) announced on December 22 that the United States is a contracting party to the Protocol of Amendment to the World Customs Organization (WCO) Convention on the Simplification and Harmonization of Customs Procedure. The Protocol goes into effect on February 3, 2006.

## AES – HTS & SCHEDULE B

Census has posted a [list](#) of Harmonized Tariff Schedule of the United States (HTSUS) classifications that are invalid for use in the Automated Export System (AES). Exports of these 183 HTSUS items must be reported using the associated Schedule B number.

## MANDATORY AES MEETINGS

Census has [announced](#) a series of conferences on mandatory Automated Export System (AES) filing beginning in January 2006. The two-day conferences, to be held at locations throughout the country and San Juan, PR, will provide information about the forthcoming International Trade Regulations requiring AES filing for virtually all exports, as well as hands-on training in using [AESPCLink](#).

## FTA – US-MOROCCO/BAHRAIN

- The President signed Proclamation 7971 to implement the United State-Morocco Free Trade Agreement on December 22, 2005. 70 Fed. Reg. [76651](#) (Dec. 22, 2005).
- The U.S.-Bahrain FTA implementing legislation was [signed](#) by the President on January 11, 2006.

## GSP

- The USTR has [posted](#) its "U.S. Generalized System of Preferences (GSP) Guidebook" detailing regulations on petition development and submission, a sample petition outline, Frequently Asked Questions, and other information to facilitate public understanding of GSP.
- The USTR has released preliminary 2005 import statistics that may change the eligibility of certain commodities under GSP competitive need limitations (CNL). Redesignation is effective July 1. Comments are due by January 27, 2006. 70 Fed. Reg. [77239](#) (Dec. 29, 2005).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 1/15/06		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	267	254
SUBZONES	574	485
PENDING		
ZONES	3	
SUBZONES	17	
MISCELLANEOUS	29	
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	9	
SUBZONES	10	