

ATTORNEYS AT LAW

# BRIEFINGS

ROUTING SLIP

## CONSIDER 2006 PROJECTS

- Import/Export Statistics Review
- Export Compliance
- C-TPAT
- Classification/Value Training
- e214 Submission

## 2006 CBP ENFORCEMENT

In the November 28 *Journal of Commerce*. Ms. Vera Adams, Executive Director for Trade Enforcement and Facilitation, stated that issues such as quantity, value, description, and origin are on her agenda to aggressively pursue enforcement efforts.

## FTZ e214

FTZs now have the ability to electronically transmit FTZ admissions to Customs. The firm provided detailed client training on December 6. Customs recently updated the record [layouts](#). For implementation assistance, contact Linda King.

## INFORMED COMPLIANCE

Customs has issued a new Informed Compliance Publication (ICP) on the classification of "[Machine Tools](#)," dated November 2005.

## BYRD AMENDMENT

The House and Senate each passed their version of [S. 1932](#). The House version would repeal the Byrd Amendment, while the Senate version would not repeal the amendment. The Conference will be difficult.

## SEASONS GREETINGS

BEST WISHES FOR A  
HAPPY & HEALTHY  
NEW YEAR

## C-TPAT

- Validations continue at a furious pace. Rejection rates are 20%. 22% of the validated firms are Tier 3.
- Customs has published a [notice](#) announcing it will be holding a series of C-TPAT Enrollment Seminars in January/February 2006 for Mexican and Canadian Highway Carrier and Manufacturing sectors.
- Expect new Customs requirements for freight carriers participating in C-TPAT.

## DOHA-HONG KONG

The December meetings of 149 delegations are not going well. The already lowered expectations appear to be worsening as Green Room consultations are not working, the Aid-For-Trade proposals of the US, EU, and Japan for the 50 Less Developed Countries (LDCs) have stagnated, and a new opposition alliance of 110 developing countries has evolved. Farm subsidies in the US and the EU are not going to instantly disappear; developing countries are not going to significantly reduce tariffs (their primary source of government revenue). Expect all efforts at duty reduction including expansion of the Pharmaceutical Appendix to stagnate.

## YEAR-END REMINDERS

- NAFTA Yearly Blanket CBPF 434s
- FTZ Board Annual Report

## FOR CALENDAR YEAR FTZs

- Customs Reconciliation/Annual Review
- Yearly Blanket CBPF 216s
- Review/Update FTZ Scope of Authority/FTZ Operations Manual

## CUSTOMS HDQ

Deborah Spero has been appointed Acting Commissioner of Customs. No names have surfaced as the possible new Commissioner. Michael C. Mullen has been appointed Acting Director of the Office of Planning and Policy. Lawrence Rosenzweig has been appointed Acting Director of the Office of Trade Relations.

## PHARM APPENDIX

In a case before the CIT, Customs erroneously stated in a classification ruling, that provides the correct HTS, that the product was duty-free because it was on the Pharmaceutical Appendix. In 1997, the product was removed from the Pharmaceutical Appendix. The CIT held that Customs does not have the authority to change a duty-rate imposed by Congress. Clients are encouraged to confirm that all products they believe are on the Pharm Appendix are on the current list. *Forrest Laboratories, Inc. v. United States*, Slip. Op. [05-154](#) (Dec. 6, 2005).

## CUSTOMS/ICE

Office of Inspector General to the Department of Homeland Security has [released](#) "An Assessment to Merge Customs and Border Protection with Immigration and Customs Enforcement."

## AD – CERTIFICATES

Customs has issued a [Memorandum](#) that reconfirms the time/signature requirements for filing both individual and blanket certificates of Reimbursement. Action by Customs for failure to provide the certificate and the customs treatment of protests that are filed against antidumping duties are included.

## ORR REORG

The Office of Rules and Regulations (OR&R) has been reorganized into five separate divisions: Operational and Oversight; National Commodity Specialist; Regulations and Disclosure Law; Border Security and Trade Compliance; and Commercial and Trade Facilitation.

## BOND APPLICATION

Customs has posted to the Pilot Bond Centralization Program section of their web site a November 29, 2005 version of its guidance document entitled "[Latest News and Developments](#)."

## US/EU TARIFF AGREEMENT

The USTR has [announced](#) an agreement between the United States and European Union on EU trade concessions to offset increased tariffs on certain imports into new EU member countries from the May 2004 EU enlargement.

## BROKER EXAMINATION

The next [Customs Broker License Examination](#) will occur on Monday, April 3, 2006. All exam applications and exam fees (\$200) must be received and accepted by Customs on or before the close of business Friday, March 3, 2006.

## CUSTOMS HARMONIZATION

The World Customs Organization has [announced](#) that the revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures will enter into effect in early February 2006. The revised Convention addresses modernization/technology issues and greater private sector involvement.

## DR-CAFTA

The implementation of DR-CAFTA scheduled for January 1, 2006 is unlikely. The U.S. concerns include intellectual property protection and agricultural market access.

## SAUDI ARABIA - WTO

On November 11, 2005 the World Trade Organization (WTO) approved the accession of Saudi Arabia, which will become the 149<sup>th</sup> member.

## FDA PRIOR NOTICE

FDA has issued a revised compliance policy [guide](#) on Prior Notice relating to imported food and an updated set of [Q&As](#) on recordkeeping under the Bioterrorism Act.

## MFN – UKRAINE

On November 18, the Senate approved permanent Most Favored Nation (MFN) status for Ukraine.

## E-RULING TEMPLATE

Customs has [announced](#) a new web-based "e-ruling" template for requesting binding rulings from the National Commodity Specialist Division (NCS) in New York.

## ISA BENEFITS

Customs published a [notice](#) announcing new benefits for participation in the Importer Self-Assessment (ISA) program pertaining to certain HTS Chapter 98 goods, assists, and the Civil Aircraft Agreement. The Firm continues to be concerned about client participation.

## BORDER SECURITY

- DHS has announced a [Secure Border Initiative](#) that has a five year plan to achieve operational control.
- The House Homeland Security Committee introduced the Border Security and Terrorism Prevention Act ([H.R.4312](#)).

## ACH DEBIT

ACH debit payers must notify their respective banks of changes to the customer and routing numbers due to Custom's migration to [Pay.gov](#). ADM [05-1401](#) (Dec. 7, 2005).

## IRAN EMBARGO SENTENCE

Robert E. Quinn, former vice-president of Global Parts Marketing for Clark Material Handling Corporation has been convicted of conspiring to violate the U.S. embargo against Iran and of five illegal exports of forklift parts to Iran via Dubai. Sentencing is scheduled for February 23, 2006, with eight to ten years in prison likely.

## AD/CV DUTY ORDERS

Requests for Administrative Reviews, must be received by December 31, 2005, for individual producers or exporters subject to antidumping (AD) and/or Countervailing (CV) duty orders and suspension agreements. 70 Fed. Reg. [72109](#) (Dec. 1, 2005).

## AIR CARGO SECURITY

GAO issued a [report](#) on Domestic Air Cargo Security critiquing the Transportation Security Agency's (TSA) Known Shipper Program, and Freight Assessment targeting system.

FOREIGN-TRADE ZONES BOARD  
ACTIVITY AS OF 12/15/05

ZONES SUBZONES	APPROVED	CURRENTLY AUTHORIZED
	264 573	251 484
<b>PENDING</b>		
ZONES SUBZONES MISCELLANEOUS	6 16 39	
<b>AVERAGE PROCESSING TIME (MONTHS)</b>		
ZONES SUBZONES	8 10	