

BRIEFINGS

FAST TRACK

The Administration has not clearly defined its fast track package. Originally, it was expected that the Administration would request a comprehensive package including fast track authority for various Agreements. The current thinking is that FTAs for Vietnam and Jordan will be handled separately.

FTAA

The GAO recently released a report on the status of the Free Trade Area of the Americas negotiations. The report indicates that the FTAA region is responsible for approximately 36% of U.S. exports of goods and services and 23% of U.S. foreign direct investment. Access ["What's New"](#) on our website.

DRAWBACK

Drawback allows exporters to recoup some of their duty paid on imports. Traditionally the process is complex, which makes it difficult for many companies to secure drawback refunds that they are entitled to. Recent reform proposals include defining "same kind and quality" components by HTS number and basing the drawback refund on the value of goods, not the quantity of goods. Customs has announced that it intends to close drawback offices in Boston, Miami, New Orleans, and San Francisco; Chicago, Houston, Los Angeles, and New York will be the remaining drawback offices.

DATA COLLECTION

A Treasury Committee has asked 20 trade and industry associations to distribute a survey on data collection and record keeping. The survey includes questions on costs of import compliance and input on data entry and record retention requirements. Responses are due May 18th. Access the form on our website under ["What's New."](#)

FTA RULES OF ORIGIN

The Office of the U.S. Trade Representative has requested comments by May 25, 2001 on rules of origin for the U.S.-Chile Free Trade Agreement, the U.S.-Singapore Free Trade Agreement, and the FTAA. This is a most important task. The NAFTA based rules of origin process must be significantly simplified. All clients are urged to prepare and file detailed comments. Access ["What's New"](#) on our website.

CHINA NTR

President Bush is expected to utilize a provision of the 1974 Trade Act to extend China's Normal Trade Relations status. The extension is necessary because China has not yet acceded to the World Trade Organization, which would give China permanent NTR. Congress is expected to very carefully consider the extension because of China's detention of a U.S. military plane and its crew.

HMT

The Court of Appeals for the Federal Circuit (CAFC) has ruled in [Thomson Consumer Electronics, Inc. v. U.S.](#) that importers challenging the assessment of Harbor Maintenance Taxes (HMTs) on imports are not required to file protests. Corrections to these new rules were recently published at [66 Fed. Reg. 21086](#) (Apr. 27, 2001). Clients are reminded that refunds of HMTs paid on exports may be refunded with minimal documentation under the CAFC decision in [Swisher Int'l, Inc. v. U.S.](#) CIT [Slip Op. 01-29](#) (Mar. 13, 2001). Contact Sean Murray for details.

CUSTOMS BONDS

We understand that the concept of significantly increasing the amount of Customs bonds is not dead at Customs Headquarters. Clients are encouraged to prepare explanatory comments to be filed at Customs Headquarters. Contact Sean Murray for details.

SED COMPLIANCE REVIEWS

Census has indicated that it will implement in the next two years a compliance review program for exporters. Exporters are encouraged to review their Shipper's Export Declaration (SED)/Automated Export System (AES) and export licensing programs to ensure that they are complying with the latest requirements.

ICPs

Customs has posted three revised Informed Compliance Publications to its website. The first is entitled [The ABC's of Prior Disclosures](#). The only revision to this document is that Customs has stated that if the company has tendered money but Customs finds no violation, Customs will refund the money tendered. This is a change from past Customs policy. The second publication, [Vehicles, Parts and Accessories Under the HTS](#) includes an addendum list of the most commonly used automotive basket provisions in Chapter 87 HTS. The third publication is entitled [Soldering and Welding Machines and Apparatus](#), and focuses its revisions on machines and apparatus that are misclassified as soldering, brazing or welding equipment. Access "What's New" on our web site.

TRADE REMEDIES PROPOSAL

The Office of the U.S. Trade Representative has proposed implementing a monetary fines approach to remedying violations of multi- and bilateral trade agreements. While the proposal is still in draft form, it would allow companies winning dispute resolution cases to obtain a monetary assessment against the defending country. This shift from the current trade sanctions approach is being carefully studied by industry and government officials.

AGRICULTURAL TRADE DATA

The USDA Foreign Agricultural Service (FAS) website has been updated to include access to up-to-date Census trade data on U.S. exports/imports of agricultural, fishery, forestry, and unmanufactured textile products. www.fas.usda.gov/ustrade .

MISC. TRADE BILL

It appears unlikely that there will be a new Miscellaneous Trade and Tariff Bill until 2002. However, the Senate Finance and House Ways and Means Committees may begin the preliminary steps to draft the bill. Clients should begin determining whether they want to submit any provisions to be included in the bill.

US TRANSSHIPMENT REPORT

The Department of Transportation's Maritime Administration (MARAD) issued a report summarizing the amount and value of US imports and exports transshipped via Mexico and Canada for 1999. Such activity for ocean shipments avoids the HMT. <http://www.marad.dot.gov/publications/PDF/1999%20final%20report.pdf>

HTS CHANGES

The USITC and Customs have proposed HTS modifications to limes; records, tapes and other media; and Chapter 98 Medical Footwear. The modifications would be effective Jan. 1, 2002. The USITC will report on comments regarding the modifications by the end of May. The proposed changes are available at <ftp://ftp.usitc.gov/pub/reports/studies/PUB3295.PDF>. 66 Fed. Reg. 21413 (Apr.30, 2001).

TRADE SANCTIONS

The Office of the U.S. Trade Representative has released three reports on trade issues: (1) the "Super 301" report on [trade barriers](#); (2) the "Special 301" report on [intellectual](#) property rights enforcement; and (3) the ["Title VII"](#) report on foreign government procurement practices. Access "What's New" on our website.

AES

- According to a notice posted to the AESDirect website, several enhancements, designed to further simplify the AESDirect Shipper's Export Declaration (SED) information submission process, were implemented in late April. The enhancements include: export date removed from previously filed shipments used as templates; in-bond information removed from AESDirect; status lights for optional sections no longer displayed, and ID number/ID type removed from consignee/intermediate consignee profiles. Access ["What's New"](#) on our website.
- The Sea Carrier's Module (SCM) of the Automated Export System (AES), which allows sea carriers to file outbound vessel manifest information electronically, is expected to be operational and available nationwide the first of June.
- Effective July 2001, AESPcLink will allow exporters to input their SED information offline (i.e. without being connected to the Internet) then upload it to the AES Direct website. <http://www.aesdirect.gov/>

BROKER EXAM

Customs has announced that the next Broker exam will be given on October 1, 2001. All applications must be submitted by August 31, 2001 to sit for the exam. Access ["What's New"](#) on our website.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 5/15/2001		
	APPROVED	PENDING
ZONES	241	7
SUBZONES	447	26
MISCELLANEOUS		27
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	11	
SUBZONES	14	