

ATTORNEYS AT LAW

ROUTING SLIP

BRIEFINGS

BONNER RETIRES

On September 27, Customs Commissioner Bonner announced his retirement. He performed brilliantly in managing the largest change in Customs history.

MONTHLY DUTY PAYMENTS

Customs will soon publish a *Federal Register* notice allowing importers to use monthly duty payments without ACE. This is a significant new advantage.

BIS FINES

- FedEx will pay a \$40,000 fine for transporting exports for a denied party and aiding and abetting unlicensed exports pursuant to an October 4, 2005 [Order](#).
- BIS has [announced](#) that LPPAI, LTD. of Houston will pay a \$50,000 criminal penalty, \$50,000 civil penalty, serve 3 years' probation and will be denied export privileges for 5 years under a plea agreement for an attempted export of specialty alloy pipes to a British company for delivery to Iran.
- Maine Biological Laboratories has been [fined](#) \$500,000 and 8 of its former managers sentenced to prison for exporting avian flu vaccine to Saudi Arabia without required licenses.

NEW REFERENCE GUIDE

The new version as of 9/30/05 is complete. GP FTZ Zone Operators are now included and represent approximately 40% of the total zone operators. CD copies will be forwarded shortly to clients.

FIRM SEMINAR

Two seats remain for the no charge client seminar on Dec. 7-8 – Import/Export. Contact Sarah Rogers ASAP for reservations at srogers@millerco.com.

C-TPAT

- 9,920 applications, 5,294 certifications and 2,812 validations have occurred.
- Clients who have not yet joined are encouraged to do so. The firm has developed a very structured plan that provides the ability to quickly join C-TPAT for a \$5,000 expense. Contact Marshall Miller.

TIB DOCUMENTATION

CBP has issued an administrative message entitled "[Interim Guidance on Export Documentation for Temporary Importation Under Bond \(TIB\)](#)" to replace guidelines published in July 2000.

BYRD AMENDMENT

- Legislation to repeal the "Byrd Amendment" is up for consideration by the House Ways and Means Committee for inclusion in the Miscellaneous Tariff Bill. The proposed legislation would place all funds currently in the Byrd account into the general fund.
- The GAO has issued a [report](#) discussing the impact that the Byrd Amendment has had on U.S. producers and problems with implementation, as well as the retaliatory measures taken by U.S. trading partners.

FTZ AUTOMATED CBPF 214

Customs has [published](#) final information. Linda King has been part of the Task Force working on this program since its inception. The firm has developed detailed guidance. Contact Ms. King for assistance in implementation.

BIOTERRORISM ACT/FOOD

FDA has issued a final rule on registration of food facilities under the Bioterrorism Act that requires domestic and foreign facilities that manufacture, process, pack, or hold food for human or animal consumption in the U.S. register with FDA. 70 Fed. Reg. [57505](#) (Oct. 3, 2005).

BOND APPLICATIONS

On September 16, 2005 Customs [posted](#) a bond application guidance document to its website titled "Latest News and Developments." The document covers processing times, status request, misfiled documents, lost applications, email requirements etc.

ICE SWEEPS

Clients with facilities that, in any manner, are involved in the import or export of merchandise should be aware that throughout the U.S, ICE (Immigration and Customs Enforcement) agents are making unannounced sweeps of company facilities to verify that all employees are, in fact, legally authorized to work. Clients should make certain that they are rigidly following all required rules. There are significant noncompliance penalties.

ACE

• Effective September 22nd, Customs no longer requires participants in the Periodic Monthly Statement test of ACE to submit a bond rider covering the periodic payment of estimated duties and fees. 70 Fed. Reg. [55623](#) (Sept. 22, 2005).

• Customs has issued "[ACE Accomplishments: 1999 – September 2005](#)" which lists in date order accomplishments in the development of the Automated Commercial Environment (ACE).

AD DUTIES

In an unprecedented and potentially controversial move, the ITA has initiated a changed circumstances review of a previously revoked antidumping (AD) order, based on evidence that the Japanese respondent submitted false information to the ITA during the 1997-98 administrative review. 70 Fed. Reg. [54019](#) (Sept. 13, 2005).

CHINA TEXTILE SAFEGUARDS

The Committee for the Implementation of Textile Agreements (CITA) is requesting comments by November 10, 2005 on domestic industry requests for safeguard quotas on China categories 226, 443, 619, and 634/635; as well as the reapplication of such quotas on China categories 301, 338/339, 340/640, 347/348, 349/649, 352/652, 620, 638/639, and 647/648. Descriptions of the categories in question are available in the [CITA Federal Register notices](#).

FTA – BAHRAIN

Both the House Ways & Means Committee ([September 29th](#)) and the Senate Finance Committee ([October 6th](#)) held hearings regarding the implementation of the U.S.-Bahrain FTA. The agreement would immediately eliminate 100% of duties on all industrial goods between the countries upon implementation.

DOHA AG TARIFF TALKS

U.S. & EU officials in preparation for the Doha Round talks in Hong Kong have proposed significant tariff reductions on ag products. There are currently low expectations for any positive final action.

FESTIVE ARTICLES

CBP has published [guidance](#) on importing articles such as table linens and rugs that contain symbolic content associated with a particular holiday or festive event under HTS Chapter 95 for duty-free festive articles.

CSI UPDATE

Customs has [announced](#) its intention to have the Container Security Initiative (CSI) implemented in 50 ports by the end of 2006. CSI is designed to pre-screen approximately 90 percent of all transatlantic and transpacific cargo imported into the United States.

CHANGES TO GSP PROGRAM

The USTR has requested public comments on whether and how to change the Generalized System of Preferences (GSP) program, and will hold a public meeting on GSP on November 3, 2005. 70 Fed. Reg. [58502](#) (Oct. 6, 2005).

ISA

Customs has posted [updates](#) on the Importer Self-Assessment (ISA) handbook, Memorandum of Understanding (MOU), and ISA annual notification requirements, including clarifying "prior disclosure" in the handbook and the MOU.

TEXTILE ORIGIN

Customs has issued an interim rule on country of origin of textile and apparel products effective Oct. 5 with the primary effect of the elimination of the textile declaration for items subject to Section 204 of the Agricultural Act of 1956. Written comments are due Dec. 5. 70 Fed. Reg. [58009](#) (Oct. 5, 2005).

ORIGIN MARKING

Customs has [issued](#) a ruling on the country of origin marking to the U. S. Department of Agriculture (USDA) on containers of repackaged lobsters. The U.S. and Canada commingled lobster outermost containers may be marked "Product of U.S.A. and Canada."

ACH DEBIT TRANSACTIONS

Customs announced that it will be transferring its current Automated Clearinghouse (ACH) debit transactions to [www.pay.gov](#). This will require all ACH debit payers to notify their banks of changes to the Customer Number and Transit Routing Number as soon as possible. The change should be complete by December 31, 2005.

KATRINA RELIEF/TEXTILES

CITA has authorized CBP to release embargoed China safeguard merchandise solely to assist with the Hurricane Katrina relief effort.

FTZ EMERGENCY MEASURES

The FTZB has adopted a two-phase emergency program for FTZs along the Gulf of Mexico affected by recent hurricanes. In the "Emergency Phase" local CBP port directors may make emergency changes to zones without FTZB consultation (e.g., temporary relocation of zone operations). In the "Recovery Phase" the FTZB will give special consideration to changes proposed to assist zone and subzones restart operations.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 10/15/05		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	264	251
SUBZONES	570	499
PENDING		
ZONES	4	
SUBZONES	18	
MISCELLANEOUS	30s	
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	8	
SUBZONES	8	