

BRIEFINGS

ROUTING SLIP

FIRM SEMINARS

The firm will offer the following seminars at our Kansas City office at no charge to our clients on a first come/first served basis;

March 22-23 - FTZ

April 26-27 - Import/Export

June 21-22 - FTZ

Sept. 14 - Current Import/Export/FTZ

Developments (at NAFTA convention)

Dec. 7-8-Import/Export

Contact Janet Haynes ASAP at jhaynes@millerco.com for reservations. More detailed information is available on our website.

SEASONS GREETINGS

BEST WISHES FOR A
HAPPY & HEALTHY
NEW YEAR

MISC. TRADE ACT OF 2004

On December 3, 2004, President Bush [signed](#) the Miscellaneous Trade and Technical Corrections Act of 2004 ([H.R. 1047](#)) that includes:

- Many duty suspensions ranging from chemicals to night vision goggles with varying effective and expiration dates. Refunds are provided in certain instances. There may be FTZ opportunities. Clients should carefully review the list; we are preparing a repeal statute now for a U.S. producer.

- Miscellaneous trade provisions include a new reconfigured entry, retroactive application of AGOA amendments, repeal 1916 AD Act, new sock labeling, Chapter 98 and 99 technical amendments, etc.

- A wide range of drawback related changes have been made.

- The time for filing protests under Section 1514 has been extended from 90 days to 180 days, but 1520(c) claims (claims for clerical errors and mistakes of fact) have been eliminated.

- The time period to deposit estimated duties and fees has been extended from 10 days to 12 days.

- Reconciliation can be filed 21 months after an importer files the intent to file the reconciliation, (6 month increase).

YEAR-END REMINDERS

- 2005 Duty Reductions/New FTAs /HTS Changes
- NAFTA Yearly Blanket CBPF 434s
- FTZ Board Annual Report

FOR CALENDAR YEAR FTZs

- Customs Reconciliation/Annual Review
- Yearly Blanket CBPF 216s

I.D. - DUTY REDUX

Importers may elect to choose a 2005 entry date as the "time of entry" for goods released after Dec. 16, 2004 allowing importers to benefit from any preferential duty rates that take effect January 1, 2005 (e.g., staged duty reductions). ADM [04-2497](#) (Dec. 8, 2004)

FTZ UPDATE

A wide range of positive actions are occurring in FTZ management. The FDA WEF program is being clarified and formally adopted by Customs and the Food and Drug Administration. Yearly blanket CBPF 216 instructions have been partially revised; more work is necessary. The "estimated" [CBPF 214](#) procedure for oil refineries using direct delivery has been terminated. Customs is drafting clarifying regulations on weekly entry, etc.

NAFTA ORIGIN RULES

As a result of meetings in Mexico, the NAFTA countries have tentatively agreed to liberalize the rules of origin for \$20 billion worth of goods.

CIVIL MONETARY PENALTIES

Commerce has issued a final rule effective December 14 adjusting for inflation each civil monetary penalty within the jurisdiction of the Department. Also included is the regulation implementing the 2002 statute which increased the penalties associated with late or incorrect filing of export documentation (i.e., SED information) from \$1,000 to \$10,000. 69 Fed. Reg. [74416](#) (Dec. 14, 2004).

C-TPAT

Customs has issued a [first](#) and [second](#) draft of proposed minimum security standards for importers interested in participating in C-TPAT. It is clear that Customs intends to shift from voluntary recommendations to minimum requirements. The firm's C-TPAT plan exceeds current requirements.

CHINESE TEXTILES

- Quotas on textiles shipped between WTO members are scheduled to end in January 1, 2005. The Chinese government has [announced](#) that it will impose increased export tariffs to encourage the export of high value-added products.

- The Committee for the Implementation of Textile Agreements (CITA) has issued a notice addressing the shipment of textile and apparel products in excess of 2004 quotas. 69 Fed. Reg. [72181](#) (Dec. 13, 2004).

HTSUS 2005

The electronic version of the 2005 Harmonized Tariff Schedule of the United States (HTSUS) will be posted by the International Trade Commission (ITC) soon. It will be posted under "What's New" on our web site. The printed edition will be delayed.

GSP – BRAZIL

The USTR has [extended](#) its review of the petition to remove GSP Country benefits on Brazilian imports until March 31, 2005.

EXPLANATORY NOTES

The World Customs Organization (WCO) has issued an amending [supplement](#) to the Harmonized System (HS) Explanatory Notes (EN). Changes were made in Chapters 25, 26, 29, 34, 39, 40, 44, 71, 84, and 85.

FTAs

- The issues raised by the Australian parliament's FTA amendment have been resolved. Both countries have now certified that the other country's implementing legislation fulfills its FTA obligations. The FTA will be implemented on January 1, 2005. It contains major immediate duty reductions for U.S. exporters.

- The sixth round of discussions between the United States, Columbia, Peru, and Ecuador concluded on December 4, 2004. Intellectual property rights and agricultural issues continue to be difficult topics.

TRADE BARRIERS

The Office of the U.S. Trade Representative (USTR) has requested comments on trade barriers to U.S. goods and services exports. Comments are due December 21, 2004. 69 Fed. Reg. [68437](#) (Nov. 24, 2004).

RECONCILIATION

Customs has posted a revised version of its [Reconciliation Handbook](#) (Version 4.0, dated Sept. 2004). Customs views its Reconciliation Prototype program as the exclusive means for revising post-entry value adjustments and certain other post-entry adjustments.

CHINESE FURNITURE

On November 17, 2004, the ITA determined that wooden bedroom furniture is being sold at less than fair market value (i.e., being "dumped"), and assessed antidumping duties in a general range from 2.22% to 16.7%, significantly less than initial amounts. 69 Fed. Reg. 67313 (Nov. 17, 2004). On Dec. 10, the ITC determined that the U.S. industry is being materially injured by the imports of wooden bedroom furniture at less than a fair market value. USITC News Release 04-127 (Dec. 10, 2004).

WCO - U.S. STANDARDS

The WCO has for the first time accepted the U.S. Customs standards for facilitation of Global Trade. The standards include the recent initiatives promulgated by U.S. Customs, e.g., benefits to businesses with an established degree of compliance such as speedier port clearances, prevention of terrorism, cooperation between Customs authorities of different countries, and efficient movement of international supply-chains and goods.

EGYPT/ISRAEL QIZ

The U.S., Egypt, and Israel reached [agreement](#) to create "Qualifying Industrial Zones" which will allow certain Egyptian goods that contain Israeli inputs to be imported duty free.

CWC

The Bureau of Industry and Security has issued a proposed rule to revise the Chemical Weapons Convention (CWC) Regulations. These changes affect definition of terms, scope, updating signatory countries lists, activities involving listed CWC Schedule 1-3 Chemicals, etc. Comments are due by January 6, 2005. 69 Fed. Reg. [70754](#) (Dec. 7, 2004).

ITAR REGISTRATION FEE

The Directorate of Defense Trade Controls has increased by almost 300% the registration fee charged to all manufacturers and exporters of ITAR-controlled defense articles, services, or technologies. 69 Fed. Reg. [70888](#) (Dec. 8, 2004).

BIS LICENSE CONDITIONS

The BIS amended the EAR to make it clear that it is the licensee's responsibility to communicate license conditions to the parties to whom the conditions apply. 69 Fed. Reg. [69814](#) (Dec. 1, 2004).

ADV MANIFEST - TRUCK /AIR

- Customs has published a [notice](#), extending the informed compliance period for in-bond shipments at the ports with a Nov. 15 implementation date to Jan. 2, 2005. [Penalties](#) will be issued from Jan. 3, 2005 through Jan. 30, 2005; entries will be denied and/or penalties will be issued on or after Jan. 31, 2005

- Customs has issued an [updated](#) truck FAQ, dated Nov. 30, 2004.

- Customs posted its fourth version of air cargo [FAQ](#).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 12/15/04		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	262	249
SUBZONES	552	464
PENDING		
ZONES	1	
SUBZONES	18	
MISCELLANEOUS	33	
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	7	
SUBZONES	9	