

ROUTING SLIP

BRIEFINGS

YEAR-END REMINDERS

- 2007 HTS Updates
- NAFTA Yearly Blankets
- FTZ Board Annual Report

CALENDAR YEAR FTZs

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

SEASONS GREETINGS

BEST WISHES FOR A
HAPPY & HEALTHY
NEW YEAR

2007 SEMINAR SCHEDULE

- March 6-7 – FTZ 101
- March 27-29 – Classification
- April 18-19 – Import/Export 101
- May 8-9 – Valuation
- Oct 23-24 – Exports
- Nov. 28-29 – Import/Export 101

2007 HTS/FTZ IMPACT

• The USITC will publish a preliminary 2007 HTSUS the week of December 18, 2006. While this version of the HTSUS will not include the WCO nomenclature modifications, it will include the 2007 staged tariff reductions to the 2006 HTSUS.

• Despite earlier reports, it has been determined that the 60-day Congressional layover period expired prior to Congressional adjournment last week, allowing the WCO HTS changes. The ITC is currently preparing a Presidential Proclamation to include the WCO HTS changes, and updates to the Australia and Singapore FTA Rules of Origin. The modifications will become effective on the later of February 1, 2007 or thirty days after the signed Proclamation is published in the *Federal Register*.

• We have confirmed with Customs that the HTSUS classifications and duty rates in force prior to implementation of the 2007 HTS modifications will be archived in ABI. Therefore, when privileged foreign status FTZ merchandise is withdrawn from an FTZ for Customs entry, the HTSUS classification in effect when privileged foreign status was claimed should be declared.

CBP TRADE SYMPOSIUM

The focus again this year at the symposium (Dec. 14-15) was trade security. Clients should concern themselves with the "10+2" advance trade data initiative, which will require substantial entry data before export to the U.S. A Proposed Rule is to be issued in April/May, with intended implementation in fall 2007. Customs has posted a [brief](#) on the initiative to its website. Other subjects included the 2006 Safe Ports Act, government response and business continuity plans, overseas screening efforts, and Office of International Trade (OT) organization and priorities. It was also announced that the U.S.-Chile FTA final regulations are to be published next week in the *Federal Register*.

Miller & Company is pleased to announce its 2007 training schedule. Both our FTZ 101 seminar and our Import/Export 101 seminars will be held at no charge to our clients.

As requested by clients, new for 2007 are 2-day advanced seminars on classification, valuation, and export compliance. These seminars will focus on applicable rules and practical exercises. The seminars will be for a fee of \$1,000/participant—about one-half the going rate for such programs. Multiple participants from one company will receive a 10% discount. The advanced seminars are limited to a minimum of 10 and maximum of 20 participants. All seminars are on a first-come, first-served basis. Register now by e-mail to Kelly Galate at kgalate@millerco.com.

I.D. - DUTY REDUX

Importers may elect to choose a 2007 entry date as the "time of entry" for goods released after Dec. 15, if they want to benefit from preferential duty reductions that take effect Jan. 1. [ADM 06-1213](#) (Dec. 13, 2006).

CENSUS AUDITS

The recently-posted October 2006 [AES Newsletter](#) announced the beginning of the long-threatened AES Compliance Review program in January 2007. Clients are encouraged to review their AES records and processes.

CBP PENALTIES UPPED

Customs has revised its mitigation guidelines for improper removal or delivery of goods from a port without Customs authorization or examination. 40 Cust. B. & Dec. [49](#). (Nov. 13, 2006).

TSCA CHANGES

An Environmental Protection Agency (EPA) Final Rule has implemented changes to the Toxic Substance Control Act (TSCA), making the previous annual notification for exporters of chemicals a one-time only requirement, and establishing *de minimis* concentration levels for export notification. 71 Fed. Reg. [66234](#) (Nov. 14, 2006).

TRADE LEGISLATION

On December 9, Congress passed legislation that included all of the bills introduced as part of the Miscellaneous Tariff Act. The legislation:

- Grants PNTR to Vietnam;
 - Extends GSP for two years;
 - Extends ATPA for six months for beneficiary countries, and an additional six months for countries negotiating an FTA with the U.S.;
 - Extends AGOA through September 15, 2015, and extends the eligibility of textile articles made in lesser-developed countries from fabrics or yarn originating in third countries.
- The Office of the U.S. Trade Representative has issued a [summary](#) of the legislation.

ACE IN-BONDS

Effective immediately, carriers who use ACE e-manifest to transmit in-bond movements to Customs will not be required to provide a paper CBPF 7512 at time of arrival into the U.S. or at the destination port if certain information is provided on the [e-manifest](#) cover sheet. These in-bond moves are considered to be paperless, so all subsequent in-bond postings, including arrival and export at the destination port, must be electronically transmitted.

DOHA: ON AGAIN??

U.S., EU, and other World Trade Organization (WTO) members are working to restart the Doha round of trade talks, which were suspended in July. Concessions may be made on agricultural subsidies. Success is still considered unlikely.

PASSPORT TRAVEL

Customs and the State Department have issued a [Final Rule](#) implementing the Western Hemisphere Travel Initiative (WHTI), requiring (with some exceptions) passports for all U.S. citizens, and non-immigrant aliens from Canada, Bermuda, and Mexico when entering the U.S. The first stage of the rule becomes effective on January 23, 71 Fed. Reg. [68412](#) (Nov. 24, 2006).

FTA NEWS

- The Dominican Republic has passed legislation necessary to comply with DR-CAFTA while Costa Rica must still pass 13 bills including bills to dismantle its telecommunication monopoly. The Costa Rican Ambassador to the U.S. stated that it intends to ratify DR-CAFTA in the first quarter of 2007.
- The Department of Defense has issued an Interim Rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement changes for FTAs with Bahrain and Guatemala. [71 Fed. Reg. 58541 \(Oct. 4, 2006\)](#).
- The U.S. and Colombia signed an FTA on November 22nd which must now be passed by Congress.
- The Malaysian government has announced that it wants to limit the environmental provisions currently being negotiated of the U.S.-Malaysia FTA from dispute resolution proceedings. It wants to exclude labor provisions altogether. Numerous issues are left to resolve when negotiations resume in January 2007.

DATA FIELD PROPOSAL

Customs is circulating a draft proposal to replace the terms "ultimate consignee" and "Manufacturer ID number" (MID). The ultimate consignee field would be replaced with the "buyer," and the MID would have two data fields, one for manufacturer/producer/grower, and one for exporter/shipper/seller.

APHIS INSPECTION/FEEES

The Animal and Plant Health Inspection Service (APHIS) has [announced](#) that commercial vessels, trucks, railroad cars, aircraft, and international air passengers entering from Canada will become subject to agricultural quarantine inspection (AQI) fees in two stages, beginning with air passengers on January 1 and applying to others on March 1. The Interim Rule was published on August 25, 2006. 71 Fed. Reg. [50320](#) (Aug. 25, 2006). The revised [implementation timetable](#) was published November 22.

ITDS UPDATE

Even though the 2006 Safe Ports Act mandates participation, as of November 2006 only 29 Participating Government Agencies (PGAs) are involved in International Trade Data System (ITDS) development. Clients should review the involved PGAs to assure their PGA interface interests are being considered. ITDS sources state that the number of data elements is being reduced to eliminate duplication.

BOYCOTT REQUESTS

The Bureau of Industry and Security (BIS) is reporting an increase in boycott-related requests to U.S. firms in the first half of 2006.

IMPORTER GUIDE

Customs has posted a November 2006 version of [Importing into the United States: A Guide for Commercial Importers](#).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 12/15/06		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	270	256
SUBZONES	593	493
PENDING		
ZONES	1	
SUBZONES	10	
MISCELLANEOUS	22	
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	8	
SUBZONES	8	