

# BRIEFINGS

ROUTING SLIP

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## CHINA TRADE

- The U.S. Dept. of Commerce has issued a preliminary determination that China has provided countervailable subsidies to exports of coated free sheet paper. This breaks with precedent by applying countervailing duty law to China's non-market economy. 72 Fed. Reg. [17484](#) (April 9, 2007).
- The U.S. has [requested](#) WTO consultations over China's inadequate protection of copyrights and trademarks, and Chinese market barriers to legitimately trademarked goods that create a market for counterfeit products.

## REMOTE LOCATION FILING

Customs has issued a Proposed Rule to make Remote Location Filing (RLF) permanent. RLF allows participants to electronically file entries from a location within the U.S. other than the port of arrival or the district designated in the entry for examination. Participation would be voluntary and at the option of the filer. Written comments are due May 22, 2007. 72 Fed. Reg. [13714](#) (March 23, 2007).

## FTA—PANAMA

On March 30, 2007, President Bush [notified Congress](#) of his intent to sign a Free Trade Agreement (FTA) with Panama. The FTA has a unique provision that requires Panama to monitor its free trade zones and provide U.S. Customs with access to the information collected on the zones.

## 2007 SEMINAR SCHEDULE

- Our \$1,000 May 8-9 advanced seminar on valuation is almost full.
- Our remaining client-only free seminars are scheduled for:
  - June 20–21: FTZ 101 (waiting list only)
  - Nov. 28-29: Import/Export 101
- More information is available on our web site. All seminars are on a first-come, first-served basis. Register now by e-mail to Kelly Galate at [kgalate@millerco.com](mailto:kgalate@millerco.com).
- Based on client response, we will offer all three advanced seminars on exports, classification, and valuation again in the fall. Details will be posted on our website.

## FTZ PUBLIC HEARING

A rare public hearing has been scheduled for April 18, 2007, at the Department of Commerce on a particular Subzone Application. The subzone applicant, MPM Silicones, requested authority for manufacturing and warehousing of several silicone coatings, adhesives, and fluids in Waterford, New York. The public comment period has been extended on this Application until May 3, 2007.

## NAFTZ - ATLANTA

The NAFTAZ is holding its Annual Spring Seminar in Atlanta on May 20-21, 2007. Additional information can be found on the [NAFTZ website](#).

## ITT FINED \$100M

In an egregious example of export controls violations, [ITT Corporation](#) has settled criminal allegations that it illegally exported classified technical data on night vision systems to China, Singapore, and the United Kingdom without a license by agreeing to pay a total of \$100 million. Individual prosecutions may follow.

## FTA – SOUTH KOREA

- The United States and South Korea signed a [Free Trade Agreement](#) on April 1. Compromises were reached on the last day possible to allow enough notice for approval before President Bush's "fast-track" negotiating authority expires on July 1, 2007.
- According to a U.S. Trade Representative (USTR) press release, approximately 95% of trade in consumer and industrial products will become duty free within three years of the FTA's entry into force. More than 50% of U.S. farm exports to South Korea will become duty free immediately. The South Korean tariff (8%) on U.S. automobile imports will immediately drop to 0% on two of three automobile classifications; the U.S. will phase out duties on imported automobiles (2.5%) and trucks (25%) over a ten year period. The agreement also includes intriguing provisions on streamlined Customs procedures, efficient enforcement, advance clearance, and advance binding rulings.

## 2007 HTSUS

The ITC has published a revised HTSUS to its website. The revised HTSUS corrects certain errors and incorporates Presidential Proclamations 8111 and 8114, which implement DR-CAFTA for the Dominican Republic, and certain duty-free treatment provided by the Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE) Act. The ITC will not publish a paper copy of this version.

## e-MANIFEST: TRUCK

- Effective July 12, 2007, trucks entering the U.S. through land border ports of entry in the states of Vermont, New Hampshire, and North Dakota will be required to electronically transmit the truck manifest information through ACE. 72 Fed. Reg. [18574](#) (April 13, 2007).
- Ports in Maine are next. The truck e-manifest may now be used for test purposes. 72 Fed. Reg. [14127](#) (March 26, 2007).

## SECURE FREIGHT INITIATIVE

The Departments of Homeland Security and Energy have [announced](#) that operational testing is underway in Honduras and Pakistan to scan shipping containers for nuclear and radiological materials before departure for the U.S. This is part of the initial phase of the [Secure Freight Program](#) that was announced in December 2006.

## e-214

Customs is extending its electronic FTZ Admission Application (e-214) test program for a period of six months from March 26, 2007. Customs hopes that the new test program will encourage greater participation and provide more meaningful data. 72 Fed. Reg. [14128](#) (March 26, 2007).

## USER FEES

Customs has posted a [table](#) listing the various user fees. The table includes additional information relative to the fee collection.

## DEMOCRATS ON TRADE

• The Democratic leadership of the House Ways and Means Committee has released a set of trade principles, including labor, investment, and environmental issues. The principles include a commitment that Free Trade Agreement (FTA) signatory countries adopt basic International Labor Organization (ILO) standards and agree to enforcement provisions. These principles could be applied to pending FTAs, such as those with Columbia, Peru, South Korea and Panama.

• Senate Finance Committee Chairman Max Baucus (D-MT) has indicated that there may be no need to extend President Bush's fast-track negotiating authority, which expires on July 1.

## ANTIDUMPING REMEDY

Foreign shrimp producers have paid an undisclosed amount of money to keep domestic shrimpers from filing an ITC appeal to seek higher antidumping duties on imported shrimp. This practice is not provided for in U.S. trade laws and there is concern that it may spread to other industries.

## DRUG IMPORT/EXPORT

The Drug Enforcement Agency (DEA) recently published an Interim Final Rule extending current reporting requirements and requiring additional reporting for import, export, and international transactions involving List I and List II chemicals. Comments are due by May 9, 2007. 72 Fed. Reg. [17401](#) (April 9, 2007).

## LDC MARKET ACCESS

Due to a technical malfunction, the Trade Policy Staff Committee of the USTR (TPSC) did not receive comments submitted prior to March 14 on its investigation into the economic effects of duty-free, quota-free market access for imports from least developed countries. The TPSC is requesting resubmission of comments by April 15. 72 Fed. Reg. [13142](#) (March 20, 2007).

## AG INSPECTORS

A [bill](#) has been introduced that would return 1,800 Agricultural Inspectors from Customs back to the U.S. Department of Agriculture (USDA). The goal is to increase enforcement.

## SWPM PENALTIES

Customs has published penalty [guidelines](#) for violations of the solid wood packing materials (SWPM) regulations. Customs has also published [Frequently Asked Questions](#) on the regulations.

## DISTRIBUTION BYPASS

Retail and consumer goods companies are increasingly moving logistics and distribution operations to [China](#). This model bypasses U.S. distribution centers with Chinese pick, pack, and label operations for direct shipment to U.S. retail stores. The negative impact on U.S. distribution centers could be significant.

## ACE WEB-BASED TRAINING

Customs has [posted](#) web-based training courses for the Automated Commercial Environment (ACE). Courses available are Periodic Payments (Release 3), e-Manifest: Trucks (Release 4), and ACE Reports for the Trade Community.

## PMS REPORTS

Customs has issued an ABI administrative message warning about problems with the new ACE Periodic Monthly Statement (PMS) reporting tool. All PMS reports must be run for the statement payable on April 20, 2007, using the old report tool. ADM [07-0086](#) (April 12, 2007).

### FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 4/15/07

	<u>APPROVED</u>	<u>CURRENTLY AUTHORIZED</u>
ZONES	270	256
SUBZONES	595	495
	<u>PENDING</u>	
ZONES	2	
SUBZONES	14	
MISCELLANEOUS	22	
	<u>AVERAGE PROCESSING TIME (MONTHS)</u>	
ZONES	8	
SUBZONES	8	