

BRIEFINGS

ROUTING SLIP

CHINESE APPAREL

The Committee for the Implementation of Textile Agreements (CITA) has requested bilateral consultations with China for the establishment of import limits on combed cotton yarn (Category 301); men's and boys' cotton and man-made fiber shirts, not knit (Category 340/640); man-made fiber knit shirts and blouses (Category 638/639); and man-made fiber trousers (647/648). Quotas have now been implemented for the above categories, limiting the number of imports to not exceed more than 7.5 percent of the quantity that was imported in the previous twelve months. 70 Fed. Reg. [30930](#) (May 31, 2005).

- China has cancelled its export tariffs for U.S. shipments.
- The EU and China have a new [agreement](#) on export limits to the EU.

FTZs

- Automation of the CBPF 214 is continuing on schedule. Testing is scheduled to begin in August; full implementation is scheduled for September 30. A *Federal Register* notice is expected shortly.
- FTZB Application Guidelines for new manufacturing operations reported last month may be modified. The concepts of a primary and secondary scope of authority, scope self-monitoring, and a 10% of savings standard for new activity authorization are all under consideration. Transparency and flexibility are being further considered.

FIRM SEMINARS

The firm still has limited space available at the following no charge client seminars:
Sept. 14 – Current Import/Export/FTZ Developments (NAFTZ Hawaii Convention)
Dec. 7-8 – Import/Export (KC)
Contact Sarah Rogers ASAP at srogers@millerco.com for reservations. More detailed information is available on our web site.

CUSTOMS AGENDA

The Treasury Department has published its semiannual regulatory agenda of proposed and final rules including those for Customs relating to remote location filing, uniform rules of origin, country of origin marking, certain fees, etc. 70 Fed. Reg. [27332](#) (May 16, 2005).

CAFTA-DR

Tuesday the Senate Finance Committee narrowly (11-9) voted in favor of the agreement. However, at this time, there are not enough Congressional votes to secure ultimate passage.

TPA – RENEWAL

The current Presidential Trade Promotion Authority (TPA) negotiating authority expires on June 30, 2005. Pro/con extension efforts are underway.

WTO

The former European Union Trade Commissioner, Pascal Lamy, will succeed Supachi Panitchpakdi as the WTO Director General on September 1, 2005.

C-TPAT

- Customs has significantly increased, to over 2,000, the number of validations that it is conducting. Clients are urged to update and enhance their C-TPAT program now.
- New Congressional funding has allowed the hiring of an additional 120 C-TPAT Supply Chain Specialists.
- In a recent speech, Customs Commissioner Robert Bonner indicated that Customs had rejected 1,729 C-TPAT applicant security plans.
- Customs has posted to its web site: "[Answers to Questions Submitted at CBP Trade Symposium 2004.](#)"
- Customs is currently completing development of a "container security device" (CSD), which will provide information on whether a container has been opened to nearby Customs inspectors or monitoring points. Prototype CSDs are currently undergoing operational testing.

ITAR EVALUATION

As a result of a critical GAO [report](#) on the State Department's implementation of the International Traffic in Arms Regulations (ITAR), House International Relations Committee Chairman Henry Hyde (R-IL) will introduce legislation to require a review of the Department's export control policies. Stricter enforcement of the ITAR, less flexibility with license exemptions, tougher rules on commodity jurisdiction, and increased licensing burdens are anticipated.

AD/CVD DISTRIBUTIONS

- Customs has issued a notice regarding the distribution of antidumping and countervailing duties (AD/CVD) it has collected for FY 2005 under the Byrd Amendment procedure. The notice identifies the specific AD/CVD orders and affected domestic parties, and provides instructions for the parties to obtain AD/CVD funds. 70 Fed. Reg. [31566](#) (June 1, 2005).
- Byrd Amendment retaliation authorized by the WTO of increased duties on U.S. exports by six countries, other than the EU and Canada, may begin in July 2005.
- On a related note, [legislation](#) recently was introduced to redress the hundreds of millions of dollars of AD/CVD monies not collected due to foreign companies' failure to pay.

CUSTOMS BONDS

- Customs is generally reviewing and increasing Customs importers bond amounts.
- Bonding firms have increased premiums. Efforts are underway to resolve the major problem that has caused Customs bond premiums to increase the large amount of uncollected antidumping duties resulting from Chinese companies disappearing after having had inadequate bond coverage.

AES ERRORS

Several companies have had their AES filing privileges revoked for 60 days because of unresolved fatal errors. Due to the upcoming implementation of mandatory AES, Census has intensified its efforts to reduce the problems from unresolved [fatal errors](#).

ANTITERROR COOPERATION

The State Department has announced its determination and certification to Congress that Cuba, Iran, Libya, North Korea, and Syria are not cooperating fully with U.S. antiterrorism efforts. 70 Fed. Reg. [28979](#) (May 19, 2005).

EGYPTIAN QIZs

Customs has announced that the Egyptian Ministry of Foreign Trade and Industry has a [web site](#) on the newly established Egypt-Israel Qualifying Industrial Zones (QIZs). The USTR issued a notice designating the Greater Cairo zone, Alexandria zone, and the Suez Canal zone in Egypt as QIZs eligible for benefits under the U.S.-Israel Free Trade Area Implementation Act (IFTA).

2002 FTZ NPRM WITHDRAWN

Customs has withdrawn a July 25, 2002 Notice of Proposed Rulemaking (NPRM) (67 Fed. Reg. 48594), to amend the Customs Regulations to expand the weekly entry procedures for FTZs. FTZ users, operators, and other interested parties submitted comments objecting to several key elements of the proposed regulations because of its direct conflict with Congressional intent, and its restrictions on the use of Foreign-Trade Zone Weekly Entry procedures. Customs is expected at some future date to issue new proposed regulations. 70 Fed. Reg. [33046](#) (June 7, 2005).

USTR - AGOA REPORT

The United States Trade Representative (USTR) has submitted to Congress its [report](#) on the African Growth and Opportunity Act (AGOA). In 2004, U.S. exports to sub-Saharan Africa increased 25 percent over 2003 levels.

INTELLECTUAL PROPERTY

The USTR has submitted its Annual Report on those countries with intellectual property issues that prevent equitable market access for United States companies. 70 Fed. Reg. [25645](#) (May 13, 2005).

ITA - STEEL LICENSING

The [Steel Import Monitoring and Analysis \(SIMA\)](#) system became effective June 9, 2005. SIMA collects timely, detailed statistics on anticipated steel imports and publishes those data weekly. ADM [05-0585](#) (May 31, 2005).

WCO SECURITY STANDARDS

The WCO has released a final second draft version of its [Framework of Standards to Secure and Facilitate Global Trade](#), which represents the WCO's efforts to secure the global supply chain.

FTD AES CALL CENTER

Effective June 7, 2005, Census' Foreign Trade Division (FTD) and AES have launched an "FTD Call Center" (1-800-549-0595) for guidance on AES, classifications, and similar issues from AES reps, commodity analysts, and regulations specialists. Clients are advised to use the Call Center only for general guidance and with caution, as the information provided may not fully contemplate the particular circumstances of a specific case, may be inadequately researched, and may not be legally authoritative.

BIS POLICY ON ENTITIES

BIS has finalized an interim rule establishing a policy of denial of licenses for exports to entities sanctioned by the State Department under certain arms-nonproliferation Acts; and adding Tula Instrument Design Bureau of Russia to the Entity List. 70 Fed. Reg. [33693](#) (June 9, 2005) (fin. notice); 70 Fed. Reg. [10865](#) (March 7, 2005) (int. rule).

FAST REFERENCE GUIDE

Customs has published the [FAST Reference Guide](#), with information regarding eligibility, application procedures, and processes.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 6/15/05		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	262	249
SUBZONES	564	495
PENDING		
ZONES	7	
SUBZONES	15	
MISCELLANEOUS	35	
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	7	
SUBZONES	10	