

# BRIEFINGS

## FTZ YEAR END REMINDER

- FTZ Annual Reports for the fiscal year (Oct. 1, 2000 through Sept. 30, 2001) are due to the FTZ Board by Jan. 31, 2002.
- For FTZ Operators whose zone year is on a calendar year basis:
  - The Annual Blanket CF 216 must be prepared, filed, approved by Customs, and returned before Dec. 31, 2001.
  - The Annual Reconciliation, Annual System Review, and the Certification to Customs is due by March 30th.

## TPA

On Dec. 6, the House passed [H.R. 3005](#) by one vote, which grants Trade Promotion Authority ("Fast Track") to the President until June 2005. Passage hinged on the vote of Rep. Jim DeMint (R-SC), who changed his earlier "nay" vote after securing a concession limiting the use of foreign sourced fabric in several recent special trade programs. Senate Finance Committee Chairman Max Baucus (D-MT), in a shift from his previous stance on TPA, has promised a quick markup of the House version.

## CUSTOMS RULINGS

Customs reinstated its 30-day binding rulings program through its National Commodity Specialist Division on Dec. 3. Clients should expect a very significant delay because of the backlog.

## SEASONS GREETINGS

BEST WISHES FOR A  
HAPPY & HEALTHY  
NEW YEAR

## I.D. - DUTY REDUX

Customs issued an ABI message authorizing the release of most types of merchandise under immediate delivery (ID) procedures beginning Dec. 14. Under ID, importers may elect to use a 2002 entry summary date as the "time of entry" and take advantage of previously negotiated lower duty rates or special programs for 2002. Access "What's New" on our website. ADM [01-1377](#) (Dec. 11, 2001), corrected by ADM [01-1378](#) (Dec. 11, 2001).

## TRADE BARRIERS

The USTR is requesting public comments that identify significant barriers to the export of U.S. goods, services, and investment for inclusion in the 2002 edition of the National Trade Estimate Report (NTE). Comments are due Dec. 17. 66 Fed. Reg. [60237](#) (Dec. 3, 2001).

## NTR EXTENDED TO VIETNAM

As of Dec. 10, imported products of Vietnam are eligible to receive column 2 duty rates. The Customs ACS system was not updated to flex this change until Dec. 14, so excess column 2 duties paid Dec. 10-14 may be refunded through applicable post-entry procedures.

## TRADE SECURITY

- At its Nov. Trade Symposium in Washington, Customs introduced its "Customs-Trade Partnership Against Terrorism." Customs is still determining the program specifics, but it is expected to be similar to the existing Business Anti-Smuggling Coalition (BASC). In return for being identified as a "low risk importer" and receiving expedited clearance and priority service, companies must demonstrate a secure logistics chain.
- On Dec. 10 Customs launched "Operation Shield America," a program intended to keep sensitive U.S. technology from terrorists. Customs is creating a list of sensitive items and increasing investigations of these exports.
- On Dec. 12, the U.S. and Canada signed a "Smart Border" declaration that is intended to increase border security and speed the flow of goods.

## ALTERNATE T&E

Customs issued a memo extending use of the Alternate Transportation & Export (Alt T&E) (Paperless CF 7512) Program used for the in-bond cargo movements out of FTZs from Jan. 2 to June 3, 2002. A notice will be posted to Customs web page. This program is being replaced with the ABI QP/WP Tinman process through ACS. Interested companies may begin testing after April 1, 2002. [TCTP #02-0437](#).

## AD/CVD DISTRIBUTIONS

Customs has processed over 900 claims under the Byrd Amendment submitted by domestic producers injured by foreign dumping and subsidies in FY 2001, distributing more than \$200 million. A listing of all recipients and the amount received will be posted to the Customs website after all checks have been issued and cleared. A second FY 2001 notice for "late" or "overlooked" AD/CVD cases is expected to be published.

## VISA REQS CANCELLED

The 3rd stage of WTO integration for China and Taiwan, which cancels visa requirements on certain textile articles from member countries, occurs on Jan. 1, 2002. Access "What's New" on our website for a complete list of categories/HTS numbers. China became a member on Dec. 11, 2001; Taiwan is expected to become a member on Jan. 1, 2002. 66 Fed. Reg. [63225](#) (Dec. 5, 2001).

## MEXICAN TRUCKS

Congress passed a Conference Committee compromise ([H.R. 2299](#)) regarding the lifting of restrictions on long-haul Mexican trucks operating beyond the U.S. border area. The compromise contains significant restraints that may also impact U.S. trucking. President Bush is expected to sign the bill.

## SPLIT SHIPMENTS

The Customs Service issued a proposed rule to amend the Customs regulations at 19 CFR Parts 141 and 142 in order to allow an importer of record, under certain conditions, to submit a single entry to cover multiple portions of a single shipment that was split by the carrier and arrived in the U.S. separately. Written comments are due by January 15, 2002. 66 Fed. Reg. [57688](#) (Nov. 16, 2001).

## FDA SEMINAR

The FDA will conduct a one day seminar for importers of foods, cosmetics, and medicines, on Jan. 17 at the FDA Jamaica, N.Y. facility. The seminar is co-sponsored by AAEL and registration can be done on-line ([www.aaei.org/events/register.asp?event\\_id=110](http://www.aaei.org/events/register.asp?event_id=110)) or by calling AAEL directly.

## US-JORDAN FTA

The President has issued Proclamation 7512, which implements the US-Jordan FTA (JFTA) Agreement, effective December 17, 2001. However, filers must file new ABI entries for eligible goods since ACS upgrades are not complete. CEGB [Q011211B.TXT](#) (Dec. 11, 2001) and CEGB [Q0-11211C.TXT](#) (Dec. 11, 2001).

## FDA REGISTRATION

The FDA issued a final rule that requires foreign drug, blood product, and device establishments to register with the FDA and to identify a US agent. The rule is effective as of Feb. 11, 2002 for all, but will be enforced as of Feb. 11 for blood products, April 26 for devices, and May 28 for drugs. 66 Fed. Reg. [59138](#) (Nov. 27, 2001).

## ATPA/GSP

The Andean Trade Preference Act (ATPA), which provided duty free benefits on most products from Bolivia, Columbia, Ecuador, and Peru, expired on December 4<sup>th</sup>. Just like GSP, ATPA is expected to be reinstated. CEGB [T-ANDEAN.TXT](#) (Dec. 4, 2001).

## TEXTILE TRANSSHIPMENT

Customs has posted its 50<sup>th</sup> update of companies engaged in textile transshipment to the Customs Electronic Bulletin Board. [T-TBT99Q.TXT](#) (Dec. 3, 2001). Access "What's New" on our website.

## HMT DECISIONS

- On December 10, 2001, the Supreme Court denied the *Writ of Certiorari* in BMW v. U.S., Appeal No. 01-238. The BMW case involved our challenge to the imposition of the Harbor Maintenance Tax (HMT) on FTZ admissions. Although the Court did not agree to hear our appeal, our challenge to the HMT imposition on FTZ admissions remains very much alive. Alternative constitutional bases for contesting FTZ HMT imposition are currently pending before the CIT in Thomson v. United States. No matter who prevails, the losing party in Thomson will no doubt seek appellate review. Contact the firm for further information.
- In Swisher International, Inc. v. U.S. and Sony Electronics, Inc. and Arbon Steel & Service Co., Inc. v. U.S., the CIT has issued a decisions denying any interest on HMT payments refunded under Swisher. The decisions will most certainly be appealed. Slip-Op [01-144](#) (Dec. 11, 2001).

## EXPORTS

BXA has made available several informational brochures on exporting that can be secured from the BXA's Office of Exporter Services at (202) 482-4811:

- "Introduction to the Commerce Department's Export Controls."
- "Procedures for Obtaining an Export Control Classification Number."
- "Helpful Hints for Successful Approvals of Export License Applications."

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 12/15/01		
	APPROVED	PENDING
ZONES	244	4
SUBZONES	467	9
MISCELLANEOUS		26
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	11	
SUBZONES	9	