

BRIEFINGS

FTZ SCOPE

In three recent instances the Foreign-Trade Zones Board found that firms were operating outside the scope of their authority. The Board has required the reliquidation of Customs entries and payment of Customs duties owed on the affected material. The financial impact could be very significant. Clients are urged to very carefully review their scope of authority to ensure that they are in full compliance with materials and facilities obligations.

EXPORT DOCUMENTATION

- Clients that currently utilize the AERP system are reminded that it ceases as of December 31.
- A list of AES participants is available at Customs web site. <http://www.census.gov/foreign-trade/aes/aesparticipants.html> Access the document at "What's New" on our web site.
- The Shipper's Export Declaration -- Form 7525-V -- will be posted on the Census Bureau web site. The form can be filled out using a Web browser or Adobe Acrobat or downloaded and printed. Submitted copies should be on buff or goldenrod colored paper. <http://www.census.gov/foreign-trade/regulations/forms> Access the document at "What's New" on our web site.

INTELLECTUAL PROPERTY

Customs has posted a new informed compliance publication on intellectual property rights to its web site. <http://www.customs.ustreas.gov/impoexpo/impoexpo.htm> Access the document at "What's New" on our web site.

FTZ/HMT UPDATE

- September 14 the CIT issued its decision on the [BMW Manufacturing Corp. v. U.S.](#) test case. The CIT ruled in favor of the Government. A number of important issues were decided in our favor; we believe that the decision is extremely vulnerable on appeal on a number of points. For more information, access our web site.
- The Court of International Trade has ruled in [Amoco Oil Co. v. U.S.](#) that the Harbor Maintenance Tax on imports is not unconstitutional or discriminatory.
- The CIT has dismissed [Thomson Consumer Electronics v. U.S.](#), which also challenged the constitutionality of the HMT on imports, on jurisdictional grounds.

TRADEMARK NOTICE

Customs has proposed amending the Anticounterfeiting Consumer Protection Act of 1996. Importers would be required to state on the invoice all trademarks that appear on imported merchandise and their packaging. Comments are due Nov. 12, 1999. [64 Fed. Reg. 49423 \(Sep. 13, 1999\)](#)

MISC. TRADE BILLS

The House Ways and Means Trade Subcommittee is seeking written comments on nearly 100 miscellaneous trade and tariff bills. Written comments are requested by the close of business on September 22, 1999. http://www.house.gov/ways_means/trade/106cong/tr-15.htm Access the document at "What's New" on our web site.

RESEARCH DRUGS

U.S. Customs Service agreed to a delay in the deadline for filing comments until October 4. All clients that import clinical research pharmaceuticals should prepare detailed comments. For more information access the original document on our web site and discuss it with Sean Murray. www.cebb.customs.treas.gov/public/cgi/cebb.exe?mode=fi&area=6&name=H962921S.TXT

NAFTA INFORMATION

Information on NAFTA is now available on-line at www.nafta-customs.org. The web site is a collaborative effort of U.S. Customs, Mexico's Hacienda, and Revenue Canada. It offers information on 38 topics in English, Spanish, and French. Access the web site at a link on our web site.

ITC ON CHINA WTO ENTRY

The ITC released a controversial report on the economic impact of China's accession to the WTO. <http://www.usitc.gov/whatsnew.htm>

TSCA

The EPA issued a proposed rule that would amend the Toxic Substances Control Act (TSCA) Inventory Update Rule (IUR). Additionally, the EPA is seeking comments on a partial IUR reporting exemption for low priority chemicals and full IUR reporting for inorganic chemicals. Written comments are due by Oct. 25, 1999. [64 Red. Reg. 46771 \(Aug. 26, 1999\)](#) Access the document at "What's New" on our web site.

FREIGHT CHARGES

Customs has issued a notice clarifying that the May 1, 1999 implementation of the Ocean Shipping Reform Act (OSRA) does not change the requirement that freight charges must be reported on entry summaries in an accurate and timely manner. The new law creates a potential conflict between the confidentiality of freight rates and the reporting requirements of Census and Customs. However, Customs notes that the data is statutorily required under 13 USC 301/303. [CEBB T-REC14.TXT \(Aug. 17, 1999\)](#)

SUGAR RULING REVOCATION

Customs has revoked HQ 810328, which classified a sugar syrup outside of the U.S. sugar tariff rate quota. The revocation is significant for several reasons: (1) it looks at post-importation use; (2) it limits an importer's ability to tariff engineer its product; and (3) it allows an interested party to challenge a ruling under 19 U.S.C. 1625(c). The revocation is expected to be appealed at the CIT. [CEBB H961273F.TXT \(Sep. 10, 1999\)](#)

WASSENAAR

- The Wassenaar Arrangement (WA) is the first global, multilateral arrangement on export controls for conventional weapons and sensitive dual-use goods and technologies. General information, including a list of dual-use goods that are included in the arrangement can be found on a new web site at www.wassenaar.org. Access it at "What's New" on our web site.
- The Bureau of Export Administration (BXA) has issued a final rule revising certain entries controlled for national security reasons in Categories 1-9 in the Commerce Control List to conform with changes in the Wassenaar Arrangement's List of Dual Use Goods and Technologies. [64 Fed. Reg. 4016 \(Jul. 23, 1999\)](#) Access the document at "What's New" on our web site.

MONEY LAUNDERING

Customs has initiated a special effort to combat money laundering from the illegal drug trade. U.S. exporters, to Latin America in particular, of household appliances, consumer electronics, liquor, cigarettes, used auto parts, precious metals, footwear, iron and steel, cement, semi-trailers, and chicken parts should be sensitive to unusual export transactions. Money laundering is a federal criminal violation with penalties beginning at \$175,000 or 60% of the value of the funds used in the transaction and rapidly increasing. 18 USCS Appx 2S1.2 (1999). More information may be found on the Treasury web site at www.ustreas.gov/fincen.

TEST LABS/GAUGERS

Customs has issued a final rule on commercial testing laboratories and commercial gaugers for imported goods. The rule contains a grandfather provision for labs accredited between Sep. 8, 1993 and Sep. 7, 1999. The rule will be effective Oct. 7. [64 Fed. Reg. 48528 \(Sep. 7, 1999\)](#)

EXPORT CONTROLS

The BXA has issued an interim rule that revises export controls on items that contain small explosive amounts. The rule is proposed to distinguish between types of charges and explosive devices and to provide better control thresholds. Comments are due Oct. 18. [64 Fed. Reg. 47666 \(Sep. 1, 1999\)](#)

PCA CUSTOMS RULINGS

In its continuing effort to sidestep duty free classifications of ITA materials, Customs has issued two rulings classifying multimedia printed circuit assemblies in heading 8517 as modems. Classification involved the application of General Rule of Interpretation 3(c) because Customs found that the none of the multimedia functions were a "principal" function. HQ 958643 and HQ 959190 (May 19, 1999).

CANADIAN TRADE LAWS

Canadian trade laws and regulations have been posted on the Canadian Department of Justice's Web site. <http://canada.justice.gc.ca> In addition, Revenue Canada has posted a prototype "Virtual Customs Office" on its Web site. <http://www.rc.gc.ca> The Virtual Customs Office contains tariff information, customs forms, and other resources. The Revenue Canada site can be accessed directly from the Links section of the our Web site.

SILK ORIGIN MARKING

Under the Miscellaneous Trade and Technical Corrections Act of 1999, silk articles classified in subheading 6214.10.10 and heading 5007 are now exempt from country of origin marking requirements effective Jun. 25, 1999. The articles are still subject to the marking requirements of the Textile Fiber Products Identification Act. [64 Fed. Reg. 49843 \(Sep. 14, 1999\)](#)

TEXTILES

Customs issued new regulations to fight textile transshipment. The new regulations allow Customs to deny entry to textiles and textile products from companies named in a directive by the Committee for the Implementation of Textile Agreements (CITA) as illegally transshipping, closed, or unable to produce records to verify production. The new regulations went into effect on September 2, 1999. [64 Fed. Reg. 48091 \(Sep. 2, 1999\)](#)

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 9/15/99		
	APPROVED	PENDING
ZONES	231	6
SUBZONES	411	37
MISCELLANEOUS		27
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	14	
SUBZONES	14	