USCBP - News Release

CSMS# 08-000123 - Revisions to Draft ISF Transaction Sets

I was just informed that updated draft ABI and AMS transactions sets for the submission of Importer Security Filings were posted to the CBP web site this morning. The link is below.

Ray

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Automated Broker Interface

Please be advised that updated draft ABI and AMS transactions sets for the submission of Importer Security Filings were posted to the CBP web site - http://www.cbp.gov/xp/cgov/trade/automated/automated_systems/sf_transaction_sets/. The updated transaction sets are partially a response to input received through the Security_Filing_Technical mailbox and a result of internal reviews of the transaction sets. The updates include corrections to typos, clarification of looping structures, etc. The accepted formats for Stow Plans and Container Status Messages have been added to the website, as well.

As before, please submit technical questions and comments to Security_Filing_Technical@cbp.dhs.gov. Questions and comments received through this mailbox will be added to an FAQ document to be published following the publication of the Security Filing Final Rule.

Subsequent updates to the draft transaction sets have not been planned. However, you will be notified via a CSMS message immediately following any updates made to the transaction sets.

Related CSMS No. 08-000110, 08-000096

CBP Charges More Than 1,000 Containers of Illegal Textile Shipments to China's Quota Levels. Click here to view this article.

USCBP - First Sale Rule

US Customs and Border Protection (CBP) appears to be backing down on its proposal to eliminate the First Sale rule for customs valuation.

During a recent executive briefing session with the Ways and Means Committee, CBP Commissioner Ralph Basham told members of Congress that CBP would abide by the provision that Congress included in the recently passed Farm Bill, which includes a sense of Congress that CBP should not from apply its proposed changes to First Sale until at least 2011, while studying the economic and revenue impacts of the practice. Basham reiterated this position a few days later while testifying before the Senate Finance Committee.

While this is certainly positive news, there remains some concern within the importer community about how CBP will require data about First Sale to be collected.

CBP's proposed interpretation of the first sale rule would dramatically alter the way in which the transaction value of imported articles is calculated, resulting in the assessment of significantly higher duties on U.S. imports, which in turn will result in higher prices for U.S. consumers and potential lay-offs at US companies.

Press Article from Peter Tirschwell of JoC referring to Port Payments

Dated January 28th, 2008

Outlook: The "Hot" Trade Issues for 2007

Ray Bucheger

Here is the forecast of the "hot" trade issues in Congress in 2006 as President Bush continues his remarkably ambitious trade agenda. While many of the issues that were "hot" in 2005 will carry over to 2006, there is an extra sense of urgency with the Bush Administration's fast-track authority expiring in June 2007, and ongoing negotiations between the Administration and Congressional leaders. For those who handle imports and/or exports, 2006 could provide growth in cargo volumes in both directions, with the exception being continued restrictions on apparel imports from China.

Free Trade Agreements (FTAs)

Agreements Completed by the USTR but not Acted on by Congress

- *Colombia:* Of all the agreements that could be considered by Congress this year, Colombia is the most problematic due to widespread concern about labor rights enforcement in that country;

- *Peru:* This agreement awaits a vote in Congress and is contingent upon Congressional Democrats being satisfied that labor rights will be enforced;
- *Panama*: The USTR has completed negotiations with Panama, but has not yet notified Congress of its intent to seek a vote on the agreement in case Congress requires the Administration to seek stronger provisions for labor and the environment;
- *South Korea*: USTR completed negotiations with South Korea, but issues related to automobiles, agriculture and North Korea have invited criticism from Capitol Hill;

Agreements Under Negotiation

- *Malaysia*: As the TPA deadline loomed and negotiations with South Korea were making more progress, USTR resources were diverted away from Malaysia. As a result, the fate of this agreement is not known;

Negotiations That are Stalled or Downgraded

- *Ecuador*: Ecuador was initially intended to be part of a regional trade agreement with Peru and Columbia called the Andean Free Trade Agreement. While agreements with Peru and Colombia moved forward, talks with Ecuador did not elicit much progress.
- *Free Trade Area of the Americans (FTAA)*: This FTA, with 34 other countries of the hemisphere remains thwarted by Brazil's adamant opposition;
- *The Southern African Customs Union*: The United States and the five member countries of the Southern African Customs Union (SACU) – Botswana, Lesotho, Namibia, South Africa and Swaziland – launched negotiations toward a free trade agreement in 2003. This agreement has been downgraded to a Trade and Investment Framework Agreement (TIFA);
- *United Arab Emirates*: Negotiations stalled as a result of political fall-out from the Dubai Ports World controversy. This agreement has since been downgraded to a Trade and Investment Framework Agreement (TIFA);

- *Thailand*: Negotiations are on hold due to political turmoil in Thailand;

Trade Promotion Authority

The President's Trade Promotion Authority (TPA) expires at the end of June. TPA requires the Administration to consult with Congress during trade negotiations, but only gives Congress the right to vote yea or nay on Trade agreements. Without TPA, the Administration's trade agenda would go nowhere because Congress would amend any trade agreement to death. While Congress could extend TPA, there are enough Members of Congress that oppose free trade that extension of TPA is not a sure thing.

As the Administration continues to negotiate with Congress on labor provisions, environmental protections and other issues related to trade enforcement, some question whether or not Congressional Democrats are using these negotiations to derail the Administration's trade agenda. Congressional Democrats continue to say they want a deal. Either way, all eyes are on the clock.

China Concerns

Many members of Congress contend that China's policy of pegging its currency (the yuan) to the U.S. dollar is a form of "currency manipulation" and that the current peg artificially lowers the price of Chinese exports to the U.S. and increases the price of U.S. exports to China. Those arguing for China to float its currency contend that doing so will increase the value of the yuan relative to the dollar and close the U.S. current account deficit with China. The Treasury Department has yet to accuse China of manipulation, and instead continues to express mere disappointment that trading in the yuan is "highly constricted" and that Treasury would "intensely scrutinize" its practices in future reports.

After a trip to China late last year, Senators Charles Schumer (D-NY) and Lindsey Graham (R-SC) subdued their threats to seek legislation that would impose tariffs of 27.5 percent on Chinese imports if the yuan was not allowed to float more freely. China had allowed the yuan to rise by 2 percent earlier in 2005, the first change in more than 10 years, primarily due to pressure from Congress, but it has not budged since.

While it is not clear whether or not Senators Schumer and Graham will continue to push their legislation in the current Congress, a number of other China bills have been introduced. One such bill, spearheaded by Senators Max Baucus (D-MT) and Charles Grassley (R-IA), the Chairman and Ranking Member of the Senate Finance Committee would penalize China if it does not meet its WTO obligations, although not to the extent of the Schumer-Graham bill.

With U.S. businesses concerned about China's currency policy, but equally concerned about efforts to combat it with policies that would hurt U.S. importers, the value of China's currency and the debate regarding what the U.S. should do about it is already a hot topic in 2006. In light of the 2008 Presidential race it is only going to get hotter.

Trade Deficit Concerns

As U.S. current account deficits (a broad accounting of the net difference between the goods and services the nation exports and imports annually) continue to grow, concerns over the level of foreign capital being used to finance the deficit has been increasing. Foreign investors hold nearly 50% of publicly traded U.S. Treasury securities. If countries such as China and Japan become uncomfortable with their large share of U.S. assets in their holdings and reduce their purchases of U.S. assets, interest rates could rise and the value of the dollar could drop further, which could have a profound negative effect on the U.S. economy, and lead to spirited debate in Congress.