



2011 Priorities

Each year the Steering Committee meets to develop the priority activities of the Group for the following year. The activities for 2011 are highlighted below and should focus JIG's voice on customs issues within the government and trade community alike.

LEGISLATIVE AND REGULATORY TRACKING OF CUSTOMS

Changes in laws and regulations constantly impact the way organizations conduct business. It is crucial to be well informed of such changes and be nimble to respond as issues of interest to the Group arise. Some of those currently being addressed are:

- Customs and Border Protection (CBP) Reauthorization legislation
- Automated Commercial Environment (ACE) funding and budget issues
- Budget issues
- Foreign Manufacturer accountability
- Food and Drug Administration (FDA) Food Safety Bill
- Export Control Reform
- Reform Conflict minerals implementation monitoring
- Lacey Act Administration
- Safe Port II
- C-TPAT – EU AEO coherence

CBP REAUTHORIZATION

JIG was active in 2010 in the development of the CBP Reauthorization legislation in the Senate and the House. Neither legislation passed in the last Congress and will need to be introduced again. Content and passage of the bill are a priority for JIG.

AUTOMATED COMMERCIAL ENVIRONMENT (ACE) IMPLEMENTATION

ACE is the government-funded, comprehensive customs modernization and automation program that, when fully operational, will streamline virtually every aspect of CBP's commercial operations. ITDS, as a component of ACE, will expedite timely communication between all government agencies and the trade community. JIG appreciates the support provided by Congress thus far and endorses the expansion of ACE since its genesis to include added security protocols. Even though full implementation of ACE to include these elements will require an extension beyond 2012, JIG encourages Congress to continue funding and provide legislative oversight for this critical program. JIG also encourages CBP to remain in close communication with the trade community in order to develop an effective and efficient ACE system.



BUDGET ISSUES

The 2012 U.S. Government Budget proposed by the Obama Administration that contemplates expenditure of \$3.73 trillion. The government is currently operating under a Continuing Resolution (CR) that expires April 8, 2011. Congress has been under pressure since late 2010 to pass a full budget, but has yet to act. These CR's continue to restrict the operations of U.S. CBP and other government agencies by removing any certainty of funding for the remainder of FY 2011.

FOREIGN MANUFACTURER'S LEGISLATION

The Foreign Manufacturer Legal Accountability Act (FMLAA) of 2010 would have required all foreign manufacturers have registered U.S. agents for legal services. While it did not become law it is assumed that it will be re-introduced. American consumers will have the right to sue foreign manufacturers in U.S. civil courts for injuries resulting from defective or toxic imports. JIG will concern itself with any customs provisions that create a burden on the clearance procedures.

FOOD AND DRUG ADMINISTRATION (FDA) BILL CONCERNING FOOD SAFETY

President Obama recently signed a reform of food safety laws granting the FDA authority to order recalls on tainted products as well as add 2,000 federal inspectors to the Administration. All whole and processed foods will be affected by the new legislation excluding meat, poultry and eggs controlled by the FDA. All of U.S. food processors are now required to have a disease prevention plan and will be reviewed by government inspectors. All imported foods must meet U.S. Safety standards and federal inspectors will be given the opportunity to travel overseas and inspect food processing plants shipping to the United States. JIG has an interest in how the legislation is to be implemented and will comment as appropriate on any proposed regulations.

EXPORT CONTROL REFORM

The Obama Administration, for the purpose of enhancing U.S. National Security, determined the need for a U.S. export control system reform. The President's Export Control Reform Initiative is a three phased approach focused on the following key components: Single Control List, Single Primary Enforcement Coordination Agency, a Single Information Technology (IT) System and a Single Licensing Agency. Members of JIG are engaged in the development and passage of these reforms.

INTERNATIONAL AGREEMENTS

TPP – Continue to monitor and provide advice on the Customs and Trade Facilitation Chapters as well as the supply chain horizontal effort which also addresses customs processes, procedures, simplification, standardization, etc.



FTA's – As appropriate to members monitor Congressional consideration of U.S. FTA's with Korea, Colombia, and Panama.

WTO – DOHA – Trade Facilitation – Continue to monitor on-going efforts to finalize text of an Agreement. The U.S. is hosting APEC this year. There are customs and trade facilitation Committees where JIG could make a contribution

INTERNATIONAL CUSTOMS VALUATION

The World Trade Organization (WTO) Valuation Agreement (formally known as the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (GATT) 1994) is under pressure from developing and some developed countries as not meeting those countries' current economic needs. The Agreement is directed at the creation of a fair and consistent value system. The Committee on Customs Valuation of the Council for Trade in Goods (CGT) functions as a proactive organization administered by the WTO to carry out this system. The Technical Committee, the Technical Committee on Valuation, administering the Agreement for the customs authorities is located within the World Customs Organization (WCO). The TCV is a WTO established committee, which takes decisions based on consensus. Often decisions are being taken without sufficient notice to JIG members. An important initiative for 2011 is to better monitor and participate in those discussions so as to protect the basic concepts of the Agreement.

CUSTOMS & TRADE FACILITATION – (WTO, WCO, AND APEC)

The WTO and WCO, along with the Asia Pacific Economic Partnership (APEC) regularly take positions that have a significant impact on customs transactions in the international supply chain. Security, classification, value determinations, capacity building and intellectual property protection all affect JIG members. Trade facilitation has been an integral mission of JIG. Supporting the U.S. government in advocating to the WTO, the WCO and APEC initiatives to resolve trade barriers remains a priority.

CONCLUSION

JIG's strong point is the ability to respond to issues as they arise. The nimble character of the Group allows for the addition of new priorities and/or the change in priority of an existing issue. Please share your interests on a regular basis to keep this list of priorities current.