

# JOINT INDUSTRY GROUP

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## **Minutes, JIG General Membership Meeting Friday, October 11, 2002**

### **I. Opening and Welcome**

Kevin Smith opened the meeting at 9:45 am. After a brief welcome, Melissa Haslam delivered the treasurer's report. Dues invoices will be sent out on October 14. Members are encouraged to expedite the payment of dues and to continue to refer colleagues to join JIG.

### **II. Special panel on trade security initiatives: Deputy Commissioner Douglas Browning, U.S. Customs Service and Bala Nair, Embassy of Singapore**

Bala Nair focused his presentation on the systems and technologies integrated to allow for efficient processing within the port of Singapore. Nair reported how Singapore, one of the so-called mega ports targeted for Customs' Container Security Initiative (CSI), represents a model for efficiency at a major port. Nair believes Singapore effectively manages complexity issues through mature, capable, automated systems including Computer Integrated Terminal Operating System (CITOS), Tradenet Electronic, and Portnet.

Browning spoke of the progress made by Customs in its efforts to maintain a healthy balance of security and trade facilitation in a post-September 11 environment. By implementing partnerships between industry and Customs, Browning believes such a balance is possible. Customs acknowledges the cost that tightened security imposes on business, and ISA is one manner in which Customs is "trying to provide something in return."

Deputy Commissioner Browning highlighted the progress of several Customs programs, including Customs Trade Partnerships (CTPAT), Individual Self Assessment (ISA), the 24-hour manifest rule, and the Container Security Initiative (CSI).

Browning also noted that Customs is prepared to release the final rule involving the 24-hour manifest within the next few weeks. Customs review of submitted comments has been completed, and is now finishing an internal final review. Following release of the rule, trade will have 90 days to fall within 97% compliance. Browning added that, while Customs has no specific statutory authority governing manifest information, it is relying on a general authority to make rules regarding entry of goods.

Another Customs program, the Container Security Initiative (CSI), aims to push American borders out by establishing an American Customs presence in 20 of the so-called mega ports across the globe. Additionally, CSI reflects Customs' goal of "building a network where

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information can be shared.” Of the 20 ports sought for CSI, Browning reported that 11 have thus far agreed to comply.

### **III. Charles Woods, Assistant Division Chief, Foreign Trade and Jerry Greenwell, Chief of Regulations, Outreach and Education, U.S. Bureau of the Census**

Chuck Woods and Jerry Greenwell from the Census Bureau spoke on upcoming changes for export data requirements. Mr. Greenwell opened with discussion on the NPRM published in the Federal Register October 6, 2002 that proposed revisions for the filing of import information. Filing SED information will no longer be available under AES. The revised SED will be issued and will include a box that requires the EIN number as well as information on the freight forwarder involved in the transaction. In addition, the new SED will ask for the name and address of the U.S. principle party of interest, or the entity that initiated the sale. These changes will essentially make option 3 filing unavailable. The JIG will submit comments in response to the October 6 Federal Register notice.

Mr. Woods continued the Census presentation by describing the 3 planned phases to make AES mandatory for all exports. Phase 1 will cover the publication of the final rule in January of 2003. This will mostly affect parties involved in the export of conflict diamonds. In addition, the rule will integrate State Department certification and require the ITN number. Phase 2 will be implemented in May or June 2003 and will include potential changes to the USML/CCL number. Phase 3 will require mandatory filing of AES. Following a solicitation for comment and review, Phase 3 will be fully integrated by January 2004. Phase 3 will apply to all shipments that require an SED and will effectively increase the penalties for violations. Exporters are encouraged to take advantage of AES direct and AES PC link to assist in filing SEDs.