

# BRIEFINGS

VOLUME 24 NO. 4

April 15, 2012

## CUSTOMS & FDA e-UPDATES

- The Food & Drug Administration's (FDA) Import Trade Auxiliary Communications System (ITACS) is now available to check the status of entries, submit entry documentation, and submit availability information for targeted shipments. However, Customs has issued an administrative message saying that only standard entry documentation should be submitted through ITACS at this time. CSMS [#12-000135](#) (April 16, 2012). A detailed [presentation](#) on ITACS is also available.
- Testing of the Customs Document Image System (DIS) for importers and brokers began April 6. This test will allow the transmission of images of specified Customs and other agency forms and supporting information via the Electronic Data Interchange (EDI). Test participants must be ACE Entry Summary filers. 77 Fed. Reg. [20835](#) (April 6, 2012).

## GSP

President Obama has issued Proclamation 8788, modifying duty-free treatment under the Generalized System of Preferences (GSP). This includes suspending Argentina's GSP status because of its failure to enforce arbitral awards for U.S. citizens and companies, effective May 28, and adding South Sudan as a GSP beneficiary country, effective April 15. 77 Fed. Reg. [18899](#) (March 29, 2012).

## AD PLEADING

The former president of ESM Group has [pled guilty](#) to smuggling magnesium powder into the U.S. from China in order to avoid paying a 305.56% antidumping duty.

## SEMINARS & eStore

- There are still a few spots left for the Import/Export 101/201 training seminar on May 1 & 2. Contact [Penny Freeman](#) or visit the [eStore](#) for details and reservations.
- Also check the [eStore](#) for new downloads and document packages.

## CLASSIFICATION PENALTY

The government has sued an importer of bio-decontamination hydrogen peroxide generators, seeking Section 1592 Customs penalties for misclassification. The importer filed one entry classifying the item in HTSUS 8405.90 as parts of gas or water generators. LAX Customs advised that the correct classification was under HTSUS 8421.39.80 as air purification equipment and warned that future shipments should be classified accordingly. Less than two months later, the importer filed a second entry in Houston, classifying the item in subheading 8405.10 as a gas generator. Importers must be careful to import consistent with Customs guidance and to challenge disputed classifications through the established Protest, Internal Advice, or other procedures. [U.S. v. Bioquell, Inc.](#), 1:12-cv-00066 (CIT March 14, 2012).

## COLOMBIA FTA

During President Obama's visit to Colombia last weekend, the countries [agreed](#) to implement the U.S.-Colombia Free Trade Agreement on May 15, 2012. Clients should begin qualifying products and staging shipments to take advantage of the FTA.

## CUSTOMS IN-BOND CHANGES

Clients are urged to comment on the Customs Proposed Rule that would significantly change in-bond processes. The Proposed Rule includes participating government agency involvement in in-bond approvals and potential restrictions in transit time. In addition to in-bond users, FTZ Grantees and inland port authorities are encouraged to comment because the substantial increase in regulatory requirements could cause a real decrease in in-bond movements. Comments are due April 23, 2012. Contact Linda King with questions. 77 Fed. Reg. [10622](#) (Feb. 22, 2012).

## NEW ECCN SERIES

The Bureau of Industry and Security (BIS) has issued a Final Rule authorizing a completely new series of Export Control Classification Numbers (ECCNs). These new ECCNs - 0A521, 0B521, 0C521, 0D521, and 0E521 - are temporary classifications for products not described in the Commerce Control List that warrant control. Once a new, more specific ECCN is identified, products in these temporary holding ECCNs will be moved. Contact Chuck Ballard with questions. 77 Fed. Reg. [22191](#) (April 13, 2012).

## MTB

A new Miscellaneous Tariff Bill [process](#) was announced on March 30. Bills must be introduced by April 30, 2012. Bills will be posted and there will be a public comment period. The firm already has one bill included for a client. Contact Marshall Miller with questions about including your own provision.

## ECCNs/HTS TABLE

The European Union's Director General for Trade has [issued](#) a table that correlates between Harmonized Tariff Schedule (HTS) classifications and the European equivalent of U.S. Export Control Classification Numbers (ECCNs). The table provides interesting information, but it must be understood that the classification systems are very different, and that simple correlation between HTS and ECCN descriptions does not dictate classification under either system. Contact Sean Murray with questions.

## ACE M1

- Customs has set a September 29, 2012 deadline to decommission the Automated Manifest System (AMS) in ACS and move to the Automated Commercial Environment (ACE) e-Manifest: Rail and Sea (M1) for the submission of required advance information. When this transition takes place, filers will no longer be able to transmit or receive data for in-bond transactions for ocean, rail, and truck using ACS ABI application identifiers "QP/WP." Customs encourages all transmitters to undergo ACE certification. 77 Fed. Reg. [19030](#) (March 29, 2012).
- ABI air in-bond (QX/WX) deployment has been delayed again. Customs now anticipates a July 2012 deployment, but also noted that M1 and the Simplified Entry project are higher priorities. CSMS [#12-000132](#) (April 13, 2012).

## FTA-KOREA

Customs has requested comments by May 18, 2012 on proposed amendments to Customs Regulations on the Korea FTA. 77 Fed. Reg. [15943](#) (March 19, 2012).

## FDA FILER EVALUATIONS

The FDA has [posted](#) a link to FDA evaluations of broker and self-filer FDA import filings, noting whether they are eligible for paperless FDA filings, are on a corrective action plan, or require paper filings.

## FTZ

The FTZ Board rarely reopens public comment or rebuttal periods after they have closed, but it has happened twice this month. Rebuttal periods have been reopened until April 24, 2012 in the Dow Corning Corporation, Hemlock Semiconductor Corporation, and Hemlock Semiconductor, L.L.C. applications (Dockets 60, 61, and 62-2011). The public comment period has been reopened until May 9, 2012 in the Epson Portland, Inc. Expansion Application (Docket 7-2012). The request for Epson was submitted after the comment deadline. 77 Fed. Reg. [21082](#) (April 9, 2012).

## CENSUS STATISTICS

The U.S. Census Bureau has published its 2009-2010 [report](#) on "U.S. Importing and Exporting Companies." Highlights include: small and medium sized business accounted for 98% of exporters, but only 34% of export value; almost 60% of the companies exported and imported from only one country; .5% of exporters exported to more than 50 countries.

## NAFTA CHANGES

The North American Free Trade Agreement (NAFTA) Commission has issued a press [release](#) on the recent agreement on the fourth set of changes to the NAFTA rules of origin. Work on a fifth set of changes has begun. Clients with NAFTA rule of origin issues should consider suggesting changes.

## STA USERS TOOL

The BIS has [published](#) an interactive training tool to assist exporters with using export license exception Strategic Trade Authorization (STA).

## AES

An updated Customs frequently asked questions ([FAQs](#)) regarding AES includes guidance on incomplete filings, bulk exports, and the process for amending AES information if a portion of the cargo is sold enroute.

## WEST COAST TRADE

Customs has posted general and registration [information](#) about its "[2012 West Coast Trade Symposium: Transforming Trade for a Stronger Economy](#)" to be held May 10, 2012.

## ENERGY GOODS LABELING

Customs has issued a Proposed Rule allowing imports of merchandise not compliant with Department of Energy and the Federal Trade Commission energy conservation and labeling standards to be refused admission or conditionally released so importers can bring them into compliance. Comments are due May 25, 2012. 77 Fed. Reg. [17364](#) (March 26, 2012).

## AIR CARGO SCREENING

Customs and the Transportation Security Administration (TSA) have released the [Air Cargo Advance Screening \(ACAS\) Pilot Strategic Plan](#), which outlines their advance security filing requirement for air cargo. The plan calls for a 28 month phased-in approach to adding industry participants. Customs anticipates a formal rulemaking process, but TSA is undecided on a formal rulemaking process.

## DEA EXPORT NOTICE PENALTY

The Drug Enforcement Agency (DEA) has [penalized](#) Fleurchem \$420,000 for exporting chemical substances that can be used to produce illegal drugs. These "List 1" substances generally carry an ECCN of EAR99, but their export requires prior DEA notification.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 4/15/12		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	277	260
SUBZONES	685	534
PENDING		
ZONES	7	
SUBZONES	16	
MISCELLANEOUS	51	
AVERAGE PROCESSING TIME (MONTHS)		
ZONES	8	
SUBZONES	10	

The material contained herein is not to be construed as legal advice or opinion. More information may be obtained by contacting any attorney within the firm.  
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