



BRIEFINGS

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ACE TIMELINE ADJUSTED

- Customs has again pushed back its Automated Commercial Environment (ACE) transition [timeline](#) for filing cargo release, entry summary, and Food and Drug Administration (FDA), National Highway Traffic Safety Administration (NHTSA), and Animal and Plant Health Inspection Service (APHIS) Lacey Act data. The revised timeline leaves out firm dates for some Partner Government Agencies (PGAs). Customs release mandatory filing dates for these PGAs as they complete their pilots. CSMS [#16-000093](#) (Feb. 8, 2016).
- Clients are encouraged to focus on technical ACE filing issues, especially with PGAs. Brokers should be filing entries in ACE now or soon, as the lack of Customs support for ACS could mean supply chain delays if ACS continues to be used. The firm has been working on several highly technical ACE filing issues. Contact Marshall Miller, Sean Murray, or Linda King with questions.

IRAN SANCTIONS

On January 16 the International Atomic Energy Agency (IAEA) confirmed that Iran met its commitments under the Joint Comprehensive Plan of Action (JCPOA). As a result, many international sanctions on Iran were lifted. The U.S. has lifted some sanctions on non-U.S. persons, including U.S.-owned foreign subsidiaries, but most U.S. sanctions remain. The remaining sanctions are very nuanced. The Office of Foreign Assets Control (OFAC) has published a [summary](#) and a list of [frequently asked questions](#). Contact Sean Murray or Chuck Ballard with questions.

ACE AND NHTSA

NHTSA has extensive new reporting requirements. The NAFTAZ prepared and forwarded a detailed [letter](#) to NHTSA on FTZ reporting.

2016 SEMINARS & WEBINARS

- April 5 & 6 - FTZ 101 & 201
- May 3 & 4 - Import/Export 101 & 201
- May 5 - Advanced Export
- September 13 & 14 - FTZ 101 & 201
- November 1 & 2 - Import/Export 101 & 201
- Seminars are offered to Miller & Company clients only. For more details contact [Penny Freeman](#).
- 2016 webinars will be conducted on breaking issues as they arise. Information will be posted on our [website](#), or you can [sign up](#) for our webinar mailing list to be notified when a webinar has been scheduled.

TPP

- On February 4 the TPP was signed in New Zealand by all 12 members. The TPP will not go into effect until either all members implement it or (after 2 years) six members, constituting at least 85% of the combined member GDP, have implemented it.
- New Zealand has [released](#) the legally verified text of the TPP.
- The timeframe for U.S. approval is still unclear. It may be considered in the late 2016 "lame duck" Congressional session.
- Customs is considering a multi-tiered MPF with a stair-step of flat fees that could be implemented with the TPP.

ACE & EPA

- Customs is accepting applications to participate in a pilot to test electronic filing of Toxic Substances Control Act (TSCA) certifications. Participation in the pilot is unlimited. 81 Fed. Reg. [7133](#) (Feb. 10, 2016).
- EPA has issued a Final Rule to implement electronic filing through the International Trade Data System (ITDS) for the import and export of ozone-depleting substances. 81 Fed. Reg. [6765](#) (Feb. 9, 2016).

FTZ GRANTEE QUESTIONNAIRE

The FTZ Board has sent a Questionnaire to Grantee organizations about their zone management. Responses are due from all Grantees by February 26. The Questionnaire is in response to recent legislation sponsored by Sen. Richard Shelby (R-AL). Grantee organizations should consider their responses carefully. Contact Scott Taylor or Marshall Miller with questions or for assistance in preparing responses.

AES TRANSITION TO ACE

The Census Bureau has revised its schedule for moving AESDirect and AESPCLink accounts to ACE. The transition, based on Filer ID number, will be completed by April 25. The first AES users will need to move to ACE by February 29. CSMS [#16-000104](#) (Feb. 9, 2016).

TRADE BILL

The Trade Facilitation and Trade Enforcement Act was passed on February 11, 2016. It contains numerous provisions of interest, including:

- Expanded HTSUS 9801 American Goods Returned;
- Increased de minimis amount (\$800);
- Simplified drawback; and
- Increased Customs enforcement authority.

Contact Brian Murphy with questions. H.R. [644](#) (Feb. 11, 2016).

LACEY ACT & FTZs

APHIS announced at the National Association of Foreign Trade Zones (NAFTZ) Legislative Seminar in Washington, D.C. on February 9 that Lacey Act declarations are required for Type 06 FTZ Entries. A detailed [PowerPoint](#) was presented. APHIS has agreed to work with the NAFTAZ on outreach, studying FTZ implementation issues, and phased implementation. There is no timetable.

CENSUS & FTZs

In a presentation at the NAFTAZ Legislative Seminar in Washington DC last week, U.S Census provided interesting FTZ statistics including:

- Processing only 10,000 CBPF-214 Paper FTZ Admissions per month;
- Processing 200,000 Electronic CBPF-214 FTZ Admissions per month;
- 2015 FTZ Admissions: \$250 billion; and
- 2015 FTZ Exports: \$40 billion.

OFAC PENALTIES

- On January 20, the Office of Foreign Assets Control (OFAC) announced a settlement with [WATG Holdings, Inc.](#) and its UK subsidiary for providing architectural design services to a Cuban entity. Under terms of the agreement, WATG Holdings and its subsidiary agreed to pay \$140,400 in penalties.
- OFAC has issued a "[Finding of Violation](#)" against Johnson and Johnson (Middle East) for facilitating five transactions from Johnson & Johnson (Egypt) S.A.E. to Sudan.

CEEs

The remaining six Customs Centers of Excellence and Expertise (Agriculture and Prepared Products in Miami; Automotive and Aerospace in Detroit; Consumer Products and Mass Merchandising in Atlanta; Industrial and Manufacturing Materials in Buffalo, and Machinery in Laredo) will assume the processing of all post-release trade activities, effective March 23.

CUBAN SANCTIONS

OFAC has lifted a few restrictions on the payment and financing of some exports to Cuba. The Bureau of Industry and Security (BIS) has updated its Cuban regulations to reflect its policy to review certain transactions on a case-by-case basis. 81 Fed. Reg. [4583](#) (Jan. 27, 2016); 81 Fed. Reg. [4580](#) (Jan. 27, 2016).

ACE AND FDA

The FDA announced at the NAFTAZ Legislative Seminar in Washington, D.C. on February 9 that no new Weekly Entry Filing authorizations will be approved. A meeting on the subject is being scheduled at FDA Headquarters. Clients with questions should contact Sean Murray.

TARIFF CLASSIFICATION

An Ohio company has filed a domestic interested party petition to challenge the Customs classification in NY [E83408](#) (July 8, 1999) of certain steel tube pipe fittings as pipe fittings in HTSUS subheading 7307.99.50 (4.3%), rather than as parts of engines in HTSUS subheading 8412.90.90 (0%). The company asserts that some competitors are classifying similar fittings in the duty-free provision. Comments must be received by April 11. 81 Fed. Reg. [6880](#) (Feb. 9, 2016).

AIRCRAFT AND ENGINES

The Bureau of Industry and Security (BIS) and the Directorate of Defense Trade Controls (DDTC) have issued Proposed Rules to revise some descriptions relating to the classification of military aircraft, aircraft engines, and their parts. Comments are due by March 25. 81 Fed. Reg. [6791](#) (Feb. 9, 2016); 81 Fed. Reg. [6797](#) (Feb. 9, 2016).

AD/CVD ENFORCEMENT

Customs FY2015 antidumping/countervailing duty (AD/CVD) [enforcement](#) efforts include:

- 28,783 entry summary reviews on potential AD/CVD violations.
- Noncompliance related to over \$29 million in imports. Top AD/CVD violations involve tires, solar cells, and pencils.
- Assessed \$45.5 million in penalties against importers of steel products.
- Seized over \$922,000 in violative steel products.

MADE IN USA

The Federal Trade Commission (FTC) has [filed](#) suit against an Ohio company for claiming their fast-acting glues are "Made in the USA" even though they contain about 55% imported chemicals.

FDA NATIONAL FILER

Domenic Veneziano, Director of FDA Division of Importer Operations said recently at the American Conference Institute that the FDA is working to [expand](#) its filer evaluation program. The expanded program will give filers "a say" and give the filer the ability to challenge the agency on FDA errors. The filers will be evaluated and classified as either "No Action," "Voluntary Action Indicated," or "Official Action Indicated." Contact Sean Murray with questions.

WEST BANK GOODS

Customs has issued guidance on country of origin markings for goods manufactured in the West Bank. Goods must be marked as originating from "West Bank," "Gaza," "Gaza Strip," "West Bank/Gaza Strip," "West Bank and Gaza," or "West Bank and Gaza Strip." It is not acceptable to mark these goods "Made in Israel," "Occupied Territories-Israel," or other variations. CSMS [#16-000047](#) (Jan. 23, 2016).

GREEN GOODS

The first Asia-Pacific Economic Cooperation (APEC) multilateral tariff cuts in 20 years have been executed. The 21 APEC members have cut duties on 54 [environmental goods](#). This is a significant as half of the top ten exporters of environmental goods are APEC members.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 2/15/16		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	291	273
SUBZONES	746	592
PENDING		
ZONES	3	
SUBZONES	15	
MISCELLANEOUS	39	

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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