

# BRIEFINGS

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## CUBA SANCTIONS

Following President Obama's announcement of major policy changes with Cuba, the Office of Foreign Assets Control (OFAC) announced [new regulations](#) on January 15 relating to limited trade and travel with Cuba. The Bureau of Industry and Security (BIS) is expected to publish their regulations within a few days. The general embargo remains in place and cannot be removed without new legislation from Congress. The [White House](#) and [OFAC](#) have published Frequently Asked Questions (FAQ) documents.

## 2015 TARIFF SCHEDULE

- The 2015 Harmonized Tariff Schedule of the United States (HTSUS) went into [effect](#) on January 1. Changes include removing Russia from the Generalized System of Preferences (GSP), adding Madagascar and Guinea-Bissau as beneficiary countries under the African Growth and Opportunity Act (AGOA), and extending the 2004 agricultural agreement with Israel.

- Census has [updated](#) the Schedule B and HTSUS [tables](#) for use in the Automated Export System (AES). As of January 31, AES will only accept the 2015 HTSUS or Schedule B.

## NEW AES LICENSE CODES

Census has [introduced](#) new "license type codes" for exporters who have filed disclosures with Commerce, State, and other agencies. Companies need to use these codes carefully and correctly because they will highlight the AES filings. Contact Sean Murray with questions.

## 2015 SEMINAR SCHEDULE

- March 3 & 4 - Advanced Exports
- March 31 & April 1 - FTZ 101 & 201
- May 20 & 21 - Import/Export 101 & 201
- September 15 & 16 - HTSUS/ ECCN Seminar
- October 20 & 21- FTZ 101 & 201
- November 17 & 18 - Import/Export 101 & 201
- Seminars are offered to Miller & Company clients only. For more details contact [Penny Freeman](#).

## UPCOMING WEBINARS

- February 17 - FTZ CBP Annual Reconciliation
- March 12 - HTS Classification Basics
- The full [schedule](#) of 2015 webinars has been issued.
- Register for webinars at our [eStore](#) or contact [Victoria Denney](#). Past [webinars](#) are available on our website.

## CRIMEAN RESTRICTIONS

President Obama has issued [Executive Order](#) 13685, which blocks some Crimean persons, bans U.S. investment in Crimea, prohibits the import and export of goods to or from Crimea, and prohibits U.S. person facilitation of transactions involving Crimea. [General License 4](#) permits the export of agricultural commodities, medicine, medical products, and their replacement parts. [General License 5](#) allows U.S. persons to "wind-down" activities in Crimea by February 1, 2015. 79 Fed. Reg. [77357](#) (Dec. 24, 2014).

## MANIFEST CONFIDENTIALITY

With the proliferation of companies searching through vessel manifest data electronically, clients are reminded that they may request confidentiality for inbound and outbound manifests from Customs. Contact Chuck Ballard with questions.

## RUSSIAN SANCTIONS

President Obama has signed legislation (H.R. [5859](#)) that allows the President to place more restrictions on trade with Russia. The new law requires sanctions on Rosoboronexport. Russian entities that sell and transfer weapons to Syria may also be sanctioned. The White House has indicated that it is not currently planning any additional sanctions.

## PHARMACEUTICAL APPENDIX

The next round of additions to the HTS Pharmaceutical Appendix may be concluded in 2016. Companies looking to include new products need to act quickly before the list is finalized. Contact Sean Murray with questions.

## EXPORTS TO HONG KONG

Items controlled for "NS 2" now require a license to ship to Hong Kong unless a license exception applies. 79 Fed. Reg. [76867](#) (Dec. 23, 2014).

## EPA FINAL RULE

The Environmental Protection Agency (EPA) has reissued a Final Rule on labeling requirements for pesticide products and devices intended for export. The effective date is February 17, 2015. 79 Fed. Reg. [75752](#) (Dec. 19, 2014).

## ORIGIN LITIGATION

Origin marking and “Made in USA” claims remain significant issues for many companies. Contact Sean Murray with questions.

- A U.S. federal district court has denied a domestic competitor’s request for a preliminary injunction against a company who failed to mark imported cookie cutters with their country of origin. The domestic competitor is pursuing the case under the Lanham Act, which provides a cause of action for false origin designations. [Ann Clark, Ltd. v. R&M Int’l Corp.](#), Case No. [1:14-cv-00143](#) (Dec. 29, 2014).

- Apparel companies sued in a class action for allegedly violating California’s “Made in USA” state law have sought to dismiss the case, arguing it is impossible to comply with both the California and federal laws with a qualified “Made in USA” origin claim. [Clark v. Citizens of Humanity, LLC](#), Case No. [3:14-CV-01404-JLS-WVG](#) (Jan. 9, 2015).

## NEW SDN FORMAT

On January 5, OFAC announced an [upgraded format](#) for its list of Special Designated Nationals (SDNs). The new SDN list format will include more data. OFAC has issued a list of [Frequently Asked Questions](#) on the new format.

## NEW N. KOREA SANCTIONS

President Obama has issued Executive Order (EO) 13687, imposing additional sanctions on North Korea. Since the United States already has a comprehensive embargo on North Korea, the new EO is not expected to impact many U.S. entities. 80 Fed. Reg. [817](#) (Jan. 6, 2015).

## ACE DEPLOYMENT D

On January 3, 2015, Customs deployed Automated Commercial Environment (ACE) core trade processing capabilities for Manifest, Entry Summary, Accounts and Revenue – eBond, and Exports. CSMS [#15-000006](#) (Jan. 6, 2015).

## CRUDE OIL EXPORTS

On December 30, the BIS published a list of [“Frequently Asked Questions”](#) on the export of crude oil. Although crude oil still requires an export license, BIS has indicated that lease condensate processed through a distillation tower may be considered a petroleum product, which is subject to fewer export controls.

## U.S.-CHILE FTA

On January 1, 2015, the last tariff [phase-outs](#) under the U.S.-Chile FTA went into force. Even the most sensitive items, such as Chilean wine, now enter the U.S. duty-free.

## CH. 85 CLASSIFICATION

The Court of Appeals for the Federal Circuit has refused to classify actuators that include an electric motor, gears, and printed circuit boards as automatic regulating and controlling instruments of HTSUS subheading 9032.89.60 (1.7%), classifying them as electric motors in subheading 8501.10.40 (4.4%). [Belimo Automation A.G. v. U.S.](#), CAFC Slip Op. [2014-1165](#) (Dec. 19, 2014).

## ECCN CLARIFICATIONS

BIS has made some minor changes to the Export Administration Regulations (EAR) and published clarifications to five “600 Series” Export Control Classification Numbers (ECCNs) relating to radar, military aircraft, marine systems, and encryption. The Directorate of Defense Trade Controls also made some minor changes to the International Traffic in Arms Regulations. 79 Fed. Reg. [76874](#) (Dec. 23, 2014); 79 Fed. Reg. [77862](#) (Dec. 24, 2014); and 79 Fed. Reg. [77884](#) (Dec. 29, 2014).

## AGOA

President Obama recently issued [Proclamation 9223](#), reinstating Guinea-Bissau as an AGOA beneficiary country, suspending Gambia, and making technical changes. 79 Fed. Reg. [78681](#) (Dec. 30, 2014).

## IRAN

- The U.S. State Department has published a clarification of the sanctions relief granted following the extension of the negotiations with the U.S. and other nations and Iran. Most U.S. sanctions remain in place. 79 Fed. Reg. [78550](#) (Dec. 30, 2014).

- Congress is discussing [legislation](#) to impose tougher sanctions on Iran if the negotiations falter. The legislation would also require that Congress approve any negotiated settlement.

## FDA – ENTRY REVIEW PILOT

The FDA recently completed its Centralized Entry Review (CER) pilot evaluation and released its [findings](#). CSMS [#14-000653](#) (Dec. 19, 2014).

## CUSTOMS AND FDA

Los Angeles Customs has [announced](#) the creation of a new Federal Destruction and Redelivery Team (Team FDR) of FDA and Customs officials and updated procedures to process FDA refused shipments at the LA/Long Beach ports. A combined FDA/CBP Refusal Redelivery Notice will be issued.

## END-USE & ELECTRONICS

The BIS has published new military end-use restrictions on a wide variety of microprocessors. Since most electronics, including microprocessors are sold via in-country distributors, ensuring control may be difficult. 79 Fed. Reg. [75044](#) (Dec. 17, 2014).

## CUSTOMS BROKER EXAM

The next broker’s license exam is [scheduled](#) for April 13, 2015.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 1/15/15		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	286	268
SUBZONES	724	570
PENDING		
ZONES		5
SUBZONES		16
MISCELLANEOUS		38

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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4929 MAIN STREET  
KANSAS CITY, MO 64112  
816.561.4999  
FAX 816.561.5999  
E-MAIL [intllaw@millerco.com](mailto:intllaw@millerco.com)

1875 I STREET N.W., 5TH FLOOR  
WASHINGTON, D.C. 20006

233 BROADWAY, SUITE 2702  
NEW YORK, NEW YORK 10279