

BRIEFINGS

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FTR FINAL RULE

On March 14 Census published its long-awaited Final Rule, amending the Foreign Trade Regulations. Most of the new rules will go into effect January 8, 2014. Among the changes:

- Post-departure filing time reduced from 10 to 5 days;
- Ultimate Consignee needs to be identified as either consumer, government entity, resale, or other/unknown;
- License Value has been added for licensed shipments;
- Port of Export for land crossings is the border port, rather than where the carrier accepts the freight;
- Split shipments apply to all modes, not just air;
- Definitions relating to foreign-trade zones activities were modified; and
- Temporary Exports are no longer exempt from filing.

Census and [Customs](#) have issued information on programing changes. 78 Fed. Reg. [16366](#) (Mar. 14, 2013).

MUTUAL RECOGNITION

On February 8, 2013, U.S. Customs and the European Union (EU) [announced](#) the full implementation of the Mutual Recognition Decision between the U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) and the EU Authorized Economic Operator (AEO) cargo security programs. C-TPAT importers who specifically sign the "Agreement for Current and Future Export Operations" on the C-TPAT Portal to allow the U.S. to share certain [information](#) with the EU will face fewer security inspections on exports to the EU.

2013 SEMINARS

- April 2 - FTZ 101
- April 3 - FTZ 201
- April 30 - Import/Export 101
- May 1 - Import/Export 201
- May 14-15 - Advanced Import/Export Value
- October 8 - FTZ 101
- October 9 - FTZ 201
- Nov. 12 - Import/Export 101
- Nov. 13 - Import/Export 201

Seminars are offered to Miller & Company clients only. For more details contact [Penny Freeman](#).

UPCOMING WEBINARS

- March 21 - Export Party Responsibilities
- Check out a complete list of upcoming webinars on our [website](#).

Register for the webinars at the Miller & Company [eStore](#) or contact [Victoria Denney](#).

C-TPAT PRIVACY

The Department of Homeland Security (DHS) has published a new system of records notice for the Customs-Trade Partnership Against Terrorism (C-TPAT) program. DHS has also issued a related Proposed Rule to exempt this system of records from provisions of the Privacy Act. Comments on each proposal are due April 12, 2013. Contact Sean Murray with questions. 78 Fed. Reg. [15962](#) and [15889](#) (March 13, 2013).

FTZ BEST PRACTICES

The Foreign Trade Zones Board has [posted](#) its presentations on Grantee Responsibilities & Best Practices, and Zone Schedules & Public Utility on its website.

FTZ ANNUAL RECONCILIATION

For foreign-trade zones operating on a calendar year reporting basis, the FTZ Annual Reconciliation and Annual Systems Review letter are due to Customs no later than April 10. It is most important that gains are reported on a CBP Form 214, losses on a Customs entry, and a Prior Disclosure / Voluntary Notification be included, as appropriate. Questions should be directed to Linda King or Marshall Miller.

2012 IMPORT STATS

Customs has issued its [2012 Import Trade Trends](#). The total value of Fiscal Year (FY) 2012 imports was \$2.38 trillion, a 5% increase over FY 2011. The number of Entry Summaries filed increased by 840,000, a 3% increase. Revenue collections increased 6% to \$39.4 billion. Antidumping deposits were up by \$43 million to \$329 million, a 13% increase, and countervailing duty deposits were \$69 million, a 160% increase.

SEQUESTER

President Obama's sequestration order of March 1, 2013 impacts all Federal agencies. Customs has [indicated](#) that its \$512 million in cuts due to the sequester will impact several areas of operations, equivalent to the loss of several thousand CBP officers across the U.S. border ports of entry. Customs warns of longer waits for travelers at airports and increased times for issuing Customs ruling letters. Staff furloughs at Customs Headquarters are expected in April. 78 Fed. Reg. [14633](#) (March 6, 2013).

IRAN SANCTIONS

The Office of Foreign Assets Control (OFAC) has released revisions to the Iranian Financial Sanction Regulations (IFSR), effective March 15, 2013. The amendments are based on the Iran Threat Reduction and Syrian Human Rights Act of 2012. Exemptions remain for certain transactions related to drugs, agricultural, and petroleum. 78 Fed. Reg. [16403](#) (March 15, 2013).

MEDICAL COMPANY FINED

[American Optisurgical, Inc.](#) (AOI) of California was fined \$404,100 for exporting products to Iran without an OFAC license. AOI ignored two subpoenas and even continued to ship product to Iran after having received the subpoenas.

USML TO CCL

The Obama Administration formally [notified](#) Congress on March 7 of its intent to move certain aircraft and gas turbine engines from the U.S. Munitions List (USML) to the Commerce Control List (CCL). Congress has 30 days to act on the changes. If it does not, the changes become final.

AES ERRORS

Census has issued a Broadcast Message reminding AES filers to ensure the Mode of Transportation corresponds to the Carrier. It also reminds that the U.S. Principal Party in Interest (USPPI) is always in the U.S. AES Broadcast Message #2013016 (Feb. 27, 2013).

HONEY

U.S. Immigration and Customs Enforcement (ICE) officers have [charged](#) five individuals and two domestic honey processing companies with falsifying entry documents on shipments of Chinese honey that were transhipped through other countries to evade U.S. antidumping duties. It is alleged that \$180 million in antidumping duties were evaded.

ACE PRIORITIES

Customs has [released](#) a list of priorities for the Automated Commercial Environment (ACE) for the first half of 2013. The Participating Government Agency (PGA) Message Set, automated corrections / deletions, and initial Entry Summary edits will begin with "agile" pilots. Priorities for the second half of 2013 include PGA message set integration and entry integration with in-bond. Expect Sequestration to slow the timetable. CSMS [#13-000083](#) (Feb. 23, 2013).

UK MAN SENTENCED

A UK national was sentenced in the United States for exporting military batteries from the U.S. to Iran without the required State Department license. [Christopher Tappin](#) was sentenced to 33 months in prison and fined \$11,000 following his extradition from the United Kingdom.

MADE IN USA LABELING

The Directorate of Defense Trade Controls (DDTC) has issued an [advisory opinion](#) that U.S. defense articles do not need to be marked as "Made in the USA" or with other origin markings. However, they may only be used as specifically authorized in a license or other export authorization.

NEW WMD PROLIFERATORS

The State Department has issued two public notices listing individuals and organizations it believes have engaged or attempted to engage in activities or transactions related to the proliferation of weapons of mass destruction (WMD). 78 Fed. Reg. [13142](#) (Feb. 26, 2013).

BROKER LICENSES

Customs has proposed amending its regulations to require the agency to follow due process procedures before revoking entry filer codes or Immediate Delivery and Remote Location Filing (RLF) privileges. Comments are due April 29, 2013. 78 Fed. Reg. [12998](#) (Feb. 26, 2013).

NAFTA RULES OF ORIGIN

The Obama Administration has [requested](#) that the U.S. International Trade Commission review a substantial number of potential changes to the North American Free Trade Agreement (NAFTA) Rules of Origin. The proposed changes are throughout the HTSUS, and include HTS Chapter 29 chemicals, Chapters 84 and 85 machinery and mechanical appliances, and Chapter 90 instruments.

EXPORT VIOLATIONS

- The [Bank of Guam](#) was fined \$27,000 for facilitating payments to Iran, [Ali Saboonchi](#) of Maryland was indicted and faces up to 20 years in prison for conspiring to export industrial goods to Iran, and [Tung Tai Group](#) of San Jose was fined \$43,875 for attempting to purchase Cuban scrap metal.
- The BIS fined [Vantec World Transfer](#) \$40,000 for exporting equipment to a Pakistani entity on the Entity List.

USTR

On March 14 U.S. Trade Representative Ron Kirk [stepped down](#) after four years of service. Deputy USTR Demetrios Marantis will serve as Acting USTR until a successor is confirmed.

UL LISTINGS

Customs port officers in Savannah, Georgia seized a container after a random cargo exam found 3,400 [humidifiers for children](#) had retail packaging labeled with fraudulent Underwriters Laboratory (UL) certification markings.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 3/15/13		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	282	265
SUBZONES	693	540
PENDING		
ZONES		5
SUBZONES		14
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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4929 MAIN STREET
KANSAS CITY, MO 64112
816.561.4999
FAX 816.561.5999
E-MAIL intllaw@millerco.com

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

233 BROADWAY, SUITE 2702
NEW YORK, NEW YORK 10279