



ACE MANDATORY DEADLINE

Effective March 31, electronic entries and corresponding entry summaries for Entry Types 01, 03, 11, 23, 51, and 52 with no or only APHIS Lacey Act or National Highway Traffic Safety Administration (NHTSA) PGA data must be filed in the Automated Commercial Environment (ACE). Any filers still submitting such entries or entry summaries through the legacy Automated Commercial System (ACS) could be subject to Customs enforcement action. CSMS [#16-000238](#) (March 25, 2016).

ACE & FDA

- The Food and Drug Administration (FDA) will temporarily allow filers to list "Unknown" for intended use code, brand name, device listing, and active ingredient producer if they are unable to obtain this information at the time of transmission. However, these data elements continue to be required and failure to transmit complete information, including "unknown," will result in FDA manual review of the entry. CSMS [#16-000210](#) (March 21, 2016).
- Customs will end the FDA Pilot Program effective May 2, as it has determined that ACE is capable of accepting FDA regulated entries. However, Customs is not yet decommissioning ACS for transmitting FDA data. 81 Fed. Reg. [18634](#) (March 31, 2016).

FCPA PILOT PROGRAM

On April 5, the U.S. Department of Justice [issued](#) a Foreign Corrupt Practices Act (FCPA) enforcement plan that includes additional agents and prosecutors, enhanced cooperation with foreign law enforcement officials, and a one-year pilot program to encourage companies to self-disclose violations and cooperate. Please contact Sean Murray with questions.

2016 SEMINARS & WEBINARS

- May 3 & 4 - Import/Export 101 & 201
- May 5 - Advanced Exports
- 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.

ACE & LACEY ACT

- Informal Entries (Entry Type 11) are not subject to the Animal and Plant Health Inspection Service (APHIS) Lacey Act declaration requirement. CSMS [#16-000269](#) (April 1, 2016).
- APHIS has issued a response to the National Association of Foreign Trade Zones (NAFTZ) regarding Lacey Act declarations on Type 06 FTZ entries. APHIS has indicated that there is no Lacey Act exemption for Type 06 FTZ entries, the information will be provided to the agency with the entry summary, a UIN/FIFO reporting methodology is not acceptable, and country-of-harvest, genus, and species, quantity, and value must correspond to the actual import. APHIS is going to work with the NAFTZ on a plan for the orderly submission of Lacey Act information for products made prior to May 22, 2008. Contact Marshall Miller or Linda King with questions.
- Importers and filers may still use the APHIS Lacey Act Web Governance System (LAWGS) to [submit](#) declarations, but after the March 31 ACE transition deadline entry numbers need to be obtained from ACE.

CUSTOMS ACE FTZ GUIDANCE

Customs has [responded](#) in writing to NAFTZ questions on issues facing FTZ filers in ACE, including FIRMS Codes used for Customs exams, date usage for multiple inventory layers, privileged foreign status, and future expansion of the 999 entry line items for cargo release. Please contact Marshall Miller or Linda King with questions.

NEW MTB PROCESS

A new Miscellaneous Tariff Bill (MTB) process bill has been [introduced](#). It is intended to allow duty suspensions in a way that does not violate earmark concerns by some members of Congress. Leaders have indicated they would like to pass this bill before the July Congressional recess. The last MTB expired in 2012.

OFAC SANCTIONS CASE

A U.S. appeals court has overturned a lower court's rejection of a Deferred Prosecution Agreement (DPA) with Fokker Services involving violations of Office of Foreign Assets Control (OFAC) sanctions relating to Iran, Burma, and Sudan. The lower court viewed the DPA as too lenient. *U.S. v. Fokker Services B.V.*, U.S. App. D.C. No. [15-3016](#) (Apr. 5, 2016).

ZTE OFF ENTITY LIST

Last month, Zhongxing Telecommunications Equipment Corporation (ZTE), one of the world's largest manufacturers of telecommunications equipment, was placed on the Bureau of Industry and Security's (BIS) Entity List. On March 24, BIS announced that it temporarily suspended ZTE from the Entity List until June 30, 2016. Most exports to ZTE can now be made without a license. The suspension may be extended, depending on ZTE's cooperation. 81 Fed. Reg. [15633](#) (March 24, 2016).

TPP

- The Obama Administration has signaled that it will consider changes to the Trans-Pacific Partnership (TPP) so long as negotiations are not reopened.
- The U.S. Trade Representative (USTR) has [identified](#) existing laws that would need to be modified to implement the TPP. The multi-tiered Merchandise Processing Fee (MPF) proposal (\$30/\$120/\$260/\$500) continues to move forward.

AES TRANSITION TO ACE

Census continues to shut down legacy users of AES on the old Census platform. By April 25, all AES users should be on the ACE single window. Customs is working to reduce helpdesk backlogs and has increased the number of servers to improve the response time.

IRAN CONSULTING

A U.S. consultant working for the Iranian mission to the United Nations has been [charged](#) with assisting U.S. persons in making investments in Iran in violation of U.S. sanctions.

HIZBALLAH SANCTIONS

OFAC has announced new sanctions aimed at Hizballah. 81 Fed. Reg. [22185](#) (April 15, 2016).

CUSTOMS 2015 REPORT

Customs has [posted](#) its Performance and Accountability Report for FY 2015, which contains performance and statistical highlights. According to the report, Customs processed 32.9 million entries in 2015, and collected \$45.8 billion in revenue.

NAFTA PENALTIES

Customs Headquarters has [cancelled](#) a \$778,000 Customs penalty and \$416,000 demand for duties under 19 U.S.C. § 1592 because the importer relied on facially valid NAFTA Certificates of Origin that were only later determined to be false.

RESIDUE IMPORTS

Clients are reminded that the Trade Facilitation and Enforcement Act of 2015 only amended HTSUS General Note 3(e) to exempt certain residue of bulk cargo contained in Instruments of International Traffic (IITs) from Customs entry requirements, so residue is not exempt from Importer Security Filings (ISFs).

WHISTLEBLOWER

In a False Claims Act case initiated by a competitor, defense contractors [agreed](#) to pay \$8 million to settle civil charges involving the evasion of antidumping duties (AD) on imported Chinese magnesium powder that was incorporated in defective infrared countermeasure flares sold to the U.S. Army. The two companies and five individuals, including an importer's former president, previously pled guilty to related criminal offenses and were ordered to pay more than \$14 million in restitution.

EPA PENALTIES

The U.S. has sued a California importer for about \$540 million in penalties under the Clean Air Act for importing 16,000 motorcycles and all-terrain vehicles that did not conform to their EPA Certificates of Conformity. [U.S. v. Goldenvale, Inc.](#), C.D. Cal. No. [16-cv-00443](#) (filed Mar. 11, 2016).

EXTRADITION

Indonesia has [extradited](#) a Singaporean national to the U.S. to stand trial for his role in exporting radio frequency modules from the U.S. that were used in improvised explosive devices made in Iran.

CIT – SMALL CLAIMS PILOT

The U.S. Court of International Trade recently initiated a small claims process [pilot](#), effective April 1, to increase the speed, efficiency, and affordability of CIT actions. Contact Brian Murphy with questions.

FTA TARIFF TOOL

The Commerce Department has updated its Free Trade Agreement [Tariff Tool](#) to include the latest information on tariffs for U.S. products exported to Trans-Pacific Partnership (TPP) partner markets.

ALUMINUM EXTRUSIONS

The Department of Commerce has initiated an anti-circumvention investigation to determine whether a Chinese company and its affiliates are circumventing antidumping duties (AD) on Chinese aluminum extrusions by shipping 5050-grade aluminum alloy that allegedly mimics 6000-series aluminum alloy covered by the AD Order. 81 Fed. Reg. [15039](#) (Mar. 21, 2016).

CHURCH LADY

Ms. [Hannah Roberts](#), the owner of One Source USA LLC, a defense contractor, was sentenced to 57 months in jail following her admission that she exported defense-related technical data to India through the password protected website of her church.

IMPORT BONDS

Customs has amended 19 C.F.R. § 113.26(a) to allow a continuous bond or rider to be filed up to 60 days (previously 30 days) prior to the requested effective date. 81 Fed. Reg. [15159](#) (Mar. 22, 2016).

BURUNDI SANCTIONS

OFAC has released new sanctions relating to specific blocked parties on the Special Designated Nationals (SDN) List. 81 Fed. Reg. [19878](#) (April 6, 2016).

| FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 4/15/16 | | |
|---|----------|-------------------------|
| | APPROVED | CURRENTLY AUTHORIZED |
| ZONES | 291 | 273 |
| SUBZONES | 747 | 593 |
| PENDING | | |
| ZONES | | 3 |
| SUBZONES | | 16 |
| MISCELLANEOUS | | 40 |

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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