

BRIEFINGS

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ACE DELAY

The mandatory transition for entry filings in the Automated Commercial Environment (ACE) has been delayed, as follows:

- Nov. 1, 2015 – Use of ACE is allowed for electronic entry and entry summary filings for entry types 01, 03, 11, 51, and 52, with or without PGA data.
- Feb. 28, 2016 – Mandatory ACE usage for all electronic entries entry summaries, including type 06 FTZ entries, and FDA, NHTSA, and Lacey Act filings.
- July 2016 – Mandatory ACE usage for AMS, APHIS Core, ATF, Commerce E&C, CDC, DCMA, DDTC, DEA, EPA, FSIS, FWS, NWFS, and TTB filings.
- This delay does not impact the December 2016 deadline for full implementation of the “Single Window” (ITDS) via ACE. CSMS [#15-000644](#) (Aug. 31, 2015).

FTZ BOARD ANNUAL REPORT

The 2014 Federal Fiscal Year Report has just been [published](#). Foreign-trade zone (FTZ) exports increased by 24.8% to over \$99 billion, and jobs increased by 7.7% to 420,000. A significant portion of the top FTZ exporters were petroleum refineries. FTZ receipts continued to account for 12.1% of all U.S. imports, but decreased 5% to \$798 billion from \$835 billion last year. 2,700 firms used FTZs during the year.

FDA ACE GUIDE

The Food and Drug Administration has published an updated guide for ACE Automated Broker Interface requirements. CSMS [#15-000603](#) (Aug. 21, 2015).

2015 SEMINAR SCHEDULE

- 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

- Sept. 17 - Purchase Order Terms and Conditions
- Oct. 15 - Scary Stories
- Visit the Miller & Company website for the full 2015 webinar [schedule](#).
- Register for webinars at our [eStore](#) or contact [Melinda Cox](#). Past [webinars](#) are available on our website.

IRAN AGREEMENT

- Although the recent [Joint Comprehensive Plan of Action \(JCPOA\)](#) agreement with Iran will gradually remove some sanctions, U.S. companies are still being cautioned that the general U.S. sanctions are expected to remain indefinitely.
- The House of Representatives has passed a bill to block the lifting of sanctions until the day after the next president is inaugurated. President Obama has indicated he will veto the bill if it passes the Senate. H.R. [3460](#) (Sept. 11, 2015).

TIANJIN EXPLOSION

Customs has issued an administrative message stating that certain FDA-regulated products imported from Tianjin, China may be subject to additional data requirements. CSMS [#15-000676](#) (Sept. 11, 2015).

PGA ACE PILOTS

- Customs is seeking additional participants for the Partner Government Agency (PGA) ACE pilot programs. We encourage participation in the pilot programs to help identify issues in advance of mandatory use. CSMS [#15-000655](#) (Sept. 4, 2015).
- The Food and Drug Administration (FDA) pilot test began August 19. 80 Fed. Reg. [52051](#) (Aug. 27, 2015).
- The National Highway Traffic Safety Administration (NHTSA) has issued an Interim Final Rule that allows importers to provide import information in either electronic or paper format. 80 Fed. Reg. [53011](#) (Sep. 2, 2015).
- The initial FDA and NHTSA entry data transactions were successfully transmitted, accepted, and processed in Phase I of the pilots. Phase II started on September 2, 2015, with an expansion to additional ports. CSMS [#15-000623](#) (Aug. 26, 2015).
- Customs has announced the formation of the Consumer Product Safety Commission (CPSC) Trade Working Group to obtain input on the CPSC ACE/ITDS pilot. 80 Fed. Reg. [50827](#) (Aug. 21, 2015).

TRANSPARENCY

- To create more transparency in the Transatlantic Trade and Investment Partnership (TTIP) negotiations, the European Union is [publishing](#) its full negotiating proposal documents.
- U.S. Trade Representative (USTR) Michael Froman has [selected](#) USTR General Counsel Tim Reif to become the “Chief Transparency Officer,” a newly created position.

CUSTOMS FTZ REVIEWS

All Customs ports are supposed to have conducted their annual onsite review and reported their findings to Customs Headquarters by September 30. If firms that operate in zone status have not yet had their onsite review, it should occur very soon. This year, as a result of a significant effort by Customs Headquarters, the reviews are much more detailed. Contact Linda King or Scott Taylor with questions.

TPP

Comments from various officials are providing insight on remaining Trans-Pacific Partnership (TPP) negotiating issues. Chilean officials have indicated that 27 of the 30 Chapters of products and duty reductions have been negotiated. Remaining issues include the automotive rules of origin and market access for dairy products. It is possible a deal could be completed by November.

RX DRUG SMUGGLING

Two foreign medical companies, SB Medical Inc. and TC Medical Group, recently [pled](#) guilty in Virginia federal court to the unauthorized importation of prescription drugs and then hiding their origins from doctors and clinics that purchased them. The companies have been ordered to pay a \$45 million fine and forfeit \$30 million in proceeds.

GSP – PETITION DEADLINES

The USTR is currently accepting petitions for product and country eligibility under the Generalized System of Preferences (GSP). Petitions must be submitted by October 16. 80 Fed. Reg. [50376](#) (Aug. 19, 2015).

LACEY ACT

The Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) recently [implemented](#) Phase V of the Lacey Act. It requires an import declaration (PPQ Form 505) for 20 additional HTSUS subheadings.

TRUSTED TRADER

Customs has requested comments by September 30 on its proposed Trusted Trader Program (TTP). The TTP would combine elements of the Customs-Trade Partnership Against Terrorism (C-TPAT) and the Importer Self-Assessment (ISA) programs. 80 Fed. Reg. [52485](#) (Aug. 31, 2015).

ENVIRONMENTAL GOODS

The U.S. International Trade Commission (USITC) has initiated two additional investigations on goods covered under the WTO and APEC (Asia-Pacific Economic Cooperation) environmental goods agreements. 80 Fed. Reg. [52064](#) (Aug. 27, 2015); 80 Fed. Reg. [53328](#) (Sept. 3, 2015).

CANADIAN DRUG IMPORTS

The U.S. has indicted a Canadian drug distributor and its employees for allegedly smuggling unapproved, misbranded, and counterfeit FDA pharmaceuticals into the U.S. The government alleges that the drugs were fraudulently imported as informal Customs entries valued below \$2,000. [U.S. v. Canadadrugs.com Ltd., et al.](#), No. [14cr00027](#) DLC (D. Mont. filed July 17, 2015).

FDA DRUG REFUSALS

The FDA has issued a Final Rule, effective October 15, to implement its authority to destroy drugs valued up to \$2,500 that are refused admission into the United States. 80 Fed. Reg. [55237](#) (Sept. 15, 2015).

ALUMINUM EXTRUSIONS

- Two individuals have [agreed](#) to pay a total of \$435,000 to settle a lawsuit brought under the False Claims Act for allegedly misrepresenting imported Chinese aluminum extrusions as Malaysian origin to evade antidumping and countervailing duties (AD/CVD).
- The Department of Commerce has issued an amended final scope ruling on the Chinese aluminum extrusions AD/CVD orders. 80 Fed. Reg. [51535](#) (Aug. 25, 2015).

MADE IN USA - CALIFORNIA

The California governor has signed a bill that will amend its restrictive "Made in USA" state law to allow "Made in USA" claims for products made with non-U.S. parts: (1) that are valued no more than 5% of the wholesale value of the product; or (2) if the foreign parts cannot be obtained at any cost from a domestic source and they are no more than 10% of the product's wholesale value. Clients are reminded that the Federal Trade Commission (FTC) "Made in USA" standard remains in place. CA SB No. [633](#) (Sept. 1, 2015).

RUSSIAN ENTITIES

The Bureau of Industry and Security (BIS) has added a number of entities to the Entity List for their role in circumventing the current sanctions on the Crimea and Russia. 80 Fed. Reg. [52963](#) (Sept. 2, 2015).

DDTC CJs

The Directorate of Defense Trade Controls (DDTC) has [published](#) a list of recent commodity jurisdiction (CJ) determinations. Contact Chuck Ballard with questions.

VITAMINS

The U.S. Court of International Trade (CIT) has ruled that L-Carnatine vitamins are classified as ammonium salts in HTSUS subheading 2923.90.00 (6.2%) rather than as duty-free vitamins in Heading 2936. In so ruling, the CIT disregarded the WCO Explanatory Notes description of vitamins. [Sigma-Tau Healthscience, Inc. A.K.A. Sigma-Tau Healthscience, LLC, v. U.S.](#), Slip Op. [15-102](#) (Sept. 3, 2015).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 9/15/15		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	289	271
SUBZONES	738	584
PENDING		
ZONES	4	
SUBZONES	15	
MISCELLANEOUS	37	

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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