



TRUMP ADMINISTRATION

- President-elect Trump has announced a National Trade Council to advise him on trade negotiations. University of California-Irvine Professor Peter Navarro has been picked to lead the Council.
- President-elect Trump has nominated Robert Lighthizer to serve as U.S. Trade Representative. He was deputy USTR under President Reagan.
- President-elect Trump called again for heavy tariff increases (up to 35%) on U.S auto manufacturers that move facilities overseas.
- A Congressional Research Service (CRS) report indicates that the President does have the ability to unilaterally adjust certain tariffs in limited situations where imports are harming the United States. [Report 7-750](#) (Dec. 9, 2016).

2016 IMPORT/EXPORT DATA

It appears that 2017 will be a year of potentially significant changes to the U.S. [import/export](#) process that could have financial consequences for many companies. Our 2016 calendar year import/export data analysis can help a company proactively anticipate and calculate the impact of potential changes. Contact [Brenda Zeller](#) to order your company's 2016 U.S. government import and/or export data and reports.

IRAN SANCTIONS

The Office of Foreign Assets Control (OFAC) has updated the Iranian Transactions and Sanctions Regulations (ITSR) to expand the scope of medical devices and agricultural commodities that can be exported to Iran. The [definition of Iranian origin](#) was also slightly modified and is further explained in OFAC's updated Frequently Asked Questions ([FAQs](#)). 81 [Fed. Reg.](#) 94254 (Dec. 23, 2016).

2017 SEMINARS

The firm has announced its seminar schedule for 2017:

- March 7 & 8 - Import-Export 101 & 201
- March 9 - Advanced Export
- April 4 & 5 - FTZ 101 & 201
- September 12 & 13 - FTZ 101 & 201
- October 3 & 4 - Import-Export 101 & 201
- Seminars are offered to Miller & Company clients only. For more details contact [Ann Brandt](#).

BORDER ADJUSTABILITY ACT

A proposed "Border Adjustability Tax" is creating [concerns](#). Eighty-one trade associations have already signed a letter opposing it. The tax plan is designed to shift the focus of taxes by exempting exports through rebates and possibly removing tax deductions on imports. The plan would maintain business income taxes by employing a consumption-based system, while trying to avoid violating World Trade Organization (WTO) rules barring border-adjustable income taxes.

FTZ GRANTEE MANAGEMENT

The Foreign-Trade Zones Board has issued a unique Board Order for a zone in the Dallas-Fort Worth area. It does not approve a boundary modification, but approves the deletion of a site and the addition of a portion of a new site for a specific company while not approving the remainder of that site as that site is considered a magnet site for multiple companies and is outside the zone's service area. Another unusual comment is that the application is on hold until the Grantee, a Texas not-for-profit corporation that lapsed in 2014, is reinstated by the Texas Secretary of State as active. [FTZ Board Order No. 2025](#) (Jan. 12, 2017). Contact Marshall Miller or Scott Taylor with questions.

ACE DELAYS

- Customs has announced an indefinite delay in the scheduled January 14, 2017 deployment of Automated Commercial Environment (ACE) functionality for Post-Summary Corrections (PSCs), Reconciliation, and Periodic Monthly Statements. The [Notice](#) is to be published in the Federal Register on January 17. CSMS #[17-000009](#) (Jan. 11, 2017).
- Customs had previously published a correction to its December 12, 2016 Notice on PSCs to remove the requirement that additional duties, fees and taxes be paid within three business days of PSC submission, except for Entry Type 03 (AD/CVD) entries. 82 [Fed Reg.](#) 2385 (Jan. 9, 2017).

VW PENALTIES

Volkswagen has reached [agreement](#) with the Environmental Protection Agency (EPA), Department of Justice, and Customs and Border Protection (CBP) to pay up to \$14.7 billion to settle civil and criminal charges that it illegally imported, falsely certified, and sold diesel vehicles that do not comply with air quality requirements. This includes a \$1.45 billion [settlement](#) with CBP and EPA that is the largest civil penalty ever issued or collected under the U.S. customs laws.

2017 HTSUS

- The 2017 [Harmonized Tariff Schedule of the United States](#) has been published.
- The 2017 HTSUS includes some significant HTS-level changes recommended by the World Customs Organization (WCO) involving dairy products, infant formulas, biologics, chemicals (including pesticides), electric vehicles, integrated circuits, and LEDs. Contact Brian Murphy or Sean Murray with questions.

CEEs

- Customs has published an Interim Final Rule establishing the Centers of Excellence and Expertise (CEEs) as permanent Customs organizations and transitioning certain additional trade functions to them. Comments are due by Jan. 19, 2017. 81 [Fed. Reg.](#) 92978 (Dec. 20, 2016). CSMS #[16-001042](#) (Dec. 21, 2016).
- With full ACE functionality, import data submitted by importers and their brokers will be automatically routed to the CEEs.
- We continue to see CEE personnel engaged in enforcement efforts.

GSP

Effective January 1, 2017, products of Seychelles, Uruguay, and Venezuela lost duty-free treatment under the Generalized System of Preferences (GSP).

PGAs & ACE/ITDS

Several agencies have issued Final Rules related to the implementation of ACE and the International Trade Data System:

- EPA TSCA Certifications: 81 [Fed. Reg.](#) 94980 (Dec. 27, 2016).
- The Directorate of Defense Trade Controls (DDTC): 82 [Fed. Reg.](#) 15 (Jan. 3, 2017).
- The Centers for Disease Control and Prevention (CDC): 81 [Fed. Reg.](#) 96459 (Dec. 30, 2016).
- Alcohol and Tobacco Tax and Trade Bureau (TTB): 81 [Fed. Reg.](#) 94186 (Dec. 22, 2016).
- The Fish and Wildlife Service suspended its pilot as of January 12 and is working with Customs and a COAC working group to identify alternative data collection methods. CSMS #[17-000015](#) (Jan. 12, 2017).

FORCED LABOR

Customs has updated its Fact Sheet on [Supply Chain Due Diligence](#) for child and forced labor issues.

EPA

- Customs has amended its regulations on vehicle and engine imports under the Clean Air Act (CAA) to permit importers to electronically file the required EPA forms electronically. When a Type 06 (FTZ) entry is filed, the vehicle and engine data is required at the time of Entry/ACE Cargo Release. When a Weekly Estimate Type 06 entry is filed, the data is required at the time of Entry Summary. 81 [Fed. Reg.](#) 94974 (Dec. 27, 2016).
- The EPA has published a Final Rule on formaldehyde emission standards for composite wood products that applies to importers. 81 [Fed. Reg.](#) 89674 (Dec. 12, 2017).
- The EPA has issued a Final Rule allowing it to obtain data from manufacturers (which includes importers) of a diverse category of materials known as nanoscale materials. 82 [Fed. Reg.](#) 3641 (Jan. 12, 2017).

FACILITATION

OFAC has published [guidance](#) on U.S. persons providing information on transactions when "facilitation" is prohibited. Contact Sean Murray with questions.

BURMA AND SUDAN

- The BIS has published a Final Rule easing U.S. export restrictions on Burma (Myanmar). 81 [Fed. Reg.](#) 94962 (Dec. 27, 2016).
- On January 13, President Obama issued an [Executive Order](#) to remove most restrictions on trading with Sudan. OFAC has [updated](#) its regulations, its [fact sheet](#), and its [FAQs](#). Please contact Chuck Ballard with questions.

MTB PETITION COMMENTS

The U.S. International Trade Commission (USITC) is accepting [comments](#) until February 24 on the filed petitions for duty reductions under the Miscellaneous Tariff Bill (MTB).

TRADE ENFORCEMENT

The Commerce Department has created the Advisory Council on Trade Enforcement and Compliance. The Council's mission is to ensure trade partners comply with trade agreements. The Council will liaise with stakeholders, providing a forum for input on emerging issues, and recommend programs and policies to enhance U.S. interests. 82 [Fed. Reg.](#) 2953 (Jan. 10, 2017).

FCPA

Teva Pharmaceutical Industries Ltd. has [agreed](#) to pay \$519 million to settle civil and criminal charges for violations of the Foreign Corrupt Practices Act (FCPA) in connection with operations in Russia, Ukraine, and Mexico.

RUSSIAN HACKING

President Obama has issued [Executive Order \(EO\) 13757](#) to authorize sanctions and place five Russian entities and four Russian individuals on the Specially Designated Nationals (SDN) List and Entity List related to hacking allegations during the past Presidential election. 82 [Fed. Reg.](#) 722 (Jan. 4, 2017).

USML CATEGORY XII

The BIS and DDTC are requesting comments on the impact of recent revisions to Category XII of the U.S. Munitions List (USML), specifically on infrared device controls and alternatives to controls on certain guidance and control equipment. Comments are due by March 14, 2017. 82 [Fed. Reg.](#) 4226 (Jan. 13, 2017).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 1/15/17

	<u>APPROVED</u>	<u>CURRENTLY AUTHORIZED</u>
ZONES	292	274
SUBZONES	765	611
<u>PENDING</u>		
ZONES	3	
SUBZONES	18	
MISCELLANEOUS	42	

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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