

BRIEFINGS

VOLUME 27, NO. 10

October 15, 2015

ACE UPDATES

- Customs has issued an Interim Final Rule that makes the Automated Commercial Environment (ACE) an authorized Electronic Data Interchange (EDI) as of November 1 and provides other details on the transition. 80 Fed. Reg. [61278](#) (Oct. 13, 2015).
- Customs has issued a General Notice that expands the use of the Document Imaging System (DIS) to include more Partner Government Agency (PGA) forms. 80 Fed. Reg. [62082](#) (Oct. 15, 2015). Customs has also issued a list of PGA form [requirements](#) for DIS.
- CATAIR. Customs [published](#) an updated CATAIR for Cargo Release on September 9, 2015.
- Exports. [Customs](#) and [Census](#) have posted information on the transition of AESDirect export filing capabilities to ACE in late October.
- FTZ Deployment. Customs has moved up the deployment date for Foreign-Trade Zone Type '06' entries from February 27, 2016. Customs will now start an "informed compliance period" on November 1.
- APHIS. The Animal and Plant Health Inspection Service is looking for pilot participants for ACE/ITDS [electronic submissions](#).
- DEA. Participants are being sought for a newly-formed Drug Enforcement Agency (DEA) ACE/ITDS working group. [CSMS #15-000692](#) (Sept. 16, 2015).

EPA PROPOSED RULE

The Environmental Protection Agency (EPA) is proposing enhancements to its regulations governing imported and exported hazardous waste. Comments are due by November 24, 2015. 80 Fed. Reg. [58014](#) (Sept. 25, 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

- November 19 - Managing Import/Export Compliance
- December 10 - Customs Audit Management
- The 2016 webinar [schedule](#) will soon be posted to the Miller & Company website.
- Register for webinars at our [eStore](#) or contact [Tracie Maslak](#). Past [webinars](#) are available on our website.

TPP

Twelve countries [concluded](#) Trans-Pacific Partnership (TPP) negotiations on October 5. The TPP still must be passed by Congress. The TPP will eliminate duties on many U.S. products exported to TPP countries, while some will be phased-out over time. The full text has not been released yet, but will require a detailed review of rules of origin, interaction with NAFTA and FTZs, etc.

LACEY ACT

Lumber Liquidators has [agreed](#) to pay \$10 million for Lacey Act and Customs [violations](#) related to imported flooring from China that was made from illegally harvested wood. The company admitted to entering goods by false statements and false Lacey Act declarations, including listing the incorrect country of origin and type of wood.

NAFTZ CONVENTION

There were a number of positive developments at the most recent National Association of Foreign-Trade Zones (NAFTZ) Convention in Los Angeles on September 27-30:

- Part 146. The rewrite of the Customs FTZ regulations is progressing. Negotiations with Customs continue on a few subjects. The target is publication of a Proposed Rule in the Federal Register by year end.
- Scope of Authority. The Foreign-Trade Zones Board and the NAFTZ have both proposed methods for updating FTZ scopes of production authority. Clients should be verifying their FTZ activity is within their approved scope.
- PGA. PGA interfaces with ACE are still rolling out. FTZ user participation in pilots is requested. The NAFTZ continues to stress the necessity of making no changes in current reporting activity simply because of computer system changes.
- Bona Fide Zone Uses. Comments were made about ensuring bona fide FTZ activity. Contact Marshall Miller with questions.

ENVIRONMENTAL GOODS

An environmental advocacy group is questioning the 665 goods nominated for duty free treatment in the [Environmental Goods Agreement](#). The group contends that only 140 of the products improve the environment. The list of goods will likely be reduced in negotiations starting October 29. Clients are encouraged to review the product list.

ITA

Negotiations on the expansion of the Information Technology Agreement have been concluded, but negotiations continue on implementation. China has received significant pushback on its effort to have the longest phase-out period (5 years) on a large percentage (40%) of its products. More negotiations are scheduled for November 9.

SLAVE LABOR

A consumer class action lawsuit has been filed in California that accuses Nestle of selling cat food that contains fish from a Thailand supplier that allegedly uses slave labor. *Barber v. Nestle USA Inc.*, C.D. Cal.No. [15-cv-01364](#) (filed Aug. 27, 2015).

2014 GSP PRODUCT REVIEW

- The Office of the U.S. Trade Representative recently [announced](#) the outcome of the 2014 Limited Product Review under the Generalized System of Preferences (GSP) program. The results include competitive need limitation (CNL) waivers for 100 products from 13 countries. 80 Fed. Reg. [60731](#) (Oct. 7, 2015).
- Presidential Proclamation [9333](#) removes Uruguay, Venezuela, and Seychelles as GSP beneficiary countries, effective January 1, 2017. 80 Fed. Reg. [60249](#) (Oct. 5, 2015).

RELATED PARTY VALUE

The Canada Border Services Agency has published a memorandum on the Transaction Value Method for Related Persons. The memo provides examples of methods to establish the acceptability of transaction value. It also discusses transfer price adjustments and transfer price agreements. CBSA Memo [D13-4-5](#).

ISLAMIC STATE SANCTIONS

The U.S. Government has announced new sanctions against 25 people and 5 groups connected to the Islamic State. 80 Fed. Reg. [58803](#) (Sept. 30, 2015).

CAMERA CLASSIFICATION

Customs has confirmed the classification of a surgical camera that has the ability to capture images in real-time and transmit to locations outside of the camera for viewing as a "television-type camera" of subheading 8525.80.30. HQ [H237590](#) (July 9, 2015).

UNSAFE TOYS

The U.S. Department of Justice has filed [charges](#) against two importers and three individuals for violating consumer product safety standards by importing toys containing lead, phthalates, and small parts that pose a choking hazard for children. Most violative toys were stopped at the Port of Los Angeles/Long Beach and were not sold to consumers.

APHIS MANUAL UPDATES

APHIS has announced changes to the Plant Protection and Quarantine manuals. Changes include updates to the Human Pharmaceuticals and Human Vaccines sections of the Animal Product [manual](#).

AD/CVD

Customs has issued a notice stating that importers must deposit any additional antidumping and countervailing duties (AD/CVD) that are due when a Post-Entry Amendment or Post-Summary Correction is filed, or Customs may assess liquidated damages. CSMS [#15-000743](#) (Oct. 5, 2015).

RE-EXPORTS TO IRAN

The Royal Canadian Mounted Police have [charged](#) two Montreal men for moving U.S. origin rail equipment from the U.S. to Canada and reselling it to buyers in Iran.

NOT KOSHER

Customs has issued a ruling that fish caught and processed in Thailand were a product of that country despite further kosher processing in Israel, rendering them ineligible for U.S.-Israel FTA treatment. HQ [H264967](#) (July 29, 2015).

CUBAN SANCTIONS UPDATE

The Office of Foreign Assets Control (OFAC) has published [changes](#) to the Cuban Assets Control Regulations that allow parties authorized to sell products in Cuba to have a presence in Cuba, allow transportation companies to hire Cuban nationals and have a presence in Cuba, and liberalize some financial and legal services. The BIS has published changes to align with the OFAC changes. Contact Chuck Ballard with questions. 80 Fed. Reg. [56915](#) (Sept. 21, 2015) and 80 Fed. Reg. [56898](#) (Sept. 21, 2015).

COUNTERFEIT GOODS

Customs has published a Final Rule implementing procedures for sharing information on imported merchandise with trademark owners to determine whether the merchandise bears a counterfeit mark. 80 Fed. Reg. [56370](#) (Sept. 18, 2015).

DRUG MARKING

Costco Wholesale Corp. and drug maker Apotex Corp. recently [asked](#) a California federal court to end a consumer lawsuit claiming the companies sold generic Lipitor imported from India without proper labeling, arguing that no law requires country of origin labels on prescription drugs.

COO FOR SOLAR PANELS

Customs has issued a Final Determination that, for the purposes of U.S. Government procurement, the country of origin of solar modules manufactured is Malaysia when Malaysian solar cells are used and Korea when Korean solar cells are used. 80 Fed. Reg. [57198](#) (Sept. 22, 2015).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 10/15/15		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	289	271
SUBZONES	739	584
PENDING		
ZONES	5	
SUBZONES	16	
MISCELLANEOUS	34	

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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