

# BRIEFINGS

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## FTZ YEAR-END CHECKLIST

Clients are reminded of the following year-end actions:

- Yearly Blanket CBPF 216 Renewal
- FTZ Board Annual Report
- Customs Annual Reconciliation/ Systems Review (with any necessary CBPF 214 or Customs Entry)
- FTZ Scope of Authority/Land/ Buildings Activation Review
- FTZ Manual updates
- New FTZ savings opportunities for 2014

Contact Scott Taylor or Linda King with questions.

## FTZ ZONE SCHEDULE

All Grantees must submit new Zone Schedules by February 2014. The Foreign-Trade Zones Board has [posted](#) a sample Zone Schedule table of contents for Grantees to use in preparation. Contact Scott Taylor with questions.

## PGA PILOT OPENED BY CBP

On January 13, 2014, Customs will open a pilot program for the Participating Government Agency (PGA) Message Set in the Automated Commercial Environment (ACE) using the Automated Broker Interface (ABI) to transmit the data. It will allow the submission of Environmental Protection Agency (EPA) forms 3520-1 and 3520-4 and Food Safety and Inspection Services (FSIS) form 9540-1 import data. Eligible candidates can apply to participate in the pilot program. EPA regulated vehicle and vehicle engine importers should consider participation. 78 Fed. Reg. [75931](#) (Dec. 13, 2013).



**SEASONS GREETINGS!  
BEST WISHES FOR A HAPPY  
& HEALTHY NEW YEAR!**

## 2014 SEMINAR SCHEDULE

- March 4-5 - Advanced Exports
- April 1-2 - FTZ 101 & 201
- April 22-23 - Advanced HTSUS Classification
- April 24 - ECCN Classification/ License Determination
- May 20-21 - Import/Export 201 & 201
- November 11-12 - Import/Export 101 & 201

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

## WEBINAR

Next Webinar:

- January 16, 2014 - Export Reform
- Register for webinars at our [eStore](#) or contact [Victoria Denney](#). Past [webinars](#) are available on our website.

## WTO TRADE AGREEMENT

After years of effort, World Trade Organization (WTO) negotiators finalized an [Agreement on Trade Facilitation](#) on December 7, 2013. It is expected to reduce import/export costs for WTO countries by 10-15% by increasing transparency to customs practices, reducing documentation requirements, and speeding document processing prior to freight arrival. The plan is for the WTO General Council to adopt the agreement by July 31, 2014.

## FDA SUPPLY CHAIN PILOT

The deadline to apply for participation in the Food and Drug Administration's Secure Supply Chain Pilot Program for finished drug products and active pharmaceutical ingredients is December 31. We have been in contact with FDA on specific client issues and the FDA has indicated it will consider entries out of foreign-trade zones. Contact Sean Murray with questions. 78 Fed. Reg. [51192](#) (Aug. 20, 2013).

## DEBARMENT

The Directorate of Defense Trade Controls (DDTC) has [debarred](#) a former compliance officer for Honeywell. Ms. LeAnne Lesmeister was accused of falsifying documents and omitting relevant facts when exporting and transferring defense articles. Honeywell has not been charged so far. Ms. Lesmeister may face further charges, including criminal charges with up to 10 years imprisonment. 78 Fed. Reg. [72745](#) (Dec. 3, 2013).

## ELECTRONIC TSCA

The EPA has issued a Final Rule, effective March 4, 2014, requiring electronic reporting of information required by the Toxic Substances Control Act (TSCA) Sections 4, 8(a), 8(b) and 8(d), and some documents related to Section 5. TSCA information will be submitted through the agency's Central Data Exchange (CDX) and Chemical Information Submission System (CISS). This is a very major change that should be welcomed by all TSCA importers. 78 Fed. Reg. [72818](#) (Dec. 4, 2013).

## IRAN SANCTIONS

Continuing to [pressure](#) Iran despite the tentative agreement and six month negotiating period, the Bureau of Industry and Security (BIS) has [added](#) a number of companies and individuals to its Entity List for activities involving illegal shipments to Iran and China, and the Office of Foreign Assets Control (OFAC) has [added](#) a number of Iranian individuals and entities to the Specially Designated Nationals (SDN) list. 78 Fed. Reg. [75458](#) (Dec. 12, 2013).

## DRUGS ON TRAINS

The U.S. 8<sup>th</sup> Circuit Court of Appeals has affirmed a district court ruling that rejected \$38 million in penalties imposed by Customs on Union Pacific Railroad for failing to prevent drug smuggling on trains from Mexico. The court agreed that Union Pacific satisfied the "reasonable carrier" standard. A reading of the case is insightful for supply chain security purposes. [Union Pacific v. U.S.](#), Slip Op. [12-2143](#) (8<sup>th</sup> Cir. Dec. 12, 2013).

## U.S. – BANGLADESH PACT

The U.S. and Bangladesh have signed a trade and investment [Agreement](#) that will allow further discussions to restore Generalized System of Preferences (GSP) status for Bangladesh.

## FTA REQUIREMENTS

Customs has issued an Administrative Message stating that when an FTA Certificate of Origin is issued, the "Preference Criterion" field should indicate how the good meets the terms of the FTA agreement with the greatest possible specificity. CSMS [#13-000564](#) (Nov. 19, 2013).

## FDA IMPORT INFORMATION

The FDA is asking for comments by Jan. 27 on its collection of information from import entry documentation. Clients are encouraged to comment on FDA import requirements. Contact Sean Murray with questions. 78 Fed. Reg. [70951](#) (Nov. 27, 2013).

## COUNTERFEIT GOODS

On [Dec. 2, 2013](#), Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI) directorate teamed with 10 foreign law enforcement agencies to collectively seize 706 domain names dealing in counterfeit goods. The operation has seized 2,550 domain names since it began in June 2010.

## CUSTOMS DDTC MATRIX

Customs has released a DDTC [reporting matrix](#) on its Automated Export System Trade Interface Requirements (AESTIR) page. It indicates specific reporting requirements for DDTC exports in AES. Non-conforming data entered into AES will be rejected and the exporter will receive a Fatal Error.

## NEW SYRIAN SANCTIONS

The U.S. has imposed additional sanctions, including further export restrictions, against the Government of Syria. The State Department can partially waive the additional sanctions on a case-by-case basis for activities in furtherance of U.S. policies regarding the Syrian conflict. 78 Fed. Reg. [74218](#) (Dec. 10, 2013).

## CPSC SCREENINGS

The Consumer Product Safety Commission (CPSC) has reported that during the first half of fiscal year 2013, its pilot risk assessment methodology (RAM) helped screen 12,435 import shipments of consumer products, leading to the stoppage of 6.1 million units of 678 products. CPSC Release No. [14-034](#) (Dec. 2, 2013).

## RHINO HORN SMUGGLING

A New York antiques dealer, Qiang Wang, has been [sentenced](#) in federal court for conspiracy to smuggle Asian artifacts made from rhinoceros horns and ivory by making false Customs declarations and knowingly exporting without U.S. Fish & Wildlife Service approval or valid Convention on International Trade in Endangered Species (CITES) export permits.

## \$91 MILLION PENALTY

The Office of Foreign Assets Control (OFAC) and the U.S. Attorney's Office for the Southern District of Texas have agreed to settle with [Weatherford International Ltd.](#), and its subsidiaries and affiliates, for \$91,026,450 for exporting oilfield equipment to Cuba, Iran, and Sudan. There were also facilitation issues related to the exports to Iran and alleged Foreign Corrupt Practice Act (FCPA) violations.

## AD/CVD WHISTLE BLOWER

Basco Manufacturing will pay \$1.1 million to [settle](#) allegations that it transshipped and mislabeled goods to avoid antidumping and countervailing duties on aluminum extrusions from China. The case is part of a larger False Claims Case Act whistle blower lawsuit against four companies and two individuals that imported the same goods.

## AES AND "600 SERIES" ECCNS

Census will be updating its license codes to accept license exceptions for the new "600 series" of Export Control Classification Numbers (ECCNs). All "600 series" ECCN exports require an Automated Export System (AES) filing, regardless of the value or destination. The exception to this rule is "600 series" ECCNs with a sub-ECCN of ".y." AES Broadcast [#2013099](#) (Nov. 21, 2013). Questions should be directed to Chuck Ballard.

## CUSTOMS BROKER EXAM

Customs has posted its October 2013 Broker's [exam](#) and [answer key](#) to its web site.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 12/15/13		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	285	268
SUBZONES	709	556
PENDING		
ZONES		3
SUBZONES		12
MISCELLANEOUS		44
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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