

# BRIEFINGS

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## FTZ YEAR-END CHECKLIST

Customs FTZ spot checks are catching many FTZ operators not following FTZ legal requirements. Clients are reminded of the following year-end activities:

- Yearly Blanket CBPF 216 Renewal
- Customs Annual Reconciliation/Systems Review and Customs letter submission (with any necessary CBPF 214 or Customs Entry)
- FTZ Board Annual Report
- FTZ Scope of Authority/Land/Buildings Activation Review
- FTZ Manual updates
- New FTZ savings opportunities for 2015

Contact Scott Taylor or Linda King with questions.

## RUSSIAN SANCTIONS

- Clients are reminded that the scope of the Russian sanctions is broader than the parties directly listed on the Office of Foreign Assets Control (OFAC) Sectoral Sanctions Lists due to the OFAC 50% ownership rule. A recent [Wall Street Journal](#) article noted how the sanctions are impacting non-Russian companies. Contact Chuck Ballard with questions.
- OFAC has published new [Frequently Asked Questions](#) that provide further guidance on “shale projects,” “Arctic Projects,” what is production, and debt, credit, and progress payments.

## IRAN SANCTIONS

The temporary sanctions relief granted in November 2013 has been [extended](#) until June 30, 2015. Most of the previous U.S. sanctions remain in place. 79 Fed Reg. [73141](#) (Dec. 9, 2014).



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

## 2015 SEMINAR SCHEDULE

- March 3 & 4 - Advanced Exports
  - March 31 & April 1 - FTZ 101 & 201
  - May 20 & 21 - Import/Export 101 & 201
  - September 15 & 16 - HTSUS/ECCN Seminar
  - 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

- December 18 - Increasing FTZ Savings
  - January 15 - Changes to Export Regulations
- The full [schedule](#) of 2015 webinars has been issued.
- Register for webinars at our [eStore](#) or contact [Victoria Denney](#). Past [webinars](#) are available on our website.

## 2014 TRADE DATA

Analyzing carefully the government records is the best way of increasing compliance. Our proprietary software provides a quick and unique solution. Now is the time to authorize us to order your 2014 import and export data as soon as full calendar year data becomes available. Contact [Brenda Zeller](#) for assistance or with questions about our [import/export](#) activity reports.

## 2015 BUDGETS

Clients are encouraged to increase their 2015 compliance budgets to meet increased Customs compliance and trade enforcement efforts.

## FTZ DEVELOPMENTS

- [CBPF 216/5 Day Rule/Direct Delivery](#). Customs Headquarters has agreed to an expanded pilot program for publishing in the Federal Register in December/January. The new pilot will eliminate the yearly blanket CBPF 216 for certain purposes, eliminate the five-day rule, and expand Direct Delivery to include merchandise received by FTZ Operators that are not the “owner/purchaser.”
- [Customs Regulations](#). Customs Headquarters agreed to January meetings to discuss the complete re-write of Part 146. Clients with requests for very specific changes to Part 146 should contact us.
- [AES FTZ ID](#). Customs agreed that with Census authorization, the in-bond code field in the AES Export document will become optional, providing far more flexibility for zones to place the FTZ identifier number in their AES filings.
- Contact Marshall Miller or Linda King with any questions.

## ITA BREAKDOWN

After China and the U.S. agreed on the Information Technology Agreement (ITA) expansion last month, a significant breakdown in negotiations occurred as China has refused to phase out tariffs on flat panel displays. The ITA will not be [concluded](#) in 2014, and it is unknown whether negotiations can be concluded.

## MTB/DUTY SUSPENSIONS/GSP

- The last Miscellaneous Trade Bill was authorized by Congress in 2010 and the last duty suspensions expired December 31, 2012. Companies should be exploring alternatives such as foreign-trade zones.
- November 1 marked the 15-month anniversary of the lapse in the Generalized System of Preferences (GSP), the longest lapse in the history of the program.
- GSP-eligible imports from AGOA-eligible countries continue to benefit from GSP. CSMS [14-000601](#) (Nov. 18, 2014).

## FUEL-CELL CLASSIFICATION

Providing guidance on the difference between the residual headings in Chapters 84 and 85, the U.S. Court of International Trade classified fuel cell-powered dispensers in Heading 8543 as “electrical” machinery. [Rubbermaid Commercial Prods., LLC v. U.S., Slip Op. 14-139](#) (Dec. 2, 2014).

## MADE IN USA

A class action filed against apparel companies including Macy’s for violating California’s “Made in USA” state law for selling jeans with labels that allegedly did not disclose all foreign components has been expanded to include an online retailer whose website included a “Made in USA” claim. [Clark v. Citizens of Humanity, LLC, Case No. 3:14-CV-01404-JLS-WVG](#) (Nov. 20, 2014).

## FRAUDULENT FOOTWEAR

A federal grand jury in Sacramento, California recently [indicted](#) the owner of a footwear business on charges of evading approximately \$5.6 million in Customs duties by instructing employees and others to create false invoices that undervalued the imported footwear.

## RPS

The Bureau of Industry and Security (BIS) has [unveiled](#) a new search tool for the Consolidated Restricted Party Screening List.

## DEFECTIVE NAFTA CERTS

In time for companies preparing their 2015 Blanket NAFTA Certificates of Origin, Customs has issued an administrative message on defective NAFTA Certificates. Issues include illegibility, misclassification, incorrect or missing preference criteria, improper signatures, 3rd-country goods, Net Cost field errors, and single entry Certificates without an invoice or other unique reference number. CSMS [#14-000598](#) (Nov. 17, 2014).

## APHIS PERMITS

The Animal and Plant Health Inspection Service (APHIS) has [announced](#) changes to its permit process. APHIS will now notify applicants via email regarding the ePermits application. The applicant has thirty (30) days to respond to the conditions of the draft permit. If no response is received, APHIS will void the permit application.

## INTELLECTUAL PROPERTY

In a recent report, the Government Accountability Office (GAO) found that Customs does not routinely review the International Trade Commission’s (ITC) list of exclusion orders or post trade alerts to its intranet for each order. [GAO-15-78](#) (Nov. 2014).

## BROKER LICENSES

Customs is discontinuing the practice of publishing notices of broker license and permit cancellations in the Federal Register. 79 Fed. Reg. [73099](#) (Dec. 9, 2014).

## TFA

Hong Kong became the first WTO member to [ratify](#) the WTO’s Trade Facilitation Agreement (TFA) on December 10. Two-thirds of the WTO members must ratify the TFA for it to enter into force.

## SINGAPORE AGREEMENTS

The U.S. and Singapore have [signed](#) an agreement on supply chain security programs and mutual assistance.

## ACE FOR EXPORTERS

Customs is proposing to add export functionality to the import Automated Commercial Environment (ACE). Comments are being accepted until Feb. 9, 2015. 79 Fed. Reg. [73098](#) (Dec. 9, 2014).

## DOWNWARD ADJUSTMENTS

Customs has ruled that payments from a foreign parent company to their U.S. distributor do not affect the price actually paid or payable for the imported vehicles. The U.S. distributor had argued the incentives effectively lowered the MSRP of the vehicle, and should therefore lower the value for Customs purposes. HQ [H125118](#) (Sept. 12, 2014).

## BOYCOTTING COUNTRIES

The U.S. Treasury Department has published its updated list of countries that may request or require participation in a non-sanctioned boycott. 79 Fed. Reg. [73141](#) (Dec. 9, 2014).

## eBOND

- Customs will begin testing its centralized electronic bond program (eBond) in the Automated Commercial Environment (ACE) on January 3, 2015. 79 Fed. Reg. [70881](#) (Nov. 28, 2014).
- Customs has a FAQ page for the [eBond](#) program. CSMS [#14-000623](#) (Dec. 4, 2014).

## CUSTOMS LAB TESTS

Reminding that Customs Lab test results need not always be accepted, Customs has issued a ruling accepting an importer’s challenge to its lab tests. HQ [H187175](#) (May 14, 2014).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 12/15/14		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	286	268
SUBZONES	723	569
PENDING		
ZONES	5	
SUBZONES	16	
MISCELLANEOUS	44	

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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