

# BRIEFINGS

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## U.S.-EU FTA

- During his State of the Union address on February 12, President Obama [announced](#) the U.S. will negotiate a free trade agreement (FTA) with the EU over the next 18 months. An EU-U.S. FTA would create the largest free trade area in the world. The current average tariff rate for trade between the EU and U.S. is 4%.
- An FTA would encourage the harmonization of competing regulations and technical standards, such as motor vehicle safety standards.
- Agricultural market access will be an important negotiating issue.

## TRADE TRANSFORMATION

A Customs [Key 2012 Trade Transformation Accomplishments](#) publication lists 2013 goals, including: establishing six more Centers of Excellence and Expertise; launching the broker Importer Self-Assessment Pre-Certification Program, which allows brokers to screen and vet ISA applicants; expanding the Cargo Release/Simplified Entry to include additional entry types; and finalizing the revised broker regulations.

## OVERWORK

Timothy Gormley, an employee of Amplifier Research, was [sentenced](#) to 42 months in prison and fined \$1,000 for listing false export license numbers on paperwork, lying to co-workers about the status of licenses, and altering documents so merchandise could be shipped without the required licenses. Mr. Gormley explained that he was too overloaded at work to obtain the licenses.

## 2013 SEMINARS

- Feb. 19-20 - Advanced HTSUS Classification
  - Feb. 21 - ECCN Classification/License Determination
  - March 5-6 - Advanced Exports
  - April 2 - FTZ 101
  - April 3 - FTZ 201
  - April 30 - Import/Export 101
  - May 1 - Import/Export 201
  - May 14-15 - Advanced Import/Export Value
  - October 8 - FTZ 101
  - October 9 - FTZ 201
  - Nov. 12 - Import/Export 101
  - Nov. 13 - Import/Export 201
- Seminars are offered to Miller & Company clients only. For more details contact [Penny Freeman](#).

## 2013 WEBINARS

- March 21 - Export Party Responsibilities
- Check out a complete list of upcoming webinars on our [website](#). Register for the webinars at the Miller & Company [eStore](#) or contact [Victoria Denney](#).

## EXPORT REFORM

The Bureau of Industry and Security (BIS) and Directorate of Defense Trade Controls (DDTC) have published a Proposed Rule to move some Category IV items on the U.S. Munitions List (USML) to the Commerce Control List (CCL). These items relate to launch vehicles, missiles, rockets, torpedoes, and other explosive military devices. Comments on the Proposed Rule are due March 18. 78 Fed. Reg. [6750](#) (Jan. 31, 2013); 78 Fed. Reg. [6765](#) (Jan. 31, 2013).

## NAFTZ SEMINAR UPDATE

The National Association of Foreign Trade Zones (NAFTZ) Legislative Seminar held in D.C. on February 12, 2013 included discussions on:

- Publication of the CBP In-Bond Final Rule in May or June. The new regulations will require mandatory electronic filing of CBPF 7512s.
- Customs re-write of the FTZ Regulations (Part 146). The new regulations will require mandatory filing of e-214s.
- A new pilot program to eliminate Blanket CBPF 216s for manipulation, manufacture, and on-site exhibition, eliminate the 5-day rule for physical removal, and remove certain Direct Delivery criteria.
- Internal instructions for CBP's web-based Global Enrollment System (GES) for background vetting of principal FTZ/bonded warehouse employees have been issued. All current, previously-screened FTZ employees will eventually need to be input into GES. GES background vetting is different from the employee list that Port Directors may still request.
- The FDA will be issuing new FTZ Weekly Entry Filing (WEF) guidelines. Contact Sean Murray with questions.

## CUSTOMS 2012 STATS

The [Customs FY 2012 in Review](#) indicates that Customs processed \$2.3 trillion in trade and 25 million of cargo containers, representing increases of 5% and 4%, respectively, from 2011. In addition there were 23,000 [seizures](#) of goods valued at \$1.2 billion that violated intellectual property rights protections, a 14% increase.

## BURMESE RESTRICTIONS

The U.S. Government has waived the ban on imports from Burma, and has now authorized importation of a broad range of Burmese products. 78 Fed. Reg. [6399](#) (Jan. 30, 2013).

## GSP MODIFICATIONS

The U.S. International Trade Commission (USITC) recently opened an investigation concerning possible modifications to the U.S. Generalized System of Preferences (GSP) and Review of Additions and Competitive Need Limitation Waivers. A public hearing will be held on February 27, 2013. Written submissions are due by March 4, 2013. 78 Fed. Reg. [5205](#) (Jan. 24, 2013).

## AIR CARRIER FTZ TRANSFERS

Customs has issued a CSMS message on transferring air cargo destined to an FTZ via a Deconsolidator Container Freight Station (CFS). CSMS [#13-000056](#) (Feb. 1, 2013).

## MISCLASSIFICATION PENALTY

A former president and CEO of a jewelry manufacturing company pleaded guilty to one felony count of false classification, and was [fined](#) more than \$1 million and sentenced to one month in prison, one month of house arrest, and one month of supervised release for smuggling black coral into the U.S. Virgin Islands by false classification and false labeling, which were used to evade Convention on International Trade in Endangered Species (CITES) trade restrictions on the coral.

## FTZ FORMS

Customs has requested comments by March 19th on the paperwork burden of CBP Forms 214, 214A, 214B, 214C and 216. 78 Fed. Reg. [4155](#) (Jan. 18, 2013).

## RECONCILIATION PROTOTYPE

Customs has [posted](#) updated information on applying to participate in the Reconciliation Prototype.

## FORFEITURE NOTICES

- Customs has issued a Final Rule that allows administrative forfeiture notices to be published on the internet, in lieu of newspaper publication. 78 Fed. Reg. [6027](#) (Jan. 29, 2013).
- One of the first such notices published was for the forfeiture of a bank account, real property, individual customs broker license, and broker national and San Diego district permits of the former President of the San Diego Customs Broker Association that were subject to criminal forfeiture proceedings following guilty pleas for conspiracy and Customs fraud. [U.S. v. Chavez](#); Court No. [12CR3137](#) (S.D. Ca. Jan. 3, 2013).

## LAOS WTO

Laos [recently](#) became the last of the 10 member Association of Southeast Asian Nations (ASEAN) to join the World Trade Organization (WTO), 15 years after it first sought membership.

## BIOSAFETY/IMPORT PERMITS

The Centers for Disease Control (CDC) has issued a Final Rule, effective April 5, 2013, that amends the regulations relating to the importation of infectious biological agents, infectious substances, and vectors. 78 Fed. Reg. [7674](#) (Feb. 4, 2013).

## FUZZY LOGIC FOR SDNs

The Office of Foreign Assets Control (OFAC) has introduced a search tool that utilizes "[fuzzy logic](#)" in the search for specially designated nationals (SDNs).

## C-TPAT UPDATES

- Customs has posted several [presentations](#) from the 2013 Customs-Trade Partnership Against Terrorism (C-TPAT) Conference held January 8-10, 2013.
- Customs and Mexico's Tax Administration Service have signed a [joint work plan](#) to implement mutual recognition of C-TPAT and Mexico's NEEC ([Nuevo Esquema de Empresas Certificadas](#)) ([New Certified Companies Scheme](#)).

## TRANSACTION VALUE & IOR

Customs has issued a ruling deciding that an Importer of Record acting as an "alter ego" of the Chinese manufacturer was not a party to the import transaction, so transaction value was not an appropriate basis of appraisal. [HQ H105276](#) (Aug. 17, 2012).

## QUOTA-CLASS MERCHANDISE

Customs has recently issued guidance to Customs field offices on the processing and reporting of quota-class merchandise for consumption and withdrawal from warehouse for consumption. C.D. [3230-37B](#) (Jan. 31, 2013).

## DDTC REGISTRATION

The Directorate of Defense Trade Controls (DDTC) has issued a new Statement of Registration, form [DS2032](#). Companies registering or renewing registrations need to use the new form starting January 18.

## FOOD FACILITY ADVICE

Clients and broker/importer filers of prior notices for food shipment are reminded that, beginning February 1, 2013, foreign food facilities which have not renewed their Food Safety Modernization Act (FSMA)/FDA-required Biennial Registration could have high volume shipments held at the Customs port of entry or refused upon arrival in the United States. Customs has advised filers to confirm and declare new registration numbers for foreign facilities to mitigate prior notice shipment delays. CSMS [#13-00020](#) (Jan. 16, 2013).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 2/15/13		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	282	265
SUBZONES	693	540
PENDING		
ZONES	5	
SUBZONES	14	
MISCELLANEOUS	51	
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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