

BRIEFINGS

VOLUME 27, NO. 8
August 15, 2015

ACE PHASED ADOPTION

The Customs Advisory Committee on Commercial Operations (COAC) has [recommended](#) a "phased adoption" schedule for the mandatory use of the Automated Commercial Environment (ACE) for entry summaries and cargo release. COAC suggests that Customs stick to its Nov. 1 deadline for entry summaries that are fully functional in ACE today (01, 03, & 11), but delay until Feb. 1, 2016, for entries subject to Partner Government Agencies (PGA) Message Set requirements.

PGA ACE PILOTS

Customs has [issued](#) a testing schedule for 14 PGA Message Sets and Document Image System (DIS) functionality. Nine PGA pilots are launching in August. The initial testing, beginning August 19, will involve 12 ports, and is to expand to 75 additional ports on September 2. Contact Sean Murray with questions. CSMS [#15-000535](#) (Aug. 7, 2015).

ITA

Taiwan and Thailand have accepted the expanded product scope in the Information Technology Agreement (ITA), which means that all major IT producers will be covered by the expanded agreement. There will be a three category phase-in period for the 201 newly-added products. Talks to decide which products go into each phase are to be completed by December 4, 2015. The first phase-in period is planned for July 1, 2016. Clients should start considering strategies such as FTZ use for the staged duty reductions.

2015 SEMINAR SCHEDULE

- September 15 & 16 - HTSUS/ ECCN Classification 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

- August 20 - Increasing FTZ Savings
- Sept. 17 - Purchase Order Terms and Conditions
- Visit the Miller & Company website for the full 2015 webinar [schedule](#).
- Register for webinars at our [eStore](#) or contact [Victoria Denney](#). Past [webinars](#) are available on our website.

IMPORTER ID INPUT RECORD

Customs is again accepting comments on the revised Importer ID Input Record (CBP Form 5106). Clients are encouraged to consider the substantial company information being requested. Comments are requested by August 26. 80 Fed. Reg. [44361](#) (July 27, 2015).

RADIO FREQUENCY DEVICES

The Federal Communications Commission (FCC) has issued a Proposed Rule to overhaul its processes to evaluate and approve radio frequency (RF) devices. Proposed changes include the discontinuance of FCC Form 740 filings for RF devices imported into the U.S. Comments are due by Sept. 8, 2015. 80 Fed. Reg. [46900](#) (Aug. 6, 2015).

FTZ GRANT RESTRICTIONS

Customs is working with the Foreign-Trade Zones Board to ensure FTZ Grant restrictions (purportedly 270 in number) are enforced. Contact Scott Taylor with questions.

IRAN SANCTIONS REMAIN

Despite the agreement on the [Joint Comprehensive Plan of Action \(JCPOA\)](#), the changes to U.S. sanctions will be limited when (and if) they occur. The Office of Foreign Assets Control (OFAC) has provided some [guidance](#), frequently asked questions ([FAQs](#)), and a ["Statement of Licensing Policy"](#) related to export licensing in the aircraft industry.

CPSC e-FILING

The Consumer Product Safety Commission has voted 4-1 to move forward with a revised pilot for electronic filing of compliance data. Only five data elements will be required, instead of the 10 originally proposed. An upcoming [Federal Register](#) notice will [explain](#) the pilot and application process. Contact Sean Murray with questions.

GSP RENEWAL / REFUNDS

The Generalized System of Preferences (GSP) program has been reauthorized (effective July 29, 2015), with retroactive GSP benefits. GSP duty refund procedures differ by entry filing type (electronic, non-electronic) and whether the claim was originally made on the entry. Written refund requests are due by December 28. Contact Brian Murphy with questions. 80 Fed. Reg. [44986](#) (July 28, 2015).

AGOA

- The Office of the U.S. Trade Representative (USTR) has initiated its annual review of country eligibility under the African Growth and Opportunity Act (AGOA). Comments are due by September 10, 2015. 80 Fed. Reg. [48951](#) (Aug. 14, 2015).
- The USTR is launching a broad "out-of-cycle" review of South Africa's trade practices and commitment to market principles which could result in the country losing benefits under AGOA. 80 Fed. Reg. [43156](#) (July 21, 2015).

RUSSIA SANCTIONS

- OFAC has published an [advisory](#) on attempts to circumvent the Crimean sanctions by omitting originator and beneficiary address information from Society for Worldwide Interbank Financial Telecommunications transactions.
- The BIS has added the Yuzhno-Kirinskoye Field to the "Entity List."
- OFAC has added a number of banks and other entities to the [Sectoral Sanctions List](#) (SSL). 80 Fed. Reg. [45276](#) (July 29, 2015); 80 Fed. Reg. [47402](#) (Aug. 7, 2015).

TPP

- The July ministerial meeting in Maui failed to conclude Trans-Pacific Partnership (TPP) negotiations. The Obama Administration is hopeful that TPP negotiations may be concluded in November so that Congress can consider it during a window in the 2016 election schedule. Further delays could push conclusion of the TPP into the next administration and Congress.
- TPP customs provisions are still not public, but comments suggest that they resemble the U.S.-South Korea FTA provisions.

OMITTED INVOICES - PEAs

The Port of Chicago has provided guidance to the trade on omitted invoices from an entry. Post Summary Corrections (PSCs) and PEAs may be used to submit omitted invoices. Chicago Pipeline [15-11](#) (July 27, 2015).

CUBA CHANGES

- The Bureau of Industry and Security (BIS) has modified some Cuba sanctions. The primary change relates to the level of U.S. content in foreign-made goods (de minimis). Most foreign-made goods can now contain up to 25% U.S. content. There are exceptions to this rule. 80 Fed. Reg. [43314](#) (July 22, 2015).
- Note that most sanctions, including restrictions on business travel, remain in effect. Contact Chuck Ballard with questions.

PHARMA APPENDIX

In a ruling that has classified certain dietary supplementary products as other chemical products in HTSUS subheading 3824.90.28 (6.5%), Customs Headquarters described how it narrowly interprets listings on the Pharmaceutical Appendix. Contact Sean Murray with questions. HQ [H195716](#) (Feb. 19, 2015).

ACE RULES & PROCESS

Version 4.0 of the ACE Entry Summary Business Rules and Process Document has been [posted](#) to the Customs website. CSMS [#15-000480](#) (July 24, 2015).

AES REQUIRED

Houston Customs has published a "Public Information Notice" reminding exporters that shipments exported under jurisdiction of an agency other than the Commerce Department need an Automated Export System (AES) filing, even for small value shipments or shipments going to Canada. This includes shipments exported under an exemption from the Drug Enforcement Administration or the Directorate of Defense Trade Controls. Public Information Notice [HOU-15-13](#) (July 16, 2015).

DRAWBACK DOCS

Effective August 7, Customs removed some proof of export documentation requirements for duty drawback claims. 80 Fed. Reg. [47405](#) (Aug. 7, 2015).

EXPORT PENALTIES

- OFAC has fined [Great Plains Stainless](#) of Tulsa, Oklahoma \$214,000 for having its Chinese supplier "drop-ship" a product to a customer in Dubai on a vessel identified as a blocked party.
- [Production Products, Inc.](#), a small family run business, has been fined \$78,750 for shipping fabrication machines to a known Chinese proliferator.
- OFAC has issued an \$82,260 penalty to [Blue Robin, Inc.](#) for using web development services from an Iranian entity.

SMUGGLING

A Los Angeles man has [pleaded guilty](#) to importing endangered abalone and totoaba fish parts from Mexico in violation of the Endangered Species Act, Lacey Act, and the Convention on International Trade in Endangered Species. The seafood was then exported from the U.S. to China for consumption as delicacies.

SECTION 321 ENTRIES

Customs has ruled that jewelry valued up to \$200, purchased online, and shipped directly to the U.S. customers by a foreign manufacturer is entitled to duty free entry under Section 321. HQ [H236325](#) (Aug. 21, 2014).

ALUMINUM EXTRUSIONS

The Court of International Trade (CIT) has upheld Commerce's revised interpretation of the "finished merchandise" and "finished goods kits" scope exclusions to the AD/CVD orders on Chinese aluminum extrusions. [Rubbermaid Commercial Products LLC v. U.S.](#), CIT Slip Op. [15-79](#) (July 22, 2015).

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 8/15/15

	APPROVED	CURRENTLY AUTHORIZED
ZONES	289	271
SUBZONES	737	583
PENDING		
ZONES	4	
SUBZONES	14	
MISCELLANEOUS	36	

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.
© 2015 Miller & Company P.C.

4929 MAIN STREET
KANSAS CITY, MO 64112
816.561.4999
FAX 816.561.5999
E-MAIL intllaw@millerco.com

1875 I STREET N.W., 5TH FLOOR
WASHINGTON, D.C. 20006

233 BROADWAY, SUITE 2702
NEW YORK, NEW YORK 10279