

# BRIEFINGS

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## FTZ YEAR-END CHECKLIST

Clients are reminded of the following year-end activities:

- Yearly Blanket CBPF 216 Renewal
- Customs Annual Reconciliation/ Systems Review and Certification letter submission (with any necessary CBPF 214 or Customs Entry)
- FTZ Board Annual Report
- FTZ Material Scope of Authority/Land/Buildings Review
- FTZ Manual updates
- New FTZ savings opportunities for 2016

Contact Scott Taylor or Linda King with questions.

## MPF INCREASE

- President Obama [signed](#) into law the Fixing America's Surface Transportation (FAST) Act on December 4. It includes a provision that will regularly index the Merchandise Processing Fee (MPF) for inflation. The first adjustment will occur on April 1, 2016. The MPF will remain capped at \$485. H.R. [22](#) (Dec. 4, 2015).
- The U.S. is considering solutions to a conflict between TPP requirements and the MPF. The TPP prohibits ad valorem fees and charges on imports and exports. One possible remedy is to change the MPF to a flat fee.

## OFAC REQUEST

The Office of Foreign Assets Control (OFAC) is requesting comments on the effectiveness of the General Licenses (GLs) for exports of medicines, medical products, and agricultural products to Iran and Sudan. Comments are due by January 6, 2016. 80 Fed. Reg. [75957](#) (Dec. 7, 2015).



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

## 2016 SEMINAR SCHEDULE

- April 5 & 6 - FTZ 101 & 201
- May 3 & 4 - Import/Export 101 & 201
- May 5 - Advanced Export
- September 13 & 14 - FTZ 101 & 201
- November 1 & 2 - Import/Export 101 & 201
- Seminars are offered to Miller & Company clients only. For more details contact [Penny Freeman](#).

## FTZ SCOPE OF AUTHORITY

The National Association of Foreign Trade Zones (NAFTZ) has reported the Foreign-Trade Zones Board indicated in a meeting last week that it will accept 6-digit level HTSUS classifications for FTZ Scopes of Authority and launch a pilot program in 2016. It also anticipates a formal rulemaking for retroactive Scope of Authority corrections. All FTZ users with production authority should review their HTSUS list of FTZ receipts/shipments to ensure they are operating within their Scope of Authority. Contact Scott Taylor with questions.

## ACE & NAFTAZ

Customs has refused a NAFTAZ request to delay the February 28, 2016 deadline for filing FTZ entries in ACE. The NAFTAZ is concerned that PGAs are not prepared for weekly entries. We share this concern. Customs has agreed to work with the NAFTAZ to address obstacles to a smooth transition.

## 2015 TRADE DATA

Carefully analyzing government trade data is a great way to improve compliance. Our proprietary software provides an easy and unique solution. Now is the time to authorize us to order your full 2015 import and export data. Contact [Brenda Zeller](#) for assistance or with questions.

## GSP REFUND DEADLINE

Customs has announced that it is nearly complete in its processing of duty refunds for goods entered under the Generalized System of Preferences (GSP) from August 1, 2013 to July 28, 2015. The deadline for importers to request refunds where GSP "A" was not transmitted is December 28, 2015. Clients should confirm refund amounts as mistakes occur. CSMS [#15-000892](#) (Dec. 1, 2015).

## FDA / EPA ACE PILOTS

- The Food and Drug Administration (FDA) has removed its requirement to submit a data element template for pre-validation prior to filing in its Automated Commercial Environment (ACE) pilot. The FDA is making no changes to the required data elements for filing in the ACE pilot. CSMS [#15-000918](#) (Dec. 9, 2015).
- The Environmental Protection Agency (EPA) is planning an update to its ACE supplemental guide that will include no new requirements, only changes and clarifications requested by Customs and the trade community. EPA is still looking for participants in its pilots for non-road vehicles and engines, pesticide Notices of Arrival, hazardous waste exports, and ozone depleting substances.

## EXPORT PENALTIES

- GLS Solutions of Aventura, Florida has [agreed](#) to pay \$50,000 to the Bureau of Industry and Security (BIS) for shipping an infrared camera to Venezuela without the required export license. Gergorio Salazar, an employee of GLS, was also [fined](#) \$50,000 for his role and for lying to BIS investigators.
- The [Justice Department](#) announced the arrest of three individuals who were allegedly planning to export semiconductors stolen from the U.S. military to China. Each of the individuals face a \$2 million fine and up to 20 years in prison.

## ACE & PGA PILOTS

Customs has [posted](#) new and updated ACE and Partner Government Agency (PGA) documentation to help the trade prepare for the February 28, 2016 and July 2016 ACE mandatory use date deadlines. Customs has also added updates and links to a number of other ACE-related items in the Cargo Systems Messaging System. A concern is that few importers are using ACE. The Cargo Release submission rate grew only to 10.2% in October. CSMS [#15-000867](#) (Nov. 20, 2015).

## TPP

The Office of the U.S. Trade Representative released the 27 Trans-Pacific Partnership (TPP) advisory committee reports on December 4. While many support the TPP, committees on labor and pharmaceutical were critical of certain TPP provisions. The TPP is in the middle of a 90-day Congressional notice period, which will be followed by a 60-day public review before a vote can occur in Congress. 80 Fed. Reg. [72736](#) (Nov. 20, 2015).

## MEDICAL SUPPLIES LIST

OFAC has [updated](#) its list of medical supplies that may be shipped to Iran under a General License. 80 Fed. Reg. [75164](#) (Dec. 1, 2015).

## AES & ACE

- Census has set up a [reference sheet](#) for information on the migration of the Automated Export System (AES) to ACE.
- Exporters can now file AESDirect in ACE if the exporter has an ACE Exporter Account. [Census Broadcast Message](#) (Nov. 30, 2015).
- Census reminded AES users of Global Trade Management (GTM) software who submit AES through Electronic Data Interchange (EDI), that they will need to transition to the ACE platform. [Census Broadcast Message](#) (Dec. 9, 2015).

## CUSTOMS PENALTIES

The Court of Appeals for the Federal Circuit has dismissed a 19 U.S.C. § 1592 negligence penalty case against an importer because the administrative Pre-Penalty and Penalty Notices only alleged gross negligence, ruling that the government failed to exhaust its administrative remedies. [U.S. v. Nitck Electronics, Inc.](#), CAFC Slip Op. [2015-1166](#) (Dec. 1, 2015).

## DOHA ROUND

World Trade Organization (WTO) members are meeting this week in Kenya to discuss the Doha Round of negotiations. In an opinion piece in the Financial Times, the U.S. Trade Representative (USTR) [advocated](#) that the Doha Round, which has languished for 14 years while bilateral and regional agreements have flourished, be overhauled and countries move beyond its framework. Initial reactions from other countries are mixed.

## EAR CORRECTIONS

The Bureau of Industry and Security (BIS) has made minor corrections to some Export Control Classification Numbers (ECCNs) in Commerce Control List (CCL) Categories 8 and 9 and some adjustments to Country Groups and reporting requirements for certain night vision cameras. 80 Fed. Reg. [75633](#) (Dec. 3, 2015); 80 Fed. Reg. [76629](#) (Dec. 10, 2015).

## BURMA GENERAL LICENSE

[General License \(GL\) No. 20](#) was issued by OFAC for exports to entities in Burma/Myanmar. This GL authorizes certain transactions incident to authorized transactions that involve blocked entities.

## OFAC PENALTIES

[Barracuda Networks](#) and its UK subsidiary were penalized by OFAC for selling into Iran, Sudan, and Syria. Barracuda did not restrict or advise its distributors that they could not sell into embargoed countries or to blocked parties. In some cases the blocked parties were on sales orders that were sent to Barracuda.

## EPA FIFRA VIOLATIONS

The EPA and Customs have [fined](#) eight companies a total of \$94,700 for import violations of the Clean Air Act and Federal Insecticide, Fungicide and Rodenticide Act. EPA ordered more than 1,000 items to be destroyed, including engines, ATVs, and scooters.

## LICENSING STATISTICS

[BIS](#) and the Directorate of Defense Trade Controls ([DDTC](#)) have released statistics on their licensing activities. Statistics include processing times, percentage of approvals, and ECCNs most often licensed and disapproved. The average processing time dropped from 25 to 23 days. Rifle scopes were most often cited for license denials, while chemical manufacturing equipment and military aircraft and parts were most commonly licensed. Contact Chuck Ballard with questions.

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 12/15/15		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	290	272
SUBZONES	742	588
PENDING		
ZONES	4	
SUBZONES	16	
MISCELLANEOUS	38	

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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