



CBP VALUATION ENCYCLOPEDIA

Customs has updated the CBP [Valuation Encyclopedia](#) through December 2021. The updated materials are identified in red text.

PRIOR DISCLOSURES

CBP recently made public a [Directive](#) on processing Prior Disclosures, which became effective November 2021. Notably, one 60-day extension may be granted to perfect an initial Prior Disclosure under the discretion of the Fines Penalties Forfeitures (FPF) Officer reviewing the Prior Disclosure. Additional extensions must be approved by the Assistant Director of Field Operations.

SOLAR PANELS

USTR and Canada's Ministry of International Trade signed a [Memorandum of Understanding](#) on July 8 that will suspend Section 201 Safeguards on Canadian solar panels, which had imposed duties of 14.75%. The HTSUS is to be updated accordingly by July 22 to suspend application of the Safeguards on unliquidated entries of such products effective February 1, 2022. The suspension of the Safeguard measures may be revoked in the event the International Trade Commission finds that a surge of solar panels from Canada undermines the effectiveness of the remaining Section 201 Safeguard measures.

CIT 301 LITIGATION

Attorneys for the U.S. government requested a 60-day extension of their June 30 deadline to submit information supporting the 2018 implementation of Section 301 Lists 3 and 4A. Plaintiffs' counsel opposed the motion, arguing that the requested information was limited to any previously-developed rationale for implementation of Lists 3 and 4A, not a new review of the 9,000 public comments submitted years ago. The CIT granted the extension to August 1. Contact [Brian Murphy](#) or [Sean Murray](#) with questions.

USDA APHIS

- The U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) has developed a new database called "Agricultural Commodity Import Requirements" ([ACIR](#)), which will house and replace the import requirements for commodities in the Fruit and Vegetable Import Requirements ([FAVIR](#)) database and three import manuals: Cut Flowers and Greenery, Seeds Not for Planting, and Miscellaneous Processed Products. Queries to FAVIR will redirect users beginning Sept. 30, and the three manuals will be removed from the USDA website on Oct. 3, 2022. Online [tutorials](#) have been provided. [CSMS #52506203](#) (July 14, 2022).
- APHIS has issued a [bulletin](#) reminding importers filing APHIS Partner Government Agency (PGA) Core Message Set data for licenses, permits, phytosanitary certificates, certificates of origin, health certificates, or manufacturer statements not to submit incomplete or incorrect data in PG13 and PG14 record lines of the APHIS [Core Message Sets](#). Clients are urged to work closely with their

2022 TRAINING SEMINARS

Due to COVID-19, our fall training seminars will again be conducted by webinar only.

Fall

- FTZ 101 – Oct. 18 – 20
- FTZ 201 – Oct. 25 – 27
- Import/Export 101 – Nov. 8 – 10
- Import/Export 201 – Nov. 15 – 17

More detailed information is posted to our website. Visit our website www.millerco.com to register or contact [Kelley Randol](#). Webinars are offered to Miller & Company clients only.

FORCED LABOR

- As part of its [Forced Labor Enforcement Strategy](#), Customs will monitor the Bureau of Industry and Security's Entity List for potential companies to add to its UFLPA Entity List.

- The G7 [issued](#) a joint statement on a range of topics including its grave concerns with the human rights situation in China and called on China to respect universal human rights and fundamental freedoms in Tibet and Xinjiang where forced labor is a major concern.

- U.S. Health and Human Services (HHS) is requesting information on forced labor in healthcare supply chains. Included in the request for information is monitoring, training, and research efforts. Information is due to the HHS by July 22. 87 [Fed. Reg. 37518](#) (June 23, 2022).

- Clients are reminded that CBP's Informed Compliance Manual on [Reasonable Care](#) provides useful guidance on processes to ensure imported goods are not the product of forced labor.

- Sources are reporting that CBP has ordered redelivery of merchandise suspected of forced labor production that has been previously examined and released, creating significant challenges for importers, particularly those who bring their goods immediately to market after entry.

FOREIGN-TRADE ZONE

- FTZ Grantee clients are reminded that prior to submitting Applications to the FTZ Board in sponsorship of new Zone Operators, Grantees should be fully informed of the details of the FTZ project. We have recently created an electronic fillable Application to facilitate the process. We have also recently updated our FTZ Zone Schedule, reducing it over 50% in length, adding key Grantee focused information, and restructuring fees. Contact [Marshall Miller](#) for more information.

- We are continuing to see a high demand for FTZ space by clients in order to avoid unnecessary Customs duties. The FTZ Board and CBP will quickly authorize and activate warehouse space as a second subzone site in the same FTZ Port area. Alternatively, FTZ public warehouses/3 PL's are available for use. Contact [Marshall Miller](#) with questions.

- On June 9, CBP [issued](#) a new version of the FTZ Admission CATAIR affecting Sections FT40 (Ocean House Bills) and FZ10 (Ocean Mode of Transportation) and Appendix F (Bill of Lading and Container Concurrence). Contact [Linda King](#) with questions.

Customs brokers to validate PGA data submitted on their behalf. Contact [Brian Murphy](#) with questions.

SECTION 232 QUOTAS

Third Quarter (7/1 – 9/30) Section 232 absolute quota limits have been posted for steel mill articles from Argentina, Brazil, and South Korea and aluminum from Argentina, and tariff rate quotas have been posted for steel mill articles from E.U. member countries, Japan, and the U.K. For shipments to be processed for quota on the same day, i) the entry summary must be filed, ii) entry summary payment date must be on file or scheduled for a future statement, and iii) the conveyance arrived, by 4:30 pm in the port of unloading's local time zone. [CSMS #52322035](#) (June 30, 2022). Contact [Brian Murphy](#) with questions.

AD/CVD EXEMPTION

On July 1, the Commerce Department issued a proposed rule to implement Presidential Proclamation 10414, issued June 6, which declared a national emergency and authorized the Secretary of Commerce to allow the entry of certain solar cells and modules completed in Cambodia, Malaysia, Thailand, and Vietnam with China parts (besides China or Taiwan solar cells) free from the collection of duties and antidumping and countervailing duties pending circumvention proceedings. Consumption entries and warehouse withdrawals would be exempt for up to two years after the date of the Proclamation or up to the date the emergency is terminated, whichever occurs first are due by August 1, 2022. [87 Fed. Reg. 39426](#) (July 1, 2022). Contact [Bryan Brown](#) with questions.

AES-EEI

- On June 30, Census sent a broadcast message reminding exporters of the proper address for the U.S. Principal Party in Interest (USPPI) when filing Electronic Export Information (EEEI) into the Automated Export System (AES): the address to be used is where the goods start their journey, even if coming from a facility that is not owned by the USPPI.
- On July 7, Census informed exporters they may receive a new "fatal error" message as of July 13. The message, Response Code 66Q, will appear whenever an Export Control Classification Number (ECCN) is included in an Automated Export System (AES) filing that requires an export license and the exporter indicates that the export is authorized as No License Required (NLR). Exporters can resolve the fatal error by indicating a valid license number for the shipment. Census publishes its broadcast messages here: [FTD - AES - Document Library \(census.gov\)](#).

WORLD TRADE ORGANIZATION

On June 17, the World Trade Organization (WTO) [announced](#) that a partial agreement had been reached regarding subsidies related to fishing fleets, intellectual property on Covid vaccines, and allowances for food exports that are subject to export restrictions to the World Food Program.

BIS OUTREACH

On June 28, Assistant Secretary for Export Enforcement, Matthew S. Axelrod, at the National Association of College and University Attorneys 2022 China Annual Conference in Pittsburgh, outlined [recommendations](#) for universities to better meet their export control obligations.

PHARMA ARRANGEMENT

Various news sources have [reported](#) that the U.S. and Switzerland are pursuing a pharmaceuticals arrangement that would, among other matters, facilitate US FDA approvals of Swiss pharmaceutical products.

BIS ENFORCEMENT

On June 30, BIS [announced](#) changes to its export enforcement program. The changes include higher penalties, revisions to policies relating to no-admit

SUPER GLUE

Customs ruled Indian origin super glue purchased in 20-kilogram containers and bottled in Mexico using a tip, a cap, and a 1 oz. bottle made in Mexico of U.S. origin resin is ineligible for preferential treatment under the USMCA upon importation and entry for consumption into the U.S. [HQ H325287](#) (Jun. 15, 2022).

LAWNMOWER TIRES

Customs determined that rubber tires specifically designed for use with lawnmowers are parts of agricultural equipment under Subheading 9817.00.60 and eligible for duty-free treatment, provided the actual use provisions at 19 C.F.R. §§ 10.131 – 10.139 are complied with. [HQ H323765](#) (April 28, 2022).

PORTABLE BATTERIES

CBP has published a proposal to revoke a ruling that had classified certain portable storage batteries used for charging automobiles and mobile phones and providing power to external sources under HTSUS Subheading 8504.40.95 (free) to and reclassifying in subheading 8507.20.80 (3.5%) because of their ability to store power. Written comments are due by August 5. [56 Cust. B. & Dec. 26](#). (July 6, 2022). Contact [Brian Murphy](#) with questions.

CHEMICAL CATALYSTS

Chemical catalysts manufactured in the U.S., shipped to and used in reactors in China, and subsequently returned to the U.S. for refining retain U.S. origin for purposes of China Section 301 measures according to Customs. [HQ H323601](#) (June 7, 2022).

CUSHION UNITS

Customs has considered the country of origin of railcar cushion units, designed to compress and absorb energy when freight cars come together, that are assembled in Mexico primarily from steel components and elastomer pads. Customs ruled that the country of origin of the steel plates, impart the essential character of the cushion units. Customs added that where the plates are sourced from multiple countries, including China, the cushion units should be marked with the countries of origin of the steel plate within them. The value of the Chinese components should be apportioned from the value of the finished goods for purposes of Section 301 duty assessment. [HQ H322364](#) (June 3, 2022).

DFARS

On June 23, the Defense Federal Acquisition Regulations Supplement (DFARS) published a final rule implementing two Executive Orders to maximize the use of US goods in defense contracts. [87 Fed. Reg. 37440](#) (June 23, 2022).

ONLINE SALES

Clients are reminded that online sales for export are subject to the same export compliance requirements as traditional export-sales transactions. The anonymity of the Internet creates unique challenges to screening and Know Your Customer requirements. Contact [Sean Murray](#) or [Bryan Brown](#) for guidance on best practices.

QUARTERLY INTEREST RATES

CBP has announced that the third quarter 2022 interest rates used in calculating interest on overdue accounts and refunds of Customs duties have increased by 1% from the previous quarter. Effective July 1, interest on underpayments by both corporations and non-corporations become 5%, and Customs will pay 4% for overpayments by corporations and 5% for overpayments by non-corporations. [87 Fed. Reg. 39847](#) (July 5, 2022).

ORA SIGNED

On June 16, President Biden [signed](#) the Ocean

and no-duty settlements, settlements without fines, and management of voluntary disclosures.

COAC 21CFF

The Commercial Customs Operations Advisory Committee (COAC) [released recommendations](#) at its June 29 meeting. Recommendations included trusted trader programs similar to the Customs-Trade Partnership Against Terrorism (C-TPAT) with other agencies and a reduction in Merchandise Processing Fees (MPF) for C-TPAT members.

CHINESE RESEARCH LABS

Georgetown University [released](#) a report listing 469 Chinese state-run laboratories that it believes are involved in research to reduce China's dependence on U.S. and other foreign sources. Many of the laboratories are on various U.S. sanction lists.

CHINA GRIEVANCES

China's Ministry of Foreign Affairs has [published](#) a list of concerns it has with U.S. foreign policy, including the Indo-Pacific Economic Framework for Prosperity, restrictions on the export of US technology focused on China, and the Uyghur Forced Labor Prevention Act. China claims that the U.S. needs to focus on its own issues including race relations and gun violence.

MINING COMPANY SANCTIONED

On June 21, OFAC [announced](#) sanctions on Empresa Nicaraguense de Minas, a large Nicaraguan mining company, and its board of directors president, Mr. Ruy Lopez Delgado. OFAC currently issued a [General License](#) to wind down operations with the firm and added FAQ [1069](#) to clarify the scope of the General License.

G7 SANCTIONS

Members of the G7 [announced](#) that they plan to implement new sanctions on Russia in the coming weeks. The new sanctions will target Russia's industry and technology sectors.

RUSSIAN ORIGIN DUTIES

On June 27, President Biden issued a [Proclamation](#) to increase Column 2 duty rates on certain products of Russia origin to 35 percent *ad valorem*, covered by 553 8-digit HTSUS subheadings including chemicals, wood, minerals, machinery, electronic parts, steel products, etc.. The new duty rate takes effect on July 27, 2022. Belarus is also added as a column 2 country.

- CBP has issued guidance for importers, including clarifying requirements on HTS chapter 98 claims and antidumping and countervailing orders for such Russian goods. [CSMS #52458835](#) (July 13, 2022).

FINCEN – BIS

On June 28, the Financial Crimes Enforcement Network (FinCEN) and BIS [issued](#) a joint alert advising financial institutions to be vigilant against efforts to evade BIS export controls implemented in connection with Russia's invasion of Ukraine. The alert provides an overview of the new BIS restrictions to date, commodities of concern, information to incorporate into risk-based screening, and red flag indicators of export control evasion.

RUSSIAN GOLD

On June 28, OFAC [determined](#) that Section 1(a)(i) of Executive Order 14068 applies to gold of Russian origin, prohibiting the importation of Russian gold with immediate effect. The determination excludes gold of Russian origin that was located outside of Russia prior to the determination.

- On June 28, OFAC issued FAQ [1070](#) and amended FAQ [1029](#) related to Russian origin gold.

REPO TASK FORCE

On June 29, the Department of the Treasury [issued](#) a Joint Statement with its international partners comprising the Russian Elites, Proxies, and Oligarchs (REPO) Task Force, announcing it has frozen over \$30 billion worth of sanctioned Russian

Reform Act (ORA). ORA, among other things, punishes ocean carriers that refuse to carry freight from U.S. ports and restricts unfair detention and demurrage charges.

FDA -- DE MINIMIS IMPORTS

CBP has reminded importers that shipments eligible for de minimis filings, typically under \$800, that are subject to Food and Drug Administration (FDA) requirements, must still meet all FDA import requirements, including the correct FDA product code that must match the product description for each line item subject to FDA import requirements. [CSMS #52257745](#) (June 23, 2022)

U.S.-IRANIAN NATIONAL PLEADS GUILTY

Mr. Kambiz Attar Kashani, a U.S.- Iranian national, [pled](#) guilty in a Brooklyn federal court on June 28 to exporting goods and services to Iran without the required license. Mr. Kashani faces up to 20 years in prison and has agreed to pay a \$50,000 fine.

DECCS UPDATE

The Directorate of Defense Trade Controls (DDTC) [announced](#) that it is updating the licensing application portion of its Defense and Export Control and Compliance System (DECCS). The update is designed to provide additional security and flexibility for its users and will be available June 27.

GREEN STRATEGY

CBP has launched a [Green Strategy](#), which governs its efforts to combat climate change in the context of its trade mission. Its vision is to establish CBP as a champion for the green economy and a leader in the fight against climate change by incentivizing green trade, strengthening its environmental enforcement posture, accelerating green innovation, and improving climate resilience and resource efficiency.

NOTICE OF BLOCKED PROPERTY

On June 30, OFAC [issued](#) to Delaware-based Heritage Trust a Notification of Blocked Property, blocking assets valued at over \$1 billion in which OFAC-designated Suleiman Kerimov holds a property interest. The same prohibitions that apply to Mr. Kerimov as a Specially Designated National pursuant to Executive Order No. 13661 now apply to Heritage Trust, which was formed in 2017 to hold and manage Mr. Kerimov's U.S.-based assets.

OFAC FACT SHEET

On July 14, OFAC issued a [Food Security Fact Sheet](#), "Russian Sanctions and Agricultural Trade," to clarify that the U.S. has not imposed sanctions on the production or manufacture, sale, or transportation of agricultural commodities (including fertilizer), agricultural equipment, or medicine relating to Russia; to remind readers of the various General Licenses it has issued involving these products; and to answer in a FAQ format various questions related to this topic.

DOJ ANNOUNCEMENT

On June 21, Attorney General Merrick Garland [announced](#) during his visit to Ukraine the launching of a War Crimes Accountability Team to centralize and strengthen DOJ's continuing work to prosecute war crimes in Ukraine. DOJ will also provide additional personnel to expand efforts with Ukraine and other partners to counter Russian illicit finance and sanctions evasion.

ITA BLOG

On June 22, the International Trade Administration [posted](#) a blog entitled, "Russia-Ukraine War: Perspectives U.S. Exporters Need to Know." The blog briefly discusses relocation alternatives and alternative markets to consider for those companies wishing to maintain their presence in the Eurasia region as well as suggesting ways the U.S. government can provide assistance.

assets; immobilized over \$300 billion of Russia Central Bank assets; seized, frozen, or detained yachts, other vessels, and real estate controlled by sanctioned Russians; and restricted Russia's access to the global financial system.

BIS TDOS

On June 16, BIS [announced](#) the issuance of a Temporary Denial Order against Belarusian airline Belavia Belarusian and again on June 24 [announced](#) the issuance of TDOs against three Russian airlines: Nordwind, Pobeda, and S7. The TDOs terminate the rights of these airlines to participate in transactions subject to the Export Administration Regulations (EAR) for 180 days, subject to renewal.

BIS CHARGING LETTER

On June 6, BIS [issued](#) an Administrative Charging Letter against Russian oligarch Roman Abramovich, alleging violations of the EAR involving flights of two U.S. origin aircraft without the required licenses from BIS. The Department of Justice concurrently sought and received a [Warrant](#) to seize the implicated Boeing 787-8 and Gulfstream G65ER.

OFAC GLS

- On June 28, OFAC issued General Licenses (GLs) 39 through 43. GL [39](#) authorizes the winding down of transactions involving State Corporation Rostec through August 10, 2022. GL [40](#) authorizes certain transactions necessary to ensure civil aviation safety involving specified blocked entities identified in the Annex to the GL. GL [41](#) authorizes certain transactions involving agricultural equipment produced by SDNs Nefaz PTC and PJSC Tutaev Motor Plant through December 21, 2022. GL [42](#) authorizes certain administrative transactions with the Russian Federal Security Service (successor to the KGB) involving its oversight of import and export transactions. GL [43](#) authorizes all transactions ordinarily incident and necessary to divest or transfer debt or equity purchased prior to June 2, 2022, in PJSC Severstal, Nord Gold PLC, and any subsidiaries owned 50% or more, through August 30, 2022.

- On July 14, OFAC issued General License (GL) 6B, 25C, 30A, and 44. GL [6B](#) authorizes certain transactions related to agricultural commodities, medicine and medical devices, certain replacement parts and components, software updates, COVID-19, and clinical trials. GL [25C](#) authorizes certain transactions related to telecommunications and Internet-based communications. GL [30A](#) authorizes certain transactions involving SEFE Securing Energy for Europe GmbH (formerly Gazprom Germania) and its subsidiaries. GL [44](#) authorizes the export or reexport of certain tax preparation and filing services to U.S. persons located in Russia.

OFAC FAQs

On July 14, OFAC amended [FAQs](#) 967, 1039, and 1040, addressing several issues under Russia-related sanctions.

OFAC DESIGNATIONS

[On June 28, OFAC designated](#) as SDNS 70 entities and 29 individuals related to Russia's military industrial base, including State Corporation Rostec, a state-owned holding company formed to consolidate Russia's technological, aerospace, and military-industrial expertise. Under OFAC's 50 Percent Rule, over 800 companies under Rostec's control are potentially subject to the same SDN prohibitions.

RUSSIAN SANCTIONS ACT

Representative Jimmy Panetta (D-CA) and Tom Rice (R-SC) introduced the [Expand Trade Sanctions on Russia Act](#). The Act, if passed, would ban the importation of additional Russian goods into the United States. It is estimated that it would impact approximately \$50M worth of Russian imports.

BIS ENTITY LIST

On June 28, BIS announced the addition of 36 entities in 9 countries to the Entity List, 6 of which for their continued support of Russia's military efforts in Ukraine. Other entities were added for various activities contrary to U.S. national security or foreign policy interests. 87 [Fed. Reg. 38920](#) (June 30, 2022).

STATE DEPT. DESIGNATIONS

On June 28, the Department of State [designated](#) 45 entities and 29 individuals as SDNs under Executive Order 14024.

EU RUSSIA SANCTIONS FAQs

On June 24, the European Commission [published](#) "Consolidated FAQs" on Russia-Related Sanctions. The 214-page document provides expansive treatment on the topic.

FTZ STATISTICS	
FOREIGN-TRADE ZONES BOARD	
ACTIVITY AS OF 7/15/2022	
Zones	Approved 298
Subzones*	875
Pending	
Zones	1
Subzones	10
Misc.	31

*From [Fed. Reg. Notices](#)

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