



ITC FTZ QUESTIONNAIRE

On September 6, the U.S. International Trade Commission (ITC) began emailing its [FTZ questionnaire](#) to foreign-trade zones (FTZs) with production authority. The mandatory deadline for completion is October 6. The questionnaire includes many detailed questions which will be time-consuming to complete. We recommend FTZs review their FTZ Board Annual Reports for 2016 to 2021 to ensure consistency. Clients are encouraged to include positive statements on FTZ benefits. Contact [Marshall Miller](#), [Linda King](#) or [Brian Murphy](#) with questions or if you have not received the questionnaire.

FTZ WEEKLY ESTIMATES

CBP has updated its ACE [FAQ](#) document to confirm that FTZ Type 06 weekly estimated Cargo Release entries only cover the quantity for the exact HTSUS line-item combination (i.e., tariff classification, zone status, Manufacturer Identification (MID) and country of origin). Different goods or excess quantities entered are considered unauthorized removals and subject to liquidated damages. CBP added a CBPF 7501 CATAIR note reminding that FTZ line-item quantities cannot exceed estimated CBPF 3461 quantities. Clients are encouraged to confirm their FTZ management and broker software are properly transmitting all the required data elements for weekly estimates. Contact [Marshall Miller](#), [Linda King](#), or [Brian Murphy](#) with questions. CSMS #[53267891](#) (Sept. 13, 2022).

FTZ BOARD ANNUAL REPORT

We encourage clients to review the [2021 Report](#). Highlights include:

- Merchandise Received of \$835 billion vs. \$625 billion in 2020.
- Exports of \$123 billion vs. \$94 billion in 2020.
- 77% domestic status merchandise for production operations.

FTZ GRANTEE FEES

The FTZ Board has indicated it is reviewing FTZ fees and Zone Schedules to ensure that the public utility and uniform treatment standards are being met. Grantees should contact [Marshall Miller](#) or [Bryan Brown](#) with questions.

RUSSIAN OIL

2022 FALL TRAINING SEMINARS

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

- 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.

IPEF MINISTERIAL

On September 9, the U.S. and thirteen other countries completed the first Indo-Pacific Economic Framework for Prosperity (IPEF) ministerial meeting. The countries issued consensus [statements](#) on trade, supply chain, clean economy, and fair economy. One country, India, has opted out of the trade pillar until more details are decided.

PEPTIDES EMERGING TECH

The Bureau of Industry and Security (BIS) has issued a Proposed Rule regarding instruments used in the automated synthesis of peptides. BIS suspects these instruments should be considered emerging technology that may need controls to certain destinations and/or end uses. Comments are requested by October 28. [87 Fed. Reg. 55930](#) (Sept. 13, 2022).

STANDARDS EXEMPTION

BIS has issued an Interim Final Rule that authorizes the release of specified low-level EAR99 and AT-controlled technology and software without a license if released in the context of certain “standards organization” activities even where membership includes parties on the Entity List. Comments are due by November 8. [87 Fed. Reg. 55241](#) (Sept. 9, 2022).

FORCED LABOR WRO STATS

Updated trade [statistics](#) show that CBP detained more shipments pursuant to forced labor Withhold Release Orders (WROs) through June 30 of Fiscal Year 2022 (2,010) than it did for all of Fiscal Year 2021 (1,469).

WRO MODIFIED

CBP has [modified](#) a WRO against Natchi Apparel Ltd. Previously detained shipments will be released. Evidence was provided by an NGO

CHINA SECTION 301

The Office of the U.S. Trade Representative (USTR) has issued a Notice that it is continuing the Section 301 List 1 and List 2 additional duties because it received hundreds of comments in support of the trade remedy action. The USTR will be issuing another Notice setting forth the process for its legally required four-year review. There will be opportunity for public comment. [87 Fed. Reg. 55073](#) (Sept. 8, 2022).

CHINA SECTION 301 LITIGATION

On September 14, plaintiffs’ counsel filed [comments](#) on the remand determination filed August 1 by USTR in the Court of International Trade (CIT) litigation challenging China Section 301 Lists 3 and 4A. The comments primarily argued that USTR’s reasoning was prohibited *post hoc* reasoning and did not meaningfully respond to the public comments. The Government and plaintiffs still have one more round of filings.

CHINA SECTION 301 PROTEST

The Court of Appeals for the Federal Circuit (CAFC) has ruled that Protests are required to challenge CBP’s failure to refund China Section 301 duties qualifying for retroactive product exclusions. [ARP Materials, Inc. v. U.S., Harrison Steel Castings Co. v. U.S., CAFC Slip Ops. 2021-2176, 2021-2177](#) (Sept. 6, 2022).

RUSSIA CONTROLS

BIS has issued a lengthy Final Rule, effective September 15, that increases existing sanctions against Russia and Belarus by expanding the scope of industry sector sanctions to add advanced manufacturing and chemical industry items, adding Belarus to the industry sector sanctions, expanding military end user (MEU) controls, applying the Russia/Belarus MEU Foreign Direct Product (FDP) rule to additional entities, and lowering the value threshold for luxury good controls. The Final Rule also clarifies requirements related to Burma, Cambodia, China, and Venezuela. [87 Fed. Reg. 57068](#) (Sept. 16, 2022).

CFIUS EO

On September 15, President Biden signed an [Executive Order](#) (EO) that provides national security factors for

· The G7 countries issued a [Joint Statement](#) on September 2, confirming their intention to implement a comprehensive, global prohibition on services that enable maritime transportation of Russian crude oil and petroleum products unless they are purchased at or below a to-be determined price. The ban takes effect for oil on December 5, and for petroleum products on February 5, 2023.

· OFAC has issued [preliminary guidance](#).

RUSSIA WTO

USTR has requested comments on Russia's implementation of its WTO commitments. The deadline for comments is September 21, with a virtual public hearing on October 4. 87 Fed. Reg. [52102](#) (Aug. 24, 2022).

SEMICONDUCTOR EXPORTS

AMD and Nvidia, two U.S. semiconductor manufacturers, [announced](#) that they had been told by U.S. government officials they can no longer sell some of their semiconductors into China without a license. The U.S. government is concerned about the chips being diverted to military programs. Nvidia has indicated this could result in a \$400 million drop in revenue over the next year.

MADE IN USA

The U.S. Federal Trade Commission (FTC) has issued a request for comments on a proposed consent agreement with Electrowarmth Products, LLC and Daniel W. Grindle, a company officer, involving labeling and advertising certain textile fiber products as "Made in the USA" when some were wholly imported from China. Comments are due by September 26. 87 Fed. Reg. [52385](#) (Aug.25, 2022).

TABLET ORIGIN

CBP has issued a Notice of Final Determination that the country of origin of certain tablet computers is Taiwan for U.S. government procurement, making them eligible for a waiver of certain Buy American restrictions. The tablets are composed primarily of Taiwan origin components, including the chipset that accounts for 60% of their value, are assembled in China, and undergo a firmware upload in the United States. 87 Fed. Reg. [55013](#) (Sept. 8, 2022).

CTPAT PORTAL

CBP has issued a new [User Manual](#) on navigating the Customs Trade Partnership Against Terrorism (CTPAT) portal.

that Natchi had addressed the five International Labor Organization indicators of forced labor identified in the WRO.

CUSTOMS BUSINESS

CBP has issued a ruling that World Customs Brokerage may share certain importer information with a related freight forwarder, invoice the forwarder for duties and fees, and receive payment from the forwarder (who has separately billed and received payment from the importer) without violating the regulatory restrictions on the performance of "customs business." The ruling requires a careful read. HQ [H318461](#) (Aug. 25, 2022).

DEBARMENT

The Directorate of Defense Trade Controls (DDTC) has [debarred](#) three individuals, for approximately 3 years each, for conducting defense services with UAE-based DarkMatter Group without the required licenses. Their debarment was part of a [deferred prosecution agreement](#) whereby they paid \$1,680,000 in fines.

CBPF 3078

CBP has issued a new CBP Form [3078](#). The form is used for CBP background investigations, such as for FTZ key employees.

OFAC CYBER REGULATIONS

· The Office of Foreign Assets Control (OFAC) has updated its Cyber-related Sanctions Regulations 87 Fed. Reg. [54373](#) (Sept. 6, 2022).
· OFAC has released [FAQs](#).

BIS RED FLAGS

BIS has issued new FAQs on [Entity List red flags](#) for semiconductor foundries and [Russian-related](#) export controls, including evasion, red flags, products of concern and transshipment countries of concern.

TRADE BARRIERS

USTR is preparing its 2023 National Trade Estimate Report and has requested public comments on significant foreign trade barriers by October 28. 87 Fed. Reg. [56741](#) (Sept. 15, 2022).

NOTORIOUS MARKETS

USTR is seeking input on foreign markets which engage in copyright piracy or trademark counterfeiting for its 2022 annual Special 301 Report. Comments are due by October 7. 87 Fed. Reg. [52609](#) (Aug 26, 2022).

the Committee on Foreign Investment in the United States (CFIUS) to consider when reviewing foreign direct investments. CFIUS reviews include application of U.S. export controls. Contact [Sean Murray](#) or [Bryan Brown](#) with questions.

BONDED WAREHOUSE MGMT

Showing the importance of maintaining effective controls over customs bonded merchandise, CBP has ruled that a former bonded warehouse proprietor is liable for additional duties and fees on unaccounted-for shoes. During a series of compliance reviews, CBP determined, and the proprietor admitted, errors and guesswork in classifying merchandise and reporting quantities in its entries and withdrawals. HQ [H289595](#) (May 10, 2022).

KNOKKE-HEIST DENIAL ORDER

BIS has issued a Temporary Denial Order (TDO) against Knokke-Heist, a Belgian entity. BIS accused Knokke-Heist of attempting to obtain an accelerometer on behalf of a sanctioned Chinese entity. Under the terms of the TDO, U.S. persons cannot export items subject to the EAR to Knokke-Heist without a license. 87 Fed. Reg. [53716](#) (Sept. 1, 2022).

CHINESE ENTITY LIST

BIS has added 7 Chinese entities to the BIS Entity List. The entities are suspected of obtaining or attempting to obtain U.S. products and technology in support of Chinese military modernization programs. 87 Fed. Reg. [51876](#) (Aug. 24, 2022).

HTSUS 9801

CBP has ruled that an importer did not establish duty-free treatment under HTSUS subheading 9801.00.10 for U.S. origin plastic pallets, trays, and lids due to discrepancies in supporting documentation. Clients are reminded of the detailed documentary requirements for HTSUS 9801 claims. HQ [H325290](#) (June 13, 2022).

FTZ STATISTICS

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 9/15/2022

	Approved
Zones	298
Subzones*	876
	Pending
Zones	2
Subzones	9
Misc.	33

*From Fed. Reg. Notices

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