



CUSTOMS FACILITATION BILL

Senators Bill Cassidy (R-LA) and Catherine Cortez Masto (D-NV) have [released](#) a discussion draft of their Customs Facilitation Act of 2024, which would [streamline](#) import data requirements, update the CTPAT Trade Compliance handbook, revise certain duty drawback provisions, establish government response deadlines to trade requests, authorize a Government Accountability Office (GAO) study on the duty and fee structure, confirm export clerical errors are not penalized, and publicize CBP Center of Excellence contact information. Trade community feedback has been requested.

FTZ DOOR-TO-DOOR DELIVERY

Foreign-Trade Zone (FTZ) Operators should consider the use of door-to-door delivery. This procedure requires the carrier to extend its International Carrier's Bond from the first U.S. Port of Unlading to the destination FTZ and is transacted on the Multimodal Manifest System (ACE M1). Contact [Marshall Miller](#) or [Linda King](#) with questions.

STANDARDS ACTIVITIES

On July 18, the Bureau of Industry and Security (BIS) issued an Interim Final Rule to relax export controls related to "standards-related activities" so that U.S. companies can participate in and lead international standards setting activities. Comments on the Interim Final Rule are due by September 16. [89 Fed. Reg. 58265](#) (July 18, 2024).

U.S. PERSON RESTRICTIONS

On July 29, BIS [published](#) a Proposed Rule that would change military and intelligence end use/end user and U.S. person controls, as well as add a "military-support end-user" control. Some of the controls apply more broadly than to just Country Group D:5 countries. Comments on the Proposed Rule are due by September 27. [89 Fed. Reg. 60985](#) (July 29, 2024).

DEFENSE SERVICES UPDATE

On July 29, the Directorate of Defense Trade Controls (DDTC) issued a Proposed Rule to expand the definition of "defense services" that are subject to controls. The proposed changes

2024 FIRM SEMINARS

We are excited that our Fall client training seminars will be [in-person](#) at our Kansas City office and all days are free:

- FTZ 101 – Oct. 15
- FTZ 201 – Oct. 16
- Import/Export 101 – Nov. 12
- Import/Export 201 – Nov. 13

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

NEW DE MINIMIS BILL

Draft [text](#) of the Fighting for America Act of 2024, a bill that would exclude textiles, apparel, and goods subject to Section 301 tariffs from Entry Type 86 de minimis entry, was shared by Senate Finance Committee Chairman Ron Wyden (D-OR). The proposed bill would also impose a \$2 entry fee and create new seizure procedures. The proposed bill already has some bipartisan support.

ENTRY TYPE 86 UPDATES

On August 17, U.S. Customs and Border Protection (CBP) will deploy Entry Type 86 updates in the Automated Commercial Environment (ACE). The ACE updates will require Type 86 entry filings prior to, or upon, arrival of cargo at the first port of arrival, not first port of entry. If an Entry Type 86 is filed after cargo arrival, the entry will be rejected and the cargo held until a different, appropriate entry is filed. CBP has also reminded that goods subject to Partner Government Agency (PGA) requirements are ineligible for release under manifest entry procedures. CSMS #[61800966](#) (Aug. 15, 2024).

FTC MADE IN USA

The Federal Trade Commission (FTC) has updated its "Complying with the Made in USA Standard" guidance [document](#) to incorporate the codification of the "all or virtually all" standard for unqualified "Made in USA" claims. The updated guidance includes online claims and catalogs and reminds companies that they possess an ongoing obligation to review their claims and substantiation to ensure claims remain accurate and reminds companies that they must update

CHINA 301 CHANGES

The U.S. Trade Representative (USTR) has [delayed](#) action on increased China Section 301 duties that had been proposed for August 1, 2024. See our [What's New](#). USTR is considering more than 1,100 public [comments](#) and expects to issue its final determinations in late August 2024, with the changes taking effect approximately two weeks thereafter. Clients should be reviewing shipment schedules and considering duty avoidance and mitigation options. Contact [Marshall Miller](#), [Brian Murphy](#), or [Sean Murray](#) with questions.

On August 15, USTR published a request for comments on Section 301 exclusion requests. The notice provides the exclusion request form, objection form, rebuttal to objection form, and support of exclusion request form, and requests comments on whether they are necessary, the accuracy of the estimated time for completing them, and ways to enhance their clarity and utility. Clients who have in the past or now may be filing or opposing exclusion requests in the near future are encouraged to consider commenting to improve the process. Comments are due by September 16. Contact [Brian Murphy](#) or [Sean Murray](#) for assistance. [89 Fed. Reg. 66484](#) (Aug. 15, 2024).

2025 MPF INCREASE

CBP will increase Consolidated Omnibus Budget Reconciliation Act (COBRA) fees in Fiscal Year 2025 to adjust for inflation. Impacted fees include Merchandise Processing Fees (MPF), vessel and truck fees, and customs broker permit user fees. The MPF minimum will rise from \$31.67 to \$32.71 and the maximum from \$614.35 to \$634.62. [89 Fed. Reg. 59127](#) (July 22, 2024).

10-YEAR LIMITATIONS PERIOD

On July 22, the Office of Foreign Assets Control (OFAC) [announced](#) that it was extending the statute of limitations on most OFAC related sanctions to 10 years. This will be a real challenge for many companies. OFAC also published [guidance](#) on recordkeeping for this extended period. Contact [Sean Murray](#) with questions.

UFLPA LIST ADDITIONS

The Department of Homeland

include “disabling” and “degradation” activities and add defense services controls related to intelligence and military assistance. Comments are due by September 27. 89 Fed. Reg. [60980](#) (July 29, 2024).

U.S. PERSON CONTROLS

On July 29, BIS published a Proposed Rule that establishes “Foreign-Security End User (FSEU)” and U.S. person activity controls, including U.S. person support for identified FSEUs. The Proposed Rule also proposes new controls on facial recognition technology. Comments are due by September 27. 89 Fed. Reg. [60998](#) (July 29, 2024).

ITAR SCOPE

The State Department has published a Final Rule that expands the International Traffic in Arms Regulations (ITAR) definition of “activities that are not exports, reexports, retransfers, or temporary imports.” The Final Rule includes multiple changes to the December 2022 Proposed Rule to clarify the regulations and narrow the scope of excluded activities. The Final Rule goes into effect on September 16. 89 Fed. Reg. [66210](#) (Aug. 15, 2024).

INFO AND COMM SERVICES

On July 18, BIS issued a Final Rule that transfers to BIS the authority to review transactions involving information and communications technology and services (ICTS) designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary which may pose a risk to the U.S. 89 Fed. Reg. [58263](#) (July 18, 2024).

APHIS ACE UPDATES

•The U.S. Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) has issued updated deployment dates for changes to certain APHIS Core PGA Message Set business rules. CSMS #[61753384](#) (Aug. 12, 2024).
•APHIS has also issued an updated Core PGA Message Set Implementation Guide. CSMS #[61767998](#) (Aug. 13, 2024).

ADD/CVD SCOPE RULINGS

The Department of Commerce has published a notice of antidumping/countervailing duty (ADD/CVD) scope rulings issued during Q1 2024. The scope rulings include certain Mexico circular welded pipe, Taiwan tires, and China pipe, chassis, wooden bedroom furniture, wooden cabinets and vanities, quartz surface products, malleable iron fittings, steel wheels, garlic, aluminum sheet and steel shelving. 89 Fed. Reg. [63407](#) (Aug. 5, 2024).

VIETNAM NME FOR ADD/CVD

On August 2, the Department of Commerce issued a 284-page [decision](#) that it would continue to treat Vietnam as a non-market economy (NME) in an antidumping duty (ADD) case involving Vietnam

claims can no longer be supported. Contact [Sean Murray](#) with questions.

ACE FIRMS CODE UPDATE

On August 10, CBP deployed enhancements to ACE to validate the Facilities Information and Resource Management System (FIRMS) code for non-air in-bond arrivals. The “353 Departure” message now must contain the FIRMS code. CSMS #[61675882](#) (Aug.6, 2024).

BROKER 321 CASE

The U.S. Court of International Trade (CIT) has refused to issue a temporary restraining order or preliminary injunction advocated by a customs broker challenging CBP’s suspension of its CTPAT privileges and participation in the Entry Type 86 test due to alleged violations involving Section 321 de minimis value shipments, including erroneous HTSUS classifications, Power of Attorney defects, and exceeding the daily entry limit per ultimate consignee. [Seko Customs Brokerage Inc. v. U.S.](#), CIT Slip Op. [24-78](#) (July 15, 2024).

WCO HSC MEETING

The next session of the Harmonized System Committee of the World Customs Organization is scheduled for September 16-27. CBP has published a draft agenda, which can be reviewed to identify products that present classification challenges, such as power strips, displays, and electric scooters. Contact [Sean Murray](#) with questions. 58 Cust. B. & Dec. [22](#) (Aug. 7, 2024).

BUS PARTS FRAUD

The U.S. Attorney’s Office for the Southern District of New York has [entered](#) into a non-prosecution agreement with international bus parts supplier CBM, which will see CBM pay penalties for engaging in a scheme to defraud U.S. transit authority customers through false or misleading statements about the sources of contracted-for bus parts from 2010 to April 2021. Penalties include nearly \$500,000 in profits, a \$1,500,000 fine, and restitution to victims who submit claims.

IRAN FDP RULE

On July 24, BIS [issued](#) a Final Rule that expanded the scope of the Iran Foreign Direct Product (FDP) Rule and license requirements. The product scope of the rule now includes Commerce Control List Categories 3 through 9. 89 Fed. Reg. [60563](#) (July 26, 2024).

ILLEGAL SHIPMENTS TO IRAN

Ray Hunt [pled guilty](#) on July 18 to shipping oil and gas equipment from Alabama to Iran. Mr. Hunt faces up to 5 years in prison when sentenced.

IRANIAN EXTRADITED

On July 23, the DOJ [announced](#) that it had extradited an Iranian national from the United Kingdom for his role in selling sophisticated electronic equipment from the U.S. to Iran via

entities to the Uyghur Forced Labor Prevention Act (UFLPA) Entity List. There are now 73 companies on the UFLPA Entity List. Clients are reminded of the need to screen import transactions and conduct supply chain due diligence for forced labor. 89 Fed. Reg. [65374](#) (Aug. 9, 2024).

FORCED LABOR STANDING

The U.S. Court of International Trade (CIT) has dismissed a challenge by an international human rights organization to the failure by U.S. Customs and Border Protection (CBP) to issue a Withhold Release Order (WRO) excluding cocoa allegedly produced in the Ivory Coast by means of forced or trafficked child labor. The CIT determined the human rights advocates lacked standing to bring the court action. [International Rights Advocates v. Alejandro Mayorkas, et al.](#), CIT Slip Op. [24-91](#) (Aug. 8, 2024).

EXPORT CONTROLS AND CHINA

The Senate Appropriations Committee has issued a [report](#) on the 2025 Commerce Department appropriations bill that, among many things, directs BIS to provide a report on export control evasion and gaps in its export control regime that have allowed controlled U.S. technology to flow to China entities without a license and asks USTR to consider increasing Section 301 duties on imports of Chinese indium phosphide, packaged optical modules, and optical transceivers.

OFAC RUSSIA DETERMINATION

On July 18, OFAC published a determination that information technology consultancy, design services, support services, and cloud-based services for software for enterprise management, design, or manufacturing are covered by the Russian Harmful Foreign Activities Sanctions. 89 Fed. Reg. [58286](#) (July 18, 2024).

SECTION 201 STAPLE FIBER

In its Section 201 global safeguard investigation into fine denier polyester staple fiber imports, the U.S. International Trade Commission (ITC) has issued [recommendations](#) for Presidential action to impose a tariff-rate quota (TRQ) with in-quota and out-of-quota duty rates and quantitative restrictions.

STATE STREET BANK

On July 26, OFAC [announced](#) a settlement [agreement](#) with State Street Bank and its subsidiary Charles River Systems, Inc., under which State Street Bank agreed to pay \$7,452,501. State Street Bank and Charles River Systems were accused of redacting invoices for customers who were subject to Ukraine and Russian sanctions.

REPO REPORTING

On July 23, OFAC [announced](#) new reporting requirements for financial institutions pursuant to the Rebuilding Economic Prosperity and

honey. The ADD changed circumstances review was undertaken at the [request](#) of the Vietnam government and involved Commerce review of over 36,000 pages of comments submitted by domestic industry and the Vietnam government.

E-214 CATAIR FINAL

The ACE FTZ Admission (e-214) CBP and Trade Automated Interface Requirements (CATAIR) has moved from Draft to Final version. There are numerous technical changes and updates to the e-214 programming. Clients should review and understand these changes. Contact [Linda King](#) with questions. CSMS #[61727436](#) (Aug. 9, 2024).

EAR99 ITEMS PENALTY

On August 15, BIS [announced](#) a settlement, under which TE Connectivity Corporation of Middletown, Pennsylvania, and a related Hong Kong entity agreed to pay a \$5.8 million civil penalty related to 79 violations involving shipments of \$1.74 million of EAR99 wires, printed circuit board (PCB) connectors, and temperature and pressure scanners to parties on the BIS Entity List and for restricted military end uses in China related to hypersonics, UAVs, and electronics. The penalty was reduced because TE voluntarily disclosed the violations, cooperated with the BIS investigation, and implemented corrective measures. This demonstrates the need for adequate end use/user screening even for EAR99 exports. Contact [Sean Murray](#) or [Chuck Ballard](#) with questions.

the United Arab Emirates. If convicted, Mr. Saeid Haji Agha Mousaei faces up to 20 years in U.S. prison.

NORTH KOREAN PROCUREMENT

On July 24, OFAC [announced](#) it was adding 6 Chinese individuals and 5 Chinese entities to the Specially Designated Nationals (SDN) List for supporting North Korea's ballistic missile program.

ACADEMIA EXPORT ISSUES

BIS has [issued](#) a Compliance Note that provides examples of export control disclosures by academic institutions. Common subject matter areas are biohazards, exports to parties on the Entity List, deemed exports, Census AES errors and failures to file, and export recordkeeping.

FENTANYL IMPORTS

Minsu Fang, a Chinese national, has been [indicted](#) in the Southern District of Texas for his role in a conspiracy involving the importation of what is believed to be one of the largest ever amounts of fentanyl precursor chemicals. Mr. Fang faces up to life in prison on each count and a \$10 million fine.

RUSSIAN PROCUREMENT

On July 17, the Justice Department (DOJ) and U.S. Attorney's Office for the Southern District of New York [announced](#) that Mr. Maxim Marchenko has been sentenced by a federal district court to 3 years in prison for his role in an international smuggling network that illegally obtained military-grade U.S. microelectronics for Russian end-users.

Opportunity for Ukrainians Act, a.k.a. the REPO Act. REPO requires financial institutions that hold Russian sovereign assets to report that information to OFAC.

OFAC SANCTION UPDATE

On July 30, OFAC [announced](#) that it was placing 5 individuals and 7 entities on the Specially Designated Nationals (SDN) [List](#) for providing support to Iran's missile and drone programs. The individuals and entities are based in China, Iran, or Hong Kong.

SOLAR CELLS QUOTA

On August 12, President Biden [issued](#) a proclamation to expand the within-tariff rate quota (TRQ) quantity for certain imported crystalline silicon photovoltaic cells (CSPV) cells from 5 gigawatts (GW) to 12.5 GW. [Fed. Reg. 66181](#) (Aug. 15, 2024).

FTZ STATISTICS

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 8/15/2024

Approved	
Zones	307
Subzones*	890
Pending	
Zones	1
Subzones	9
Misc.	33

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

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