



PRESIDENT-ELECT TRUMP

• The re-election of President Trump raises the possibility of many changes to tariffs and trade restrictions. Action could be taken under the Section 201, 232, 301 trade remedy laws or under other provisions. Candidate Trump raised the prospect of across-the-board tariff increases to 10-20%, 60-100% duty rates on Chinese products, and 25-100% duty rates on products of Mexico.

• Companies should expect and try to prepare for some quick trade actions after President-elect Trump is inaugurated on January 20. Importers should consider minimizing risk by expediting shipments when possible and filing Customs entries before trade actions go into effect.

• Based on past Section 232 and 301 trade remedy actions, it is not clear how merchandise admitted into foreign-trade zones (FTZs) will be treated, making it particularly difficult to anticipate how to handle on-hand merchandise.

• See our [What's New](#) on Potential 2025 Tariff Changes and Suggested Actions for more details.

• Contact [Marshall Miller](#), [Brian Murphy](#), or [Sean Murray](#) with questions.

CHINA MFN STATUS

On November 14, Chairman John Moolenaar (R-MI) of the House Select Committee on the Chinese Communist Party [introduced](#) the Restoring Trade Fairness Act. Among various measures, the bill would revoke China's Permanent Normal Trade Relations (PNTR), eliminate Section 321 de minimis treatment for Chinese goods, and create a trust fund for Chinese retaliatory duties which may be used to purchase U.S. agricultural goods that cannot be shipped to China. Companion China legislation was introduced in the Senate earlier this year.

RUSSIA SANCTIONS EVADERS

On October 30, the Office of Foreign Assets Control (OFAC) [announced](#) sanctions against 275 individuals and entities in 17 countries involved in providing Russia with advanced technology and products that support its military-industrial base. The individuals and entities are in 17 countries including, but not limited to, China, India, Switzerland, Thailand, and Turkey as well as Russia. OFAC

2025 FIRM SEMINARS

We were excited to host our client Foreign-Trade Zone and Import/Export 101/201 training seminars live and in-person again this Fall at our Kansas City office. We really enjoyed seeing existing and new clients in-person again. We will issue dates for our 2025 training seminars in the near future.

BATTERY CELLS HTSUS

U.S. Customs and Border Protection (CBP) has proposed the revocation of five rulings on the classification of lithium-ion battery cells. CBP previously classified the battery cells in HTSUS subheading 8507.90.80 (3.4%) as other parts of electric storage batteries, but is now proposing their classification in HTSUS subheading 8507.60 (3.4%) as lithium-ion batteries. Comments are due by December 6. Contact [Brian Murphy](#) with questions or for assistance with comments. 58 [Cust. B. & Dec. 1](#) (Nov. 6, 2024).

SCREENING ISSUE

On November 1, the Bureau of Industry and Security (BIS) [announced](#) a [settlement agreement](#) with Global Foundries of Malta, New York, under which Global Foundries agreed to pay a \$500,000 penalty for shipping semiconductor wafers to an entity in China on the BIS Entity List. Global Foundries voluntarily disclosed its error. A customer had directed Global Foundries to send the wafers to the Chinese entity and, since Global Foundries had not directly contracted with the Chinese entity, failed to screen the shipment.

WAFER CUTTING MACHINE

On October 17, Mr. Lin Chen, a Chinese national, [pled](#) guilty to conspiring to sending a wafer cutting machine to Chengdu GaStone Technology Co, Ltd. (GaStone), which is on the BIS Entity List. Mr. Chen conspired with Jiangsu Hantang International Trading Group Corp., Ltd. (JHI) to ship the machine to JHI to disguise the fact it was going to be transferred to GaStone. Mr. Chen faces up to 20 years in prison and a \$1 million fine.

SPLIT SHIPMENTS

Beginning December 3, cargo moving on a single House Bill that is split across more than one Master

CENSUS AES CHANGES

• On October 31, Census issued a substantial Proposed Rule to clarify Federal Trade Regulations (FTR) Automated Export System (AES) filing requirements in certain scenarios and make many other revisions.

• The Proposed Rule would clarify and expand who qualifies as the U.S. Principal Party in Interest (USPPI) when goods are entered into the U.S. for consumption or warehousing and stored in a warehouse, or admitted into a foreign-trade zone (FTZ), before being exported. The Proposed Rule would allow FTZ Operators to be the USPPI for goods stored in an FTZ when the FTZ Operator has the knowledge and control of the goods before they are exported from the FTZ. Although not addressed in the Proposed Rule, it might be more appropriate for the owner of the goods to be the USPPI than the FTZ Operator when the FTZ is operated by a Third-Party Logistics (3PL) provider.

• Census is requesting comments by December 30. Contact [Sean Murray](#) or [Marshall Miller](#) with questions or for assistance with comments. 89 [Fed. Reg. 86762](#) (Oct. 31, 2024).

CHINA 301 FENTANYL

A [petition](#) was filed on October 17 with the U.S. Trade Representative (USTR) by a coalition of families and advocacy organizations requesting that the U.S. initiate action under Section 301 to address unreasonable China acts, policies, and practices concerning production and shipment of illicit fentanyl and fentanyl precursors. The petition alleges that Chinese government acts, policies, and practices permit and actively encourage the production and export of illicit fentanyl to the U.S. Countermeasures proposed by the petitioner include tariffs, elimination of Section 321 de minimis for China goods, and outbound investment restrictions on Chinese entities. The USTR has 45 days (to December 1) to determine whether to initiate a Section 301 investigation.

CHINESE TEXTILES - UFLPA

Effective November 1, the Department of Homeland Security (DHS) has added three Chinese textile companies to the Uyghur Forced Labor Prevention Act (UFLPA) Entity List, subjecting them to the UFLPA rebuttable

also [issued](#) five General License Bills and arrives on separate conveyances must be declared in the ACE Manifest System as a split bill, with a part indicator in the response message, or it is not eligible for Customs entry processing as a split shipment and one entry will be required for each conveyance. CSMS [#63008383](#) (Nov. 13, 2024), CSMS [#63024734](#) (Nov. 13, 2024).

ENTITY LIST ADDITIONS

On November 1, BIS [issued](#) a Final Rule that added 40 entities to its Entity List for their role in supplying products and equipment in support of Russia's war against Ukraine. BIS also tightened restrictions on 49 entities that were already on the Entity List. 89 [Fed. Reg. 87261](#) (Nov. 1, 2024).

ENTITY LIST REMOVAL

On October 21, BIS [removed](#) Sandvine Inc., a Canadian company, from the Entity List. Sandvine had been added to the Entity List in February 2024 because its products were used to conduct mass web-monitoring, censorship, and the targeting of human rights activists and dissidents. Sandvine was removed from the Entity List after changing its corporate leadership, exiting 32 non-democratic countries, starting to exit 24 more non-democratic countries, and re-focusing on servicing democracies committed to protecting human rights. 89 [Fed. Reg. 84460](#) (Oct. 23, 2024).

RUSSIA SANCTIONS

On November 1, the Bureau of Industry and Security (BIS) published a Final Rule updating the Export Administration Regulations (EAR) to add 9 precursors for riot control agents and chemical weapons that Russia has used against Ukraine. It also adjusts exclusions and exceptions to license policies and expands license requirements to entities in other jurisdictions that meet certain criteria. 89 [Fed. Reg. 87279](#) (Nov. 1, 2024).

HIZBALLAH & SYRIA

OFAC has [designated](#) three individuals and four companies involved in a Lebanon-based sanctions evasion network that raises money for Hizballah. OFAC has also designated three individuals involved in the production and trafficking of Captagon, a dangerous and addictive amphetamine, for the benefit of Bashar al-Assad's regime in Syria.

SHAM CHARITY

OFAC has [designated](#) the Samidoun Palestinian Prisoner Solidarity Network as a sham charity that serves as a fundraiser for the Popular Front for the Liberation of Palestine (PFLP), which was previously designated as a Foreign Terrorist Organization and Specially Designated Global Terrorist by the U.S. State Department.

SANCTIONS AND INSURANCE

On November 14, OFAC [announced](#) a \$178,421 settlement with MetLife subsidiary American Life Insurance Company (ALIO) for allegedly providing policies in the United Arab Emirates for entities owned by the Government of Iran. MetLife and

Bill and arrives on separate conveyances must be declared in the ACE Manifest System as a split bill, with a part indicator in the response message, or it is not eligible for Customs entry processing as a split shipment and one entry will be required for each conveyance. CSMS [#63008383](#) (Nov. 13, 2024), CSMS [#63024734](#) (Nov. 13, 2024).

SPACE CONTROLS

On October 23, BIS issued a Final Rule that removes export controls for certain spacecraft-related equipment and parts, including remote sensing and space-based assembly or servicing equipment, for exports to Australia, Canada, and the United Kingdom. BIS also issued an Interim Final Rule that removes license requirements for some space-related exports to more than 40 other countries. In addition, BIS issued a Proposed Rule that adds a license exception for Commercial Space Activities (CSA) and rules that will coordinate with a Proposed Rule issued by the Directorate of Defense Trade Controls (DDTC) that would move some space-related products from the U.S. Munitions List (USML) to the Commerce Control List (CCL). Comments on the BIS and DDTC Proposed Rules are due by November 22. 89 [Fed. Reg. 84766](#), [84770](#), [84784](#), and [84482](#) (Oct. 23, 2024).

PARTS RULING

CBP has [affirmed](#) an earlier ruling that teleprompter bases are not "integral" to the teleprompter. Therefore, the unassembled teleprompter bases are classified in subheadings that are related to the "essential character" of the components. HQ [H327730](#) (Sept. 27, 2024).

FORWARDER CHARGED

On November 4, the Department of Justice [announced](#) that Eleview International, a Virginia freight forwarder, and two of its executives were charged with attempting to smuggle controlled products from the U.S. to Russia. Eleview, its owner, and its operations manager are accused of allowing Russian customers to order goods from U.S. suppliers, consolidating them in the U.S., then sending them to Finland, Turkey, and Kazakhstan for re-exportation to Russia. If convicted, both defendants face up to 20 years in prison.

CUBA AG LICENSES

BIS has requested comments on the effectiveness of agricultural licenses for exports to Cuba. Comments are due by November 15. 89 [Fed. Reg. 83456](#) (Oct. 16, 2024).

DRONE SANCTIONS

On October 17, OFAC [announced](#) that three entities and one individual are being placed on the Specially Designated Nationals (SDN) List related to the production of Garplya long-range attack drones being used by Russia against Ukraine. Two of the entities are Chinese and one is

presumption of their goods are prohibited from entering the U.S. CSMS [#62912824](#) (Nov. 4, 2024).

FRANKINCENSE WRO

CBP has [issued](#) a Withhold Release Order (WRO) against Somaliland-based Asli Maydi based on information indicating the use of forced labor in the production of frankincense. CBP will detain all frankincense and frankincense-based products sourced from Somalia by Asli Maydi.

IV SOLUTION SUPPLY CHAIN

On October 17, the Governors of South Dakota, Louisiana, South Carolina, Wyoming, and Nebraska [requested](#) that President Biden and the Food and Drug Administration take immediate action on the shortage of intravenous (IV) and peritoneal dialysis solutions due to the closure of a Baxter North Carolina production plant because of Hurricane Helene. The letter suggests removing import barriers and finding trusted international manufacturers to diversify the supply chain.

ILLEGAL IRAN EXPORTS

On October 29, the Department of Justice [announced](#) that Brian Assi was convicted of conspiring to export mining drill bits from the U.S. to Iran. Mr. Assi was a salesman for a large multi-national heavy machinery manufacturer with a U.S. subsidiary. He attempted to conceal the final destination, even to his own company, by arranging for an Iraq-based company to pretend to be the end user.

IMPORTER DUTY EVASION

A jury has found a wholesale clothing importer C'est Toi Jeans, Inc. and two of its executives [guilty](#) of evading more than \$8 million in Customs duties and laundering more than \$17 million. Customs duties were evaded through false classification and false valuation.

SEMICONDUCTOR INQUIRY

Chairman John Moolenaar (R-MI) and Ranking Member Raja Krishnamoorthi (D-IL) of the House Select Committee on the Chinese Communist Party have [sent](#) letters to five (5) semiconductor manufacturing equipment (SME) companies' requesting information on the companies China-related revenue, Chinese customers, SME shipments to China, and U.S. export licenses.

LICENSE EXCEPTION IEC

BIS has issued a Final Rule formally updating license exception Implemented Export Controls (IEC). The rule adds Denmark, Finland, and Japan to the list of eligible countries for some items. 89 [Fed. Reg. 83427](#) (Oct. 16, 2024).

BROKER CONTINUING ED

Customs broker license holders may begin completing qualified continuing broker education courses starting on January 1, 2025, and accumulating up to 20 credits for the triennial

ALIO voluntarily disclosed the violations.

BURMA SANCTIONS

OFAC has issued a Final Rule that comprehensively amends and implements the Burma Sanctions Regulations, effective November 13, 89 Fed. Reg. 89481 (Nov. 13, 2024).

DEFENSE SUPPLIER JAILED

On October 24, the Department of Justice (DOJ) announced that Ms. Yuksel Senbol of Orlando, Florida has been sentenced to 15 months in prison and will forfeit \$275,430 in proceeds for her knowing role in a scheme that misrepresented the origin of military components and sent military parts drawings to a company, and a debarred person, in Turkey without an export license.

SECTION 232 EXCLUSIONS

In a second U.S. Court of International Trade (CIT) decision in a case challenging Commerce Department denials of Section 232 product exclusion requests for steel products, the CIT has upheld Commerce's denials as not violating the Administrative Procedure Act (APA). Seneca Foods Corp. v. U.S., CIT Slip Op. 24-117 (Oct. 21, 2024).

BIS PENALTIES

BIS has released an updated version of its "Don't Let This Happen to You" publication. It is a good resource for examples of export violations and enforcement activities).

period spanning February 1, 2024, through January 31, 2027. 89 Fed. Reg. 87387 (Nov. 1, 2024).

FTZ STATISTICS

**FOREIGN-TRADE ZONES BOARD
ACTIVITY AS OF 11/15/2024**

Approved	
Zones	309
Subzones*	891
Pending	
Zones	1
Subzones	9
Misc.	33

*From Fed. Reg. Notices

Miller & Company P.C. | 4929 Main Street | Kansas City, MO 64112 US

[Unsubscribe](#) | [Update Profile](#) | [Constant Contact Data Notice](#)



Try email marketing for free today!