

FTZ DEVELOPMENTS

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Sharing FTZ-related News and Updates

U.S.-MEXICO- CANADA AGREE- MENT (USMCA)

The Trump Administration's recently-issued 2019 trade policy agenda includes seeking Congressional approval of the USMCA as a priority. Whether Congress will approve the Administration's draft implementing legislation as is or make its own changes prior to introducing the bill in the House of Representatives is unknown. Importantly for FTZ operator/users, USMCA as proposed retains U.S. FTZs in the definition of the United States and includes a duty deferral restriction that covers goods "manufactured or changed in condition" in an FTZ, similar to the existing NAFTA. Please contact us if you have any questions.

SECTION 301: RATE INCREASE DELAYED

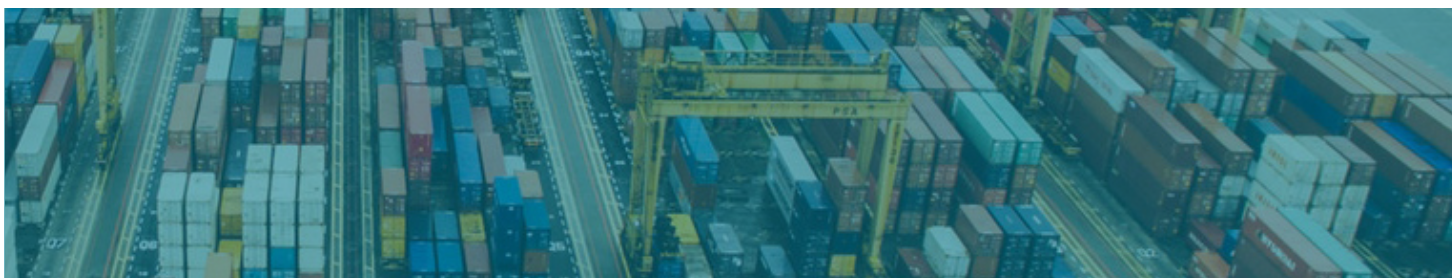
On February 24, 2019, President Trump announced that the planned tariff increase from 10% to 25% for Chinese-origin merchandise subject to Section 301 List 3 will be delayed. On March 1st, CBP issued a [CSMS Message \(19-000095\)](#) on this topic. FTZ operator/users should continue to closely monitor developments on this matter. Some FTZs may benefit from electing PF status for subject on-hand NPF status merchandise if/when the rate increase is to become effective. Please contact us to discuss options prior to taking action.

FTZ BOARD ANNUAL REPORT: DEADLINE EXTENDED TO MAY 10, 2019

Due to the recent partial government shutdown, the FTZ Board extended the deadline for grantees to submit completed 2018 annual reports in the Online FTZ Information System (OFIS) from March 31st to May 10th. As a result, most grantees have extended the deadline by which FTZ operators must submit their individual reports in OFIS. If you are an FTZ operator, please inquire with your grantee about your deadline. Please see the [FTZB Memo](#).

CBP FORM 5106 & INPUT VIA ACE

On February 20, 2019, U.S. Customs & Border protection issued CSMS Message # 19-000077 confirming that the new ACE deployment date for automation of CBP Form 5106 and unique identifiers for Centers of Excellence and Expertise (CEEs) is **March 16, 2019**. The original deployment date was delayed from February 9th due to the partial government shutdown. The revised CBP Form 5106 includes new data elements that CBP reports will enhance its ability to perform risk assessments. Additional information about the automation of the CBP Form 5106 in ACE can be found on [CBP's website](#).



IMPORTED GARMENTS & HANGERS: BE AWARE

If your company imports and admits garments on hangers but currently classifies the hangers separate from the garments, please undertake a review of this process. As a result of Section 301, importers can expect CBP to scrutinize both classification and origin determination for hangers entered separate from garments. While there may be financial benefits associated with importing certain types of hangers on garments but classifying them separate from garments, there are also risk and compliance considerations including how you track such transactions through your FTZ. If you have questions, please contact us to discuss.”



U.S. FOOD & DRUG ADMINISTRATION

On November 30, 2018, the FDA updated its “[Foreign Trade Zones/Weekly Entry Filing \(WEF\)™](#)” webpage. A number of commodity types are no longer considered “amenable to WEF” including human drugs. As a reminder, FTZ importers should continue to monitor their list of products approved for WEF by FDA and submit applications requesting additional WEF approvals for new products/foreign vendors when necessary. Please contact us if you have any questions about these requirements.

Additional FDA FSVP compliance dates are quickly approaching (March 18, 2019). Under FSVP, importers of human or animal food generally must verify that (a) their foreign suppliers use processes and procedures that provide the same level of public health protection as the U.S. preventive controls and produce safety regulations, where applicable, and (b) the food they import is not adulterated and not misbranded with respect to food allergen labeling. For more information about FSVP including upcoming compliance dates, visit [FDA's website](#).



RECENT CBP MESSAGES

Please review the following recent pipeline and CSMS messages from CBP to determine how they may impact your import, export and/or FTZ operations:

CORRECTION 321 Manifest Enforcement

CSMS# 18-000731

- [Pipeline No. 19-020-NWK](#) - FTZ New Document Submission Procedures
- ~~CSMS# 18-000358~~ - Section 321 Manifest Enforcement
- ~~CSMS# 18-000759~~ - ~~Section 301 Exclusions~~
- [CSMS# 18-000758](#) - Advanced Electronic Data (AED) for Postal Shipment
- [CSMS# 19-000032](#) - Updated ACE Entry Summary Business Process Document Version 9.5a
- [CSMS# 19-000052](#) - Submitting Products Excluded from Section 301
- [CSMS# 19-000087](#) - TSCA Certification in ACE Updated
- [CSMS# 19-000100](#) - Enforcement for In-bond
- [CSMS# 19-000103](#) - CORRECTION to Enforcement for In-bond