

# FTZ Developments

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## Sharing FTZ-related News and Updates

### Modernizing e214 Online Admission Process

On September 26, 2020, CBP deployed updates to the ACE FTZ Admission CATAIR. These updates eliminate or replace older inefficient processes, and establish new processes for handling post-admission corrections and admission replacement requests. Additional features include functionality to cancel Permits to Transfer, and also provides for an upcoming expanded Zone Identifier that will be phased in. See [CATAIR v3.0](#). RGFTZS delivered a webinar on the topic on September 22, 2020 and has incorporated details of the changes and process flows in our FTZ Training Academy module “FTZ Receipts/Admissions.” Contact us to schedule training if you are interested.

### Forced Labor & Withhold Release Order

In recent months CBP has intensified its focus on forced labor issues and increased the use of withhold release orders (“WRO”) for suspected violators. The current situation is fluid and continuing to evolve, and therefore it is important to remain abreast of changes and understand the process and impact when WROs are issued and the potential options for resolution. We are available to discuss this evolving issue with your company including potential options for continuous monitoring, FTZ inventory and software considerations, and potential documentation preparation should you need to disprove Forced Labor.

### Advance Notice Will be Required for the Import of Six Chemical Substances

The Environmental Protection Agency (“EPA”) issued a final rule on August 21, 2020 that, effective October 20, 2020, will require notification to EPA 90 days prior to importation, manufacture, or process of six chemical substances for an activity that designates as a significant new use. See [FRN](#).

### Merchandise Processing Fee on the rise

On October 1, 2020, the Merchandise Processing Fee (“MPF”) maximum and minimum limits were increased to \$528.33 and \$27.23 respectively. See [CSMS #44153809](#).

### USMCA: A Mini-Audit Now is a Best Practice

USMCA officially entered into force on July 1, 2020. As CBP acknowledged that the trade may need some time to adjust to the new process, the first six months will include a period of outreach and education, however during this period importers must also be exercising reasonable care to ensure they are compliant with the requirements.

When CBP begins enforcing USMCA, it is anticipated that they will look at entries from July-December of this year. Undertaking a mini-audit of USMCA transactions provides an opportunity to identify potential gaps and make the appropriate changes to internal SOPs now. RGFTZS would be happy to assist you in preparing a mini-audit.

### Full Implementation of the FWS Message Set in ACE is Delayed

The U.S. Fish and Wildlife Service (“FWS”) has delayed implementation of the FWS message Set. FWS is in the process of formulating regulations requiring the utilization of ACE to submit import data for regulated commodities. FWS recommends filers who are ready to file the FWS Message Set data in ACE, to do so now. The newly negotiated process for submission of FWS data for FTZs who wish to admit FWS goods in foreign status is available. RGFTZS encourages such FTZs to evaluate and take advantage of this opportunity. See [CSMS #43988931](#). Contact us if you are unfamiliar with the new process and benefits.

# FDA Proposes Establishment of Additional Traceability Records

Recently the FDA published a proposed rule in accordance with the FDA Food Safety Modernization Act that would require entities to establish and maintain information on tracking critical supply chain events such as growing, shipping, receiving, creating, & transforming of foods. The proposed requirements are intended to assist the agency in mitigating foodborne illness outbreaks or potential health threats and assist in maintaining safety in the food supply. The proposed rule also specifies the information entities would be required to submit in certain circumstances through its supply chain. Comments are due by January 21, 2021. For the full text of the ruling see [FRN](#).

## Section 321: Administrative Ruling

A recent administrative ruling was issued regarding eligibility for entry qualification under Section 321 for merchandise imported on behalf of a non-resident importer and delivered to domestic warehouses and fulfillment centers. CBP indicated that when the merchandise had not been sold to a consumer at the time of importation, it may consider the consignee as the “person” for purposes of Section 321 eligibility and provided the following guidance: “In order for the owner or purchaser to qualify as the “person” under Section 321, importers will be required to provide the first and last name of the owner or purchaser, or the name of the business. Specifically, AMS filers must provide in the “consignee” field, the name of the owner or purchaser “in care of” the address of the domestic warehouse or fulfillment center to which the shipment is destined. Similarly, ABI filers may provide in the “ship to” and/or “buyer” fields, the name of the owner or purchaser “in care of” the address of the domestic warehouse or fulfillment center to which the shipment is destined.” This ruling took effect July 28, 2020. See [CSMS #43534680](#) for more information.

# GSP Expiration on the Horizon

On midnight December 31, 2020 the legal authorization for the GSP program will expire unless reauthorization legislation is approved before the deadline. Although a bill has been introduced in the Senate that would extend GSP’s authorization through April 30, 2022, it is unclear as to whether it will advance or that action will be taken prior to the deadline. It is important to continue to monitor the ongoing status of the program and consider potential strategies for minimizing impact if GSP renewal does not occur timely.

## ACE Updates to PGA Message Sets

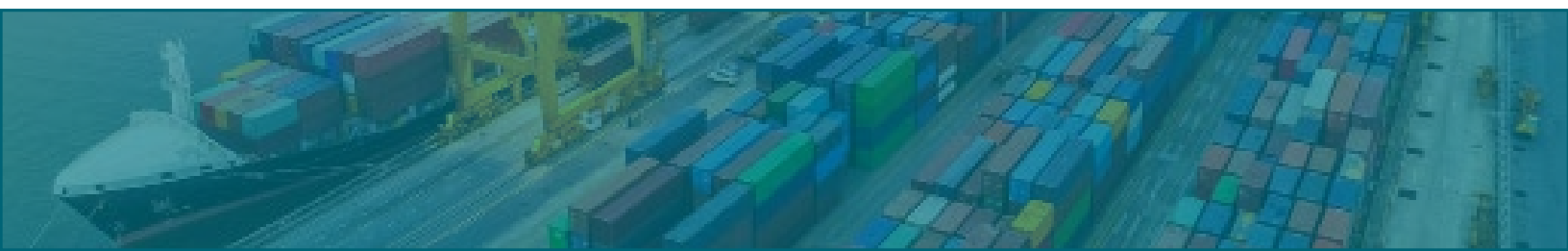
Recent PGA ITDS changes implemented on August 16, 2020 ([CSMS 43666926](#)) were the impetus for many FTZ filers to revisit the rules for declaring Manufacturer IDs (MIDs) on entries for goods that are subject to FDA reporting. The implemented edit requiring that the Country Code match the Entity Country when the Entity Role Code is “MF” caused many entries to reject. CBP subsequently removed the edit in question ([CSMS 43730305](#)), however, this provides a good reminder to importers that CBP is looking at the data being provided on a granular level and is enhancing ACE with more edits and business rules to enforce compliance. Reporting of the appropriate MID may be further complicated when reporting FDA manufacturers and suppliers for products manufactured in an FTZ. RGFTZS can assist with strategies, reviews and updates of MIDs and FDA Weekly Entry Filings (“WEF”).

## ACE Reports Upgraded: May Aid in Duty Savings and Compliance

On September 24, 2020, CBP made upgrades to Importer Trade Activity (“ITRAC”) and In-bond reports that enables users to access data instantly. The data now available through these resources can assist importers in identifying potential savings as well as detecting potential compliance issues. RGFTZS is available to assist.



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# Industrial Successes Driving Development Growth Nationally

With a million square feet of industrial projects announced in September and almost 1.5 million square feet announced since April, Rockefeller Group's industrial portfolio has been very active. In 2020, the company has been able to launch projects in California's Inland Empire and San Diego, Atlanta and New Jersey with additional projects expected to be announced shortly.

In California, Rockefeller Group [secured construction financing](#) for its 297,000 square foot Fontana development, borrowing \$24.4 million, which is used to preserve balance-sheet capital to further grow the development pipeline. Construction progressed throughout the summer on both Fontana and [Centerpointe Commerce Center](#), which completed construction in September. Also, the 135,623 square foot Airway Industrial Park in [Otay Mesa](#) broke ground in October. The biggest news in California for Rockefeller Group came when the company purchased [two sites in the Inland Empire](#). The company will develop more than 623,000 square feet of distribution space near its highly-successful Optimus Logistics Center. In Atlanta, Rockefeller Group announced its fourth industrial development in the rapidly growing region with [Braselton 85](#). And finally, in the New Jersey/PA region, 200 Ridge Road at Piscataway Logistics Center is seeking [WELL certification](#), with a goal of increasing the focus on wellness in industrial facilities. The New Jersey/PA region also began construction on a 400,000 square foot distribution center in [Middlesex, N.J.](#)

Rockefeller Group employees are also out in the market talking trends in the industry. On Thursday, July 30, Rockefeller Group's Deputy Head of Development Brandi Hanback, who is also Head of Rockefeller Group FTZ Services, was a panelist for Commercial Observer's "Emerging Industries," interactive virtual event. "Attracting and retaining labor," she said, "is about transit to the facility but also their experience in the facility. Surrounding amenities or the ability for the building to provide office and training space, wellness space, dining space – it's certainly not your grandmother's warehouse anymore!" Check out the [news coverage of the event here](#). Also, Rockefeller Group Vice President of Design and Construction Michael Leondi joined fellow experts last week in a lively discussion on the future of New Jersey's real estate and construction market, pointing out the strength of the state's industrial market in recent years. Read about the event on [NJBIZ](#).



Rockefeller Group Continues to Develop Industrial in the Inland Empire



Rockefeller Group Delivers Centerpointe Commerce Center

# Attention Steel Importers: Do You Know Where Your Steel Was “Melted & Poured”?

On October 13, 2020, new regulations took effect that now require the importer to indicate on each import license application the country where steel was “melted and poured”. The regulations define “melted and poured” as the country where the steel was first produced in a liquid state and then “poured into its first solid state”. For further information, see [FRN](#).

## Rockefeller Group FTZ Academy

**Rockefeller Group Foreign Trade Zone Services** offers a full suite of web-based FTZ administration training modules:

**Module 1:** Import/Export/FTZ 101

**Module 2:** FTZ Inventory Control & Recordkeeping Systems

**Module 3:** FTZ Receipts/Admission

**Module 4:** Handling Merchandise in an FTZ & Exceptions

**Module 5:** FTZ Withdrawals for U.S. Consumption

**Module 6:** FTZ Withdrawals for Export

**Module 7:** Zone-to-Zone Transfers

**Module 8:** Periodic FTZ Reporting

**Module 9:** CBP FTZ Compliance Reviews, Internal Auditing & Compliant Recordkeeping

**Module 10:** FTZ Considerations for 3PL Operators

**Module 11:** In-bond Regulations & Operational Considerations

**Module 12:** Common FTZ ICRS Issues

**Module 13:** Integrating FTZs into Your Supply Chain

**Module 14:** Client’s Choice (customized)

To learn more, click ‘FTZ Academy’ at [www.rgftz.com](http://www.rgftz.com) or contact us at [rgftzs@rockefellergroup.com](mailto:rgftzs@rockefellergroup.com).

## CTPAT: A Vital Partnership Program

CTPAT remains a vital partnership program for CBP and the trade and continues to provide benefits and privileges for its members. New and more robust minimum security criteria (“MSC”) were rolled out in 2019 with the requirement for implementation in 2020. Ensuring security of the supply chain is the primary function of the program and CBP undertakes validation of the member partners as part of that process to ensure that the MSCs are being met. With this being the first year for the updated MSCs, it is important for members to ensure that they are meeting the updated requirements. While the pandemic may have caused a pause on CBP in-person validations, it continues to move forward with exploring alternate avenues to undertake this activity, including potential “virtual” validations, and it is important for partners not to become complacent. Please reach out if assistance is needed in reviewing the current status of your program or are considering participation and require assistance.

## 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:

[CSMS #43387297-Guidance for Removing Entries from Statement](#)

[CSMS #43596253-FWS Implementation Guide has been Updated](#)

[CSMS #43633412-Guidance: New Marking Rules for Goods Made in Hong Kong](#)

[CSMS #43634131-CAFTA ACE Update for Country Origin](#)

[CSMS #43666926-Deployment Update: ACE](#)

[CSMS #43956709-Info on Enhancements to ITRAC Data](#)

[CSMS #43991404-Change to Unknown Carrier Code from UNKN to ZZZZ](#)

[CSMS #44115989-ISF X.12 Deployment](#)

[CSMS #44197823-CBP Implements Additional Upgrades to ACE Reports](#)

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We welcome your ideas for topics. Questions or information can be sent to [RGFTZS@rockefellergroup.com](mailto:RGFTZS@rockefellergroup.com).

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