



NEWS IN BRIEF

User Fee Increase Coming

U.S. Customs and Border Protection has issued a Federal Register Notice (FRN) announcing an increase to all COBRA fee assessments that will go into effect on January 1, 2018. CBP has determined that the user fee limitations will be increased by 2.677%. The increases to the Merchandise Processing Fees (MPF) for formal entry will be \$497.99 for the maximum and \$25.67 for the minimum. For informal entries the increase for automated entries will be \$2.05.

The FRN with the full list of increase can be found at:
<https://www.gpo.gov/fdsys/pkg/FR-2017-11-01/pdf/2017-23876.pdf>.

Cotton Fees Adjustment in Place

The U.S. Department of Agriculture's, Agricultural Marketing Service issued a Federal Register Notice with changes to the Cotton Fees which went into effect on November 6, 2017. The new assessment is based on \$1.151 per kilogram.

The list of the assessment changes by HTSUS number can be found at:
<https://www.gpo.gov/fdsys/pkg/FR-2017-09-05/pdf/2017-18758.pdf>.

November is a Good Time to Review Annual Blanket Statements

Many importers take advantage of using annual blanket statements and certificates in their importing process. Most have these documents tied to a calendar year. Now is a good time to start reviewing this past year's certificates for any changes that may affect the declaration that is signed. For example, for annual NAFTA certificates, importers should check with their suppliers that no changes have occurred in the product being certified or that any changes made have been accounted for in the new certificate.

For importers dealing with antidumping duty, a non-reimbursement statement is required to avoid doubling the antidumping duties. Importers should start their review of which statements will still apply in the new year and should get the new statement in time for any new shipments in January, so that cargo is not delayed. These are just a few examples of the documents that should be reviewed early before they are due.

CBP Issues a Forced Labor Announcement with Stricter Enforcement

U.S. Customs and Border Protection (CBP) has issued a press release on the prevention of the use of forced labor in an importer's supply chain. This notice includes instructions on the ban of the use of North Korean labor in any production involved in an importer's supply chain. The North Korean labor ban was included in H.R. 3364, the "Countering America's Adversaries Through Sanctions Act," which was signed into law on August 2, 2017.

Sec. 320 of the Act states:

“(a) IN GENERAL.—Except as provided in subsection (b), any significant goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part by the labor of North Korean

nationals or citizens shall be deemed to be prohibited under section 307 of the Tariff Act of 1930 (19 U.S.C. 1307) and shall not be entitled to entry at any of the ports of the United States.”

(b) EXCEPTION.—The prohibition described in subsection (a) shall not apply if the Commissioner of U.S. Customs and Border Protection finds, by clear and convincing evidence, that the goods, wares, articles, or merchandise described in such paragraph were not produced with convict labor, forced labor, or indentured labor under penal sanctions.”

This means that any product suspected of using North Korean labor either in its productions or in the production of materials used in the product will be banned from entering the United States.

The forced labor restrictions included in the Trade Facilitation and Trade Enforcement Act (TFTEA) are different in that CBP will place a Withhold Release Order (WRO) to hold goods suspected of being made using forced labor and allow the importer to provide proof within 90 days that the goods were not made using forced, indentured, or slave labor. Shipments held under a WRO may be re-exported at any time during the 90-day hold.

CBP has issued new instructions in a press release on the process for importers to prevent the importation of goods made from forced labor. It includes a link to CBP's newly revised Informed Compliance Publication (ICP) on Reasonable Care along with links to the Data Fact Sheets that are good reading for any importer that wants to participate in securing its supply chain. The press release can be found at:

<https://www.cbp.gov/newsroom/national-media-release/cbp-combats-modern-day-slavery-passage-countering-america-s>.

CBP expects all importers to set up a review of its supply chain. Questions need to go back to the

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importer's vendor to request that they supply the information needed for an importer's commitment to stopping forced labor. The vendor should report back regularly on their products to ensure that they review their own materials suppliers and that they are not using forced labor or any North Korean labor.

CBP has issued this notice to inform importers of its expectations. Failure to set up a thorough review for the use of forced labor or North Korean labor could be seen as failure to exercise reasonable care by an importer in its dealings with CBP. Importers need to act immediately to ensure that no producers in their supply chains, in any foreign country, are employing North Korean nationals to produce goods imported into the United States and that no forced labor of any kind is used the supply chain.

CBP is currently issuing CF 28 – Notices of Action requesting importers' information on what they have done already to review their supply chain for the use of forced labor and the use of North Korean labor. These CF 28's should not be taken lightly. If an importer has not started a forced labor compliance program, they should start immediately and get information from their vendors. Often the CF 28 will be about a specific vendor and action needs to be taken immediately. If an importer is only partially started in a program, this should be communicated with CBP and requests for extensions should be made to CBP if needed to allow the importer obtain the complete needed information. When in doubt, the response should be reviewed by an importer's Customs counsel. Failure to respond will have negative effects.



By **Todd Boice**, *President*