



## NEWS IN BRIEF

### Senate Finance Committee Approves Kevin McAleenan for Commissioner of Customs

Acting Commissioner Kevin McAleenan has been confirmed by the Senate as the Commissioner of U.S. Customs and Border Protection (CBP). The confirmation has elevated this longtime agency official and acting commissioner with a bipartisan vote of 77-19. McAleenan is the first Commissioner to have been nominated and confirmed that came from a career in United States Customs and Border Protection (CBP). McAleenan's confirmation has been applauded by many sectors of the trade.

### EPA Requirements Composite Wood TSCA Compliance

The Environmental Protection Agency's (EPA) new formaldehyde emissions recordkeeping, dealing with labeling provision standards for composite wood production, has been moved to June 1. The revisions cover composite wood manufactured in the United States or imported into the United States. This change does not include the Toxic Substances Control Act (TSCA) import certification requirements that will still go into effect on March 22, 2019. This date was set by a U.S. District Court decision which changed the dates of the published EPA final rule.

The final rule, issued in September 2017, and can be found on the Federal Register website at

<https://www.gpo.gov/fdsys/pkg/FR-2017-09-25/pdf/2017-19455.pdf>.

### Important Notes on Additional "232" Duties for Aluminum and Steel

With all the concerns about the additional duties under Section 232, there are other things to consider for articles of steel and aluminum that are subject to the proclaimed additional duties. Steel and aluminum articles that are currently subject to antidumping duties (ADD) and countervailing duties (CVD), which also fall under these additional duties will still be subject to ADD and CVD assessments in addition to the 232 duties.

In the proclamations on steel and aluminum there is a sentence in both annexes that reads "no special rates of duty shall be accorded to goods covered by heading 9903.80.01 (for steel) and 9903.85,01 (for aluminum) or any tariff program enumerated in general note 3(c)(i) to tariff schedule." This section names all the free trade and general trade agreements that include GSP, AGOA DR-CAFTA and all the other trade agreements.

The President and his administration will accept applications for exemption from the 232 duties. As you may know, Canada and Mexico are already exempted, and Australia has already received a commitment from President Trump on its exemption request. We have also heard that the United Kingdom and other European countries are working on their exemption applications.

On Monday March 19, the Commerce Department's Bureau of Industry and Security (BIS) published a Federal Register Notice (FRN) that establishes procedures for a United States business to apply for a product-specific exclusion from the 232 duties. Only individuals or organizations using steel or aluminum in business activities (such as construction, manufacturing, etcetera) in the United States can apply for an exemption. Non-U.S. parties cannot request an exclusion.

The explanations and the procedures in the FRN can be found at:

<https://www.gpo.gov/fdsys/pkg/FR-2018-03-19/pdf/2018-05761.pdf>.

### Section 301 Investigations Against China

We are receiving numerous questions about additional duties being assessed under Section 301. These are separate from the steel and aluminum assessment under Section 232, which apply to all countries with exemptions being allowed from certain countries, such as Mexico and Canada. The Section 301 investigation by the Office of the United States Trade Representative (USTR) will only apply to goods exported from China. It has been reported that originally submitted proposals were for about \$30 billion in tariffs. This report was rejected by the Administration and the USTR was directed to develop more comprehensive measures. New recommendations from the USTR are expected to be worth \$60 billion in tariffs.

There has been no publication of what items would be assessed additional duty or what that additional duty would be by product. It is anticipated that electronics, home goods, and apparel would be included in the assessments. Currently, there are conflicting reports on whether or not USTR has submitted their report to President Trump for review. The best answer we can give you is, "it depends." The announcement may be out this week, or it may be 3-4 weeks away. We are watching this very closely.

By **Todd Boice**, President