



NEWS IN BRIEF

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President Trump Will Suspend Rwanda from AGOA for Apparel Products

In response to a petition filed by the United States used clothing industry, President Trump ordered the Office of the United States Trade Representative (USTR) to do a review of Rwanda, Tanzania, and Uganda's eligibility for participation in the African Growth and Opportunity Act (AGOA) based on their decision to phase in a ban on imports of used clothing. The USTR review found that this ban harms the U.S. used clothing industry and that it is inconsistent with AGOA criteria to eliminate tariff barriers. Tanzania and Uganda have begun steps to eliminate the high tariffs on used clothing and footwear. However, based on the report Rwanda is not making sufficient progress.

President Trump has notified Congress and the Government of Rwanda of his intent to suspend Rwanda from AGOA for apparel products, effective 60 days from March 29, 2018. He believes that suspension, instead of termination, is proper so that the door will remain open for continued engagement to correct this problem.

USTR Issues List of Goods Subject to 301 Additional Duties

The Office of the United States Trade Representative (USTR) has issued a notice that includes an annex of the list of goods that are recommended to be subject to the Section 301 additional duties assessment. The recommended duty to be assessed is an additional 25% for each product. This would be in addition to the regular duties posted in the (Harmonized Tariff Schedule of the United States) HTSUS. For example, if a product is usually duty-free, the new duty would be 25%, if a product is subject to duty of 8%, the new duty would be 33%.

USTR Press Release: <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/april/under-section-301-action-ustr>.

The press release includes a link to the Presidential notice on the 301 action with the list of HTS numbers that are recommended to be subject to the duties. The proposed list of classifications and the proposed additional duty to be assessed are now subject to comments before they go into effect. The Section 301 Committee will convene a public hearing on May 15, 2018. Written comments are due May 11, 2018. The instructions on how to request to appear at the public hearing are on page 10 of the notice and the instructions on how to submit comments are on pages 11 and 12.

The notice also includes information on an additional action that the USTR has been instructed to take. The USTR will likely request the establishment of a World Trade Organization (WTO) dispute settlement panel to address China's discriminatory licensing practices. After 60 days the USTR will report the progress to the President.

Refunds of Duty When GSP Goes Back into Effect

As per our announcement last Friday, The Generalized System of Preferences (GSP) renewal was authorized. GSP will go back into effect on April 23, 2018. Until then, we will continue to file GSP eligible entries using the "A" SPI and pay the duties unless instructed to hold back the filing to avoid payment of the duties by an importer.

Retroactive refunds for duty under GSP will be made upon request. U.S. Customs and Border Protection (CBP) considers the use of the "A" SPI transmitted with an entry as a request for the refund and will automatically process the refunds. The refunds will be given without interest. We expect that, as in the past, the refunds will not be issued right away. CBP will most likely process the refunds in batches which may take weeks to be completed.

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For entries that qualify for GSP treatment, but were not filed with the "A" SPI with the duty and are not yet liquidated, a request will be required to be filed through an electronic Post Summary Correction (PSC). For entries without the "A" SPI that have liquidated, a written request must be filed. Requests for GSP refunds, both electronic and in writing must be filed within the 180-day time limit set in the renewal, which would be by October 20, 2018.

Upon request Carmichael can produce a report of the entries that were filed with the duty paid that should be automatically refunded. This will help you track the refunds that are due to you. We will not run these reports until after April 23, to make sure all entries are included.

A handwritten signature in black ink, appearing to read 'Todd Boice', with a horizontal line extending to the right.

By **Todd Boice**, President