



NEWS IN BRIEF

MTB Passed by the House

The Miscellaneous Tariff Bill (MTB) has been approved unanimously by the House of Representatives. Previously the House had already passed this bill, but when it got to the Senate some changes were made to the version that they passed. The bill had to come back to the House for a second approval and will now go before the President for his review and signature.

Update: China 301 Retaliatory Duties

The first two lists of 301 Retaliatory Duties against China are now in effect, with the first list containing 883 HST numbers and the second list containing 279 HTA numbers. Specific product exemptions can still be requested. There are [instructions in a Federal Register Notice](#) that was issued when the first list was issued that apply to the second list as well.

Additionally, there are [instructions on the USTR website](#) that include steps on how to file for a product exemption. The link also includes access to a format for the request that is suggested to be used. You can look at the requests that have already been filed at www.regulations.gov. Refer to docket USTR-2018-0025 to see how others have approached their requests.

The third list, which includes 6,033 HTS numbers, is still under review. The required hearings have concluded and the USTR is still accepting HTS exclusion letters up until September 6. With the large number of HTS numbers involved, the USTR will take some time to do a full review. When the final list is announced, instructions on how to file for exemptions will be published. The USTR will not accept individual exemption requests until the final list is published but expect the process to be very much the same.

We have received several questions about the third list and when will it go into effect and what to be expected from it. Because of these questions we want to remind everyone that the list is still only a *proposed* list and that full the review is required under Section 301. The original proposed retaliatory duty rate in the announcement the list was 10%. The President has since instructed the USTR to consider changing the retaliatory duty rate to 25%. While we expect the USTR to make the change to 25%, there is nothing in writing to make that official. The HTS numbers and

the rate are both part of the required review.

There is no set date for when the review will be completed or when the final list will be published. We will know the exact date that the list will go into effect as soon as the final list is published.

U.S. and Mexico Agree to Trade Agreement

Last week the U.S. Trade Representative (USTR) announced that the United States and Mexico had reached a preliminary agreement to the NAFTA renegotiations. The announcement was made in three fact sheets: [Modernizing NAFTA into a 21st Century Trade Agreement](#), [Rebalancing Trade to Support Manufacturing](#), and [Strengthening North American Trade in Agriculture](#). The actual language of the agreement has not been published yet

Canada did not participate in the negotiations for this new trade agreement. President Trump had stated that if Canada does not sign on to the new agreement, he would terminate NAFTA and sign a separate agreement with Mexico. The Canadian Foreign Minister, Christia Freeland, has been in Washington, D.C. all week to begin the discussions of Canada's participation with the USTR.

As of Friday, negotiations have moved forward and President Trump has sent a notification to Congress, as required under the Trade Promotion Authority, that he intends to keep Canada as part of the new agreement and that his administration intends to keep NAFTA as a trilateral agreement. The notification sets in place the requirement to submit the final text of the agreement within 30 days and the executive signature to the agreement within 90 days.

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Deadline for GSP Retroactive Refunds is Approaching

Have You Received Your GSP Retroactive Refund from When GSP Had Expired?

Last week we sent this out as a special notice. This is a second reminder about checking for your GSP refunds.

After the Generalized System of Preferences (GSP) expired on December 31, 2017, it was reinstated on April 22, 2018, with retroactive refunds authorized during the period that GSP was not in effect. Customs and Border Protection (CBP) allowed the filing of entries with use of the "A" SPI on entries with the duties paid. Entries filed in this manner were to receive automatic liquidations with refunds. Since then, CBP has been very slow in issuing the refunds, but they just announced that they have completed the automatic refund process and checks are now being issued.

We have learned from experience that sometimes these entries which are due refunds fall through the cracks and are not processed properly. We highly suggest that all our clients review their records to make sure they have received the refund checks they are due. If there are any entries for which you have not received the expected refund, we have until September 19 to file a written request for the refund. Please check the list entries due for refunds, which was made available to you and let us know if you have not received a refund check for any applicable entries. If you do not have your list, please contact your Carmichael client representative to request one.

If you have shipments where the GSP qualification was not declared for at the time of entry, please let us know right away. Refund requests for the retroactive GSP benefits for any entry must also be filed by September 19.



By **Todd Boice**, President