



## NEWS IN BRIEF

### GSP Eligibility List Modified

A Presidential Proclamation was issued in the Federal Register today announcing modifications to the U.S. Generalized System of Preferences (GSP) eligibility. Most of them deal with waiver requests for country-product pairs that have exceeded the import limits for GSP eligibility. Most waivers for those products that were filed were denied. Also, all petitions to add new products to GSP were denied.

The changes announced today will go into effect on Thursday, November 1, 2018. The proclamation with the list of changes can be found on the [Federal Register website](#).

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### CBP Adding Regulatory Audit Staff

At the WESCCON conference in Palm Springs, U.S. Customs and Border Protection (CBP) told attendees that they are increasing the staffing levels for the office of Regulatory Audit. Tom Jesukiewicz, Regulatory Audit Los Angeles Office, stated that each of CBP's 10 field offices were getting ready to add at least 10 more auditors for each office. The current staffing at each of the offices are six teams, with eight auditors per team.

Tom explained that the audits they are working on are more focused on nature rather than full audits of an importer's entire process. With the advent of the large 301 duties, they are looking closer at commodities with low duty rates, such as electronics, and the values submitted for those entries. With the large duties now being collected, CBP will be watching closely for schemes to avoid the proper payments of duty.

### New Section 201 Safeguard Petition on Bicycles Filed and Withdrawn

In mid-October, two U.S. bicycle manufacturers filed a petition to request safeguard duties on bicycles imported into the United States. The focus of the petition was for fully assembled bicycles valued under \$400.00, which are considered to be the mass-market bicycles. The petition was for bicycles from all countries.

Within a week the two companies that filed the petition, Bicycle Corporation of America and Detroit Bicycles, notified the International Trade Commission (ITC) that they were withdrawing the petition. No reason was given with the notification of the withdrawal.

### CBP Ready to Accept Claims for Craft Beverage Modernization Act

U.S. Customs and Border Protection (CBP) is now ready to accept claims for special IRS tax treatment allowed under the Craft Beverage Modernization Act (CBMA). These tax credits were passed in 2016 and went into effect in 2017. However, due to the complications between various agencies and their authorities, an interim final rule was published in August of 2018 allowing CBP to issue refunds of qualifying IRS taxes which were collected on alcohol and distilled spirits. CBP had hesitated to do the programing in ACE until the final rule was published. That program is now complete.

Claims for the CBMA tax relief will require specific documentation. The shipper will issue an Assignment Certification that must be submitted to CBP. Along with the certification, there are requirements for two excel spreadsheets, a CBMA spreadsheet and a CBMAC Group spreadsheet.

The Assignment Certification is issued by the foreign producer/assigning entity and must be on its letterhead. This certification must be signed by an officer or duly authorized employee of the foreign producer/assigning entity. The Assignment Certification will be submitted to CBP via DIS. CBP will not require that the Assignment Certification be submitted with each entry for a CBMA claim. If there is a change to the Assignment Certification, a new certification with the updates will be immediately required. The format for the Assignment Certification can be found on [CBP's website](#).

The CBMA Spreadsheet for each entry will include the following information: entry number, entry line numbers, importer of record number, protest number (if applicable), alcohol type, alcohol, CBMA tax

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rate or credit by line, estimated alcohol tax claimed to be owed by line for the quantity claimed, refund (if applicable), total annual assignment taken to date, total annual assignment remaining to date, FDA manufacturer name, Controlled Group name, Foreign Producer/Assigning Entity name and information, and the date of submission of the Assignment Certification. A template for this spreadsheet can be found on [CBP's website](#).

The Controlled Group Spreadsheet for each entry will include the following information: the importer of record number; the controlled group name; the controlled group member information; Foreign or domestic Controlled Group Member; and Annual production. The template for the Controlled Group Spreadsheet can be found on [CBP's website](#).



By **Todd Boice**, President