

# MEMO TO CLIENTS ISSUE 19-008 • April 22, 2019

# **NEWS IN BRIEF**

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### <u>USTR Releases New List</u> of China 301 Exclusions

The Office of the U.S. Trade Representative (USTR) has released a new list of additional classifications and descriptions for exclusion pertaining to the first list of HTS numbers subject to the China 301 duties at 25%. This new list has 14 HTS numbers with 21 exclusion descriptions. Each exclusion is tied to a specific language description for each product under an HTS Number. Some HTS numbers may have more than one description tied to it. For example, HTS 8479.90.9046 has two different descriptions that must be read very closely

The HTS numbers and their descriptions are:

(1) **8413.19.0000**: Pumps designed for countertop appliances for serving beer, the foregoing that control the level of carbonation by means of sonic waves (described in statistical reporting n umber

(2) **8420.10.9080**: Roller machines designed for cutting, etching or embossing paper, foil or fabric, manually powered

(3) **8421.21.0000**: Water oxidizers and chlorinators

(4) **8425.39.0100**: Ratchet winches designed for use with textile fabric strapping

(5) **8428.33.0000**: Continuous action elevators and conveyors designed to convey mineral materials

(6) **8431.20.0000**: Counterweight castings of iron or steel designed for use on fork lift and other works trucks

(7) **8431.20.0000**: Tines, carriages, and other goods handling apparatus and parts designed for use on fork lift and other works trucks (described in statistical reporting number

(8) **8466.93.9885**: Parts of drill sharpening machines (described in statistical reporting number

(9) **8479.90.9496**: Outer shells of hydraulic accumulators, of iron or non-alloy steel, cylindrical with hemispherical heads on each end

(10) **8479.90.9496**: Parts of mechanical awnings and shades

(11) **8479.90.9496**: Reject doors, pin protectors, liners, front walls, grates, hammers, rotor and end disc caps, and anvil and breaker bars, of iron or steel, the foregoing parts of metal shredders

(12) **8479.90.9496**: Steering wheels designed for watercraft, of stainless steel, having a wheel diameter exceeding 27 em but not exceeding 78 em

(13) **8481.10.0090**: Pressure regulators of brass or bronze, whether high or low inlet type, having a rated flow rate of 55,000 -150,000 BTU/hr, maximum inlet pressure of 0.17 MPa to 1. 72 MPa, inlet connection with POL or thread type of fitting

(14) **8481.90.9040**: Pipe brackets of aluminum, each with 4 ports, the foregoing measuring 27.9 em x 20.3 em x 17.8 em and weighing 11.34 kg, designed for installation into air brake control valves (described in statistical reporting number

(15) **8481.90.9040**: Push pins and C-poles of steel, designed for use in variable force solenoid valves

(16) **8482.10.5032**: Ball bearings of a width not exceeding 30 mm

(17) **8504.90.9690**: Inductor baseplates of aluminum, each with a length measuring 149.20 mm or more but not over 275 mm, with a width measuring 119.40 mm or more but not over 232 mm and with a depth of 10.50 mm or more but not over 19 mm, with a weight of0.48 kg or more but not over 3.2 kg (described in statistical reporting number

(18) **8515.90.4000**: Parts of soldering irons and soldering machines

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(19) **8536.50.9065**: Motor vehicle gear shift switch assemblies, comprised of a plunger, connector and gear shift lever (described in statistical reporting switches designed for use in heat pumps and air-conditioning condensers having a rating of 1.90 megapascals or more but not over 4.55 megapascals

(20) **9030.33.3800**: Instruments for measuring or checking voltage or electrical connections electrical circuit tracers

The Federal Register outlining the new list can be found on the <u>Government Publishing</u> <u>Office website</u>. Carmichael has developed a program where we can run reports of items which may qualify for the exclusion based on HTS numbers in our system from an importers entry history for the past year. Please contact your Carmichael representative if you would like us to run this report for you.

# Reminder: Watch for Splitting Orders to Qualify for Sec 321 Duty-Free Treatment

The rules for qualification of duty-free treatment for shipments under \$800.00 allow that the exemption be granted to one importer (company or individual) per day. Coinciding with this exemption there is a requirement that a shipper cannot split an order into separate shipments valued under \$800.00 to avoid the payment of duty. CBP is stepping up its enforcement of this rule since they are finding companies splitting orders for their U.S. customers. In a recent case, the Department of Justice said that the improper avoidance of CBP duties carries the possibility of treble damages and substantial additional civil penalties.

## CBP Will Move ITRAC Reports to ACE

U.S. Customs and Border Protection (CBP) has announced that it will move access to the Importer Trade Activity Reports (ITRAC) to the ACE Portal. The ITRACS are a full report of an importer's activity with CBP for a particular year. It includes information for all entries filed by the importer the value of imports that can be sorted by country and the duties paid as a whole or by country.

As of now, ITRACS is available only through the ACS system and can only have the information pulled upon request and with a fee paid to CBP. The reports done by CBP can take anywhere from three to six weeks to complete before being sent to the importer. Currently, information for ITRACS can be constructed through the use of multiple reports. With full ITRACS reports becoming available in ACE, the reports will be able to be pulled immediately and with no costs. CBP's announcement on ITRACS can be found on <u>CBPs Cargo Systems</u> <u>Messaging Service (CSMS) website</u>.

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By Todd Boice, President

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