

NEWS IN BRIEF

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Two New Exclusion Lists Issued for Section 301 Duties

On September 27, the United States Trade Representative (USTR) announced the latest round of approved product exclusions from China Section 301 List 1 and List 2 duties. Shortly after the announcement, on October 2, a Federal Register Notices (FRN) for these two lists of exclusions was published.

The product exclusions for List 1 has 92 product specific descriptions and List 2 has 111 descriptions. These product exclusions are available to any importer for any product that falls within that special product description and under the named ten-digit HTSUS classification in the exclusion description. These exclusions are not solely for the party that filed the exclusion request, they apply to any importer that imports merchandise fitting the given description. List 1 product exclusions are retroactive to July 6, 2018 and List 2 product exclusions are retroactive to August 23, 2018.

Carmichael can prepare a report of the HTS numbers included in the two lists so that you may look at the definition of the exclusion itself and determine if a refund would be due and/or if the China 301 duty should be paid on future shipments.

The two FRNS with the listed exclusions can be found online by clicking [here \(List 1\)](#) and [here \(List 2\)](#).

FMC Issues Proposed Guidelines on Demurrage and Detention

A Federal Register Notice of Proposed Rulemaking (NPRM) has been issued by the Federal Maritime Commission (FMC) on its fact-finding investigation into current practices for setting free time and for charges of demurrage and detention at ocean

terminals. This NPRM lists proposals for reasonable policies dealing with pick up and return of containers when cargo is delayed at no fault of the beneficial cargo owner. Many of our customers have dealt with demurrage charges that they believe were unfairly charged to them. This notice gives guidelines on how demurrage and detention practices should be dealt with under the Shipping Act.

The FMC is soliciting comments from the public on their findings. Originally, comments on the notice were due on October 17, but the FMC has extended the comment period to October 31. Instructions for submitting comments are contained in the proposed rule. A copy of this important notice can be found on the [Federal Register website](#).

United States and Japan Sign Trade Agreement

The Office of the U.S. Trade Representative (USTR) has announced that the United States and Japan have negotiated a new trade agreement which will eliminate or lower tariffs in Japan for certain U.S. agriculture products and set up a preferential quota for other U.S. agriculture products. The U.S. will provide tariff elimination or reductions on 42 tariff lines of Japanese agriculture products. The U.S. will also eliminate or reduce tariffs on certain industrial products from Japan.

The USTR added that the two countries are also concluding an agreement on provisions for a high-standard digital trade agreement. This agreement will eliminate duties on digital products transmitted electronically such as videos, software and games, ensuring border-free data transfers.

The agreements must still be approved by Congress and the STR has issued a fact sheet to explain the agreements. The agreements and fact sheet can be found on the [USTR website](#).

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CBP Issues New WRO Detentions for Forced Labor

On September 30, U.S. Customs and Border Protection issued 5 Withhold Release Orders (WROs) for 5 different products from 5 different countries as they are suspected of being produced using forced labor. The importers will have an opportunity to prove that the supply chain used to produce these products was not involved with any forced labor. Until then, any of the products made by those producers with have WROs issued against them. The items under WRO are:

- Garments produced by Hetian Taida Apparel Co., Ltd. in Xinjiang, China; produced with prison or forced labor
- Disposable rubber gloves produced in Malaysia by WRP Asia Pacific Sdn. Bhd.; produced with forced labor
- Gold mined in artisanal small mines (ASM) in eastern Democratic Republic of the Congo (DRC); mined from forced labor
- Rough diamonds from the Marange Diamond Fields in Zimbabwe; mined from forced labor
- Bone black manufactured in Brazil by Bonechar Carvão Ativado Do Brasil Ltda; produced with forced labor

The press release from CBP on these WRO actions can be found on the [CBP website](#).



By **Todd Boice**, President