

## NEWS IN BRIEF

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### USTR to Accept Exclusion Requests for China 301 Tranche 4

Late last Friday, The Office of the U.S. Trade Representative (USTR) announced that they will open requests for exclusions to Tranche 4 (lists 4A and 4B) of the Section 301 tariffs beginning October 31. The process will be handled through USTR's online portal, similar to the exclusion request process used for Tranche 3 (List 3). Full instructions will be issued in a Federal Register Notice (FRN) sometime this week.

USTR's advance instructions of the FRN can be found by [clicking here](#) and the statement from the USTR on Tranche 4 exclusion requests can be found by [clicking here](#).

As of today, the FRN promised by the USTR has not been published.

### New Entry Type 86 Ready in Test Pilot

U.S. Customs and Border Protection (CBP) has opened the new entry type 86 into a test pilot for filers. This new entry is a format for the release of de minimis shipments with value of less than \$800. Section 321 now releases electronically without paying the duty. Prior to this test, brokers have had to submit paper requests for a manual Section 321 release that had to be delivered to the Customs Officer at the Port. This processing time would take anywhere from 3 days to up to a week and the delay would almost always accrue storage at the airlines. We would almost always file dutiable informal entries where the duties and fees were less than the airline storage and the release would be immediate.

This new entry allows filers to transmit the importer name and address along with HTS number and a few simple date elements. However, the HTS number is used by the ACE entry system to detect if the goods require release data for another government agency (PGA), such as the Food and Drug Administration (FDA). With the new process we can still file the PGA data for the entry allowing the PGA to process its part of the release. CBP will then permit the entry to be processed once it is reviewed by the PGA. There is still no duty paid on these entries. We have been very successful in filing these entries in the past two weeks.

### MTB Duty Reduction Requests Now Open for 2021

The International Trade Commission (ITC) has announced that they have opened the petition process for the next set of the Miscellaneous Trade Bill (MTB) filings for duty suspensions and/or duty reductions. The ITC opened the filings on October 15 with the petition period closing on December 15. The duty suspensions or deductions were originally intended for imported goods, such as raw materials and parts and products need for U.S. manufacturers, that are not produced in the United States or cannot be produced in the U.S. to keep up with U.S. trade demands. However, there are currently no restrictions on what products can be requested.

There are certain things that are needed for an MTB petition to be successful. There must not be any domestic industry opposition and any reduction for duties for the proposed product cannot exceed \$500,000.00 per year. The current more stringent procedures call for back up for the correct classification including CBP rulings on the product or any other CBP documentation to support the classification.

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Petitions should include the following:

- An estimate of the dutiable value of the product for the next 5 calendar years
- An estimate of the share of the total imports to those by the petitioner's represented imports
- The names of any domestic producers of the product, if known

The petition should also include a certification of the completeness and correctness of the filing and an acknowledgment of the petitioner's awareness that the information is subject to an ITC audit.

The ITC published a Federal Register Notice (FRN) on the final rule that can be found on the [Federal Register website](#). More information on the MTB process can be found on the [ITC website](#).

### **Cotton Board Raising Import Fees on Cotton Article**

The U.S. Cotton Board issued a Federal Register Notice (FRN) on October 15, 2019 announcing a proposed raise on import fees for cotton products. The Cotton Board will increase the assigned weighted value to imported cotton fees. The change to the assessment will cause a small change to the Import Assessment Table with the assigned rate going from \$0.011905 per kilogram to \$0.012222 per kilogram.

The increase is scheduled to go into effect on December 15, 2019, unless negative comments to the FRN are received by November 14. The FRN with this announcement can be found by [clicking here](#).



By **Todd Boice**, President