

NEWS IN BRIEF

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Happy New Year from Carmichael

As we start 2020, I want to wish you all a Happy New Year! We appreciate your business and support in 2019. It was a year unlike any other we have seen in trade and compliance. This has created challenges in all of your businesses as well as ours. Despite the circumstances, Carmichael was able to grow and produce our best year so far. We continue to do all we can to help your companies be successful and manage the trade environment. I wish you a successful 2020!

Details of the U.S.- Japan Trade Agreement Available

A Presidential Proclamation on several trade agreement issues was posted in a Federal Register Notice (FRN) on December 30th. This includes changes to the Israel Free Trade Area Agreement (ILFTA) and the African Growth and Opportunity Act (AGOA). It also includes the announcement of the U.S. Japan Trade Agreement which includes the reduction of duties that are staged over 10 years, beginning on January 1, 2020. U.S. Customs and Border Protection (CBP) has announced that the first set of deductions beginning January 1 cannot be filled for until January 14 because CBP has not completed the programming in ACE for the acceptance of the changes. We can go back and request refunds on any entries of qualified goods.

The list of HTS numbers and duty rates can be found in Annex II in the proclamation which can be found by [clicking here](#)

The Office of the U.S. Trade Representative has just posted the language of the USJTA on its website and it can be found by [clicking here](#)

USMCA Update

House Bill No. 5430 (United States-Mexico-Canada Agreement Implementation Act) was finally passed in the House of Representatives on December 19, 2019 by a vote of 385-41. It has been forwarded to the Senate for review. The corresponding Senate bill does not include the changes made by the House and agreed on by the Administration, but it is expected that the Senate will approve the House version. The Senate vote should occur shortly after the Senate re-convenes after the holiday break.

The changes in the enforcement language had been agreed upon by Mexico, but they will want to look at the final language after the Senate vote to determine if the changes need a new ratification vote in Mexico; however, it is anticipated that a second vote will not be needed.

Canada has not yet voted on the USMCA ratification. They wanted to vote on the final language from the U.S. senate. Once the U.S. ratification is approved and signed by the President, we can expect Canada to move quickly.

As soon as all three countries have signed, the agreement should go into effect 90 days after. Until then, NAFTA will still be in effect and importers are reminded that NAFTA Certificates of Origin will be required for all shipments exported from Mexico until USMCA goes into effect.

The full bill passed by the House is H.R 5430. A copy of the bill can be found by [clicking here](#)

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Exclusions to China 301 List 1 are Expiring

Exclusions from China 301 duties expire after one year from enactment. The exclusions to List 1 that were granted on March 25, 2019 are the second list of exclusions scheduled to expire which includes thirty-three (33) items. Three (3) out of those were for full HTS classification lines and thirty (30) were specific products found under a specific HTS line. These exclusions that were granted are available to any importer who wants to take advantage of them, not just the original applicant for the exclusion.

Anyone that is taking advantage of another's granted exclusion can write in to request an extension. The USTR is looking for comments. The USTR issued a Federal Register Notice (FRN) on December 30th which had instructions on how to file a request for an extension. In its FRN the USTR has set a very short time span to file for extensions (January 15 to February 15).

Be aware that the format is different from the original exclusion request form that was used. The instructions for requesting an extension can be found on the [Federal Register website](#)

To review the exclusion list for what is expiring, the original FRN from March 25 2019 can also be found on the [FRN website](#)

Update on China 301 Duties for Lists 4A and 4B

When the U.S and China agreed on Phase One of an agreement to deal with Section 301 Duties, President Trump sent out a note that list 4B would not be enacted and that list 4A would be reduced from 10% to 7.5%. The 15% duties on list 4B were suspended, but in the Federal Register announcement of the suspension the United States Trade Representative (USTR)

included a statement that another notice on list 4A would follow.

The second notice has not been issued yet and the List 4A duties have not been reduced. The reduction for List 4A is part of the Phase One Agreement that has not been signed yet. China is sending their Vice Premier, Liu He, to Washington this week to formally sign the Phase One agreement with the U.S. Trade Representative Lighthizer. President Trump has said that he will sign it on January 15th. We hope that the reduction for List 4 will go into effect not long after the first signing, but definitely once the President signs it. We should expect an announcement on the reductions on List 4A soon.

President Trump's Presidential Proclamation Identifies AGOA Members

On December 26, President Trump issued a Presidential Proclamation dealing with certain country members of the African Growth and Opportunity ACT (AGOA). Beginning January 1st, Cameroon has been removed as a sub-Saharan African country. He has also determined that the countries of Niger, the Central African Republic, and the Republic of Gambia have not established effective visa systems and are eligible for several special provisions for textiles under AGOA. He also announced that Niger and Guinea-Bissau satisfy the criteria for treatment as lessor developed beneficiary sub-Saharan Africa countries which allows special rules for some apparel articles for the qualifying countries.

The Presidential Proclamation can be found on the [Federal Register website](#)



By **Todd Boice**, President