

NEWS IN BRIEF

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The USTR Announced a New Review of Section 301 China Duties

The Office of the U.S. Trade Representative (USTR) has announced its plans for conducting a review of the Section 301 China duties. The USTR has determined that the Section 301 China duties for Lists 1 and 2 will be continued. With the extension of these duties, it is a requirement by statute that the USTR conducts a review of the duties. The review will focus on the effectiveness of the 301 duties in achieving the intended objectives with China and a look at the effects of the actions on the U.S. economy.

The USTR has issued Notice of Proposed Rulemaking (NPRM) explaining the process and how to file comments. The link to this notice can be found by clicking [here](#).

The USTR will open a public docket for comments from November 15, 2022 to January 17, 2023

Rail Strike Looms Again

In September a strike by Railroad workers was averted by a contract offer from the railroads that was accepted by the Union negotiators and just needed ratification by the 12 local unions covered by the contract. This week, it was announced that members of one of the local unions, the Brotherhood of Maintenance Way Employees had voted to reject the contract. This negative vote will set up a status quo period in which a strike cannot take place while the union resumes negotiating with the railroads which will start again in November.

FMC Demurrage & Detention

The Federal Maritime Commission (FMC) has issued a Federal Register Notice of Advance Rulemaking dealing with billing of charges for demurrage and detention on ocean cargo. It requires minimum information on any billing including when the cargo became available for pickup for the beneficial cargo owners.

This 88-page document includes information on when demurrage accrues, when free time starts and when the clock should stop. It reaffirms the information that needs to be on any billing to explain the charges. It also has many of the requirements for the Carriers and Marine Terminal Operators in dealing with the movement of cargo. The USTR is asking for comments for these proposed regulations. The notice can be found by clicking [here](#).

President Signs Formula Base Powder Tariff Change

This week the President signed into law a reduction of duty to a base powder used in the production of baby powder to help increase the low supply of baby formula. The existing tariff of 13.6% and \$1.35 per kg will be temporarily eliminated until December 31, 2022.

CBP has a Centralized Exam Site at LAX

Last year, U.S. Customs and Border Protection (CBP) at the Los Angeles International Airport (LAX) opened a centralized exam site (CES). Before it was opened, exams were done by officers who had to drive to cargo sites, both at airlines terminals and container freight stations (CFS).

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With the continued trade growth, CFS stations were continually opening in areas further away from the airport. This led to CBP officers spending as much time driving in cars going to the facilities as they were spending doing the actual exams. There were times when it was taking 7 to 10 days to get an exam completed. With the opening of the CES at LAX, cargo is delivered to the CES where the officers are located and can do the exams when the cargo arrives. Exams at LAX are now often done within one to two days. With the success of the CES in Los Angeles CBP is planning to open new CES in other airports to help expedite exams and clearances.



By **Todd Boice**, President