

The source for trade compliance news



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Top News

Republicans in Congress Concerned About Proposed de Minimis Carve-Out

Rep. Kevin Brady, R-Texas, the ranking member on the House Ways and Means Committee, said he knows that Rep. Earl Blumenauer, D-Ore., is sincere in his concern that the more generous de minimis threshold since 2016 has had unintended consequences. Blumenauer was one of just 24 House Democrats who supported the Trade Facilitation and Trade Enforcement Act that raised the threshold to \$800. Blumenauer introduced a bill (see 2201180053) that would bar importers of Chinese goods from using de minimis, and would also end the ability to send exports to Canada and Mexico to wait in warehouses until a U.S. buyer makes an online purchase.

Brady said during a phone call with reporters Jan. 19 that he's open to learning more about Blume-nauer's vision, but, he said, "I'm not convinced that de minimis is a loophole." Brady said that the submission of advance data for small packages already helps CBP stop fentanyl shipments, and is also effective in stopping goods made with forced labor.

There is no companion bill yet introduced in the Senate, but if the House tries to get a change to de minimis considered through a conference committee on China legislation, senators would have the opportunity to change or stop the initiative. Sen. Chuck Grassley, R-Iowa, said he would need to know more about how the proposal would change the efforts to stop fentanyl shipments before taking a stand on it. He also asked: "Are they a benefit to small business in America? Or if we did this, would it hurt the consumer?"

When told by an *International Trade Today* reporter that express carriers say the current de minimis approach is a benefit to small businesses, Grassley replied, "See, then I'm going to have to study that point of view. But I think the premise of the legislation's very legitimate."

E-Merchants Trade Council <u>says</u> that Blumenauer's bill would have a major impact on e-commerce, both by ending the ability to ship imported goods from Canadian and Mexican warehouses and take advantage of de minimis, and because sellers would have to pay customs brokers for processing their imports. EMTC says that it typically costs \$50 to \$150 for each imported shipment.

Brady said that, especially in a time of a supply chain crisis, policymakers need to balance trade facilitation and enforcement. "I do think that de minimis facilitates trade, especially for our small businesses, by cutting both red tape and tariffs on those low-value shipments," he said. — *Mara Lee*

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Upcoming Changes to 2022 HTS: Part 6 (Stone, Ceramics, Glass and Metals)

The broadest set of changes to tariff classification in five years is set to take effect toward the end of January, as the latest set of amendments to the World Customs Organization's Harmonized System tariff nomenclature is implemented in the Harmonized Tariff Schedule of the U.S. Announced by a presidential proclamation published Dec. 28, the changes are slated to take effect 30 days after that, Jan. 27 (see <a href="https://doi.org/10.2101/20.2101

(NOTE: Summaries of changes to other chapters will appear in upcoming issues of *International Trade Today*. See the annexes to the presidential proclamation, included in an International Trade Commission report, for a full list of changes. See the World Customs Organization's correlation table for a summary of changes at the six-digit level from the 2017 to the 2022 HS nomenclature, as well as short explanations of some changes. See 2201100060 for the first part of this summary, on chapters 1-14 of the tariff schedule. See 2201110039 for part two, covering chapters 15-24. See 2201130043 for part three, covering chapters 28-38. See 2201140024 for part four, covering chapters 39-49. See 2201180054 for part five, covering chapters 50-64. No direct changes are being made to chapters 25-27 or 65-67.)

Tariff Subheading on Stone Tiles and Cubes Reworded

Subheading 6802.10.00 for "tiles, cubes and similar articles" of stone is amended so it now covers such articles if "the largest face" can fit in a 7 cm square. Previously, the subheading had referred to "the largest surface area."

Simplified Classification for Articles of Asbestos

The WCO is removing subheadings that covered articles made of asbestos and mixtures of asbestos, citing a low volume of trade. Subheadings 6812.92.00 and 6812.93.00, which had covered asbestos paper, millboard and felt and compressed asbestos fiber jointing, respectively, are deleted from the tariff schedule. Old subheading 6812.99.00 for other articles made of asbestos is also deleted, and replaced with a new subheading 6812.99 that includes subheadings 6812.99.10 for asbestos paper, millboard and felt; 6812.99.20 for compressed asbestos fiber jointing; and 6812.99.90 for other articles of asbestos.

New Separate Tariff Provisions Added for Carbon Fiber

The 2022 tariff schedule adds new tariff subheadings for carbon fiber. Old subheading 6815.10.01 for "nonelectrical articles of graphite or other carbon" is eliminated, and in its place new subheadings 6815.11 through 6815.19 are added, as follows (all duty-free):

- 6815.11.00 Carbon fibers
- 6815.12.00 Fabrics of carbon fibers
- 6815.13.00 Other articles of carbon fibers
- 6815.19.00 Other.

Subheading Expanded to Cover Articles Made From More Forms of Magnesia, Dolomite

Subheading 6815.19.40 is renamed so it now covers articles of stone or other mineral substances "containing magnesite, magnesia in the form of periclase, dolomite including in the form of dolime, or chromite." It had previously covered articles containing "magnesite, dolomite or chromite." The subheading is renumbered 6815.91.01 to reflect the change.

Subheading 6815.99.40, which is the residual "other" category for heading 6815, is also renumbered 6815.99.41 to account for the classification changes.

New Classification Rules Added to Chapter 69 on 'Firing,' 'Shaping' Ceramics

Note 1 to Chapter 69 is amended to clarify what is classifiable as ceramics in the chapter, in particular what is meant by firing and the materials that are shaped to form ceramics. The note now includes the

same language that was previously included in the note that the chapter only applies to ceramic products fired after shaping, and that headings 6904 to 6914 apply only to products other than those classifiable in headings 6901 to 6903. Now it also includes two more paragraphs, as follows:

- "(b) Articles heated to temperatures less than 800 °C for purposes such as curing of resins, accelerating hydration reactions, or for the removal of water or other volatile components, are not considered to be fired. Such articles are excluded from Chapter 69; and
- "(c) Ceramic articles are obtained by firing inorganic, nonmetallic materials which have been prepared and shaped previously at, in general, room temperature. Raw materials comprise, inter alia, clays, siliceous materials including fused silica, materials with a high melting point, such as oxides, carbides, nitrides, graphite or other carbon, and in some cases binders such as refractory clays or phosphates."

Minor Changes to Heading 6903, Including Addition of Refractory Ceramic 'Slide Gates'

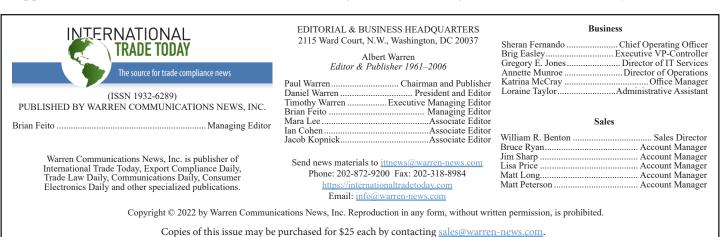
The text of heading 6903 is amended so it now specifically refers to "slide gates" among the examples listed for "other refractory ceramic goods, other than those of siliceous fossil meals or similar siliceous earths."

Within heading 6903, subheading 6903.10.00 is amended to now refer to other refractory ceramic goods "containing by weight more than 50 percent of free carbon." The subheading had previously covered goods "containing by weight more than 50 percent of graphite or other carbon or a mixture of these products."

Heading 7019 for Glass Fibers, Fabrics Reorganized

The 2022 Harmonized Tariff Schedule includes major changes for heading 7019, which covers "glass fibers (including glass wool) and articles thereof (for example, yarn, rovings, woven fabrics)." The reorganization was adopted to "clarify the classification of certain articles of glass fibres based on the manufacturing process and to monitor global trade," the WCO said.

Now, the reorganized heading 7019 is now divided into provisions for "slivers, rovings, yarn and chopped strands and mats thereof" under subheadings 7019.11 through 7019.19; mechanically bonded



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fabrics under subheadings 7019.61 through 7019.69; chemically bonded fabrics under subheadings 7019.71 through 7019.73; glass wool of subheadings 7019.80; and "other" glass fibers, yarn and fabrics of subheading 7019.90.11.

Chopped strands not longer than 50 mm remain classifiable in subheading 7019.11.00, as do rovings in subheading 7019.12.00.

Otherwise, the heading 7019 is almost completely reworked, with new subheadings covering the following (see pages 100-109 of the ITC report for the new heading in full):

(NOTE: references below to "fiberglass rubber reinforcing" yarns, cords, cord fabric mean articles "made from electrically nonconductive continuous fiberglass filament 9 microns in diameter to 11 microns in diameter and impregnated with resorcinol formaldehyde latex treatment for adhesion to polymeric compounds.")

Slivers, rovings, yarn and chopped strands and mats thereof:

- 7019.13.05 Uncolored fiberglass rubber reinforcing yarn (free)
- 7019.13.15 Other uncolored yarn (6.5%)
- 7019.13.24 Colored fiberglass rubber reinforcing yarn (free)
- 7019.13.28 Other colored yarn (7%)
- 7019.13.35 "Other" yarns and slivers (i.e., slivers) (4.2%)
- 7019.14.00 Mechanically bonded mats (4.3%)
- 7019.15.00 Chemically bonded mats (4.3%)
- 7019.19.30 Chopped strands, of a length more than 50 mm (4.9%)
- 7019.19.70 Fiberglass rubber reinforcing cord (free)
- 7019.19.91 "other" slivers, rovings, yarn and chopped strands and mats thereof (4.2%)

Mechanically bonded fabrics:

——-Closed woven fabrics of rovings

- 7019.61.05 Fiberglass tire cord fabric, not wider than 30 cm (free)
- 7019.61.10 Other closed woven fabrics of rovings, not wider than 30 cm (6%)
- 7019.61.30 Uncolored fiberglass tire cord fabric, wider than 30 cm (free)
- 7019.61.40 Other uncolored closed woven fabrics of rovings, wider than 30 cm (7.3%)
- 7019.61.70 Colored fiberglass tire cord fabric, wider than 30 cm (free)
- 7019.61.90 Other colored closed woven fabrics of rovings, wider than 30 cm (7%)

-----Other closed fabrics of rovings

- 7019.62.05 Fiberglass tire cord fabric, not wider than 30 cm (free)
- 7019.62.15 Other non-woven closed fabrics of rovings, not wider than 30 cm (6%)
- 7019.62.30 Uncolored fiberglass tire cord fabric, wider than 30 cm (free)

- 7019.62.40 Other uncolored closed non-woven fabrics of rovings, wider than 30 cm (7.3%)
- 7019.62.70 Colored fiberglass tire cord fabric, wider than 30 cm (free)
- 7019.62.90 Other colored closed non-woven fabrics of rovings, wider than 30 cm (7%)
- ——-Closed woven fabrics, plain weave, of yarns, not coated or laminated
- 7019.63.05 Fiberglass tire cord fabric, not wider than 30 cm (free)
- 7019.63.15 Other closed woven fabrics of yarns, plain weave, not coated or laminated, not wider than 30 cm (6%)
- 7019.63.30 Uncolored fiberglass tire cord fabric, wider than 30 cm (free)
- 7019.63.40 Other uncolored closed woven fabrics of yarns, plain weave, not coated or laminated, wider than 30 cm (7.3%)
- 7019.63.70 Colored fiberglass tire cord fabric, wider than 30 cm (free)
- 7019.63.90 Other colored closed woven fabrics of yarns, plain weave, not coated or laminated, wider than 30 cm (7%)
- ——-Closed woven fabrics, plain weave, of yarns, coated or laminated
- 7019.64.05 Fiberglass tire cord fabric, not wider than 30 cm (free)
- 7019.64.15 Other closed woven fabrics of yarns, plain weave, coated or laminated, not wider than 30 cm (6%)
- 7019.64.30 Uncolored fiberglass tire cord fabric, wider than 30 cm (free)
- 7019.64.40 Other uncolored closed woven fabrics of yarns, plain weave, coated or laminated, wider than 30 cm (7.3%)
- 7019.64.70 Colored fiberglass tire cord fabric, wider than 30 cm (free)
- 7019.64.90 Other colored closed woven fabrics of yarns, plain weave, coated or laminated, wider than 30 cm (7%)
- ——-Open woven fabrics of a width not exceeding 30 cm:
- 7019.65.51 Fiberglass tire cord (free)
- 7019.65.90 Other open woven fabrics of a width not exceeding 30 cm (6%)
- ——Open woven fabrics of a width exceeding 30 cm, weighing less than 250 g/m2, of filaments measuring per single yarn not more than 136 tex:
 - 7019.66.30 Uncolored fiberglass tire cord fabric, wider than 30 cm (free)
 - 7019.66.40 Other uncolored (7.3%)
 - 7019.66.70 Colored fiberglass tire cord fabric, wider than 30 cm (free)
 - 7019.66.90 Other colored (7%)
 - ——-Other mechanically bonded fabrics
 - 7019.69.30 Uncolored fiberglass tire cord fabric, wider than 30 cm (free)
 - 7019.69.40 Other uncolored (7.3%)

- 7019.69.70 Colored fiberglass tire cord fabric, wider than 30 cm (free)
- 7019.69.90 Other colored (7%)

Chemically bonded fabrics:

• 7019.71.00 - Veils (thin sheets) (4.3%)

——-Other closed fabrics

- 7019.72.05 Fiberglass tire cord fabric, not wider than 30 cm (free)
- 7019.72.15 Other closed fabrics, chemically bonded, other than veils, not wider than 30 cm (6%)
- 7019.72.30 Uncolored fiberglass tire cord fabric, wider than 30 cm (free)
- 7019.72.40 Other closed fabrics, chemically bonded, other than veils, wider than 30 cm (7.3%)
- 7019.72.70 Colored fiberglass tire cord fabric, wider than 30 cm (free)
- 7019.72.90 Other closed fabrics, chemically bonded, other than veils, wider than 30 cm (7%)

——-Other open fabrics

- 7019.73.51 Fiberglass tire cord (free)
- 7019.73.90 Other open fabrics, chemically bonded, other than veils (6%)

Glass wool and articles of glass wool:

- 7019.80.10 Insulation products (4.9%)
- 7019.80.90 Other (4.3%)

Other:

- 7019.90.11 Woven (4.8%)
- 7019.90.51 Other (4.3%).

New Tariff Provisions Added for Synthetic Diamonds

The 2022 update adds new provisions to the tariff schedule to separately classify synthetic and natural diamonds. The WCO adopted the changes "as a result of the proposal by Kimberley Process to enhance the monitoring of the global trade in natural and synthetic diamonds," it said.

New subheading for unworked, cut synthetic diamonds. Subheading 7104.20.00 for "other" unworked or simply sawn or roughly shaped synthetic precious stones (i.e., other than piezoelectric quartz) is renumbered 7104.21, and is subdivided into new subheadings 7104.21.00 for unworked synthetic diamonds, and 7104.29.00 for other unworked synthetic precious and semiprecious stones.

Likewise, new subheading 7104.91 now covers synthetic diamonds, worked but not permanently strung, mounted or set. It's subdivided into subheadings 7104.91.10 for synthetic diamonds, cut but not set, and suitable for use in the manufacture of jewelry, and subheading 7104.91.50 for "other" worked synthetic diamonds.

Subheading 7104.90 is renumbered 7104.99, and is still subdivided into provisions for cut but not set precious and semiprecious stones (other than diamonds) (7104.99.10), and other worked precious and semiprecious stones (other than diamonds) (7104.99.50).

Definitions for Bars and Rods, Profiles, Wire, Plates and Tubes Now Cover All of Section XV

Definitions for bars and rods, profiles, wire, plates, sheets, strip and foil and tubes and pipes previously provided in notes to chapters 74, 75, 76, 78, 79, 80 and 81 are moved to the beginning of Section XV as a section note and now apply to chapters 74 through 81 of the tariff schedule.

The definitions are now found in new Note 9 to Section XV, which includes base metals and articles of base metals of Chapters 72-83, though the note specifies that it only applies for the purposes of chapters 74 to 76 and 78 to 81.

Chapter notes which previously contained the definitions, are deleted. That includes notes 1(d) to 1(h) to Chapter 74, note 1 to Chapter 75, note 1 to Chapter 76, note 1 to Chapter 78, note 1 to Chapter 79 and note 1 to Chapter 80. Subheading note 1 to Chapter 81, which previously referred to the old note 1 to Chapter 74, now refers to the new section note. Internal references at subheading note 2 to Chapter 74 and subheading note 2 to Chapter 76 also now refer to the section note. References to specific headings within each chapter are removed, but otherwise the notes are nearly identical.

Definition for Metal Waste and Scrap Clarified

Note 8(a) to Section XV of the tariff schedule on the definition of waste and scrap for the purposes of that section is revised. The amended note is broken into two paragraphs for clearer formatting. It also refers to simply "metal waste and scrap" without the previous language saying it results "from the manufacture or mechanical working of metals."

Reorganization of Heading 7419 for 'Other' Articles of Copper

Changes at the six-digit level for all WCO HS Convention members result in a reorganization of heading 7419, which is the residual category for copper of Chapter 74. Due to a low volume of trade, subheading 7419.10.00 for copper chain and parts thereof is deleted from the tariff schedule. The rest of heading 7419 is reorganized as follows:

New subheading 7419.20.00 covers other articles of copper cast, molded, stamped or forged, but not further worked, which had previously been found in the now defunct 7419.91. Ten-digit subheadings that specifically provided for brass plumbing goods are deleted.

Subheading 7419.80 now replaces subheading 7419.99 for "other" other articles of copper (i.e., other than cast, molded, stamped, or forged, but not further worked). Its structure largely mirrors the old subheading, with a few provisions removed. The new subheadings are renumbered as follows:

Description	Old	New
Cloth: Fourdrinier wires	7419.99.0300	7419.80.03
Cloth: Other	7419.99.06607419.99.0680	7419.80.06
Other grill and netting, of copper	7419.99.09	7419.80.09
wire; expanded metal of copper		

Containers of a kind normally carried on the person, in the pocket or in the handbag	7419.99.15	7419.80.15
Copper springs	7419.99.16	7419.80.16
Chain and parts thereof	7419.10.00	7419.80.17
Other: coated or plated with precious metal	7419.99.30	7419.80.30
Other:Other	7419.99.50107419.99.5050	7419.80.50

New Subheading Created for Tantalum Crucibles

New subheading 8103.91.00 is created for crucibles made of tantalum. Subheading 8103.90.00, which covers "other" articles of tantalum (i.e., other than unwrought tantalum, tantalum powders, tantalum crucibles and tantalum waste and scrap) is renumbered 8101.99.00.

Bismuth Now Classifiable Based on Purity

Heading 8106, which previously included only a single subheading for "bismuth and articles thereof, including waste and scrap," is divided into two subheadings. New subheading 8106.10.00 now covers bismuth and articles thereof, including waste and scrap, that contains "more than 99.99 percent of bismuth, by weight." New subheading 8106.90.00 now covers other bismuth and articles thereof including waste and scrap.

The WCO said the change will "enhance the monitoring data on the international movement of mineral waste and scrap containing bismuth controlled under" the Basel Convention.

New Tariff Breakouts Created for Zirconium

Heading 8109 for zirconium is expanded to include new tariff <u>breakouts</u> throughout for zirconium "containing less than 1 part hafnium to 500 parts zirconium by weight." Subheading 8109.20 for unwrought zirconium and powders is renumbered and broken out into new subheadings 8109.21.00 for unwrought zirconium and powders "containing less than 1 part hafnium to 500 parts zirconium by weight," and new subheading 8109.29.00 for "other" unwrought zirconium and powders.

Likewise, old subheading 8109.30 for zirconium waste and scrap is renumbered and broken out into new subheadings 8109.31.00 for zirconium waste and scrap "containing less than 1 part hafnium to 500 parts zirconium by weight," and new subheading 8109.39.00 for "other" zirconium waste and scrap. Old subheading 8109.90 for other zirconium is renumbered and broken out into new subheadings 8109.91.00 for other zirconium "containing less than 1 part hafnium to 500 parts zirconium by weight," and new subheading 8109.99.00 for "other" zirconium, besides unwrought zirconium, powders and waste and scrap, with a higher hafnium content.

Cadmium Moved to Heading 8112; New Provisions Added for Hafnium, Rhenium

Several changes are made to heading 8112 of the tariff schedule, which covers a list of base metals not provided for elsewhere in the tariff schedule. Cadmium, previously classifiable in heading 8107, is moved to heading 8112 due to a low volume of trade. Cadmium is added to the list of elements in the

heading description. Heading 8107 is deleted from the tariff schedule, as are subheadings 8107.20.00, 8107.30.00 and 8107.90.00.

New subheading covers cadmium. Within heading 8112, new <u>subheadings</u> 8112.61 through 8112.69 are added for cadmium. Subheading 8112.61.00 covers cadmium waste and scrap, duty free. Subheading 8112.69.10 covers unwrought cadmium and powders (not waste and scrap), also duty free, and new 8112.69.90 covers other cadmium (besides unwrought cadmium, cadmium powders and cadmium waste and scrap), dutiable at 4.4%.

Six-digit subheadings created for hafnium, rhenium. Previously classifiable alongside other base metals in subheading 8112.92, hafnium and rhenium are broken out into their own six-digit <u>subheadings</u>, with the result that waste and scrap of the two metals are now classified along with the metals themselves, rather than lumped into subheading 8112.92.06 for waste and scrap of a variety of base metals. Waste and scrap of rhenium is given its own subheading.

- New subheading 8112.31.00 covers hafnium, unwrought, waste and scrap and powders. New subheading 8112.39.00 covers other hafnium.
- New subheadings 8112.41.10 and 8112.41.50 cover rhenium waste and scrap, and unwrought rhenium and powders, respectively. New subheading 8112.49.00 covers "other" rhenium.

Old subheadings 8112.92.20 and 8112.92.50, which had previously covered hafnium and rhenium, respectively, in unwrought form or in the form of waste and scrap or powders are deleted from the tariff schedule. Existing provisions are renumbered to reflect the changes in classification. Subheading 8112.92.06 for waste and scrap of base metals of heading 8112 (except beryllium, chromium, thallium, and now hafnium and rhenium) is renumbered 8112.92.07. Subheading 8112.99.90, the residual provision for heading 8112, is renumbered 8112.99.91. — *Brian Feito*

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Top ITT Articles You May Have Missed From Last Week

International Trade Today is providing readers with the top stories from last week in case they were missed. All articles can be found by searching on the titles or by clicking on the hyperlinked reference number.

Article	Reference #
Lawyers Say Implementing Uyghur Bill Will Be Complex	2112280048
Upcoming Changes to 2022 HTS: Part 1 (Animal and Vegetable Products)	<u>2201100060</u>
Upcoming Changes to 2022 HTS: Part 2 (Fats and Oils, Food Preparations and Tobacco)	<u>2201110039</u>
CBP Forced Labor Detentions Outpacing Previous Year	<u>2201100034</u>
Supply Chain Tracing for Forced Labor Compliance May Hit Obstacles in China	2201140057
Upcoming Changes to 2022 HTS: Part 4 (Wood, Rubber, Plastic and Paper Products)	2201140024
Upcoming Changes to 2022 HTS: Part 3 (Chemical Products, Pharmaceuticals)	2201130043
USTR Says Ongoing Dialogue More Useful Than FTAs	2201120028
Brady Says US Must Enforce USMCA, Defends US Position on Auto Rules of Origin	2201120057
Border Interagency Executive Council Gives Itself High Marks for Coordination Efforts,	2201120015
but Challenges Persist	

Customs

CBP CROSS Rulings System Updated Jan. 18

The <u>Customs Rulings Online Search System</u> (CROSS) was updated Jan. 18. The following head-quarters rulings were modified recently, according to CBP:

- <u>H305053</u>: Request for Internal Advice Regarding Deductions from Entered Value of Softwood Lumber; Countervailing Duties; Anti-Dumping Duties. Ruling Date: Oct. 6, 2021
- <u>H317645</u>: Origin of oral irrigator assembled in one country of components produced in more than one country. Ruling Date: Oct. 5, 2021.

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CBP AD and CV Messages as of Jan. 18

A listing of recent Commerce Department antidumping and countervailing duty messages posted to CBP's website Jan. 18, along with the case number(s) and CBP message number, is provided below. The messages are available by searching for the listed CBP message number at CBP's <u>ADD CVD Search</u> page.

- Liquidation Instructions for certain **corrosion-resistant steel products** from the Republic of Korea: multiple companies for the period 07/01/2019 through 06/30/2020 (CBP case number A-552-003, Commerce case number A-580-878) Message # 2018405
- Liquidation instructions for certain **uncoated paper** from Brazil for the period 10/18/2019 through 02/28/2021 (A-351-842) Message # 2018404
- Liquidation instructions for certain **uncoated paper** from Indonesia for the period 10/18/2019 through 02/28/2021 (A-560-828) Message # 2018403
- Cash deposit instruction for **tapered roller bearings** and parts thereof, finished and unfinished, from the People's Republic of China (A-570-601) Message # 2018402
- Liquidation instructions for certain **uncoated paper** from Indonesia for the period 10/18/2019 through 12/31/2020 (C-560-829) Message # 2018401

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Miscellaneous CBP Releases

CBP issued the following releases on commercial trade and related matters:

- FDA Scheduled Downtime: Jan. 22 11 p.m. to Jan. 23 12 a.m. EST (<u>here</u>)
- Updated ACE CBP and Trade Automated Interface Requirements (CATAIR) Entry Summary Create/Update Includes a New Steel Exclusion (here)
- ACE Portal Modernization: Phase 1 deployment coming Jan. 22 (<u>here</u>)
- ACE CERTIFICATION Invasive Maintenance Window: Jan. 19, 5 p.m. to 8 p.m. EST (<u>here</u>)
- \$8.7 Million Fake Jewelry Seized by Cincinnati, Indianapolis CBP (<u>here</u>).

Penalties and Courts

Trade-Related Court Cases Filed Jan. 10-16

The following lawsuits were filed at the Court of International Trade during the week of Jan. 10-16:

Cozy Comfort Company, LLC, challenging CBP's denial of its protest claiming that its pullover sweater, The Comfy, of Harmonized Tariff Schedule subheading 6110.30.3059, dutiable at 32%, is classified as a blanket or other textile article. #22-00003. Filed Jan. 10.

Wheatland Tube Company, seeking an order from the court to compel CBP to respond to its request for information and request for a tariff classification ruling over a steel conduit pipe that is subject to an import monitoring scheme. #22-00004. Filed Jan. 12.

MCM Technologies, Inc., challenging CBP's denial of its protest claiming its pet identification tag of Harmonized Tariff Schedule subheading 8302.49.4000 qualifies for an exclusion from Section 301 tariffs under secondary subheading 9903.88.4800. #22-00005. Filed Jan. 13.

Cruz Distributors, Inc., challenging CBP's denial of its protest on its rubber tire imports. #22-00006. Filed Jan. 13.

PT. Asia Pacific Fibers Tbk, challenging the Commerce Department's final determination in the antidumping duty investigation into polyester textured yarn from Indonesia. #22-00007. Filed Jan. 13.

Blue Sky the Color of Imagination, LLC, challenging CBP's denial of its protest that its Blue Sky planning calendars of Harmonized Tariff Schedule subheading 4820.10.2060 should be classified under subheading 4910.00.2000. #22-00008. Filed Jan. 14.

SOURCE Global, PBC, challenging Commerce's final results in the changed circumstances reviews of the antidumping and countervailing duty orders on crystalline silicon photovoltaic cells from China. #22-00009. Filed Jan. 14.

Appeals of CIT Decisions

No appeals of Court of International Trade decisions were filed at the U.S. Court of Appeals for the Federal Circuit during the week of Jan. 10-16. — *JK*

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Congress

Neal Asks ITC for AGOA Analysis Ahead of Program's Expiration

House Ways and Means Committee Chairman Richard Neal, D-Mass., <u>asked</u> the International Trade Commission to analyze the results of the African Growth and Opportunity Act, including which participat-

ing countries export the most, both commodities and value-added products, and identifying tariff-eligible products where the preference was not claimed, as well as imports of products not covered by the program. Neal asked the ITC to identify countries and sectors that are heavy users of AGOA, and that do not use AGOA much "and broad factors that explain this."

He wants them to evaluate how much AGOA has helped African countries' economies to integrate, and how much it has contributed to economic development in the covered countries, including through job growth and poverty reduction. He asked that the report be completed within 14 months, and that no confidential business information be included, as the report will be released to the public. AGOA expires at the end of September in 2025. The Jan. 19 Letter also asked that the ITC provide case studies on cotton production, as well as on the export of apparel, chemicals and cocoa from AGOA countries. —*ML*

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Senate Banking Committee Advances Commerce, Ex-Im Nominees

The Senate Banking Committee Jan. 19 approved the <u>nominations</u> of four Export-Import Bank officials and one official with the Commerce Department's Foreign Commercial Service. The committee advanced all five for consideration before the full Senate: Reta Jo Lewis, for president of Ex-Im; Judith Pryor, for first vice president of Ex-Im; Owen Herrnstadt, for member of Ex-Im's board of directors; Parisa Salehi, for Ex-Im inspector general; and Arun Venkataraman, for assistant secretary of Commerce and director general of the U.S. Foreign Commercial Service.

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Commerce Dept.

Commerce Issues Quarterly Update on Foreign Government Cheese Subsidies

The Commerce Department Jan. 19 released its <u>quarterly update</u> to its annual list of foreign government subsidies on imported articles of cheese subject to an in-quota rate of duty July 1 through Sept. 30, 2021. The agency again found that only Canada is providing subsidies, in the form of export assistance.

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USDA

APHIS Finds 2 Swiss Cantons Free of Poultry Disease

The Animal and Plant Health Inspection Service <u>announced</u> that it has reached a final decision that the Neuchatel and Ticino cantons of Switzerland are free of Newcastle disease. The change in disease status eliminates certain restrictions for importation of carcasses, meat, parts or products of carcasses, and eggs (other than hatching eggs) of poultry, game birds or other birds from the two cantons. The determination takes effect Jan. 20.

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FDA

New and Revised FDA Import Alerts for Jan. 18

On Jan. 18, FDA posted new and revised versions of the following Import Alerts on the detention without physical examination of:

- <u>99-30</u>: All Milk Products, Milk Derived Ingredients and Finished Food Products Containing Milk from China due to the Presence of Melamine and/or Melamine Analogs (<u>here</u>)
- <u>99-23</u>: Produce due to Contamination With Human Pathogens (<u>here</u>)
- 99-19: Food Products due to the Presence of Salmonella (here)
- 99-05: Raw Agricultural Products for Pesticides (here)
- 98-05: Regulated Tobacco Products for Nonpayment of User Fee (here)
- 76-01: Medical Instruments from Pakistan (here)
- 66-79: Drugs from Foreign Establishments Refusing FDA Inspection (here)
- 66-41: Unapproved New Drugs Promoted in the U.S. (here)
- <u>36-01</u>: Adulteration of Honey (<u>here</u>)
- <u>22-01</u>: Cantaloupes from Mexico (<u>here</u>).

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AD/CV - Patent

Commerce Dept. Antidumping and Countervailing Duty Notices for Jan. 19

The Commerce Department published notices in the *Federal Register* Jan. 19 on the following AD/CV duty proceedings (any notices that announce changes to AD/CV duty rates, scope, affected firms or effective dates will be detailed in another ITT article):

- Certain Corrosion-Resistant Steel Products from the Republic of Korea (C-580-879): Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2019 (here)
- Certain Uncoated Paper from Brazil, the People's Republic of China, and Indonesia (A-351-842, A-570-022/C-570-023, A-560-828/C-560-829): Affirmative Final Determinations of Circumvention of the Antidumping Duty Orders and Countervailing Duty Orders for Certain Uncoated Paper Rolls; Correction (here)
- Certain **Steel Nails** from the Republic of Korea (A-580-874): Final Results of Antidumping Duty Administrative Review; 2019-2020 (here)
- **Glycine** from India (C-533-884): Final Results of Countervailing Duty Administrative Review; 2018- 2019 (here).

New ITC Investigation Notices for Jan. 19

The International Trade Commission published notices in the Jan. 19 *Federal Register* on the following AD/CV injury, Section 337 patent or other trade proceedings (any notices that warrant a more detailed summary will be in another ITT article):

- **Barium Chloride** from India Institution of Countervailing Duty and Antidumping Duty Investigations and Scheduling of Preliminary Phase Investigations (here)
- Certain Networking Devices, Computers, and Components Thereof and Systems Containing the Same: Notice of Receipt of Complaint; Solicitation of Comments Relating to the Public Interest (here).

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Other U.S.

US, UK Begin Talks to Resolve Steel, Aluminum Dispute

The U.S. and the United Kingdom this week began talks aimed at resolving their trade dispute over steel and aluminum tariffs (see <u>2112210051</u>), the two countries said in a Jan. 19 joint statement. Although they didn't release a timeline for the negotiations, the two sides will try to seek "effective solutions" for the Trump-era Section 232 aluminum and steel tariffs and the U.K.'s subsequent retaliatory tariffs on U.S. exports.

During a virtual meeting, Commerce Secretary Gina Raimondo and U.K. Secretary of State for International Trade Anne-Marie Trevelyan agreed that the "distortions" caused by "global excess capacity driven largely by China" pose a "serious threat" to steel and aluminum industries in both countries. "They agreed that, as the United States and the United Kingdom are close and long-standing partners, sharing similar national security interests as democratic market economies, they can partner to promote high standards, address shared concerns and hold countries that practice harmful market-distorting policies to account," the statement said.

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Ports

Port Surcharge Has Led to 'Incredible Progress,' LA Port Director Says

The threat of a California port surcharge meant to incentivize the movement of dwelling containers has proved very successful at clearing cargo off docks, Gene Seroka, executive director of the Port of Los Angeles, said during a Jan. 19 House Homeland Security subcommittee hearing. He said the fee threat has substantially helped trade flows at both Los Angeles and the Port of Long Beach, which announced the charge in October but has postponed enforcing it each month since (see 2201140055). "That fee has never been implemented and we've not collected a dime, but incredible progress has been made to move cargo off our docks," Seroka said.

The fee, if implemented, will impose additional charges for containers moving by truck and dwelling for nine days or more and for containers moving by rail and dwelling for six days or more. Announcement of the fee originally was met with strong backlash from the shipping community, which said ocean carriers would likely pass on the extra charges to shippers (see <u>2110280031</u>).

But no charges have been issued, partly because the ports have seen a combined 61% drop in aging containers since institution of the charge was first announced, Seroka said. "It's working," Seroka said. "What we attempted to do was not point fingers or publicly shame anybody, but [say] if you didn't need your product to market, move it aside for right now."

He also suggested the port will continue to postpone the fee. "The time that containers sit on our docks has basically been cut in half since we've instituted some of our policies," Seroka said. "We need to further reduce that and get into a position where cargo is flowing through these ports safely and securely."

Other witnesses said Congress can do more to ensure U.S. seaports move trade more efficiently, including through more funding and resources for CBP. Christopher Connor, CEO of the American Association of Port Authorities, said CBP is facing a staffing "crisis" at U.S. ports, which is leading to "processing capacity" issues. "Ports are unable to bear the burden of the financial demands," Connor <u>said</u>. "Congress must act to provide CBP with the resources they need to effectively carry out their important mission."

Anthony Reardon, national president of the National Treasury Employees Union, said "there is no greater roadblock to the nation's economic and border security than the lack of sufficient CBP staff at the ports," adding that U.S. seaports "continue to be chronically understaffed." CBP didn't immediately respond to a request for comment. —*IC*

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Trade People

Adrian Smith Becomes Ranking Member on House Ways and Means Trade Subcommittee

With the exit of Rep. Devin Nunes of California to a new social media company, Republicans on the House Ways and Means Committee shuffled subcommittee leadership positions. Rep. Adrian Smith of Nebraska will be the new ranking member for the Trade Subcommittee, Ways and Means ranking member Kevin Brady, R-Texas, <u>said</u>.

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Holland & Knight Taps Former State Department Attorney for International Trade Practice

Robert Friedman, former attorney-adviser for the State Department's Office of Legal Adviser, joined Holland & Knight as a partner in the Washington, D.C., office's international trade practice, the firm announced. Friedman will advise businesses, trade associations and other clients on issues pertaining to "economic sanctions, export controls, foreign direct investment, supply chain security, customs laws, data privacy and cybersecurity, market access, anti-corruption and national security regulations," the firm said. Most recently, Friedman was an international trade partner at Harris Wiltshire.