



CHINA SECTION 301 LIST 4

- On August 1, 2019, President Trump announced that additional 10% duties will be imposed on September 1, 2019 on \$300 billion of Chinese goods.
- On August 13, 2019, the U.S. Trade Representative (USTR) formally [announced](#) the implementation of the additional 10% duties on China Section 301 List 4. List 4 is now divided into Lists [4A](#) and [4B](#). The additional duties will go into effect on September 1, 2019 for List 4A and on December 15, 2019 for List 4B. A product exclusion process has been announced, but details are not yet available.
- Expect a [Federal Register](#) notice and Customs CSMS message to be issued with more details.
- Contact [Marshall Miller](#), [Brian Murphy](#), [Sean Murray](#), or [Ryan Thornton](#) with questions.

CHINA SECTION 301 LIST 3

The USTR has approved a first round of 10 product exclusions from the China Section 301 List 3 duties. The exclusions include certain steel pet cages and inflatable kayaks. The deadline to file List 3 exclusion requests is September 30, 2019. Contact [Brian Murphy](#) or [Sean Murray](#) with questions. 84 [Fed. Reg. 38717](#) (Aug. 7, 2019).

CHINA SECTION 301 LIST 2

The USTR has posted the first round of 69 approved product exclusions under Section 301 List 2. Customs has posted guidance on claiming the exclusions. 84 [Fed. Reg. 37381](#) (July 31, 2019).

CUSTOMS DUTIES

Through August 7, 2019, Customs has [collected](#) \$24.4 billion in China Section 301 duties, \$1.9 billion in aluminum and \$6 billion in steel Section 232 duties, and \$962 million in washer and solar Section 201 duties.

SECTION 232

- An importer of steel slabs has filed an action in the U.S. Court of International Trade (CIT) challenging a Commerce Department denial of its

FALL 2019 TRAINING SEMINARS

Our Fall training seminars are rapidly approaching:

- Sept. 17-18 - Import/Export 101 & 201
- Oct. 8-9 - FTZ 101 & 201

[Seminars](#) are offered to Miller & Company clients only. See our website for more details.

NAFTZ CONFERENCE

- We encourage everyone to attend the [National Association of Foreign-Trade Zones \(NAFTZ\) Annual Conference](#) in Chicago on September 8 - 11, 2019. This is a particularly important year because there are so many trade, FTZ compliance, and FTZ program issues. Senior representatives of the FTZ Board and Customs will be in attendance.
- The firm is sponsoring an informal client gathering on Monday evening, September 9, at the famous Miller's Pub in Chicago. Please [RSVP](#) if you will be attending.

SECTION 321 ACE PILOTS

- Customs is instituting a pilot program no earlier than September 28, 2019, to test a new Type 86 Informal Entry for Section 321 *de minimis* (under \$800) shipments for all modes of transport. This includes merchandise subject to Partner Government Agency (PGA) requirements. Among the data elements are 10-digit HTSUS classifications. The Type 86 entries are "customs business," requiring a Power of Attorney. Comments on the pilot may be submitted at any time. 84 [Fed. Reg. 40079](#) (Aug. 13, 2019).
- Customs has separately announced a Section 321 Data Pilot for eligible participants to collect advance shipment data prior to arrival for goods eligible for release under Section 321. Data elements include enhanced product descriptions and photos. 84 [Fed. Reg. 35405](#) (July 23, 2019).

RUSSIAN SANCTIONS

On August 1, President Donald Trump issued an Executive Order imposing additional sanctions that include export licensing requirements for certain chemical products and restrict financial transactions by international and U.S. financial institutions. The Office of Foreign Assets Control (OFAC) has [issued](#) a directive outlining prohibited actions under the Executive Order, as well as frequently asked questions (FAQ's). A [Federal Register](#) notice is also expected for the export controls. EO [12851](#) (Aug. 1, 2019).

IMPORTER IDENTITY RULE

Customs has issued a Proposed Rule that would require customs brokers to collect certain information from importers to enable the broker to verify importer identities, including client names, dates of birth, physical location, photo identification, state business registration, and a recent credit report. Comments are due October 15, 2019. 84 [Fed. Reg. 40302](#) (Aug. 14, 2019).

VENEZUELA EMBARGO

President Trump issued Executive Order [13884](#) on August 5. It froze all assets of the Government of Venezuela subject to U.S. jurisdiction and prohibits U.S. persons from entering into most transactions with the Venezuelan government. OFAC has issued new and revised [FAQ's](#). Contact [Sean Murray](#) with questions. 84 [Fed. Reg. 38843](#) (Aug. 7, 2019).

OFAC SUBPOENAS

On August 8, 2019, the Office of Foreign Assets Control (OFAC) published enforcement findings that:

- [DNI Express Shipping Company](#) provided false and misleading information in response to a subpoena in an investigation into apparent violations of the Sudanese Sanctions Regulations.
- [Southern Cross](#) failed to provide a complete response to a subpoena in an investigation into the sale of helicopters involving Iranians.

WTO COUNTRY STATUS

Section 232 product exclusion requests. [JSW Steel \(USA\) Inc. v. U.S.](#), CIT Case No. [1:19-cv-00133](#) (July 30, 2019).

• Senator Elizabeth Warren (D-MA) has raised concerns about the Section 232 tariff exclusion process to the Commerce Department in a July 11 [letter](#).

CHEMICAL CONTROLS

The Bureau of Industry and Security (BIS) is seeking public comments to assess the impact of the five chemical families being added to Schedule 1 in the Annex on Chemicals in 15 C.F.R. Part 712. Comments are due by September 13, 2019. 84 [Fed. Reg. 40389](#) (Aug. 14, 2019).

WTO COMMITMENTS

The Office of U.S. Trade Representative (USTR) has scheduled public meetings and requested comments on China and Russia's implementation of their obligations as members of the World Trade Organization (WTO). Both meetings will be in Washington D.C., with the China meeting scheduled for Oct. 2 (comments due by Sept. 18) and the Russia meeting scheduled for Oct. 9 (comments due by Sept. 27). 84 [Fed. Reg. 40470](#) and [40471](#) (Aug. 14, 2019).

MITIGATION GUIDELINES

Customs has updated its mitigation [guidelines](#) for imports and exports "contrary to law" under 19 U.S.C. § 1595a. The new guidelines outline additional aggravating and mitigating factors.

PIPE FITTINGS

Customs has imposed interim measures under the Enforce and Protect Act (EAPA) after determining that there was reasonable suspicion that six importers of Chinese carbon steel butt-weld pipe fittings had evaded antidumping duties by misclassifying and/or transshipping them through Cambodia. EAPA Case [7297](#) (June 26, 2019).

MALI EXECUTIVE ORDER

President Donald Trump has issued Executive Order [13822](#), targeting individuals and entities that undermine democratic processes or institutions in Mali. 84 [Fed. Reg. 37055](#) (July 30, 2019).

SECTION 301 CASE

Demonstrating the intersection between tariff classifications and Section 301 duties, the CIT has

IRAN SANCTIONS

The Office of Foreign Assets Control (OFAC) has taken several actions against individuals and entities doing business in Iran:

• On July 18, OFAC added five Iranian individuals and seven Iranian, Chinese, and Belgian companies to the Specially Designated Nationals (SDN) List for assisting Iran in procuring enriched uranium. 84 [Fed. Reg. 37005](#) (July 30, 2019).

• On July 22, OFAC added a Chinese entity and executive to the SDN List for purchasing oil from Iran. 84 [Fed. Reg. 41802](#) (Aug. 15, 2019).

• On July 23, OFAC issued an [advisory](#) to the civil aviation industry on Iran's deceptive practices with respect to aviation technology and warning the industry on unauthorized transfers of U.S.-origin aircraft and technology to Iran.

ALUMINUM AD CHARGES

Chinese billionaire Zhongtian Liu has been [charged](#) in a scheme to avoid \$1.8 billion in antidumping duties by importing aluminum through Los Angeles and Long Beach as pallets to avoid Customs duties of up to 400%.

TRADE FIGURES

According to a Commerce Department [report](#), for the first 6 months of 2019, Mexico and Canada are the top two-way traders with the U.S., while China fell to third due to drops in imports and exports.

JAPAN FTA

Multiple news sources have reported that Japanese Economy Minister Toshimitsu Motegi and U.S. Trade Representative Robert Lighthizer have agreed to hold another ministerial-level meeting later this month to accelerate trade talks.

MISLABELED FOREIGN CRAB

The U.S. Department of Justice has [announced](#) that the V.P. of Marketing for Casey's Seafood, Michael Casey, plead guilty to selling 367,765 pounds of foreign crab meat with a wholesale value of \$4,324,916 mislabeled as a "Product of USA" from as early as 2010 through mid-2015. Crab meat from Indonesia, China, Thailand, Vietnam, and Central and South America was used in the scheme.

IMPORTED PHARMA DRUGS

The U.S. Department of Health and Human Services (HHS) has [announced](#) a plan that outlines pathways to allow the safe

President Trump has issued a memorandum to the U.S. Trade Representative, directing efforts to reform the World Trade Organization policy on developing-country status. China and other countries claim this status and receive certain trade advantages. 84 [Fed. Reg. 37555](#) (July 31, 2019).

EU DE MINIMIS

The European Court of Auditors has issued a [report](#) warning that E.U. exemptions for low value (less than €150) e-commerce shipments encourage under-valuation and unlawful splitting of shipments.

IRAN RE-EXPORTS

The U.S. Department of Justice has [announced](#) that an Iranian citizen pled guilty to exporting gas turbines to Iran by coordinating with companies in Canada and Germany. She faces up to 20 years in prison and a \$1,000,000 fine.

EXPORT MANIFESTS

Customs has released a draft business process [document](#) for Electronic Export Manifests (EEMs).

CIRCUIT ASSEMBLIES

The CIT has determined that printed circuit assemblies imported as components of industrial robot controllers are classified as parts of electrical control boards in Heading 8538 and not as parts of automatic data processing machines in Heading 8473. [FANUC Robotics Am., Inc. v. U.S.](#), CIT Slip Op. [19-94](#) (July 26, 2019).

FREEPORTS AFTER BREXIT

The British government has [announced](#) that the United Kingdom will create up to 10 "freeports" to reduce costs and boost trade after it leaves the European Union. Ports and airports across the United Kingdom can bid to become one of the freeports.

TOOL SETS – SECTION 301

Following a reconsideration request, Customs has ruled that it correctly applied Section 301 tariff rates to imported tool sets from China under HTSUS 8206.00.00, which provides that the duty should be based upon the article in the set subject to the highest rate of duty. [HQ H304235](#) (July 30, 2019).

CARIBBEAN BASIN INITIATIVE

The USTR has requested comments by August 30 on the operation and performance of the Caribbean Basin

allowed Moen to withdraw from its own classification suit. Moen had challenged the Customs classification, but filed a motion to dismiss after its classification was subjected to Section 301 additional 10% duties. Moen Inc., v. U.S., CIT Slip Op. 19-95 (July 26, 2019).

KITCHEN CABINET IMPORTS

The U.S. Department of Commerce has issued an affirmative preliminary determination in the countervailing duty (CVD) investigation into imports of wooden cabinets and vanities from China. Commerce assigned preliminary CVD rates from 10.97% to 229.24%. With imports valued at \$4.4 billion, it is one of the largest anti-dumping / countervailing duty (AD/CVD) investigations brought against China.

importation of certain prescription drugs.

CBSA HTS PRIORITIES

The Canada Border Services Agency has released an updated list of tariff classification verification priorities. it includes: furniture of Headings 9401 and 9403, footwear of Heading 6403, articles of plastic of subheading 3926.90, parts of machines and mechanical appliances of Heading 8479, and other chemical products of Heading 3824. CBSA memorandum D11-6-8.

BURMA SANCTIONS

The State Department has sanctioned four top Burmese military officials and their immediate family members for “gross human rights violations” related to Burma’s ethnic cleansing of Rohingya.

Initiative (CBI). 84 Fed. Reg. 35920 (July 25, 2019).

U.S. GOV'T PROCUREMENT

President Trump has issued an Executive Order requiring the Foreign Acquisition Regulations Council (FAR Council) to consider changing the definition of “foreign material” to be any iron or steel end-product containing 5% or more foreign inputs or any other end-product containing 45% or more foreign inputs. 84 Fed. Reg. 34257 (July 18, 2019).

FOREIGN-TRADE ZONE BOARD ACTIVITY AS OF 8/15/19		
	APPROVED	CURRENTLY AUTHORIZED
ZONES	292	274
SUBZONES	829	675
PENDING		
ZONES	5	
SUBZONES	14	
MISC.	34	

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