



Parker & Company Worldwide

Trade News Quarterly June 2018

Parker & Company Web page has new look, Log on and browse the news letter archive www.parkerandcompany.com

CTPAT news and bulletins –

Parker & Company encourages all customers, transport companies and warehouses our customers and transport partners to use the seven-point inspection process for empty containers prior to the loading the cargo, as well as the seventeen-point inspection process for all trailers/tractors, and that this should be followed. Here is a link to the page that has both procedures to be down loaded. The procedures are found in the CTPAT resources library at:

<http://www.cbp.gov/border-security/ports-entry/cargo-security/c-tpat-customs-trade-partnership-against-terrorism/c-tpat-resource-library-and-job-aids>

Trailer and container security; All customers and transport companies are reminded: all loaded U.S.-bound containers and trailers must have a ISO 17712 high-security seal affixed.

Compromised seals: Parker and Company encourages all customers and business partners to report to CBP or appropriate foreign authority compromised seals.

Overages and shortages the importer/exporter is obligated to notify CBP and/or any other appropriate law enforcement agency of any errors and/or shortages and overages of merchandise that create a security risk in the supply chain.

Parker & Company Announces a new customs broker and manager, Harold Averill LCB, Harold will work out of our Brownsville office. His duties will be oversight of entry department inside sales and oversight operations.

Harold Carl Averill III, was born in Brownsville, TX and went to high school in Laredo, TX where he worked with Corrigan Dispatch Company during the summers and on school breaks.

Upon graduation from high school he attended Texas A&M University where he received a Bachelor of Science Degree in Construction Science. He worked in the construction industry, traveling extensively, for approximately 15 years before going to work with Corrigan Dispatch Co, initially in Laredo, then a brief stop in Hidalgo, and then he moved back to Brownsville in 2000 as VP and manager for the Brownsville facility. Harold is married to Luz Maria Averill (Lucha) and has two children, Cristina, and Harold.

NAFTA TALKS: STILL NO DEAL (Border Trade Alliance) - House Speaker Paul Ryan's deadline for a deal on NAFTA came and went last week without an agreement between the three countries. Speaker Ryan has expressed his concern that there is not enough time for a proposal to be sent to Capitol Hill for congressional action before the end of the year.

"We can't work a bill unless we have an agreement that's in writing that we can work, and that hasn't occurred yet," Ryan [told](#) reporters in Washington. "This isn't my arbitrary deadline." Still, Ryan said he'd extend his deadline by another week or two. USTR Robert Lighthizer said last Thursday that the U.S., Canada, and Mexico, are "[nowhere](#) near close to a deal."

CBP Looking to Advance Regulations on Drawback, Customs Brokers, Air Cargo This Summer

Friday, May 11, 2018 Sandler, Travis & Rosenberg Trade Report

Modernizing the customs broker regulations, streamlining the process for enforcing the prohibition on imports made with forced labor, and finalizing a pilot program on air cargo security are among U.S. Customs and Border Protection's regulatory goals over the next few months. These and other proposed and final rules are included in the semiannual regulatory agendas of the departments of Homeland Security and the Treasury, which list the following regulations affecting international trade that could be issued within the next year. The expected timeframes for issuance of these rules are indicated in parentheses.

- a CBP proposed rule to modernize the customs broker regulations, including by allowing national permit holders to conduct customs business in all districts within the U.S. customs territory, removing the requirement to have a district permit in each district where the broker conducts customs business, removing the requirement that brokers maintain physical offices in the districts in which they conduct customs business, and updating the requirements on responsible supervision and control (September 2018; previously June)
- a CBP final rule shifting authority to make certain decisions regarding customs transactions from port directors to directors of the Centers of Excellence and Expertise (November 2018; previously May)
- a CBP final rule reflecting that the Automated Commercial System is being phased out as a CBP-authorized electronic data interchange system for the processing of electronic entry and entry summary filings (December 2018, previously June; interim final rule issued October 2015)

Section 232 Tariffs on Aluminum and Steel - Additional Duty on Imports of Steel and Aluminum Articles under Section 232 of the Trade Expansion Act of 1962 *BACKGROUND*

On March 8, 2018, the President issued Proclamations 9704 and 9705 on Adjusting Imports of Steel and Aluminum into the United States, under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), providing for additional import duties for steel mill and aluminum articles, effective March 23, 2018. See the Federal Register, 83 FR 11619 and 83 FR 11625, March 15, 2018. On March 22, 2018, the President issued Proclamations on Adjusting Imports of Steel and Aluminum into the United States. See the Federal Register, 83 FR 13355 and 83 FR 13361, March 28, 2018. On April 30, 2018, the President issued Proclamations on Adjusting Imports of Steel and Aluminum into the United States. The duty requirements are effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on March 23, 2018.

COMMODITY Steel mill and aluminum articles, as specified in the Presidential Proclamations.

COUNTRIES COVERED Please note that the Section 232 measures are based on the country of origin, not the country of export.

Steel:

May 1, 2018 through May 31, 2018: All countries of origin except Canada, Mexico, Australia, Argentina, South Korea, Brazil and member countries of the European Union (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom).

As of June 1, 2018: All countries of origin except Argentina, Australia, Brazil, and South Korea.

More extensions are likely due to Nafta negotiations not terminated.

Quota for Steel Imports from South Korea: Please see <https://www.cbp.gov/trade/quota/bulletins>.

Aluminum:

May 1, 2018 through May 31, 2018: All countries of origin except Canada, Mexico, Argentina, Australia, Brazil and member countries of the European Union (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom).

As of June 1, 2018: All countries of origin except Argentina, Australia, and Brazil.

Note: As of May 1, 2018, aluminum articles from South Korea are subject to the Section 232 import duties. Importers may receive a quota hold message for imports of such articles; however, a quota is not in effect for imports of aluminum from South Korea.

For both steel and aluminum, imports of United States origin are not covered by the Section 232 measures.

ENTRY SUMMARY FILING INSTRUCTIONS

Steel Products

In addition to reporting the regular Chapters 72 & 73 of the Harmonized Tariff Schedule (HTS) classification for the imported merchandise, importers shall report the following HTS classification for imported merchandise subject to the additional duty: 9903.80.01 (25 percent ad valorem additional duty for steel mill products).

Aluminum Products

In addition to reporting the regular Chapter 76 of the HTS classification for the imported merchandise, importers shall report the following HTS classification for imported merchandise subject to the additional duty: 9903.85.01 (10 percent ad valorem additional duty for aluminum products)

Generalized System of Preferences (GSP) and African Growth and Opportunity Act (AGOA)

GSP and AGOA-eligible goods that are subject to Section 232 duties may not receive GSP or AGOA duty preference in accordance with 19 USC 2463(b)(2).

On imports subject to Section 232 duties, in addition to the Section 232 duties, importers should pay the normal trade relations (column 1) duty rates and not submit the GSP Special Program Indicator (SPI) "A" or the AGOA SPI "D"

Although Brazil and Argentina are GSP countries, they are exempt from Section 232 per the Harmonized Tariff Schedule of the United States (HTSUS) Chapter 99, Subchapter III, U.S. Notes 16(a) and 19(a); therefore they may claim GSP.

Other Trade Preference Programs and Free Trade Agreements

Trade preference may be claimed for all preference programs with the exception of GSP and AGOA, as stated above. Importers making a trade preference claim under a program other than GSP or AGOA may continue to receive the preferential duty rate and any MPF exemption that may apply in accordance with 19 CFR 24.23(c). Section 232 duties must be paid on imports subject to Section 232 even if trade preferences apply.

ADDITIONAL INFORMATION

Chapter 98

Imports subject to Section 232 duties imported under subheading 9802.00.60 shall be assessed Section 232 duties based upon the full value of the imported article.

Foreign Trade Zones

Any steel or aluminum article, except those eligible for admission under "domestic status" as defined in 19 CFR 146.43, subject to the Section 232 duties, that is admitted into U.S. foreign trade zones on or after 12:01 a.m. eastern daylight time on March 23, 2018, must be admitted as "privileged foreign status" as defined in 19 CFR 146.41, and will be subject upon entry for consumption to any ad valorem rates of duty related to the classification under the applicable HTSUS subheading.

Any steel or aluminum article, except those eligible for admission under "domestic status" as defined in 19 CFR 146.43, subject to the 232 duties, that was admitted into U.S. foreign trade zones under "privileged foreign status" as defined in 19 CFR 146.41, prior to 12:01 a.m. eastern daylight time on March 23, 2018, will likewise be subject upon entry for consumption to any ad valorem rates of duty related to the classification under applicable HTSUS subheadings imposed by the Proclamations.

Aluminum or steel articles shall not be subject upon entry for consumption to Section 232 duties, merely by reason of manufacture in a U.S. foreign trade zone. However, articles admitted to a U.S. foreign trade zone in "privileged foreign status," shall retain that status consistent with 19 CFR 146.41(e).

The merchandise covered by the additional duties and quota may also be subject to antidumping and countervailing duties.

Drawback

No drawback shall be available with respect to the Section 232 duties imposed on any aluminum or steel article.

The Department of Commerce website has forms for requesting exemptions and exclusions on a product basis by importers

<https://search.commerce.gov/search?query=section+232&affiliate=commerce.gov>

Steel/Aluminum Tariffs Exemptions Clarified By [Susan Kohn Ross](#)

In off the record comments on March 28, 2018, an official of the Dept. of Commerce provided some clarification as to how the product exemption process will work relative to steel and aluminum tariffs. Of course, the starting point is: if your product is subject to the steel or aluminum tariffs and is not from an exempted country, the 25% or 10%, respectively, will have to be paid. After that, things get trickier.

If you decide to seek exemption for your product, the first step obviously is to gather the needed details and file your exemption request. The way the process is intended to work is once the exemption request is uploaded to regulations.gov, the Bureau of Industry and Security ("BIS") will review it for completeness. If not complete, the application will be rejected. If complete, it will be officially posted on the regulations.gov website. That date is key. Because, if your exemption request is later granted, while not official until five days after it is published, you will be able to seek refunds on any entries filed between the date the exemption request is posted and when it is granted.

Final Ruling on Definition of ISF Importer Last week, U.S. Customs and Border Protection (CBP) published its final rule on the adoption of the proposed amendment to expand the definition of an Importer Security Filing (ISF) Importer, the party that is responsible for filing the ISF, for certain types of shipments. CBP said these "changes are necessary to ensure that the definition of ISF Importer includes parties that have a commercial interest in the cargo and the best access to the required information." This final rule benefits all parties by eliminating the confusion surrounding the responsibility for the submission of ISF information. Under the expanded definition, the party that has a commercial interest in the cargo and the best access to ISF information will fall within the definition of ISF Importer. This will improve the accuracy of the information CBP uses for targeting. In addition, this rule significantly reduces confidentiality concerns that may be caused by the current requirements. Finally, eliminating a step in the transmission process (sending the ISF information from the third party to the current ISF Importer) will result in CBP getting the information sooner. Any extra time can be used for more extensive targeting. This ruling went into effect May 14, 2018.

FMC launches first phase of detention, demurrage probe The U.S. maritime regulator calls on ocean carriers and terminals to provide details on detention and demurrage practices as part of its investigation, dubbed Fact Finding 28. APRIL 03, 2018 The U.S. Federal Maritime Commission (FMC) has asked container carriers and marine terminals to provide detailed information about their port demurrage, detention and free-time practices as part of its investigation announced on March 5.

"The ultimate resolution of this investigation will have the potential to affect every ocean common carrier calling the United States. It is vital that the information we gather is representative of business and operational practices, as well as market conditions, nationally," said FMC Commissioner Rebecca Dye, who is heading the investigation, Fact Finding 28. If your company has experienced what you feel are excessive detention or demurrage charges you are encouraged to provide your story to the FMC.

Foot notes - Articles in this newsletter are taken from variety of sources. Including Journal of Commerce, Sandler and Travis newsletter, and NCBFAA briefings. Other articles are personally written by the newsletter publisher Frank Parker. Depending on importance of the topic some articles may run for more than one issue of the newsletter.

The publisher has taken all reasonable steps to verify the accuracy of the content of this article. However, Parker & Company shall not be responsible for errors or omissions. Any advice in this newsletter is general and we recommend you contact Parker & Company licensed brokers or your customs council with specifics on your import or export transactions.