

FTZ DEVELOPMENTS

Vol. 1 Issue. 3 Fall 2019

A publication of Rockefeller Group Foreign Trade Zone Services

Sharing FTZ-related News and Updates

China Section 301 List 4

On August 23, 2019, the United States Trade Representative (USTR) published a [notice](#) confirming that all Section 301 duties on Chinese-origin imports will increase by an additional 5% due to the Chinese government's announcement that it will impose retaliatory duties on U.S. imports. The *Federal Register* [FR Notice](#) announcing this rate increase for List 4 was published on August 30, 2019, which confirms the following:

-List 4A: On September 1, 2019, China Section 301 List 4A duty rates began being imposed at 15% (instead of 10%) for merchandise entered for consumption or withdrawn from warehouse for consumption on or after that date. The "Notice of Modification of Section 301 Action" published in the *Federal Register* [FR Notice](#) on August 20, 2019 contains List 4A Harmonized Tariff Schedule ("HTS") information in Annex A/B.

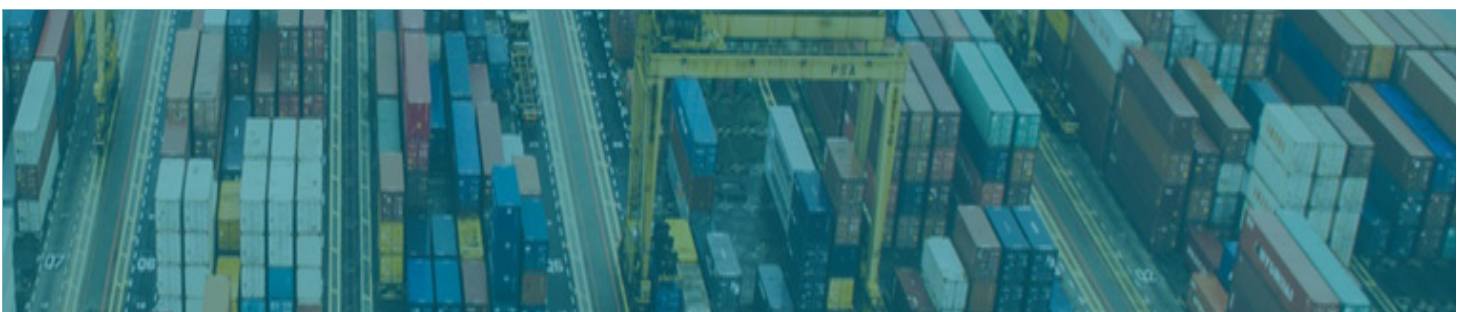
-List 4B: Beginning December 15, 2019, the duty rate for China Section 301 List 4B is currently set at 15% (instead of 10% as indicated in the August 20th [FR Notice](#)). List 4B HTS information is contained in Annex C/D of the August 20th [FR Notice](#).

China Section 301 Lists 1, 2 and 3

On September 3, 2019, USTR published a [FR Notice](#) confirming the duty rate advance from 25% to 30% for List 1, 2 and 3 of the China Section 301 beginning October 1, 2019. The notice invited public comment (due September 20, 2019). President Trump subsequently delayed the effective date of this rate advance to October 15, 2019.

Section 301 List 3 Duty Rates-Action Required!

Depending on each FTZ operator/user's particular software set up and established procedures/file transfers with their Customs broker, some companies may be inadvertently paying 25% additional Section 301 duties on merchandise admitted and elected PF status prior to May 10, 2019, which should have secured the lower 10% Section 301 duty rate. **We encourage you to analyze your Type 06 entry summary process internally and with your Customs broker for merchandise elected PF status prior to May 10, 2019 to confirm that the lower 10% rate is being applied.** Please contact us with any questions.



China Section 301 Exclusions (Lists 1, 2 and 3)

On September 20, 2019, USTR announced significant additional product exclusions from List 1, 2 and 3 Section 301 China duties. The exclusions apply retroactive to each list's effective date and will remain in effect for one year from September 20, 2019 for Lists 1 and 2 and until August 7, 2020 for List 3.

-[Additional List 1 exclusions](#) include 310 specially prepared product descriptions, covering 724 separate exclusion requests. The exclusions are available for any product that meets the description in the FR Notice Annex, regardless of whether the importer filed an exclusion request. The scope of each exclusion is governed by the scope of the product descriptions in the Annex, and not by the product descriptions set out in any particular request for exclusion.

-[Additional List 2 exclusions](#) includes 89 specially prepared product descriptions, which cover 46 separate exclusion requests. The exclusions are available for any product that meets the description in the FR Notice Annex, regardless of whether the importer filed an exclusion request. The scope of each exclusion is governed by the scope of the product descriptions in the Annex, and not by the product descriptions set out in any particular request for exclusion.

-[Additional List 3 exclusions](#) includes 38 specially prepared product descriptions, which cover 46 separate exclusion requests. The exclusions are available for any product that meets the subscription in the FR Notice Annex, regardless of whether the importer filed an exclusion request. The scope of each exclusion is governed by the scope of the product descriptions in the Annex, and not by the product descriptions set out in any particular request for exclusion.

-On September 27, 2019, USTR announced 203 additional product exclusions associated with [List 1](#) (92 product descriptions) and [List 2](#) (111 product descriptions). See FR Notices for additional information. The exclusions apply retroactive to each List's effective date and will remain in effect for one year from October 2, 2019.

Also note that the FR Notice announcing these additional List 1 exclusions corrects errors by removing certain notes in the Harmonized Tariff Schedule of the United States.

FDA Launches FEI Portal

On September 23, 2019, the FDA launched a new FDA Establishment Identifier ("FEI") Portal to help you obtain an entity's FEI for transmission on the electronic entry. [Click here](#) to create your account and search FEIs.

China Section 301 and Sets (Lists 3 and 4)

The FR Notice announcing additional exclusions (9th round) under List 3 also clarified that certain products covered by List 3 and List 4 that are described as "sets" in the HTS shall have additional Section 301 duties applied only once to the products in the set provision. See CSMS [#40003027](#) for CBP guidance on reporting sets with Chapter 99 HTS classifications.

FTZ SCRAP/WASTE & DESTRUCTION: Beyond the Basics



Please join us for a one (1) hour webinar on Wednesday, October 23rd at 2pm (Eastern Time)
Hosted by Rebecca Williams, Managing Director

Please RSVP by Oct 18th to laybar@rockefellergroup.com

**ROCKEFELLER
GROUP**

Zone Status Change

Customs published CSMS #39665345 reminding the trade of the proper procedures in ACE for transmitting zone status change requests. Please review this CSMS and contact us if you have questions.

Entry Summary Order/Multi Chapter 98 and 99

On September 10, 2019, Customs published CSMS [#39587858](#) outlining the order of reporting in ACE for multiple HTS on the same entry summary line when a Chapter 98 or 99 is required.

Section 301 Round #	HTS	FR Notice	Date Published	CSMS Message	Tranche
1 st Round	9903.88.05	83 FR 67463	12/28/ 2018	CSMS 19-000052	1
2 nd Round	9903.88.06	84 FR 11152	03/25/2019	CSMS 19-000155	1
3 rd Round	9903.88.07	84 FR 16310	04/18/2019	CSMS 19-000212	1
4 th Round	9903.88.08	84 FR 21389	05/14/2019	CSMS 19-000244	1
5 th Round	9903.88.10	84 FR 25895	06/11/2019	CSMS 19-000332	1
6 th Round	9903.88.11	84 FR 32821	07/09/2019	CSMS #38840764	1
7 th Round	9903.88.12	84 FR 37381	07/31/2019	CSMS #39169565	2
8 th Round	9903.88.13	84 FR 38717	08/07/2019	CSMS #39268267	3
9 th Round	9903.88.18	84 FR 49591	09/20/2019	CSMS #39981444	3
10 th Round	9903.88.14	84 FR 49564	09/20/2019	CSMS #39985407	1
11 th Round	9903.88.17	84 FR 49600	09/20/2019	CSMS #39997241	2
	9903.88.20	84 FR 52553	10/2/2019		2
	9903.88.19	84 FR 52567	10/2/2019		1