

MEMO TO CLIENTS

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NEWS IN BRIEF

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Congress Passes Legislation to Suspend Russia and Belarus from Normal Trade Relations

The U.S. Congress has passed bill HR 7108 - Suspending Normal Trade Relations with Russia and Belarus Act and submitted it in to President Biden. This act will temporarily revoke the Most Favored Nation (MFN) status from both Russia and Belarus and subject them to HTSUS Column 2 rates of duty. The suspension will go until January 1, 2024.

The President is given authority to raise duty rates above the Column 2 rate; however, the President will also have authoity to restore Column 1 rates for periods of up to year, but either action can be done only after notice to both houses of Congress and allowing them 90 days to pass a joint resolution of disapproval to stop his action. The effective date of the duty increases is not included in the language of the legislation, so we expect the rates to increase when the legislation is signed by President Biden.

The bill includes language that codifies the Executive order banning Russian fosil fuels. It also instructs the office of the U.S. Trade Representative to use its voice in the World Trade Oranization (WTO) to suspend Russia from the organization and to halt the application of Belarus to become a member of the WTO.

The bill can be found here.

Reinstated China 301 Exclusions Can be Entered as of April 12

U.S. Customs and Border Protection (CBP) has announced that ACE programming allowing the electronic submission of entries claiming extended 352 exclusions will be available on April 12. We can also start filing Post Summary Corrections on entries of goods where the 30 duties were paid but now qualify for the exclusion.

We can help our clients do a review of entries that could qualify for refund claims. To do that, we have a program that will run the exclusions against your entries from that period of time. Please ask your Carmichael customer associate to run the report for you and then work with us to identify the items that could qualify for a refund claim.

New Action on 301 China Duties Court Case

The U.S. Court of International Trade (CIT) found that the USTR did have authority to impose the China tariffs on Lists 3 and 4a. This was a blow to the over 3,000 lawsuits filed on this case. However, the CIT did send the matter back to the USTR ruling that the office did not adequately respond to all the comments submitted to the proposed tariffs. The USTR has until June 30 to respond to the CIT about this demand. The CIT has ruled that the 301 duties under these lists will remain in place while the USTR develops it response.

By **Todd Boice**, *President*

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