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Vigilance
★
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Service to Country

Letter from the Assistant Commissioner

I'm Pete Ladowicz, Assistant Commissioner for CBP's Office of Congressional Affairs. As this month marks the third anniversary of enactment of the Trade Facilitation and Trade Enforcement Act, this issue of *CBP Access* highlights the accomplishments of this landmark legislation. CBP's trade facilitation and enforcement mission is critical to the health of the U.S. economy and our nation's global competitiveness. Every day, CBP enforces more than 500 trade laws on behalf of 47 government agencies, protects the American people from shipments that endanger health and safety, reduces costs for industry, and enables legitimate trade. Today, thanks to the U.S. Congress, CBP is more empowered to protect the American people and the health of the American economy.

Getting to Know the Trade Facilitation and Trade Enforcement Act

The Trade Facilitation and Trade Enforcement Act of 2015 was signed into law on Feb. 24, 2016. It is the first comprehensive authorization of CBP since the Department of Homeland Security was created in 2003, with the overall objective to ensure a fair and competitive trade environment.

CBP has embraced a new approach to trade facilitation and enforcement, focusing on these key areas:

- [Balanced Trade Operations](#)
- [Enforce and Protect Act of 2015](#)
- [Forced Labor](#)
- [Automated Commercial Environment](#)
- [Centers of Excellence and Expertise](#)
- [Intellectual Property Rights](#)
- [De Minimis Value Exemption](#)
- [Drawback](#)
- [Antidumping and Countervailing Duties](#)

How CBP's First Enforce and Protect Act (EAPA) Investigation Helped America's Last Wire Hanger Manufacturer Survive



In 2007, M&B Metal Products – a third-generation, family-owned business based in Leeds, Alabama – was the last wire hanger manufacturer in America. "We could have been like all of our competitors that used to make hangers in the United States. They closed their plants, and some of them started importing hangers from China. We could have done that, but we wanted to keep production here. We owe it to the people who have helped us be successful over the years to do everything we can to preserve that," said Milton M. Magnus III, the president of M&B Metal Products.

Magnus filed petitions with the U.S. Department of Commerce and the U.S. International Trade Commission, alleging that Chinese manufacturers were selling wire hangers at below market or "dumped" prices. Magnus won the case and for a brief time the company prospered. Then, Magnus and his management team noticed that the imported hangers were coming from other countries. It didn't take long before Magnus team suspected that the hangers were still being manufactured at the same Chinese factories. Only now, the hangers were being shipped through different countries, such as Thailand, so that importers could avoid paying the extra taxes or antidumping duties that had been added to the price of the Chinese hangers to allow U.S. industry to compete on a level playing field.

In September 2016, Magnus [resubmitted his allegation](#) and it became CBP's first EAPA investigation. Shortly thereafter, CBP did its own investigation in Thailand and came back with the same findings. A few weeks later, CBP issued an interim decision to protect America's revenue.

Not long after, Magnus saw results. "In December 2016, after we received the preliminary ruling that the hangers from Thailand were actually from China, the shipments stopped. There were no more hangers coming in from Thailand," said Magnus.

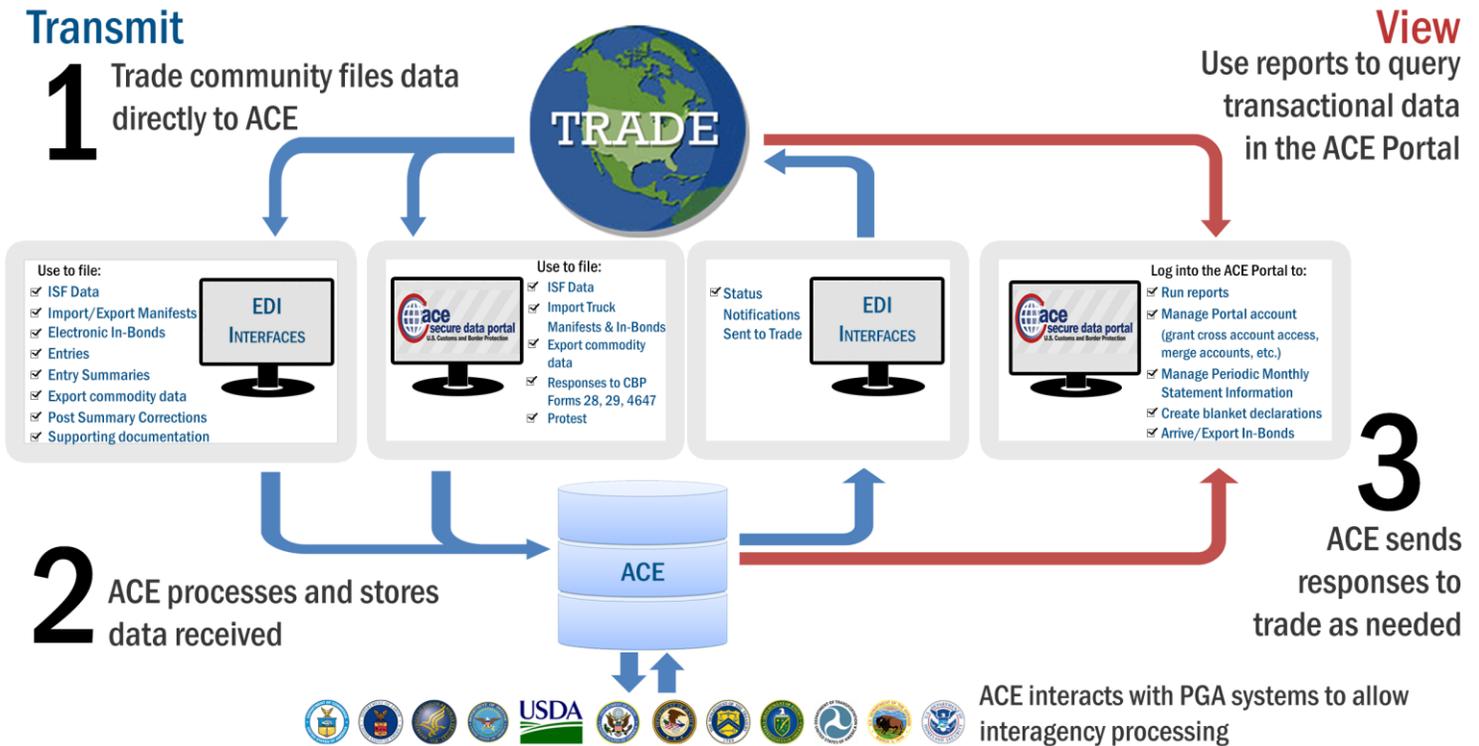
In August 2017, CBP issued a final determination on its first EAPA investigation. "We found substantial evidence that the wire hangers were imported into the U.S. using an evasion scheme," said Owens. "The hangers had been transshipped from China through Thailand to evade paying antidumping duties."

Within the course of a year, using the EAPA process, CBP prevented nearly \$40 million of evasion of antidumping duties on wire hangers alone. Read the whole story and learn more at CBP.gov, or contact the Office of Congressional Affairs.

How the Automated Commercial Environment (ACE) Works

The Automated Commercial Environment (ACE) is the system through which the trade community reports imports and exports, and the government determines admissibility. Learn more at CBP.gov or contact the Office of Congressional Affairs.

ACE offers the trade community a simplified process for submitting data and interacting with CBP and Partner Government Agencies (PGAs). The graphic below provides a snapshot of how to file and access data in ACE.



Dulles CBP Seizes \$129,000 in Counterfeit Consumer Goods Shipped As Air Cargo

On Dec. 27, a woman arrived at CBP's air cargo office at Washington Dulles International Airport to pick up a shipment manifested as "shoes bags scarfs." CBP officers examined the shipment, which consisted of 90 items, including designer shoes, handbags, belts, and scarves. Officers suspected the shipment was counterfeit and detained it.

Working with CBP's Consumer Products and Mass Merchandising Centers for Excellence and Expertise, the agency's trade experts, officers verified the merchandise as counterfeits through the trademark holder. Officers seized the shipment on Jan. 17. The shipment was destined to an individual consignee in Woodbridge, Virginia.

Every day, CBP protects businesses and consumers through an aggressive Intellectual Property Rights enforcement program. Importation of counterfeit merchandise can cause significant revenue loss, damage the U.S. economy, and threaten the health and safety of the American people. Learn more at CBP.gov or contact the Office of Congressional Affairs.



CBP Takes Aim at Forced Labor

For well over a century, the U.S. has taken steps to stop imports made with forced labor, beginning with the 1890 McKinley Tariff Act that banned products made by prisoners. The Smoot-Hawley Tariff Act of 1930 went a step further by prohibiting imports made by slaves and later, forced labor or children. But there was a catch: Goods made by forced labor could still be imported into the U.S. if those goods couldn't be sufficiently provided domestically – cocoa or coffee beans, for instance.

In 2016, the Trade Facilitation and Trade Enforcement Act removed the loophole, strengthening CBP's authority to stop suspected shipments. CBP expects importers to have procedures in place to show their goods comply with the law. Most of that consists of good record keeping, but many importers may not be checking to see if forced labor is involved with their merchandise.

Since the act was passed, CBP has issued multiple withhold release orders. For example, CBP has detained several commodities from China—soda ash, calcium chloride, stevia and peeled garlic. CBP is also in the process of updating forced labor regulations to bring them more in line with detention and seizure regulations in other areas to increase enforcement flexibility and predictability for the trade community. Read the whole story and learn more at CBP.gov, or contact the Office of Congressional Affairs.

The Office of Congressional Affairs (OCA) serves as the single point of contact within CBP for communications between CBP and Congress.

OCA is committed to addressing any question or concern you may have related to CBP's complex mission. Please contact us:

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Please visit CBP's [Congressional Resources](#) webpage for frequently asked questions, news and events, and other CBP resources.