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It has been yet another busy month for the Office of Trade, capped by a welcome decision issued by the Court of Appeals for the Federal Circuit affirming CBP's classification of Ford Transit Connect cargo vans. CBP implemented several notable changes to the ongoing Section 232 and 301 trade remedies, most notably the increased duty rate on the third tranche of Chinese goods, and exempting Canada and Mexico from the duties on steel and aluminum. OT staff also worked diligently behind the scenes on the details as well as the technical aspects to implement a 5% tariff on goods of Mexico on June 10 had the President elected to pursue that policy. OT representatives spoke at events such as the U.S. Chamber of Commerce Global Supply Chain Summit in Washington, DC, and participated in the latest Commercial Customs Operations Advisory Committee meeting in Laredo, TX.

–Brenda Smith, Executive Assistant Commissioner, Office of Trade

U.S. Chamber of Commerce - Global Supply Chain Summit: Future Trends



On Thursday, May 16, 2019, the U.S. Chamber of Commerce hosted its 7th annual global supply chain summit, Global Supply Chain: Future Trends. Executive Assistant Commissioner Brenda Smith and Executive Director of Trade Policies and Programs John Leonard participated in the summit, which included roughly 250 people comprised of industry supply-chain professionals, congressional staff, and employees of partner government agencies.

Smith opened her speech discussing the current challenges facing CBP. The crisis on the U.S.-Mexico border remains a significant challenge for CBP, and our resources are stretched in a way that is impacting half a trillion dollars-worth of trade we have with Mexico every year.

"The landscape of international trade is changing rapidly," Smith said, "and to keep pace, we must change and modernize with it. We must look at current challenges as calls to action to address not only immediate need, but to achieve a customs environment that anticipates disruption, rapidly adapts, and utilizes the best available tools."

Smith also briefed the audience on the 21st Century Customs Framework, CBP's comprehensive modernization initiative to shape the future of trade. Among the most crucial takeaways from this effort so far has been the robust feedback and comments we have received from the trade community. The Office of Trade looks forward to working with our trade partners as we start to execute our modernization efforts.

Executive Director Leonard participated on the Navigating Emerging Threats and Solutions Panel at the conference. During the panel, he discussed CBP's commitment to enforcing antidumping and countervailing duty laws and how the rise of e-commerce is changing the way CBP does business.



New on @CBPTradeGov

- 🐦 5/23/19: NEW: #CBPTrade is now publishing updated tariff statistics on <http://CBP.gov>! To view the latest trade remedy assessed amounts, go to <http://bit.ly/2YLJ5V>
- 🐦 6/7/19: #CBPTrade thanks those who participated in the 2018 ACE User Satisfaction Survey. As @CBPSanders noted, we are pleased to report a 79% overall user satisfaction rate with ACE, the foundation for all of our trade facilitation and enforcement efforts at #CBP.
- 🐦 6/12/19: ACE ENHANCEMENT UPDATE: The Consolidated Express Filings and Mass Processing capabilities have been rescheduled from 6/15 to 7/27. The DocFile Location capability rescheduled from 6/22 to 8/3. <http://bit.ly/2F6KRZg>

CBP Trade in the News

- ◆ [Counterfeit goods threaten Louisville's economy...](#) – *Courier Journal* – 5/23/19
- ◆ [Commerce levies stiff duties on steel commercial vehicle wheels from China](#) – *Tire Business* 5/24/19
- ◆ [5 Questions For U.S. Customs And Border Protection \(Part 1\)](#) – *Above the Law* – 5/28/19

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CBP Publication # 0905-0619



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Border Protection

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Appeals Court Sides with CBP

A unanimous three-judge panel of the U.S. Court of Appeals for the Federal Circuit [issued an opinion](#) on June 7, affirming CBP's position that Ford's Model Year 2012 Transit Connect 6/7 vans (imported at the Port of Baltimore) should have been classified as cargo vans, subject to a 25% ad valorem duty rate, rather than as passenger vehicles (2.5% duty rate). Ford developed a program whereby it imported the vans with second row rear seats and then immediately removed the seats, and made other adjustments at the port, prior to delivery of the vans to customers. Ford entered the vans at the lower, passenger vehicle duty rate. Upon discovery of the scheme, CBP disagreed and ruled that the vans were primarily designed for use in transporting cargo. Ford thereafter challenged CBP's classification.

India Removed as a Generalized System of Preferences Nation

Effective June 5, India's designation as a beneficiary developing country was terminated. India is no longer exempted from application of the Section 201 safeguard measures on certain Crystalline Silicon Photovoltaic (CSPV) cells (CSPV products) and large residential washers and parts, effective June 5, 2019. Imports of CSPV products, and washers and parts, from India are now subject to the duties and tariff rate quotas on these products. Any merchandise from India that is admitted into a United States foreign trade zone on or after 12:01 a.m. EST on June 5, must be admitted as "privileged foreign status," as defined in 19 CFR 146.41, and will be subject upon entry for consumption to the safeguard measures. For more information see [CSMS #19-000275](#).

Trade Symposium Update – Registration Now Available

U.S. Customs and Border Protection is proud to announce that the 2019 Trade Symposium will be held on July 23-24, 2019 at the Marriott Marquis in Chicago, Illinois. The registration fee is \$184.00 U.S. dollars. Registration must be completed on-line and payment must be made by credit card. Registrations will be confirmed and processed on a first come, first served basis. CBP has confirmed a hotel room block for the Trade Symposium: All arrangements and expenses for lodging are the responsibility of the attendee. For registration information, [click here](#).



COAC Quarterly Meeting – Laredo, Texas

The Quarterly meeting of the Commercial Customs Operations Advisory Committee (COAC) was held on May 30 in Laredo, TX. During the meeting, the four subcommittees provided updates on the status of their initiatives, including the use of blockchain to address public and private sector challenges in the complex commercial environment and a summary of the activities of the Trusted Trader Working Group. While in Laredo, some members of the COAC participated in a tour of the Southern Border where they were shown CBP facilities and how trade has been affected by the ongoing migration crisis. CBP also hosted a public meeting on May 31 in Laredo to discuss the ongoing crisis and the impact on border operations. Congressman Henry Cuellar (D-TX), among others, gave remarks.



Trade Remedy Updates

- **May 9, 2019 - Change in Effective Date of Duty Increase of Section 301 (Tranche 3) Duties:** USTR published a Federal Register notice on May 9, 2019, increasing the Section 301 duty rate from 10 percent to 25 percent on the third tranche of Chinese imports (effective for goods entered for consumption on or after May 10). ACE has been updated to reflect the 25 percent duty rate for imports.
- **May 20, 2019 - Termination of Section 232 Duty For Steel and Aluminum Products of Canada and Mexico:** Effective for steel mill and aluminum articles with a country of origin of Canada or Mexico entered for consumption, or withdrawn from warehouse for consumption, on/after 12:01 am EST on May 20, 2019, Section 232 duty on imports of steel and aluminum articles from Canada or Mexico will no longer be in effect.
- **May 21, 2019 - Reduction in 232 Duty Rate on Steel Imports from Turkey:** On May 16, 2019, the President remove the higher tariff on steel imports from Turkey, to instead imposed a 25 percent ad valorem tariff on steel imports in proportion with the tariff imposed on such articles by the Section 232 remedy imported from most other countries.

Latest Trade Federal Register Notices

- ◆ 84 FR 22505: [Agency Information Collection Activities: Regulations Relating to Recordation and Enforcement of Trademarks and Copyrights](#)
- ◆ 84 FR 21798: [Tuna Tariff-Rate Quota for Calendar Year 2019 Tuna Classifiable Under Subheading 1604.14.22, Harmonized Tariff Schedule of the United States \(HTSUS\)](#)
- ◆ 84 FR 26131: [Agency Information Collection Activities: Declaration for Free Entry of Unaccompanied Articles](#)

New Cargo System Messaging Service Updates

- ◆ #19-000266: [Announcing ACE Reports Virtual Office Hours Sessions](#)
- ◆ # 19-000264: [Harmonized System Update \(HSU\) 1909 created on May 22, 2019](#)
- ◆ #19-000261: [Validation of AES Commodity Filing Response Messages 007 and 227](#)
- ◆ #19-000255: [CORRECTION: Trade Policy Update: Drawback Rules Updated](#)

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