



August 1, 2020

### USTR Grants New Extensions to Section 301 Exclusions, Leaves Others to Expire July 31

The Office of the U.S. Trade Representative will grant extensions to 14 exclusions from the second list of Section 301 tariffs on goods from China that were due to expire July 31, it said in a [notice](#). The 55 exclusions that weren't extended, all listed in U.S. Note 20(o) to subchapter III of chapter 99 and filed under subheading 9903.88.12, will expire July 31. The 14 extended exclusions will now expire Dec. 31, USTR said.

USTR in April asked for comments on whether it should extend the exclusions. The exclusions in question were issued in July 2019. USTR will create new subheading 9903.88.54 and U.S. Note 20(ggg) for products entering under the 14 exclusions that were extended. USTR says the extensions will now remain in effect for entries on or after Aug. 23, 2018.

### CBP, HSI Officials Describe Work to Stop COVID Fraud, Counterfeits

At the first of two Senate Finance Committee [hearings](#) on securing the medical supply chain, senators learned that Homeland Security Investigations has opened 570 cases, and, cooperating with CBP, has stopped “900 shipments of mislabeled, fraudulent, or unauthorized COVID-19 test kits, treatment kits, homeopathic remedies, purported anti-viral products, and” personal protective equipment. Steve Francis, assistant director for the Global Trade Investigations Division of HSI, shared that data at the July 28 hearing. He said that 45% of the seizures were of COVID-19 test kits, 27% were ineffective pharmaceuticals, 10% were substandard protective gear, such as masks. And 16% were lanyards which, sellers promised, would protect you from catching the coronavirus that causes COVID-19 if you wore it around your neck.

The CBP official in charge of cargo security, Thomas Overacker, told the committee that over the last six months, cargo volumes have declined 12% compared with the same period in 2019, with the worst drop in May, when the volume was down 26% from May 2019.

### CBP Plans to Add Forced Labor to CTPAT Trade Compliance by September

CBP would like to add a forced labor component to the CTPAT program's trade compliance requirements by the end of this fiscal year, CTPAT Director Manuel Garza said in a government issue [paper](#) released ahead of the July 15 Commercial Customs Operations Advisory Committee meeting. The fiscal year ends Sept. 30. There's been discussion about adding such a component for a long time, but CBP hadn't previously provided firm timing plans.

Garza also said CBP plans to accept “new applications for the Trade Compliance Program by the end of FY2020.” CBP last summer began transitioning Importer Self Assessment program participants and in March “the remainder of the former ISA companies were instructed to provide their information and create a business profile in the Trade Compliance Portal.” CBP allows participants to choose whether to participate solely in “CTPAT-Security or to expand to CTPAT-Trade Compliance,” the trusted trader working group [said](#). “However, to be eligible for the Trade Compliance portion, participants must also comply with the Security module of the CTPAT-Trusted Trader program.”

The working group also released [recommendations](#) for how to improve the program. As part of that, CBP should develop metrics to measure the performance of benefits and release some results online annually, it said. “For instance, CBP could publish the average percentage of extensive examinations, and in-person validations that non-CTPAT Trusted Trader companies experienced vs program participants, etc.” Such metrics would help the agency consider when a “benefit should be phased out or needs to be modified, based on the assessment results,” it said.

CBP should also increase its transparency around considering possible new benefits for the program, the COAC said. “COAC recommends that CBP develops and documents a formal process to receive and process feedback on existent benefits, as well as suggestions for new potential benefits from both CTPAT Trusted Trader Program members, PGAs, Non-government organizations and the general public,” it said.

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## FDA Sets VQIP Trusted Trader Program Fee for FY21

FDA will set the fiscal year 2021 fee for its Voluntary Qualified Import Program at \$17,000, it said in a [notice](#). The fee, which is up from \$16,681 last year, is required from food importers to begin participation in the VQIP trusted trader program for the period beginning Oct. 1, 2020, FDA said. The fee will remain in effect through Sept. 30, 2021, it said.

## CBP to Increase User Fees for FY20

CBP will increase Consolidated Omnibus Budget Reconciliation Act (COBRA) fees by 8.933 percent to adjust for inflation in fiscal year 2021, the agency said in a [notice](#). Affected fees include the merchandise processing fee, vessel and truck arrival fees and the customs broker permit user fee. The Fixing America's Surface Transportation Act, passed in 2015, required that CBP make inflation adjustments and fee limitations when deemed necessary. The fees are effective Oct. 1.

## FTC Proposes Repeal of Apparel Care Labeling Rule

The Federal Trade Commission is proposing to repeal its trade regulation rule on apparel care labeling. The commission's July 23 [proposed rule](#) says the rule may be unnecessary because manufacturers would likely continue to provide care information to consumers. The care labeling regulations also may limit innovation and flexibility in the textile and apparel industry by requiring specific disclosures. The care labeling rule requires apparel manufacturers and importers to attach labels to their products that describe appropriate care for ordinary use of their product, including by way of approved care symbols instead of words. Comments are due Sept. 21.

## FDA Updates List of EUAs Issued During Pandemic

The FDA released an [updated list](#) of Emergency Use Authorizations (EUAs) it has issued for medical devices as a result of the COVID-19 pandemic. "These Authorizations contain, among other things, conditions on the emergency use of the authorized products," the agency said. The EUAs follow from FDA's determination that, due to the pandemic, "circumstances exist justifying the authorization of emergency use of in vitro diagnostics for detection and/or diagnosis of the virus that causes COVID-19, personal respiratory protective devices, and medical devices, including alternative products used as medical devices," it said.

## FDA Updates Internal Guidance on Acceptable Seafood Names

The FDA released an update to its [compliance policy guide](#) for agency staff on use of the [Seafood List](#) to determine acceptable names for domestic and imported seafood. "When an acceptable name is provided in The Seafood List and the name used on the seafood product labeling is not an acceptable name provided in The Seafood List, the labeling may be misleading. In these situations, FDA will consider the circumstances in determining whether the seafood product is misbranded," FDA said. "When an acceptable name for a seafood species is not provided in The Seafood List, FDA will consider the circumstances of the situation to determine whether the seafood product is misbranded," it said.

## US Signals It Will Not Accept Latest Airbus Development to End Tariffs

The U.S. said that it has received no details on changes to subsidized loans for Airbus from France and Spain, so "no one can take seriously" that the changes addressed the entirety of the World Trade Organization decision that the subsidies distorted the market. The U.S. made the comments at a Dispute Settlement Committee in Geneva July 29, a Geneva trade official said. The U.S. representative also said the European Union didn't address the other six measures the WTO identified as distorting. The EU had said last week that the changes resolved the case, so the 15% tariffs on Airbus planes and 25% tariffs on other EU exports should be removed immediately. The tariffs took effect in October 2019.

China tried to head off more tariffs against its exports by the U.S. at the same meeting. The U.S. had said it wanted to hike tariffs on \$1.3 billion worth of trade because China hasn't fixed its agriculture subsidies; that question is now going to arbitration, and China said the U.S. has no right to act until that process is done.

About 20 countries complained that the U.S. continues to block appellate body appointments. "Several directly criticized the United States for failing to put forward its own solutions and perpetuating the impasse," a Geneva trade official said. The EU also criticized a U.S. statement that an alternate appellate approach -- which the EU, China, Canada and others have agreed to follow -- is just as bad as the appellate body. The EU said there has been no decision by this alternate group, and questioned how the U.S. could say that it is acting as the appellate body did.

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