



## P1

EAC Corner

Implementation of  
USMCANew on  
@CBPTradeGovCBP Trade in  
the News

## P2

WRO Update

Proposed Customs  
Broker RegulationsEAC Smith on  
Trade Guys PodcastCBP Frontline - Keeping  
Trade FlowingU.S. - Paraguay  
Customs Mutual  
Assistance AgreementLatest Trade Federal  
Register NoticesNew CSMS  
Messages

I am pleased to announce that the **United States – Mexico – Canada Agreement (USMCA)** entered into force earlier this month, and would like to say thank you to our trade partners and all U.S. Customs and Border Protection (CBP) employees for the smooth transition from the North American Free Trade Agreement (NAFTA). The Office of Trade has also been hard at work modifying and issuing Withhold Release Orders, which prevent goods made with forced labor from entering the U.S. market. Be sure to follow us on Twitter at @CBPTradeGov to get the most up-to-date information.

*-Brenda Smith, Executive Assistant Commissioner, Office of Trade*

## CBP Implements U.S. – Mexico – Canada Agreement

On July 1, the USMCA entered into force, replacing the 25-year-old NAFTA. CBP understands change is often an uncomfortable process, and modernization is a necessary investment for progress. In the midst of COVID-19, an unprecedented virtual environment, and strict target dates, CBP displayed resilience and innovation via interagency collaboration and coordination with government and external stakeholders. Implementation actions included:

- **Regulations:** The USMCA required the creation of uniform regulations agreed to by all three parties. CBP supported the United States' interests in time-sensitive negotiations. This included providing trade enforcement subject matter expertise, and crosschecking how regulatory proposals would interact with other CBP existing laws and regulations.
- **Automotive Rules of Origin:** The USMCA's Rules of Origin (RoO) for automotive goods are unprecedented. New requirements include North American steel and aluminum procurement, Labor Value Content (LVC), and alternative staging options. The USMCA RoO required devotion and assiduity by CBP to not only gain an understanding of the new requirements, but also develop implementation strategies and provide compliance guidance to stakeholders.
- **Automation:** USMCA's entry into force also presented its fair share of tasks for the Office of Trade's Trade Transformation Office (TTO). The USMCA's requirements necessitate accommodation within the Automated Commercial Environment (ACE), CBP's Single Window, including pre-entry certifications for the automotive rules of origin. In addition to the technical updates, TTO and its CBP partner offices performed significant training and outreach to ACE stakeholders, including the broker community, ACE software vendors, and major importers.
- **Personnel Training:** CBP implemented a robust schedule for training and informational briefing on the USMCA. These trainings were particularly important due to the USMCA's modernization of NAFTA. Unlike prior trade agreements, which were implemented for partner countries where no previous trade instrument existed, USMCA was replacing an existing trade agreement, so the specific changes and nuances required detail and explanation.
- **Trade Engagement:** CBP developed and published numerous compliance guidance resources for the private sector, including USMCA implementing instructions. These instructions provide guidance on how to make USMCA claims for preferential treatment. CBP continues to inform and prepare trade associations, industry groups, and CBP stakeholders on USMCA compliance via trade briefings (45 and counting). To date, CBP has developed 40 fact sheets, a Chatbot application (averaging 50 conversations per day), NAFTA - USMCA comparison resources, and two informational videos.
- **Coordination w/ Interagency and International Stakeholders:** CBP launched the USMCA Center to serve as a one-stop-shop for USMCA matters for both internal and external stakeholders. Due to the large volume of trade affected by the USMCA, the transition required steadfast coordination with CBP's partners at Mexico's Servicio de Administración Tributaria and the Canada Border Services Agency.

Implementing the USMCA was a monumental undertaking, which required coordinated efforts. CBP adapted a nimble approach and discovered innovative ways to communicate and accomplish tasks remotely. Continued training, informational briefings, and other support is available for trade stakeholders. CBP is dedicated to ensuring compliance and enforcement with the USMCA.

### New on @CBPTradeGov

- 6/28: Curious about the #USMCA? #CBPTrade has put together a series of videos on the new agreement and the changes affecting the trade community. Check out the first video in the series, which provides an overview of the agreement.
- 7/10: #CBPTrade Executive Assistant Commissioner Brenda Smith spoke with ABC's @BobWoodruff about the recent #ForcedLabor Withhold Release Order violation of hair products from China. Check it out now via @ABC: <http://abcn.ws/3iKopHz>

U.S. Customs and  
Border Protection

CBPTRADE

## CBPTrade in the News

- [US warning forces companies to review Chinese labor risk – CQ News – 7/6](#)
- [U.S. Customs Targets Suspected Forced Labor From China's Xinjiang Region – The Wall Street Journal – 7/7](#)
- [Customs and Border Protection detains 13 tons of hair products from China – ABC News – 7/9](#)

The *Trade News Snapshot* is a monthly newsletter from the Office of Trade highlighting important programs, information, and updates for our trade partners and the public.

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## Large Withhold Release Order Detainment – Hair Shipments from China

CBP officers at the Port of New York/Newark detained a shipment of products/accessories suspected to be made with human hair that originated in Xinjiang, China, indicating potential human right abuses of forced child labor and imprisonment. The products were part of a shipment of almost 13 tons of hair products worth over \$800,000 dollars.



CBP detained the shipment in accordance with a [Withhold Release Order](#) on hair products manufactured by Lop County Meixin Hair Product Co. Ltd. On June 17, CBP instructed ports of entry nationwide to detain all such products based on information that reasonably indicated that they are manufactured with the use of prison labor. Read more [here](#).

## Notice of Proposed Rulemaking – Broker Regulations

On June 5, CBP published a Notice of Proposed Rulemaking for 111 Broker Regulations in the Federal Register. The notice announced the comment period for Modernization of Customs Broker Regulations and Elimination of Customs Broker District Permit Fee. The NPRM comments must be received by CBP Office of Trade, Trade and Commercial Regulations and Rulings Branch at <http://www.regulations.gov> on or before August 4, 2020. See the [notice](#) for additional information.

## EAC Smith on the Trade Guys Podcast

Earlier this month, EAC Smith was interviewed by Trade Guys Scott Miller and Bill Reinsch where she discussed USMCA implementation, CBP’s preparation for USMCA, working with the private sector, and how customs work has changed in the past 25 years. The 30 minute episode featured a lively and compelling discussion about USMCA, the changes that will come with entry-into-force, how audits are done at CBP, and more. There is a lot of great information in this podcast episode and we encourage everyone to take some time to listen to [this episode](#).

## CBP Frontline Article – Keeping Trade Flowing

In early March, when America was starting to grapple with the spread of the coronavirus, many feared the pandemic would have devastating effects on trade. A series of presidential proclamations restricted travel from China, Europe, Iran, and then later from the United Kingdom, Ireland, Canada, Mexico, and Brazil but no restrictions were placed on legitimate trade. “The ports are open. We continue to process the trade that arrives and clear cargo. Any perception that our borders are closed is false. We are not shut down,” said Thomas Overacker, U.S. Customs and Border Protection’s Executive Director of Cargo, Conveyance, and Security. “Trade is flowing the same as usual.”

For the complete article, see [CBP’s Frontline Magazine](#).

## United States and Paraguay Sign Updated Customs Mutual Assistance Agreement

On July 14, CBP [issued a press release](#) announcing that the United States and Paraguay concluded updating a Customs Mutual Assistance Agreement (CMAA), replacing the prior 2002 U.S.-Paraguay CMAA. U.S. Ambassador Lee McClenny and Paraguayan Minister of Foreign Affairs Antonio Rivas Palacios signed the agreement in Asunción, Paraguay on July 13.

“This revised agreement is a key component to further enhancing our partnership with Paraguay,” said CBP Acting Commissioner Mark A. Morgan. “The CMAA demonstrates our bilateral commitment to preventing and investigating crimes associated with goods crossing our borders, while simultaneously facilitating legitimate trade.”

The updated U.S.-Paraguay CMAA expands the ability to share information and strengthens trade facilitation efforts and enforcement capabilities. For example, information exchanged under the agreement may now be used in criminal proceedings by both parties.



### Latest Trade Federal Register Notices

- 85 FR 43590 - Quarterly IRS Interest Rates Used in Calculating Interest on Overdue Accounts and Refunds on Customs Duties
- 85 FR 40307 - Importation Bond Structure
- 85 FR 39690 - USMCA Uniform Regulations Regarding Rules of Origin
- 85 FR 39576 - Modification of the National Customs Automation Program Test Regarding Reconciliation for Filing Post-Importation Claims Arising Under USMCA

### New Cargo System Messaging Service Updates

- CSMS #43401456 - Seventh Round of Product Exclusions from China Section 301 Tranche 4A - \$300B and Section 301 Technical Corrections
- CSMS #43400564 - Addition of Product Exclusion to the Tranche 3-\$200B Action and Extension of Sixth Round of Product Exclusions Covered Under China Section 301
- CSMS #43387297 - Guidance for Removing Entries from Statement