



April 24, 2024

To:
Seth Renkema
Chief, Economic Impact Analysis Branch
Office of Trade, Regulations and Rulings
U.S. Customs and Border Protection
90 K Street NE, 10th Floor
Washington, DC 20229-1177

Document Number: 2024-06255

Re: Agency Information Collection Activities; Revision; Entry Summary (CBP Form 7501)

Dear Mr. Renkema,

The American Association of Exporters and Importers (AAEI) recommends an alternative method for overseeing Aluminum Licensing that better aligns with regulatory objectives while simplifying trade processes for U.S. businesses.

For over 100 years, AAEI has served as a prominent national voice for the United States' international trade community. AAEI proudly represents a diverse range of industry sectors within the global trade landscape, comprising manufacturers, importers, exporters, wholesalers, retailers, and various service providers such as customs brokers, freight forwarders, trade advisors, insurers, security providers, transportation interests, and ports. Many of these entities are small businesses seeking opportunities to export to foreign markets. As the premier U.S. international trade organization, AAEI is recognized for its expertise in the day-to-day facilitation of trade, including the administration and compliance with import and export laws of the United States, making it an indispensable resource for those directly involved in and impacted by developments in international trade.

Background:

On March 8, 2018, the President issued [Proclamation 9704](#) on Adjusting Imports of Aluminum into the United States, under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), providing for additional import duties for aluminum articles, effective March 23, 2018.

On January 24, 2020, the President issued [Proclamation 9980](#) on Adjusting Imports of Derivative Aluminum Articles and Derivative Steel Articles into the United States, effective February 8, 2020.



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On February 24, 2023, the President issued [Presidential Proclamation 10522](#) on Adjusting Imports of Aluminum into the United States, requiring a 200 percent ad valorem tariff on aluminum articles where any amount of primary aluminum used in the manufacture of the aluminum articles is smelted in Russia, or the aluminum articles are cast in Russia, and derivative aluminum articles where any amount of primary aluminum used in the manufacture of the derivative aluminum articles is smelted in Russia, or the derivative aluminum articles are cast in Russia. It further stipulates that importers shall provide to U.S. Customs and Border Protection (CBP) **information necessary** to identify the countries where the primary aluminum used in the manufacture of aluminum articles imports, covered by Clause 1 of Proclamation 9704, and derivative aluminum articles, specified in Annex I of Proclamation 9980, are smelted; and information necessary to identify the country where such aluminum articles imports and derivative aluminum articles are cast. See [88 FR 13267](#) issued on March 2, 2023.

On March 9 and 10, 2023, CBP released [CSMS # 55424218 - GUIDANCE: Section 232 Aluminum Smelt and Cast Requirements \(govdelivery.com\)](#) and [CSMS # 55438432 - \(UPDATED\) GUIDANCE: Section 232 Aluminum Smelt and Cast Requirements \(govdelivery.com\)](#) providing information on CBP's requirements to implement Proclamation 10522. Essentially, these state that effective April 10, 2023, importers of the aluminum (and derivative aluminum) articles under the enumerated subheadings are required to provide the primary country of smelt, the secondary country of smelt, and the country of cast. This is true even if the smelting/casting occurs in a country other than Russia.

Trade Concern:

The requirement to provide primary and secondary smelt and cast country on the import declaration is a significant additional reporting requirement for importers to meet, especially when a license \$5,000 or less does not require the information. To meet the requirement, importers are required to execute supplier solicitations of the three new data elements for each part number prior to import or for each shipment, being careful to tailor the approach if multiple sources are known to ensure accuracy upon the declaration of the specific import. Since most internal systems do not store multiple country of origin fields, the recordation is generally stored manually for retrieval upon import or for reference against the license. The matching of the specific shipment to the information on smelt and cast country and the nature of the manual recordation generally requires the import to stop. At the same time, the broker, exporter, and importer interrogate their repositories to derive the specific shipment level inputs of three new data fields per part. The use of manual recordation, the interrogation of inputs to ensure accurate declaration

reporting, and the additional time spent to support the movement of material are unduly burdening business.

The requirement only applies to Russia; however, the implementation of the regulation by CBP goes above and beyond by asking importers to provide information on each shipment regardless of country of origin or content. We believe CBP could leverage its risk assessment strategies to ensure declaration accuracy while reducing the burden on U.S. businesses.

Further, the smelt and cast location are fields already represented on a license over \$5,000. It seems reasonable for CBP to leverage this information from the license itself, rather than require new import declaration fields, to validate the appropriate assessment of duty.

Recommendation:

We believe the requirement under Proclamation 10522 allows for CBP to establish an alternate approach. In addition, customs administrations in other countries have used this same approach. The recommended approach has two steps: 1) CBP adds applicability/exemption statements to the entry summary and requires certification for each line implicated by the HS codes in the case of an \$5,000 or less license and 2) CBP performs entry summary risk-based validations via a post-import inquiry to the importer. This practice requires importers to execute the same supplier solicitations, which inherently involves identifying any Russian nexus in imported aluminum but allows importers to isolate their “additional data element gathering” efforts to focus on only those articles where Russia is a primary/secondary smelt or cast origin rather than all imports. All other imports can be managed at an exemption level, certifying the import is out of the scope of the requirements.

Given the imperative for Customs and One USG Agency integration as part of the single window mandate, Commerce should consider reusing data, integrating CBP’s ACE data with Commerce’s Import licensing data. Studying ways to integrate data would eliminate redundancies and make trade more efficient while improving the data needed to make important policy decisions. We are happy to support this initiative with Commerce by promoting the appropriate legislative or regulatory changes needed.

Rationale:

The Russian scope is clarified in Proclamation 10522: “increases in the duty rate on imports of aluminum articles that are the product of Russia, or where any amount of primary aluminum used in the manufacture of the aluminum articles is smelted

in Russia, or the aluminum articles are cast in Russia, subchapter III of chapter 99 of the HTSUS is modified as provided in the Annex to this proclamation.” Further, for “purposes of implementing” these duty increases, clause 4 of Proclamation 10522 only requires CBP to obtain “necessary” information to identify applicability of the requirement (i.e., that there is no Russia nexus to the imported aluminum). To fulfill this requirement, it is unnecessary to obtain primary/secondary smelt and cast locations for all imports of relevant products. Instead, importers should be able to certify that there is no Russia nexus to their imported articles and – where there is a Russian nexus – provide the information on primary/secondary smelt and cast locations.

As stated above, we believe the requirement under Proclamation 10522 allows for CBP to establish an alternate approach. In addition, customs administrations in other countries have used this same approach. Two examples relate to implementing iron and steel import sanction measures if they originate in, have been exported from, or contain content from Russia in both the European Union and the United Kingdom. See article 3g of [COUNCIL REGULATION \(EU\) 2023/1214 of 23 June 2023 amending Regulation \(EU\) No 833/2014 concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine](#). In the case of both regimes, Customs asked declarants to insert one of the following codes in their import declaration, opting not to collect unnecessary data related to the key components of the bill of material’s country of origin, and perform risk-based validations:

L139	Import authorisation by virtue of article 3g.7 of Council Regulation (EU) 833/2014	Iron and Steel
Y824	Evidence of the country of origin of the iron and steel inputs used for processing of the product in a third country	Iron and Steel
Y859	Goods entered the territory of the customs union of the EU and presented to customs authorities prior to the entry into force or to applicability date of the present sanction, whichever is latest (see Article 12e of Regulation (EU) No 833/2014)	Iron and Steel

Collection of Information

The data collection of smelt and cast is an existing requirement managed by the Department of Commerce. CBP's efforts in collecting the same data are redundant and not necessary to assess appropriate duties nor prevent importation where required. We believe CBP should partner with Commerce for enforcement strategies, leveraging the Commerce data.

CBP need only leverage importer certifications, e.g. imported articles are outside of the scope of Proclamation 10522 when determining if duties are applicable. Requiring the extensive data collection of smelt and cast for every imported article into the United States that falls within the HTS places an undue burden on the supply chain importers. We believe the most efficient way is to have importers certify similar to that of Participating Government Agency ("PGA") disclaimers used today.

The burden on the trade is extensive to collect, store, and re-produce at the shipment level. AAEI believes the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used, is understated. The current 7501 estimate is provided at 5 minutes, however, this only appears to consider broker filing time once information is received from the importer. Importer estimates to solicit suppliers, store necessary information, and re-configure depot storage and invoicing strategies is well over 16-20 hours per declaration not inclusive of wait time.



We believe the recommended path forward meets the intent of the proclamation while reducing the burden on trade to supply additional, unnecessary data elements.

If you have any questions or require any clarification of our responses, please contact my staff lead Mitchell Hart at Mitchell.hart@aaei-hq.org.

Sincerely,

A handwritten signature in black ink, appearing to read "E. C. Laney".

Eugene C. Laney
President & CEO



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