



**DEPARTMENT OF THE TREASURY
U.S. CUSTOMS SERVICE**

PORT OF CHICAGO PIPELINE

NO. 97-12

May 28, 1997

TO : Customhouse Brokers, Importers and Others Concerned

**SUBJECT : Expiration of the Generalized System of Preferences on
May 31, 1997**

BACKGROUND:

The Generalized System of Preferences (GSP) is a preferential trade program that allows the products of many developing countries to enter the United States duty free. The GSP is currently scheduled to expire at midnight on May 31, 1997, unless its provisions are extended by Congress. Please be advised that claims for duty-free treatment under the GSP may not be made for merchandise entered or withdrawn from warehouse on or after June 1, 1997, if the program is not extended before that date.

NOTE: If the program is extended by Congress prior to June 1, 1997, notice will be provided via the Customs Electronic Bulletin Board (CEBB) and in the form of an administrative message for all ABI filers.

Customs intends to use the same mechanism to facilitate refunds as it used when the GSP expired at midnight on July 31, 1995, and was later renewed on October 1, 1996 with retroactive effect by the GSP Renewal Act of 1996. Under this plan, filers were allowed to continue using the Special Program Indicator (SPI) "A" for entry summaries filed on or after the expiration date.

Customs developed a computer program that will again be used to refund all duties deposited for imports eligible for duty-free treatment if GSP should lapse and is later renewed with retroactive effect. The computer program will identify those entries filed through the Automated Broker Interface (ABI) using the SPI "A", and will be able to process most refunds without requiring further action by ABI filers.

ACTION:

1. Unless the GSP is extended by legislative action, no claims for duty-free treatment under the GSP may be made for merchandise entered or withdrawn from

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warehouse for consumption on or after June 1, 1997. Duties at the most favored-nation rate must be deposited, or a claim may be made under another preferential program for which the merchandise qualifies (for example, the Andean Trade Preference Act, the Caribbean Basin Economic Recovery Act).

2. While estimated duties must be deposited, all filers who file entry summaries through the Automated Broker Interface (ABI) may continue to file using the SPI "A" as a prefix to the tariff number for all entries that would have qualified for the GSP if the GSP were still in effect. Customs Automated Commercial System (ACS) has been reprogrammed to accept the SPI "A" with the payment of duty. While reprogramming is strictly voluntary, continued use of the SPI "A" has some benefits. One benefit of continued use of the SPI "A" is that the filer will not have to write a letter to Customs requesting a refund if the GSP is renewed with retroactive effect. Use of the SPI "A" will enable Customs to identify affected line items and refund duties without a written request from the importer.
3. Importers may not use the SPI "A" if they intend to later claim drawback. Use of the SPI "A" is the importer's indication that he wishes to receive a refund if the GSP is renewed retroactively. To claim both this refund and drawback would be to request a refund in excess of duties actually deposited. Importers who are unsure as to whether they will claim drawback are advised not to use the SPI "A". If the GSP is renewed retroactively, and they have not yet claimed drawback, they may request a refund by writing to the port director at the port of entry. If the GSP is not renewed retroactively, they will still have the option of filing a drawback entry.
4. ABI filers who do not wish to reprogram, who do not use the SPI "A" for a particular entry summary, and all non-ABI filers will be required to request refunds in writing if the GSP is renewed retroactively, identifying the affected entry numbers.
5. Refunds on informal entries filed via ABI on a Customs Form 7501 with the SPI "A" will be processed in accordance with the procedures outlined above.
6. When merchandise is presented for clearance on a baggage declaration or non-ABI informal, travelers and importers will be advised verbally or with a written notice that they may be eligible for a refund of GSP duties. Travelers/importers will be permitted to write a statement directly on their Customs declarations (CF 6059B) or informal entries (CF 368 or CF 7501) indicating their desire for a refund. If GSP duty free status is enacted with a retroactive provision, no further action will be required on the part of importers to obtain a refund. Failure to request a refund does not preclude importers from making a timely request in the future.
7. For mail entries, a written notice will be sent to the addressees with the CF 3419A (Mail Entry) informing them that they may be eligible for a refund of GSP duties. The addressees may submit a claim requesting a refund of GSP duties and return it,

along with a copy of the CF 3419A, to the appropriate International Mail Branch (address listed on bottom right hand corner of CF 3419A). It is essential that a copy of the CF 3419A be included as this will be the only method of identifying GSP products and ensuring that duties and fees have been paid. If GSP duty free status is enacted with a retroactive provision, no further action will be required on the part of the addressees to obtain a refund.

CONTACTS:

Inquires relating to legislative efforts to renew the GSP should not be directed to Customs. Public inquiries regarding legislative action to renew the GSP may be directed to:

Office of the U.S. Trade Representative	202-395-6971
House Ways and Means Committee	202-225-6649
Senate Finance Committee	202-224-4515

For general operational questions (Customs Headquarters):

Formal Entries	John Pierce	202-927-1249
Informal Entries	Thomas Wygant	202-927-1167
Mail Entries	Dan Norman	202-927-0542
Passenger decs	Robert Jacksta	202-927-1311

For general operational questions at the Port of Chicago, please contact the Entry Specialist Team (EST) in the applicable Industry Group:

EST for Industry Group A	312-353-9305
EST for Industry Group B	312-353-6133
EST for Industry Group C	312-353-6146
EST for Industry Group D	312-353-6147

For specific questions relating to ABI processing, please contact your ABI client representatives.

Robert J. Parsons
Acting Port Director