



America Competes Act Passed

February 4th, 2022

The America COMPETES Act of 2022 is a legislation that will empower American workers and businesses. The legislation was passed on February 4th, 2022 by the U.S. House of Representatives

Goals:

1. Address competition issues with foreign rivals
2. Maintain a technological competitive advantage globally
3. Promote scientific research & development
4. Strengthen domestic supply chains and manufacturing

What This Means For Trade:

The passing of this legislation will have impacts on customs brokers and freight forwarders, in addition to their clients.

The Generalized System of Preferences (GSP) Program would be renewed until 1/1/2024. This means that importers would be retroactively refunded for duties paid on GSP-eligible products back to December 31, 2020 when the previous GSP program expired.

The overhaul of **De Minimis, also known as Section 321**, would prohibit goods from countries that are non-market economies, such as China, and on the USTR watch list from using De Minimis benefits. Currently, goods under \$800 in value are permitted to be imported without payment of duties, taxes and fees. Additionally, more data would be required to be provided to CBP on these shipments, and enforcement against abusers of De Minimis would be added. This would close a loophole that currently encourages foreign companies to split shipments to evade duties, and allows illegal and potentially harmful products to flow freely into US commerce.

If you have any questions, please contact your Frontier Sales Representative.

Sincerely,

Frontier Supply Chain Solutions, Inc.
