

Congress of the United States
Washington, DC 20515

Residue Entries and Streamlining Trade (REST) Act
Brief Background
2015

Summary:

In order to facilitate and streamline legitimate trade, the REST Act includes *de minimis* residue to the statutory definition of instruments of international traffic (IITs).

Background:

- When shipping containers return to the United States from abroad, the containers sometime hold trace amounts of residue from the exported product. Typically, the containers are reloaded with the same product or completely cleaned in the United States.
- In July 2009 CBP reversed its longstanding policy allowing IITs returning to the United States with trace amounts of residue to be considered empty. The ruling modification, HQ Ruling H026715, would require IITs with residue to be classified, entered and manifested.
- The enforcement of the ruling has been delayed, but CBP continues to work toward its implementation. Most recently, CBP announced a pilot program whereby residue will be manifested and an electronic entry will be made off the manifest before cargo is released under the informal entry duty exemption.
- Importers will incur millions of dollars of additional costs for entries if IITs with residue are subject to entry filing requirements. These additional costs, with no related security benefits, will negatively impact the competitiveness of companies in the United States.
- The modified ruling would add an additional compliance burden for carriers, create uncertainty for shippers, and lead to additional congestion at the border for importers.
- The modified ruling would require additional CBP resources at the border for administration and enforcement. Importers need an efficient and effective CBP workforce to facilitate the growing volume of cross-border trade.
- The REST Act has broad coalition support including, among others, the National Association of Manufacturers, the American Truckers Association, the American Chemistry Council, the American Petroleum Institute, and the United States Council for International Business.
- The REST Act would have no revenue effect, according to a preliminary estimate from the CBO.