

News in Brief

ILWU/PMA Negotiations

As of today the parties continue to meet with the Federal mediator, however there has been very little progress or at least very little that has been reported. With the little information that is available we cannot make any confirmations and we do not wish to proliferate any rumors. The board of directors of the PMA met on Tuesday and although there hasn't been any information on what was discussed, the actions that the terminals are taking this weekend are probably a result of that meeting.

We will continue to monitor and report back to you as best we can.

Carmichael 's Green Initiative

We are in the beginning stages of our "Green" initiative where we hope to be completely paperless by the end of June 2015. For the first step, beginning March 1st we would prefer to send our invoices electronically instead of printing and mailing them. If you would like to continue to receive paper copies there will be a \$5.00 charge added to each invoice that is printed and mailed. Please notify your Carmichael associate with your preference or Cecilia Hernandez, in our accounting department, at her email address: acctg@carmnet.com Please include the email address you would like the electronic invoices sent to. Thank you for your assistance in this matter. We will keep you updated on the next steps of going paperless over the next few months.

Terminals Operating Schedule for West Coast Ports President's Day Weekend

According to the PMA, due to the increasing slowdowns caused by the ILWU, all West Coast port terminals will either be closed or running a very limited schedule. These changes will begin today and will extend thru Monday, February 16th. All our managers and traffic staff have the list of the closures. Please feel free to contact me or your Carmichael associate for any further information on a specific terminal.

Due to these changes, Carmichael will not be paying any further ocean freight charges nor will we be transmitting releases to Customs for the next 10 days unless we are assured that the vessel has pulled into a berth and has actively started to unload. We know for sure that this will not be taking place within the next five days, or doubt very seriously that any vessels arriving next week will be at berth anytime soon. We do not want to obligate our clients or ourselves to any financial obligations if the freight is not available.

The following articles were written by Daniel Meylor:

C-TPAT Alert on Cyber-Security

U.S. Customs and Border Protection has issued a C-TPAT alert to participants about the dangers of a Cyber-attack. This alert was issued to raise awareness of exposure to an indirect cyber-attack. This notice was written in cooperation with FireEye, a cyber-security solutions company. It covers examples of cyber-attacks that have taken place and makes suggestions to reduce the risk by the development of an integrated cybersecurity risk management plan. While this alert was issued to C-TPAT members, it is good information for all importers. The notice can be found on the CBP link at:

http://www.cbp.gov/sites/default/files/document_s/C-TPAT%20Alert%20-%20Cyber%20Security%20-%20How%20to%20Effectively%20Secure%20a%20Supply%20Chain%20and%20Parter%20Ecosystem.pdf

CBP Addresses Celebrity Garments

With the Grammy Awards being over and the Academy Awards ceremony coming up, it is a good time to point out a recent ruling from U.S Customs and Broker Protection (CBP). The ruling deals with haute couture garments that are supplied to celebrities to wear at high profile events at no cost to the celebrity. A garment is imported and then fitted and /or altered specifically to the celebrity who will wear it. The garment is returned to the importer and then re-exported to the source. In a binding ruling issued just this past December, CBP ruled that such garments do not qualify for duty free treatment in a temporary importation under a carnet nor under a temporary importation bond entry. Since the garments are used at the event, they also are not eligible for unused drawback claim.

The ruling explains that the special individual garments do not qualify for carnet in that they go beyond being imported for purposes of being shown or demonstrated when worn to the entire event. CBP adds that that they are put to normal use when worn for the event and do not constitute samples under ordinary commercial usage. CBP gives a similar explanation for denying the use of a TIB in that the requirement is for wearing apparel importers by the manufacturer's use solely as models in their own establishments. This binding ruling can be found on CBP's website at:

<http://rulings.cbp.gov/index.asp?ru=h251771&qv=H251771&vw=detail>

Presidents Day

All Carmciabel offices will be closed this Monday, February 16th, for the President's Day Holiday. Customs and all Federal Agencies will also be closed. Historically, we have had a skeleton crew in Los Angeles on this holiday because the terminals in LA/LB were open, however due to the closures we will not be staffing our office this year.

APHIS to Add New Tariff Lines to Lacey Act Enforcement

The Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) has issued a Federal Register Notice (FRN) announcing a proposal of 20 new line items that will be subject to the Lacey Act Reporting requirements. These will be in addition to the current items that were set back in April of 2009. APHIS is required to give a six month advance notice on any changes under the Act and APHIS will accept comments on the FRN until April 7, 2014. The proposed HTS on the list to be added are:

Chapter 44:

4416.00.301,	4416.00.3020,	4416.00.3030,
4416.006010,	4416.00.6010,	4416.00.6030,
4416.00.6040,	4416.00.6050,	4416.00.9020,
4416.00.9040		

Chapter 82:

8211.92.6000 an 8215.99.2400

Chapter 94:

9401.61.2010,	9401.61.2030,	9401.90.1500,
9403.30.4000,	9403.40.4000,	9404.40.4000,
9403.50.4000		

Chapter 96:

0614.00.2100

The FRN with this announcement can be found at:

<http://www.gpo.gov/fdsys/pkg/FR-2015-02-06/pdf/2015-02403.pdf>

New Safety Requirements for Extension Cords

The Consumer Product Safety Commission (CPSC) has issued a Federal Register Notice (FRN) proposing new safety requirements for extension cords. This rule, which covers both indoor and outdoor extension cords, specifies that extension cords lacking one or more of the readily observable characteristics addressed in the voluntary United Laboratories standard UL 817 - 2014 would constitute a substantial product hazard. The details of the requirements are in the FRN that can be found at:

<http://www.gpo.gov/fdsys/pkg/FR-2015-02-03/pdf/2015-02021.pdf>

ITA to End ADD on Shoe Cabinets

The International Trade Administration office of the Department of Commerce has issued a Federal Register Notice advising its intent to exempt certain shoe cabinets from antidumping duties assessed against wooden bedroom furniture. This was the result of a changed circumstances review that received no negative comments from domestic producers. In the preliminary results of the review the ITA proposes to exclude certain shoe cabinets (31.5" to 33.5" wide by 34.5" to 36.5" high and on 1.5" to 17.5" deep) that are designed to be aligned in rows perpendicular to the wall along which the cabinet is positioned. These shoe cabinets would not have drawers, rods, or anything indicative of storage for clothing other than shoes. Comments on the preliminary results are welcome as the ITA does its review for the final results. Copy of the FRN with the specific cabinet details can be found at:

<http://www.gpo.gov/fdsys/pkg/FR-2015-02-06/pdf/2015-02448.pdf>



By **John Salvo**, President