

News in Brief

Carmichael/APL Acquisition by KWE

As mentioned in our special memo earlier this week, Carmichael and APL Logistics have been acquired by Kintetsu World Express. It was made official with a signing ceremony which took place in Singapore yesterday. We will continue to be operating independently, and reporting to APL Logistics in Scottsdale while our global headquarters remains in Singapore. Mr. Beat Simon, President of APL Logistics, will be attending our Carmichael Management meeting next Friday and we look forward to hearing further details of the acquisition.

Reminder – Carmichael Green Initiative

Beginning Monday, March 2nd, we will no longer be mailing paper invoices but rather sending them in a PDF format via email. If you would prefer to receive your invoices in paper, there will be a \$5.00 charge per invoice. Besides saving a few trees, this is also part of a larger initiative on our part to be completely paperless later this year. We have invested in technology and hardware over the last couple of years to help us get to this point. Please be sure you have contacted your Carmichael associate on how you would like to continue receiving your invoices.

West Coast Ports Situation

The ports along the West Coast are open and running just about full speed. Most terminals are running three shifts with a full staff and, according to the Journal of Commerce, productivity has returned to pre-negotiation levels. On the downside, it will take 2-3 months for the ports in Southern California to get back to normal, though it is estimated to be less time for Seattle and Tacoma as their backlogs were more affected by labor issues than the chassis congestions issues in Los Angeles and Long Beach. Oakland should also see operations back to normal in the next 4 to 6 weeks.

Without any further details of the contract being released we cannot confirm with any certainty how the chassis issue has been resolved; the question at hand is whether or not the terminals will go back to supplying them.

On a side note, many trade groups have gone to the Federal Maritime Commission (FMC) to ask for an investigation of the demurrage, per-diem, and detention fees charged by the terminals during these past few months. These charges are seen as being unfair since shippers could not pick and return or deliver containers due to the terminals inability to receive and/or make the containers available for pick up. We will keep you updated on any developments.

Possible CBP Furloughs if DHS is Not Funded

The Senate and House are still working on the funding of DHS (Department of Homeland Security). The current bill proposed by the House would fund all of DHS except for the funding of the executive order on immigration. The Republican leadership in the Senate could not get enough votes to pass the House version. Senate leader McConnell, has proposed that the Senate vote on a bill to fund DHS and act separately to overturn President Obama's action on immigration. The House is at the moment unsure about this proposal.

(Continued on the right. . .)

(. . . continuation)

If the funding is not passed by this weekend, only "essential" DHS employees would remain on the job. For U.S. Customs and Border Protection (CBP), many of the employees are frontline officers that will remain working. Support and administrative staff would be sent home.

Furloughs at the West Coast Ports and Congestion

The West Coast ports are meeting with the Trade to discuss the challenges of the furloughs. There will be more flexibility for CBP than in the last full government shut down. In Los Angeles the Port Director has committed to service the trade with the essential CBP personal. The Radiation Portal Monitors (RPM) will be manned as committed for regular hours and off peak hours as well as staffing for NII (non-intrusive inspections) exams. All containers must pass thru the RPM's before they leave the terminal, this is very positive news. CBP will work with the terminals digging out containers that are designated for the NII's.

In Los Angeles there are currently no backlogs in the selectivity processing of entries nor in the CES exams, which are getting done in a very timely manner. CBP has already pre-cleared each vessel at anchor so that when a berth is available the ship can move right in, saving time. CBP does not expect any interruption of services while the terminals try to dig themselves out.

New NAFTA Certificate of Origin

By: Daniel Meylor

U.S. Customs and Border Protection (CBP) has published the updated NAFTA Certificate of Origin (CBP Form 434). It includes blocks for importer, exporter, producer and signee email addresses, and "mm/dd/yyyy" indications for dates. The email addresses are to assist CBP with their communication, but a form without an email address will still be considered valid. CBP will continue to accept prior versions of the form at this time. The form can be found on CBP's website at:

http://www.cbp.gov/sites/default/files/documents/CBP%20Form%20434_3.pdf

Latest Changes to US HTS for 2015

By: Daniel Meylor

The International Trade Commission has put into effect changes to the 2015 Harmonized Tariff Schedules (HTS) that was just released. Their changes were not included in the published 2015 HTS, but went into effect on January 29. The list that includes both the changes implemented on January 2015 and the ones from January 29 can be found at:

<http://www.usitc.gov/publications/docs/tata/hts/bychapter/1501chgs.pdf>

The following articles were written by Daniel Meylor

(. . . continuation)

CBP Issues a Special CSMS Message on Scopes of Bedroom Furniture AD

U.S. Customs and Border Protection (CBP) issued a CSMS message to tell the trade about a new final scope ruling from the Department of Commerce dealing with the scope on wood cabinets for the antidumping duty cases on bedroom furniture

The scope of the order covers wooden bedroom furniture, and specifically includes chests-on-chests, highboys, lowboys, chests of drawers, chests, door chests, and chiffoniers. The scope defines these items as follows:

- A **chest-on-chest** is typically a tall chest-of-drawers in two or more sections (or appearing to be in two or more sections), with one or two sections mounted (or appearing to be mounted) on a slightly larger chest; also known as a tallboy.
- A **highboy** is typically a tall chest of drawers usually composed of a base and a top section with drawers, and supported on four legs or a small chest (often 15 inches or more in height).
- A **lowboy** is typically a short chest of drawers, not more than four feet high, normally set on short legs.
- A **chest of drawers** is typically a case containing drawers for storing clothing.
- A **chest** is typically a case piece taller than it is wide featuring a series of drawers and with or without one or more doors for storing clothing. The piece can either include drawers or be designed as a large box incorporating a lid.
- A **door chest** is typically a chest with hinged doors to store clothing, whether or not containing drawers. The piece may also include shelves for televisions and other entertainment electronics.
- A **chiffonier** is typically a tall and narrow chest of drawers normally used for storing undergarments and lingerie, often with mirror(s) attached.

(Continued on the right . . .)

This message is reminder for importers of furniture to take another look at their products, especially cabinets, to review if they are subject to antidumping or countervailing duties. The CSMS Message can be found at:

http://apps.cbp.gov/csms/viewmmsg.asp?Recid=20533&page=3&srch_argv=&srchtype=&btype=&ortby=&sby=

Bill Introduced to Reduce Entry Exemption Level

Two members of the Senate Finance Committee, ranking member Ron Wyden (D-OR) and John Thune (R-SD), have introduced a bill to raise the de minimis exemption from the entry amount. S.489, the Low Value Shipment Regulatory Modernization Act of 2015 will raise the current amount from \$200.00 up to \$800.00. This exception is commonly called a "Section 321" allowance. A copy of the bill can be found at:

<https://www.congress.gov/bill/114th-congress/senate-bill/489/text?q=%7B%22search%22%3A%5B%22S.489%22%5D%7D>



By John Salvo, President