

West Coast Ports

Productivity continues to improve at all West Coast ports with the exception of Oakland, where some local issues continue to be periodically disruptive to the operations. There are under 15 container ships currently anchored, which is significantly less than a couple of weeks ago. We hope to see that number much closer to zero by our next newsletter.

ILWU Labor Contract Update

During the week of March 30th there will be a meeting in San Francisco with ILWU delegates representing all the locals. If the contract is approved by these delegates it will go to the general membership to be voted in during the month of April. If it is not approved by the delegates, then the contract will have to go back to the PMA for further negotiation. It is expected that the delegates from Oakland will reject the contract as they historically do. It is unknown how the Los Angeles delegates will vote since some of their demands did not make it into the final draft.

There are some interesting changes in many of the work rules and arbitration in this version of the contract, which is worth reading if one has the time. These have been reported in the Journal of Commerce and other trade publications in the past day or two. We will try to include some of these changes in our next newsletter.

The following articles were written by Daniel Meylor

Carmichael's Progress in ACE

ACE is U.S. Customs and Border Protection's (CBP) new operation system for entry, manifest, and all types of import data that will replace the current ACS (Automated Commercial System) that has been in place since the early 1980's. CBP has been developing ACE for over 20 years and has had many hiccups, but in the last 2 years CBP has made steady progress. They have announced a close-off date for filing electronic entries in ACS; starting November 2015 all entries will be required to be filed in ACE.

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Carmichael has been filing entry summaries in ACE since mid-2014. We have had our offices experimenting with ACE and learning the electronic notices, messages, and replies specific to ACE. We are now poised to make a major push to move fully into the ACE environment. We have asked our offices to start filing our entries in ACE whenever possible. As our numbers in ACE increase, we will soon start testing with ACE Release which will have special programs attached to it. The electronic release will allow for electronic corrections in entries. Currently corrections need a Customs Officer's manual update in ACS which cause release delays, such as when filing for split air shipments after a release is received.

CBP does not yet have ACE functionality for filing Quota entries, warehouse entries, temporary importation bond entries, FTZ weekly withdrawals, and others. They are scheduled to be ready by sometime in July this year. Carmichael will be ready to take on these entries as well as other government agencies' data in the entry process, as CBP finishes their programming.

The effect on our customers from ACE should be very transparent. However there is a restriction for some post entry corrections in ACE. Post Entry Amendments (PEA's) that are filed for corrections to an entry prior to the liquidation of that entry in the required written format will not be accepted. The corrections must be filed as a "Post Summary Correction" through the Automated Broker Interface (ABI), the platform for submitting entry data to CBP. Please contact us if you file your own PEA's so that we can work together to handle your needs. Also Quarterly PEA's for corrections with under \$20.00 in duty differences filed for numerous entries will not be accepted for ACE entries.

CBP Will Exercise More Scrutiny on Protest Filings

Following a recent court decision, U.S. Customs and Broker Protection (CBP) says that it will be more firm going forward on what does or doesn't constitute a valid protest. In the past, CBP has accepted letters as protests for review of liquidated entries. The courts have recently held that such a protest must meet regulatory and statutory requirements, including the Protestant's information, liquidation dates, and should include specific statements to be considered a protest. In a recent decision an importer had been in communication with CBP on an issue and responded to an informal request for information made by a Customs Officer. The response included an affidavit asking CBP to waive all duties and interest. The importer later contacted the officer since he had never heard back. While the affidavit did identify the issue, it did not include the liquidation date and was therefore not identified as a protest. The importer then filed a formal protest, but was denied since it had already exceeded the 180 day liquidation time requirement

President Obama Issues Executive Order for Sanctions against Venezuelan Parties

President Obama addressed human rights issues in Venezuela by issuing an executive order that would sanction top Venezuelan military and police officials involved in repression of press freedom and the persecution of dissidents. The order includes a list of the first Venezuelan officials' names and sets criteria for adding others. The criteria listed in the order for those to be sanctioned are:

(ii) Any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:

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(A) To be responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing, or to have participated in, directly or indirectly, any of the following in or in relation to Venezuela:

- (1) Actions or policies that undermine democratic processes or institutions;
- (2) Significant acts of violence or conduct that constitutes a serious abuse or violation of human rights, including against persons involved in antigovernment protests in Venezuela or since February 2014;
- (3) Actions that prohibit, limit, or penalize the exercise of freedom of expression or peaceful assembly; or
- (4) Public corruption by senior officials within the Government of Venezuela

The White House announcement of the executive order can be found at:

<https://www.whitehouse.gov/the-press-office/2015/03/09/executive-order-blocking-property-and-suspending-entry-certain-persons-c>



By **John Salvo**, President

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