

News In Brief

Port Labor Contract Status

Approximately 90 leaders of the ILWU from the entire West Coast will meet this week to form a caucus to review the contract. If the leadership decides to recommend that the contract should be agreed on, the contract will be submitted to the rank and file for a vote by secret ballot. The rank and file of the ILWU will have 90 days to complete its vote. We have been told that U.S. Secretary of Labor, Tom Perez, who was instrumental in gaining agreement several weeks ago, is watching this closely.

CBP Announces Date for West Coast Trade Symposium

U.S. Customs and Border Protection (CBP) has announced that on May 27th it will hold a West Coast Trade Symposium in the state of Washington. Further details including the exact location of the event and how to register will be released soon. We will send out the information once it is available.

The following articles were written by Daniel Meylor

Congestion May be Clearing up Sooner Than Expected

At the TPM Conference in early March, many predictions were made that congestion delays would continue until the end of May. At the end of this past week we have heard from some terminal operators that the congestion is breaking up sooner than expected and we could see relief by the end of April. This is supported by the Marine Exchange, which shows that as of Tuesday there were only 7 ships still at anchor in Los Angeles/ Long Beach compared to the 28 ships at anchor on March 14. Before congestion began, there were commonly 5 or 6 ships at anchor daily in the regular flow of cargo. We will be watching results closely.

FDA Developing a Trusted Trade Program for Food Importers

The U.S. Food and Drug Administration (FDA) is trying to develop a Voluntary Qualified Importer Program (VQIP) by 2017. The VQIP is a trusted trade program that aims to give participants benefits such as fewer exams and sampling. FDA would like VQIP to have 2 levels of participation with the higher level having an additional benefit of expedited lab analysis for their samples. Participants would be required to have foreign facilities certified under third-party accreditation. FDA would also require participants to be at Tier II of the Customs-Trade Partnership Against Terrorism (C-TPAT). FDA is expected to issue a Federal Register Notice by the end of October on a final ruling on third-party accreditation policies that would be integral to the development of VQIP.

Disputing Demurrage and Per Diem Charges Assessed During Port Congestion

Many of our customers have been hit with demurrage charges for containers that were released from Customs custody that the terminals could not pull for delivery. Though the inability for truckers to pick up cargo was due to the terminal's congestion problems and of no fault of the beneficial cargo owners (BCO's) nor the trucker, several importers were charged demurrage.

Similarly, after containers were de-vanned and set up to be returned, several terminals would not accept them back because there wasn't enough room causing them to turn away many truckers. Yet the terminals still charged per diem fees for containers they had not received. In these circumstances, the charges collected were unfair to BCO's who have borne most of the costs due to the congestion.

Recently we participated, along with several West Coast brokers, in a meeting with the Federal Maritime Commission (FMC) in Washington, DC. We were told that BCO's can submit documentation on demurrage and per diem charges to the FMC's Consumer Affairs and Dispute Resolution Service (CADRS) staff. BCO's should receive a response within 24 hours under FMC's Rapid Response program. If the documentation is complete, giving the details on the attempts to pick up and/or deliver containers, showing the exact charges due, and those that were paid in question, CADRS staff will often contact the carrier and/or the terminals for a withdrawal of those charges. Documentation should be submitted to complaints@fmc.com.

CPSC Proposes to Include Registry of Certificates for Entry Process

In May of 2013, The Consumer Product Safety Commission (CPSC) issued a Federal Register Notice requiring product safety compliance certificates to be attached electronically to the Customs entry. The proposal did not specify how the certificates would be attached to the entries. With the Presidential Order in 2014 for agencies to be ready for one window processing through the International Trade Data System (ITDS), CPSC is working with U.S. Customs and Border Protection (CBP) to develop their requirements under the ITDS data sets that were agreed upon.

Filers will be able to input 10 pieces of specific data from each Certificate of Conformity to be filed at an entry line level with each entry, but this process may prove to be labor intensive and add costs to the entry process. CPSC has also proposed to create a registry for certificates of Conformity. Importer's certificates would be filed in advance of entry with the CPSC Registry and a specific number will be assigned to each certificate. At the time of entry, CPSC would allow a filer to include only the certificate number that is registered with the CPSC to assist with a better, more efficient CBP entry process.

CPSC is also preparing a pilot program to allow importers to batch file certificates of conformity to allow for a simpler format for the importers that have large numbers of certificates to file. We will watch for the announcement of the pilot program for our customers.

Canada and the U.S. Sign Pre-Clearance Agreement

By: John Salvo

On March 16th officials from Canada and the United States signed a trade agreement allowing customs officials from each country to work on the other side of the border at joint pre-clearance site for passengers and most interestingly, cargo. The agreement will affect all modes of transport: car, bus, plane, rail, truck, air cargo, cruise ships and Amtrak passengers.

If you have been to Canada within the last twenty years you know that there are CBP officers in Canada at the eight major airports pre-clearing U.S. bound passengers. This program will expand on this and take it to a new level. Few details are known at this time, as Congress and Parliament in Canada need to approve the pact. We will keep our eyes out for any news.



By John Salvo, President