

## News In Brief

### GSP Renewal

Finally there is some positive trade news out of Washington! The U.S. Senate voted overwhelmingly, 97 – 1, to renew the Generalized System of Preference (GSP) program through December 31st, 2017 as well as to refund those eligible products retroactively back to July 2013 when the program expired. Originally GSP renewal was tied up in the somewhat controversial Trade Bill which includes fast track authority and the Trans-Pacific Partnership (TPP) among others, however was stripped out of the bill since there is very little controversy over its renewal. The House needs to vote at the time of this writing, we are not sure if a vote has been scheduled. If approved it will be 30 days before becoming effective and Customs stops collecting duties on eligible products.

### Senate Approves Customs Enforcement Bill

The Senate also voted today, 78 – 20, to approve the Trade Facilitation and Trade Enforcement Act of 2015. This is a long very large bill which includes activities related to Customs and Border Protection. There is one provision of the bill which may be seen as controversial, concerning currency manipulation. Both the President and the Speaker of the House do not approve of this provision so it may face a difficult challenge in the House. Hopefully the currency manipulation portion can get stripped out so the remainder of the bill, which is not controversial, may pass.

*The following articles were written by Daniel Meylor*

### Trade Promotion Authority

Also today, the Senate approved a procedural motion to allow the debate on Trade Promotion Authority (TPA) to begin. This was part of a compromise with Senate Democrats so as not to have votes on the other trade bills to be affected. Unclear when the debate may begin as Congress will start their Memorial Day recess next Friday.

### CBP Developing C-TPAT for Exporters

On May 17<sup>th</sup>, U.S. Customs & Border Protection (CBP) will launch export facilitation with the Customs-Trade Partnership against Terrorism (C-TPAT) program for U.S. exporters. The potential benefits of the program include prioritized export shipments, global security partnerships, heightened facilitation from mutually recognized customs partners, access to C-TPAT sponsored security seminars, and reduced examinations. The program is free to join. For more information about C-TPAT and access to the Exporter application, go to [www.cbp.gov/ctpat](http://www.cbp.gov/ctpat).

### FDA Issues Draft of New Instructions on Mandatory Recall Processes

The U.S. Food and Drug Administration (FDA) has issued a new draft of guidelines on the implementation of the mandatory food recall provisions of Section 423 of the Federal Food, Drug, and Cosmetic Act (FD&C Act) that was added in the FDA Food Safety Modernization Act of 2011 (FSMA). The information in this document is expressed in the format of Questions and Answers, providing information about mandatory recall provisions and FDA's current observations regarding their implementation.

FDA's instructions state that guidance documents do not establish legally enforceable responsibilities but are just suggestions. They describe the Agency's current opinion on a topic and should be viewed only as recommendations, unless specific regulatory or statutory requirements are cited. This guidance is a draft that has been issued for comments from the trade. Information on this draft pertaining to recalls can be found on FDA's website at:

[http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/ucm445428.htm?source=govdelivery&utm\\_medium=email&utm\\_source=govdelivery](http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/ucm445428.htm?source=govdelivery&utm_medium=email&utm_source=govdelivery)

## AGOA & HOPE/HELP

Here are a couple of other important trade programs that were included in the same legislation as GSP:

AGOA (Africa Growth and Opportunity Act) – The Senate voted in favor of extending the program for 10 years, until 2025. Overall it is good news for Sub-Saharan countries although the bill forces a review of South Africa's eligibility to stay in AGOA within 30 days of the final bill being passed.

HOPE/HELP (Haitian Hemispheric Opportunity through Partnership Encouragement) – The Senate approved a five year extension of the program designed to assist Haiti recover after the devastating earthquake several years ago.

Like GSP the House needs to approve this legislation before they can become law. We will keep you posted.

## CBP Will Begin Full ISF Enforcement on May 14

U.S. Customs and Border Protection (CBP) will begin full Importer Security Filing (ISF) enforcement beginning today, May 14, 2015. This means that the CBP local ports have the authority to initiate liquidated damages without sending them to CBP Headquarters for review. Also the ports will not be required to issue three warnings before initiating liquidated damages penalties. However the ports still have the flexibility that was given in the guidelines in last year's measured enforcement actions that will end this week.

CBP has stated that most of the current ISF violations are late ISF's. CBP will continue to focus on late ISF's that are "significantly late" (ISF filing is considered to be significantly late if it affects the efficient targeting of the shipment by CBP) and on repeat offenders. Many of the late files are caused by mismatches of the bill of lading as listed on the manifest as compared to the ISF that was filed for the shipment. Mismatched ISF's are not late, but must be corrected timely. If the ISF data is not matched electronically to the bill of lading by arrival, CBP cannot see it and will treat it as a non-file and hold the cargo until the ISF is retransmitted and matched. Liquidated damages for non-filing of an ISF and the late filing of and ISF are \$5,000.00 each.

CBP presented its last webinar on ISF before full enforcement last week. The capacity for the webinar filled up quickly. It was recorded and can be seen and/or the slides can be found on CBP's website at:

<http://www.cbp.gov/trade/stakeholder-engagement/webinars>

## CBP Proposes to Change Classification of Certain Rechargeable iPhone Battery Packs

U.S. Customs and Border Protection (CBP) has issued a binding ruling that proposes to revoke previous rulings on the classification of various types of rechargeable battery pack and charging kits for the iPhone 4 and 4's. These exterior kits, such as the Roadmaster "Jump N Start", have previously been ruled to be classifiable under HTS 8504.40.9530 as duty free. CBP has issued ruling H249299 that proposes a change of the classification of the portable external battery packs to HTS 8507.60.00 at 3.4% duty. The ruling with the proposed changes can be found in Customs Bulletin Vol 49 on CBP's website at:

[http://www.cbp.gov/sites/default/files/documents/Vol\\_49\\_No\\_16\\_Title.pdf](http://www.cbp.gov/sites/default/files/documents/Vol_49_No_16_Title.pdf).



By **John Salvo**, President