

News In Brief

Pacific Coast Ports of the USA Labor Contract Between ILWU and PMA

The negotiated contract has been approved by the ILWU members. The announcement was made on May, 23 2015. The five-year contract is retroactive to July 1, 2014 and will expire on July 1, 2019. The negotiations were lengthy. The resolution of major obstacles did not produce any pleasant surprises. The ILWU will retain their control of services chassis owned by third parties and minor changes were made on arbitration to handle day-to day disputes at marine terminals.

We sincerely hope that all we learned with the activities of the last few months will guide shippers, ocean carriers and labor unions to find a better and less disruptive course of action to avoid the excessive and irreparable damage and losses that our nation sustained.

The Maritime Trade news media did a great job in covering this subject. We need to learn from their efforts, by applying timely possible corrective action in the future. The major goal to be achieved is timely future negotiations among all labor entities of the entire United States.

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CBP Announces the Known Broker Program

On May 13, U.S. Customs and Border Protection (CBP) issued CSMS Message 15-000275 which announced the implementation of the Broker-Known Importer Program (BKIP). It was developed with the National Customs Brokers and Forwarders Association of America (NCBFFA). BKIP is a program where licensed and permitted U.S. customs brokers can identify importers who are exercising reasonable care in connection with their import related activities. The broker, using a review list following the program's guidelines, would confirm the importer's understanding of its import compliance obligations in areas including entry declarations, valuation, assists, intellectual property rights and recordkeeping, just to name a few. This will allow an importer to review their import compliance program while allowing their broker to learn more about the importer's processes, so that the broker can better follow import instructions from its customer. BKIP will help educate many more importers than CBP can reasonably reach, as well as those that CBP already know, and allow for more compliant entries for both importers and brokers.

After the broker completes their review of the importer they must keep records of the review. Then they can flag individual entries for that importer, prior to release, for factoring into CBP cargo risk segmentation and possible enhanced targeting as the entry is processed. While the initial programming has been completed, it is not yet completely functional. It also can only be applied to entries submitted through ACE release. Currently, Carmichael is working on its own internal review document based on the template supplied in the program. We plan to institute interviews sometime in June

The following articles were written by: Daniel Meylor-Manager, Customs Administration

Census Bureau Reinstates Exemptions for Temporary Exports, Carnets, and TIB's

The Bureau of Census (Census Bureau) had published a final rule in March of 2013, followed by an interim final rule that was published on September 12, 2014, which removed certain export reporting requirements for temporary exports and for goods previously imported under Carnets and Temporary Importation Bonds. This rule caused concerns with the new Automated Export System (AES). AES is the primary tool for exporters to file Electronic Export Information (EEI). The filing of EEI data replaces the export data previously filed on a Shipper's Export Declaration (SED). This change caused certain exportation transactions to be difficult to satisfy certain Foreign Trade Regulations. For example, goods owned by a foreign company that are sent to the U.S. for temporary reasons. The filer of the export documentation for a Carnet or TIB cancellation, normally a customs broker, would have to take on the responsibilities and liabilities of a USPPI. This position may also have been contrary to the international ATA Convention.

To address these concerns the Census Bureau, together with U.S. Customs and Border Protection, have determined that it was necessary to reinstate the exemptions back to 13 CFR 30.2(d). The Federal Register Notice with the changes can be found at: <http://www.gpo.gov/fdsys/pkg/FR-2015-05-15/pdf/2015-11809.pdf>

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The financial media press was late, as usual, in assessing the true causes of all shipping problems such as, the use of large vessels, as well as functionality issues at the port, and sharing agreements jurisdictional issues. More information on the costly delays can be found in the Wall Street Journal's Logistics Report section.

<http://www.wsj.com/articles/u-s-ports-see-costly-delays-as-cargo-ships-volumes-grow-1430340113>

Our office will continue to monitor the movement of cargo until conditions are returned to normal. We will follow with U.S. Congress on any progress trade agreements may achieve.

By **Enrico Salvo**, *Director
Client Services*

Manifest Confidentiality Continually a Concern for Importers

Customs regulations allow accredited members of the press to examine, copy, and publish certain details from ocean vessel manifests. Reporters can collect and publish the names of importers along with shipment detail included on the vessel manifest. However, any information subject to a confidentiality certification cannot be published.

Importers, consignees and shippers have the right to request confidentiality of their ocean vessel manifest information for their shipment from being published according to CBP regulations in 19 CFR 103.31.

The information for a request will require the requestor's name, address, phone number, and e-mail address. Other fields that must be completed are:

- The relationship of the party filing the request for the claimant
- The date of the submission
- The type of confidentiality such as inward (import) or outward (export). Both can be claimed on one application.
- The tax ID of the claimant
- All the variations of the names to be protected (CBP will not accept more than 10 variations of a company name on one request.)

The application can be filed by the submission of a letter or by email. The letter can be sent to:

CBP Privacy Officer,
U.S. Customs and Border Protection
90 K Street, 10th Floor
Washington, DC 20229

An email submission can be sent to vesselmanifestconfidentiality@cbp.dhs.gov. There is no prescribed format, but we have supplied instructions and an example to our customers that have requested assistance. The certification is valid for only two years. CBP has been taking 60-to 90 days to process requests. Claimants need to keep track of when they file their request and of all renewals. CBP will send a response. The acknowledgement will not provide the effective time

period, only the date that the confidentiality became effective. Renewals should be sent 60-90 days before the expiration of the two-year confidentiality period. Renewals are also valid for only two years. If you have any questions or would like assistance, please contact Carmichael's Customs Administration Department.

WTO Decision on COOL Leads to New Legislation to Repeal the Requirements

On May 18 the World Trade Organization (WTO) upheld a ruling that the U.S. mandatory country of origin labeling requirements (COOL) for meat products violate WTO rules by discriminating against livestock imports from Canada and Mexico. This ruling will allow Canada and Mexico to pursue retaliatory actions against U.S. exports and could reach billions of dollars of damages.

House and Senate leaders stated that they plan to act quickly to prevent the beginning of the retaliatory actions. The House already has a bill before it to remove the COOL requirements for beef, pork, and chicken. HR. 2393 has been approved by the House Agriculture Committee. A copy of the bill can be found at:

<https://www.congress.gov/114/bills/hr2393/BILLS-114hr2393ih.pdf>



By **John Salvo**, *President*