

News In Brief

Suez Canal Expansion

This week Egypt announced that the \$6 billion expansion of the Suez Canal will officially open on August 6th. Ships will be able to use the Suez Canal Axis, as it is called, as soon as it opens. According to Egyptian officials the expansion will cut the waiting time to enter the canal from 22 hours down to 11 hours to make it the fastest waterway in the world. It will also double the revenue generated by the current canal. The project is a great source of pride for Egyptians as it was completely financed internally without any foreign investment.

The following articles were written by Daniel Meylor

Supreme Court Declines to Hear Appeal on Trek Leather

A decision by the Court of Appeals for the Federal Circuit (CAFC) in 2014 had implications for corporate officers, import managers and other persons involved in import operations. The CAFC found that the president of an importing company was individually liable for customs penalties due to the fact that he was introducing undervalued merchandise into the United States through his company.

Under 19 U.S.C 1592, the Customs penalty statute prohibits any person, by fraud, gross negligence or negligence from entering, introducing, or attempting to introduce merchandise into the United States by means of a materially false statement or omission. In the Trek Leather decision the court found that providing documentation to a customs broker for the filing of an entry of merchandise qualifies as introducing goods into the United States. This case has broadened the application of the statute beyond the importer of record entering goods.

Trek Leather filed an appeal to the Supreme Court on this controversial case. The American Association of Exporters and Importers (AAEI) had filed a brief stating that subjecting corporate employees to liability would cause upheaval in the importing community. The U.S. Supreme Court recently declined to hear the appeal. This means that the Trek Leather decision is now the law of the land. Corporate officers and compliance professionals involved in importing goods into the United States should understand that CBP is now explicitly empowered to seek penal ties against individual actors. It remains to be seen how broadly CBP will apply this authority. Many importers are taking a wait and see approach for now. We will be following opinions very closely.

A copy of the original case can be found at: <http://cafc.uscourts.gov/images/stories/opinions-orders/11-1527.Other.9-12-2014.1.PDF>

Expansion of Taft Hartley in Port Labor Disputes Proposed

Senator Cory Gardner (R-CO) has introduced legislation to expand the Taft-Hartley Act. The Taft-Hartley Act was signed into law in 1947 and grants the President of the United States special powers to convene a board of inquiry and force negotiations and even call for a back to work cool-down period. Senate bill S.1519 would extend powers to governors of states. This bill is in response to disputes that have caused great harm to the economy. The governors would be allowed to petition the federal courts to enjoin slowdowns. The bill also adds clear definitions and expands situations in which Taft-Hartley could be invoked.

This bill can be found at: <https://www.congress.gov/114/bills/s1519/BILLS-114s1519is.pdf>



By **John Salvo**, President