MEMO TO CLIENTS

ISSUE 15-019 • October 14, 2015

SouthernCalifornia Port Congestion

It has been reported recently that the Port of Long Beach has had the highest number of TEUs this last September, over any other previous years. Today it was reported that it was their best quarter in terms of the number of TEUs ever. Similar increases have been reported at the ports of Los Angeles, Oakland and Seattle, Tacoma. Overall the congestion at the terminals has improved, particularly in the ports of California. On another note, we are still seeing periodic issues, mostly concerning the lack of chassis. We had hoped the lack of chassis would not be such an issue at this point in time. We will continue to monitoring the situation.

The following articles were written by Daniel Meylor

FTC has Amended the FPLA Rules

The Federal Trade Commission (FTC) has amended its requirement for the Fair Packaging and Labeling Act (FPLA). The FPLA requires that certain products be labeled with identifying information to help consumers compare products such as the content, source, and item quantity along with other information. The changes include updating the place-of-business listing requirement to incorporate online resources and the elimination of some obsolete references to commodities. The press release issued by the FTC can be found at:

https://www.ftc.gov/news-events/press-releases/2015/09/ftc-amends-fair-packaging-labeling-act-rules.

The rules will go into effect 30 days after the issuance of the Federal Register Notice (FRN), which has not yet been posted, but is expected shortly. The text of the FRN can be found at:

https://www.ftc.gov/news-events/pressreleases/2015/09/ftc-amends-fair-packaginglabeling-act-rules

House of Representatives dealing with PTC Requirements Could Close Some Rail Lines

The rail industry is facing requirements to implement Positive Train Control (PTC) by the end of December, 2015. PTC is a complex system of functional requirement for the monitoring and control of train movements in the United States. Most rail carriers appear to have difficulty completing these complex and technical requirements. A Government Accountability Report (GAO) indicates that no Class 1 freight railroad will be in full compliance on December 31, 2015. Railroads have said that they will not run rather than face Federal fines.

Over 105 trade associations have joined in petition to Congress for an extension to the deadline. Congress has listened and has issued a bipartisan bill, the Positive Train Control Enforcement and Implementation ACT (H.R. 3651). The measure would delay the deadline until December 2018, allowing the Transportation Department to grant exemptions to individual rail companies who have made every effort to install PTC before the deadline.

APHIS Increases Rates for Reimbursable Inspection Fees

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) has issued a Federal Register Notice. The notice includes the final rule on the fee increases for overtime work associates with agricultural quarantine inspections. The charges will be effective on November 22, 2015. Also included are small increases that will take effect on October 1, 2016 and again on October 1, 2017. For more information please visit the following website:

http://www.gpo.gov/fdsys/pkg/FR-2015-10-02/pdf/2015-25101.pdf

CBP Issues New Rules on Dealing with Importers with Potential IPR Violations

U.S. Customs and Border Protection (CBP) has issued a Federal Register Notice (FRN) regarding the disclosure of additional information to an importer. The new rule will allow CBP to share further information with the importer (i.e. an image or actual sample taken from detained cargo) when shipments are held or detained for possible intellectual property rights (IPR) violations. This will allow importers to better respond to a detention notice. This will assist importers, who have genuine non-violation goods, lessen the impact of detention. The FRN with the final rule can be found at:

http://www.gpo.gov/fdsys/pkg/FR-2015-09-18/pdf/2015-23543.pdf

<u>USITC Working with WCO for HTS</u> <u>Changes</u>

The United States International Trade Commission (USITC) has announced that members of the World Customs Organization (WCO) have agreed to category changes within the global Harmonized Tariff Schedules (HTS). This announcement, made in June, is a recommendation for member countries. The changes are to take effect on January 1 2017. A statement on the changes can be found at the USITC website at:

http://www.wcoomd.org/en/media/newsroom/201 5/september/56th-session-harmonized-systemcommittee-concludes.

The website also includes a list of recommended changes to the HTS that can be found at:

http://www.usitc.gov/sites/default/files/documents/wco council recommendation june 11 2015.pdf.

By John Salvo, President