

Please see the included letter announcing the retirement of John Salvo as President of Carmichael International Service

*The following articles were written by Daniel Meylor*

### **FDA Issues Final Rule on FSVP**

The U.S. Food and Drug Administration (FDA) has finally released their final rule on the Food Supplier Verification Program (FSVP). The notice is on FDA's website and it is scheduled to be published in the Federal Register later this week. This final rule will require importers to verify that food being imported into the United States has been produced in a manner that meets the applicable U.S. safety standards. The information on FSVP and an advance copy of the FRN can be found on FDA's website at: <http://www.fda.gov/Food/GuidanceRegulation/FSMA/ucm361902.htm>

In FSVP, an importer is defined as the U.S. owner or consignee of a food offered for import into the United States. If there is no U.S. owner or consignee at the time of entry, the importer will be the U.S. agent or representative of the foreign owner of consignee at the time of entry. The final rule also states that the U.S. Agent designation, under the food facility registration regulation, will not automatically be deemed the FSVP U.S. Agent. The final rule will require that a relationship with a named U.S. Agent be confirmed in a signed statement of consent.

In the FDA's view, this new body of rules (Foreign Supplier Verification Programs rule, Produce Safety rule, and Accredited Third-Party Certification rule) are key elements of the comprehensive food safety overhaul envisioned in the 2011 Food Safety Modernization Act (FSMA). FSMA directs the FDA and food producers to prevent problems across the entire food system, rather than waiting to act until illness occurs. The new rules formalize industry accountability and best practices for food importers and the produce community.

The FSVP rule will require food importers to verify that foreign suppliers are producing food in a safe manner that meets U.S. safety standards. Imported foods are expected to reach the same level of safety as domestic farms and food facilities. This final rule will require that importers conduct verification activities based on risks to the imported food and on the performance of the foreign supplier. These verification activities could include a visit of a supplier's facility, sampling and testing of food, and a review of the supplier's relevant

### **Text of the TPP Has Been Published**

The Office of the U.S. Trade Representative (USTR) published the full text of the Trans Pacific Partnership (TPP) trade agreement on its website last week. This release is the full text of the agreement that includes 30 chapters and over 2,000 pages. It was published exactly one month after the agreement was completed on October 5, in Atlanta, GA. Under the Trade Promotion Authority (TPA) that was passed in June, the text of the TPP agreement must be made available for review by the U.S. Congress and the public at large for approval, before the President can sign the agreement. Many groups will be providing webinars and educational presentations in review of the agreement. As we go through the text we will write about specific issues and products affected by the TPP.

The provisions of the agreement will generally be expressed in terms of the Harmonized Tariff Schedules of the United States (HTSUS). The interpretation of the provisions shall be governed by the General Notes, Section Notes, and Chapter Notes of the HTSUS. The duty reductions under the TPP are staged, beginning with HTS numbers in full reduction of duty, then listing HTS numbers reduced in stages ranging for 3 to 20 years. Below you will find a link to check the duty rates that are affected. The US General Notes to the Tariff Schedule will explain the different codes or the different schedules of reductions. These codes are used in the U.S. Tariff Elimination Schedule that contains 278 pages showing the HTS numbers, to the 8 digit level, that are affected by the agreement. It lists the changes by HTS with the code of reduction for each of the United States' eleven partners in the agreement. It also includes listing those HTS numbers subject to tariff rate quotas. The full text can be found at: <https://ustr.gov/tpp/#text>

The President has formally notified Congress on November 5, 2015 that he intends to sign the agreement. This has started the 90 day countdown. His signature will begin the next step in the process of congressional approval. This agreement will undergo intense scrutiny by Congress over the next 90 days. Already House Ways and Means Democrats have said that they will launch a series of hearings on the TPP. Congress will hear from all the parties that oppose this trade agreement before it votes on the approval. If you find that TPP will benefit you and your companies, it is important that you tell your own Senators and Congressmen. Members of Congress do respond to their constituents.

### **FTC Issues a Q & A for “Made in the USA” claims**

The Federal Trade Commission (FTC) has posted a Questions and Answers (Q&A) document on its website that explains when U.S. companies can make an unqualified “Made in the U.S.A.” claim for goods that are produced in the United States. The Q&A explains the term “all or virtually all” made in the U.S. It reviews the use of component parts and of raw materials that are not of U.S. origin. It also gives examples of qualified statements for when goods are made using foreign parts. The Q& A can be found on the on the FTC website at: <https://www.ftc.gov/news-events/blogs/business-blog/2015/11/made-usa-claims-three-cheers-said-right-true>

### **Customs User Fees for Highway Funds Blocked**

The House Rules Committee approved a measure on November 3 to allow debate for amendments to the House Highway bill. In voting on the approval to move the bill for debate, the committee did block a measure to mandate that Customs User fees (Merchandise Processing Fees – MPF) increases would be taken for transportation projects in the Highway Fund.

### **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; this includes the content, source, and item quantity along with other information. The changes include modernizing the place of business listing requirements, when listed on a website, and the elimination of some obsolete references to commodities. The FTC has issued a release on the changes that can be found on its website 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 that has not yet been posted, but is expected shortly. The text of the Federal Register Notice can be found at: <https://www.ftc.gov/news-events/press-releases/2015/09/ftc-amends-fair-packaging-labeling-act-rules>



By **John Salvo**, *President*



November 18, 2015

Dear Valued Customer,

APL Logistics announces the retirement of John Salvo, President of Carmichael International Service effective December 18, 2015. After the sale of Carmichael to APL Logistics, John agreed to stay on in his role to insure continuity and maintain Carmichael's personal touch. He helped lead the company and provided stability and oversight during their integration with APL Logistics. The timing of his decision to step down was always his own and even today reflects a personal decision as to the best timeline for John and his family. While his departure will leave an unfillable gap at Carmichael, the good news is that John will not be leaving Carmichael altogether. He has agreed to stay on as a member of the Carmichael Board of Directors.

With John's departure, we would like to also announce the appointment of Todd Boice as the new President of Carmichael International Service. After a careful and deliberate search, Todd was identified as the best individual to take over this important role and lead Carmichael's next stage of development. Todd is an experienced veteran of both the Customs brokerage industry, as well as the air and ocean forwarding business. Todd has worked in ever-increasing positions from district and regional-level management to ultimately a senior level management capacity overseeing operations in North America during his twenty-five year career as a Customs brokerage professional.

Carmichael International is a highly-valued, service-oriented division of APL Logistics with a bright future. With Todd, we have a unique business leader that appreciates the heritage of Carmichael but also possesses the strength of vision to lead its future growth and development. Todd's first day will be Monday, November 16, and he will be working closely with John Salvo for a smooth transition of duties and responsibilities until the year's end and just as importantly to meet or talk with as many of you.

Vince Salvo will remain in his current role at Carmichael, overseeing technology and supporting Todd's onboarding process.

Please do not hesitate to contact a member of our team should you have any questions regarding this transition. As always, we appreciate your ongoing support for our services.

Best Regards

Sincerely,

Tony Zasimovich  
Senior VP and Global Head – Retail | APL Logistics

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