

## News In Brief

### Special Note

Carmichael will be transitioning to electronic mailing for our *Memo to Clients*. This change will be effective for our next memo in March. If you wish to continue to receive our memo, and are currently not on our electronic mailing list, please send your e-mail address to Clara Trevino at: [clarat@carmnet.com](mailto:clarat@carmnet.com).

### Temporary Address for Mailing Binding Ruling Requests

U.S. Customs and Border Protection (CBP) has issued a Federal Register Notice. The mail room serving the National Commodity Specialist Division of the Office of Rulings and Regulations is relocating. They currently have a temporary location to receive correspondence, and until further notice all binding ruling requests should be sent to:

**Director, National Commodity Specialist Division**  
**Rulings and Regulations**  
**Office of International Trade**  
**1100 Raymond Blvd.,**  
**Newark New Jersey, 07102**

Electronic filings of binding ruling requests are not affected by this temporary address change.

### SOLAS Weight Requirements

In 2014 The International Maritime Organization (IMO) agreed upon rules to change the Safety of Life at Sea (SOLAS) convention, adding a mandatory weight requirement on shippers of containers. **The new rules become mandatory on July 1, 2016.** All shippers of containers will be required to certify and submit the Verified Gross Mass (VGM) of a container to the steamship and the lines' terminals in advance of a container being loaded onto a ship. This amendment will apply to the member countries of the IMO. All countries that belong to the United Nations will also be affected.

This rule change came about in response to claims that there have been incidents by containers weighing much more than declared. This causes damage due to containers being stowed improperly and producing imbalances. Under this convention, carriers will not be able to load a container, unless the shipper or his agent, properly certifies the gross weight of the goods in a shipment and the container holding them.

The rules allow for two methods by which a shipper may obtain the VGM of a packed container:

- Method1: Upon the conclusion of packing and sealing the container, the shipper may weigh packed container, or arrange that a third party weigh do it.
- Method 2: The shipper, or a third party appointed by the shipper, may weigh all the packages and cargo items, including all pallets, packaging, and dunnage packed in the container. With this combined weight, the tare weight of the container can be added for the VGM.

The shipper certified VGM must be submitted to the terminal or carrier before a container will be allowed to be loaded on a ship.

*(... Solas Continued)*

There are still many questions. The United Kingdom guidance has an allowable variance of 5%, plus or minus, of the certified weight. The U.S. Coast Guard has not indicated that they will follow suit. Challenges in getting the actual weight when goods are trans-loaded, or consolidated with other shipments have not been answered yet.

We will be watching closely for instructions as they come out for U.S. exports.

This rule only applies at the port of loading for export. It is not enforced after the cargo has arrived. We advise our importing customers to work with their overseas vendors, making sure that they are ready in order to avoid cargo from being held up from being loaded.

There is list of Industry Frequently Asked Questions that has been prepared by several groups. It can be found on the World Shipping Council website:

<http://www.worldshipping.org/industry-issues/safety/faqs> .

The Verified Gross Mass Industry FAQs brochure can be downloaded there.

### TPP: Signed and Facing Ratification in All 12 Countries

The 12 member nations signed the Trans-Pacific Partnership (TPP) agreement on February 4. While this official signing is an important step, it does not determine the timing for ratification. Each country faces its own challenges.

In the U.S., the Administration will formally present the implementing legislation to Congress, which will start the 90-day clock. While the Administration is eager to move ahead, Congressional leaders are in no hurry. The earliest time frame seems to be after the election in a lame-duck session of Congress.

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## Senate May Vote on Customs Bill This Week

The Customs Reauthorization Bill has been stuck in the Senate since mid-December. This is due to opposition from Democrats on a permanent internet tax ban added into the conference report at the eleventh hour. Democrats, led by Minority Whip Dick Durbin (D-IL), want to remove the offending provision when the conference report is brought to the floor for a vote. In response, the Majority Leader, Mitch McConnell (R-KY), has refused to schedule a vote until he is certain there are enough Democratic Senators to join the Republicans and defeat the procedural motion.

However, a breakthrough may be imminent. Supporters of the Trade Facilitation and Trade Enforcement Act (HR 644) now assure Sen. McConnell that they have the 12 Democrats needed to overturn the procedural move to pull the Internet provision from the bill. Rumor is that a vote on closure for debate on the bill with final vote could occur before the Presidents Day recess, on February 13. Senate approval of the conference report would send the bill to the President for signing.

( *TPP Continued . . .* )

In **Australia** the agreement will go to Parliament where the agreement will be considered as a treaty. It will start public hearings that will take 2 to 3 months for a full report to Parliament

In **Brunei**, the ratification process is done at the executive level. However the agreement will need some changes in law that will have to go through the legislature.

**Canada** has gone through a change of administration since the TPP was completed. The new administration will consult stakeholders and hold parliamentary debate before ratification.

In **Chile** TPP must be considered by the national legislature, but ratification is predicted for this year.

In **Japan** the Administration will submit implementing legislation to the DIET for ratification.

In **Malaysia** the government chose to send the TPP to Parliament immediately where it has support in both the upper and lower houses.

In **Mexico** TPP will be considered a treaty. This means that only the Senate has to vote on ratification.

**New Zealand** will require a National Interest Analysis to be accepted before TPP can be presented to Parliament.

In **Peru** the government has been working with Congress for several years. It is expected to present the agreement to Congress for ratification by August.

In **Singapore** the government is expected to present TPP to Parliament for a ratification vote this year.

In **Vietnam** the government must first submit TPP to the State President. After that, it will be submitted to the National Assembly for ratification.

## Amendments to the Cuba Sanctions and FAQ on Trade with Cuba

The U.S. Department of Commerce has issued a notice about the new Cuban Foreign Assets Controls that will begin opening doors to trade with Cuba. This message explains some of the new benefits allowed for trade with Cuba. The notice can be found on the following website:

<https://www.commerce.gov/news/press-releases/2016/01/commerce-and-treasury-announce-further-amendments-cuba-sanctions>

The United States Treasury flowingly issued a list of frequently asked questions on what is and is not allowed under President Obama's recent proclamations on the Cuban embargo and on doing business with Cuba. The embargo has not been completely revoked. Only certain practices such as imports, exports, and trips are currently allowed. The Office of Foreign Assets Control will still require special licenses for the import and export of several products. The FAQ's can be found at:

[https://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba\\_faqs\\_new.pdf](https://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba_faqs_new.pdf)

There is also a link to a January 27, 2016 Federal Register Notice with the language for the new Cuban Assets Controls Regulations at:

<https://www.gpo.gov/fdsys/pkg/FR-2016-01-27/pdf/2016-01559.pdf>



By **Todd Boice**, President