



SOLAS Update

There has been movement on the SOLAS requirements for shippers to supply a signed verification of the Verified Gross Mass (VGM) weight of containers. A discussion agreement between six U.S. East and Gulf coast operating ports and 19 ocean container lines to work out a common agreement on dealing with VGM, including the terminals weight containers after receipt has been purposed? The agreement between the Ports and Terminals to share information and data to develop a common structure for reporting VGM has been approved by the Federal Maritime Commission (FMC). The agreement includes discussions on the equivalency allowances put out by the Coast Guard.

Also last week the Chairman of the Senate Committee on Commerce, Science and Transportation sent a letter to the Chairman of the FMC with concerns about any possible negative effect on U.S. exports. Committee Chairman Senator John Thune requested FMC Chairman Mario Cordero to have the FMC examine the upcoming VGM requirements and report on any potential impacts of the current and planned practices for the amendment. The FMC was asked to look at how practices are affected for the participating business and the extent that actions by ocean carriers and terminal operators are consistent with Federal Maritime laws. Senator Thune raised concerns about possible back up of cargo at the ports come July 1.

In the meantime, the Agriculture Transportation Coalition (Ag-TC) has rejected the carrier lines recent moves to calm exporter concerns over the legal liabilities for inaccuracies in VGM weight declarations. Ocean Carrier Equipment Management Association (OCEMA) said that it would issue a rule stating that shippers are not liable for the accuracy of tare weights. This raises the question on what the purpose of all the effort for creating VGM declarations is for.

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The International Maritime Organization (IMO) issued a new circular on Monday May 23, 2016 providing advice for the SOLAS requirement on VGM. It acknowledges that there are concerns for sending and receiving information and that there should be some leeway in the first few months after July 1st to allow for troubleshooting and avoid cargo delays. The circular can be found on the IMO website at:

<http://www.imo.org/en/MediaCentre/PressBriefings/Pages/14-VGM.aspx>

There could be some changes in the SOLAS VGM discussions and requirements over the next few weeks. We will watch for them closely.

Bonded Warehouse Security Guidelines Revision

U.S. Customs and Border Protection (CBP) has issued a revision to the security requirements for bonded facilities. Under a cover letter from the Office of Field Operations (OFO), the revision replaces the long standing Treasury Decision (TD) 72-56. As per Richard DiNucci, Executive Director of Cargo and Conveyance Security for OFO, this new guideline replaces TD 72-56 in both the "Bonded Warehouse Manual for Customs and Border Protection Officers and Bonded Warehouse Proprietors" and the "Foreign Trade Zones Manual". Copies of the revised guidelines along with the cover letter can be acquired from Carmichael's Customs Administration Department. Send a request to danielm@carnet.com for your copy.

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CBP: Transition to ACE

The next milestone in CBP's transitions to ACE comes up on May 28, 2016. This will require several more entry types to be submitted for release in ACE, where currently only the entry summary is required. Cargo release submissions will now be required for 01-Consumption entries; 03 - Antidumping/Countervailing Duty; 11-Informal entries; 23-Temporary Importation Bond (TIB) entries; 51- DCASR (military contract) entries; 52 – Government entries; 06-Foreign Trade Zoe Withdrawal entries (including weekly withdrawals).

The requirements are for entries without any other participating government agency requirements, except for those entries with LACEY Act and National Highway Transportation Safety Administrations (NHTSA) data requirements. Entries with LACEY and NHTSA data submissions have been required in ACE since March 31. Entries with Food and Drug data are expected to be required by June 15 of this year and Quota entries will become live in late June. When quota entries come onboard, warehouse entries and warehouse withdrawals will also be required to be filed in ACE.

Carmichael has successfully filed all the entry types required by May 28 except for entry types 23 –TIB, 51-DCASR, and 52-Governmnet. We have not had of these types of entries since they became active in ACE. We are successfully filing Food and Drug entries in ACE and have tested the quota programs to be ready when they come online.

FDA Guidelines on Foreign Supplier Verification Programs

The U.S. Food and Drug Administration (FDA) has issued a frequently asked Question (FAQ) guideline for the final rule on Foreign Supplier Verification Programs (FSVP). This 2 page FAQ explains the basic requirements and provides a links to more information on the FSVP. This document can be found on FDA's website at:

<http://www.fda.gov/downloads/Food/GuidanceRegulation/FSMA/UCM502160.pdf>



By **Todd Boice**, President