



News In Brief

Cotton Fee Minimum Exemption to End

The Agricultural Marketing Board issued a Federal Register Notice (FRN) amending the Cotton Board rules. This will change the way a cotton fee will be calculated for an entry. Previously, HTS lines that had less than \$2.00 were allowed to be declared exempt. This exemption will no longer exist as of July 5, 2016. The FRN can be found at:

<https://www.gpo.gov/fdsys/pkg/FR-2016-06-15/pdf/2016-14174.pdf>

FDA Allows Use of Symbols for Labeling

The U.S. Food and Drug Administration (FDA) has issued a Federal Register Notice (FRN) explaining that they will now allow the use of stand-alone symbols in labeling certain medical devices. This revision will allow the stand alone symbol without an adjacent explanatory text. The technical explanation of this change can be found in the FRN at:

<https://www.gpo.gov/fdsys/pkg/FR-2016-06-15/pdf/2016-13989.pdf>

New Phase in ISF Enforcement to Begin Drawback Export Documentation

U.S Customs and Border Protection (CBP) is changing its processes for Importer Security Filing (ISF) enforcement beginning June 30, 2016. In the current measured process, CBP allows the ports to put holds on cargo for shipments that do not have an ISF on file or matched to a shipment within reasonable time frames. In the current process CBP officers at the port can initiate liquidated damages penalties for consistent late-filing or complete failure to file, but those claims have to go to CBP Headquarters for approval. With the change in the new enforcement mode, CBP officers no longer have to send the penalty initiation to CBP-HQ for approval. CBP will allow the damages claim to go directly out from the ports for shipments that are on the water by June 30.

CBP has given guidance to the field offices to maintain the same current discretion on whether to hold shipments with a late filed ISF or issue a liquidated damages penalty. Many ports are doing both. With this one change in the enforcement process we expect to see an upswing of liquidated damages claims, but CBP has issued directions to the field about being judicious. We will be watching. The CSMS message announcing the change can be found at: http://apps.cbp.gov/csms/viewmssg.asp?Recid=21856&page=&srch_argv=&srctype=&btype=&sortby=&sby=

This change in the ISF filing process will only affect shipments coming into the United States using an ISF10 format for goods intended for importation into the United States. There will be no change on enforcement of the ISF 5 which is for shipments that are transiting the United States intended for another country or for shipment with immediate direct exportation from the port of arrival.

Back in August of 2015, U.S. Customs and Border Protection (CBP) issued a Federal Register Notice (FRN) reducing the requirements for the documentation used as proof of export. We want to take this time to remind Carmichael clients about this change. Prior to this FRN, CBP required original signatures on all ocean Bills of Lading and airline Airway Bills submitted for proof of exportation. The difficulty of having to provide a pen and ink signature for documents that are issued electronically triggered CBP to amend its regulations. The rule now allows claimants to provide unsigned originals or copies of documentary evidence as proof of export for drawback eligibility. Also, copies of export documentation no longer need to be certified as true copies of the original. If you have any questions about these changes please contact the Customs Administration Department at Carmichael (213) 401-3637.

Todd Boice, President