



### **Hanjin Files for Court Receivership**

Hanjin Shipping has filed for court receivership according to Korea's Financial Services Commission. This follows yesterday's news that reported lenders were refusing to extend additional credit to Hanjin, the largest shipping company in Korea. The carrier has filed to begin a company reorganization with decisions about future plans to be made after a court review.

Since this was first announced we are seeing disruptions in cargo moved by Hanjin. Some ocean terminals are not moving any containers out or any empties back in. Since the containers are moved under contract with Hanjin, the terminals and other service providers are concerned about receiving payment. Certain rail terminals are refusing to release Hanjin inbound cargo even though the freight charges have been paid. As we experience holds, Carmichael will try to contact the terminals to ask what will be needed to free up Hanjin cargo.

### **CBP Revises Standard for Clothes Hangers to be treated as Reusable**

U.S. Customs and Border Protection (CBP) has issued previous rulings about plastic hangers used for shipping garments. They were to be considered packing under GRI 5(b) and classified under the HTS of the garment. Hangers, when shipped separately, are classified under HTS 3923.90.00 as per rulings such as N255930. This ruling set some strict guidelines for the hangers to be classified as suitable for reuse. The hangers must prove to be clearly durable and demonstrate to be acceptable for reuse.

CBP has revoked ruling N255930 and others in HQ H258772. This revocation set a new standard for the treatment of hangers shipped with garments. This ruling allows that hangers can be classified separately if they are shown to be suitable for reuse. Importers will no longer be required to show that they have a hanger recovery program. The policy focuses on the suitability for reuse. A copy of the revocation notice published in the Customs Bulletin can be obtained from Carmichael's Customs Administration Department.

### **CBP Issues New Regulations on AD/CV Duty Evasion Risks**

U.S. Customs and Border Protection (CBP) has published a Federal Register Notice (FRN) for proposed regulations on new procedures for investigating potential evasion of antidumping duty and countervailing duty (AD/CV). These changes are proposed as a response to the Government Accountability Office's (GAO) report and Congressional pressure to deal with unpaid AD/CV duties.

The FRN allows domestic manufacturers or competitors of importers to file allegations of AD/CV duty evasion. The FRN provides a new framework with strict guidelines for CBP to respond to these allegations and, if validated, to take immediate action against entries for shipments that were not properly declared. CBP is allowed to draw adverse inferences from importers who do not respond timely to an information request and/or do not cooperate with an investigation. CBP will be allowed to take specific actions under a reasonable suspicion such as suspending liquidation of entries.

The FRN explains the procedure for filing an allegation of AD/CV evasions with CBP. It also covers instructions for an importer who finds his shipments are under a reasonable suspicion. A copy of the FRN can be found at:

<https://www.gpo.gov/fdsys/pkg/FR-2016-08-22/pdf/2016-20007.pdf>

### **FDA Opens New Import Operations Website**

The U.S. Food and Drug Administration (FDA) has opened a new website for its Division of Import Operations. This site contains the most up to date information for importing FDA regulated products, including information on common errors, specific import requirements and a contact list for FDA. This site can be found at:

<http://www.fda.gov/ForIndustry/ImportProgram/default.htm>

### **CBP Issues Interim Rule for Section 321**

U.S. Customs and Border Protection (CBP) has issued a Federal Register Notice (FRN) with an interim rule for the increase in the amount allowed for the de minimis rule for administrative exemption, which allows for duty free entry. This exemption, commonly known in the trade as Section 321, has had the de minimis amount raised from \$200.00 to \$800.00. In our article on June 5, 2016, we explained how the section 321 release works. These are the interim rules we referred to in that article. It defines the information required for CBP to process a request for this exemption. The programming required to allow a Section 321 in ACE is still being reviewed. The FRN with the Interim Rule can be found at:

<https://www.gpo.gov/fdsys/pkg/FR-2016-08-26/pdf/2016-20581.pdf>

### **Chassis Fees in Ports of LA/LB Will Not be Charged**

PierPass announced earlier this month that the West Coast MTO Agreement (WCMTOA) of the terminal operators would be assessing a \$5.00 Chassis Fee. The fee would apply to every leased chassis (with certain exemptions for chassis' owned by truckers or importers) that move in or out of the Ports of Los Angeles and Long Beach with a container on it, whether full or empty. There would be no fee for unloaded chassis. We were preparing an article for this memo to announce this new fee (you may have heard of this new fee already) when a second announcement came out that the \$5.00 chassis fee has been shelved by the terminals that are members of the WCMTOA and will not be assessed.



By **Todd Boice**, *President*