



NEWS IN BRIEF

Canada Signs Canada-EU Trade Agreement

Canada's Prime Minister has signed the Canada and European Union Comprehensive Economic and Trade Agreement (CETA) last week. The European Union is Canada's second largest trading partner after the United States. This new agreement is expected to go into effect in early 2017. Hopefully the U.S. Congress can see the positive effects of trade agreements and follow with a positive vote on the TransPacific Partnership (TPP) that includes Canada

Information on this agreement can be found at: <http://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/index.aspx?lang=eng>

New Binding Ruling on Handbags vs. Tote Bags

U.S. Customs and Border Protection (CBP) has issued a new binding ruling, H027717, to help define the difference between ladies' handbags and tote bags. Over the years we have been given a variety of verbal advisory definitions from CBP that have included definitions based on the size, such as 12 inches by 12 inches or less being a handbag, with variations. Often, even with certain guidelines, the decisions by CBP in the ports have been very subjective and what we assumed was a handbag has been decided to be a tote bag, and vice-versa, when a sample has been reviewed. CBP has issued a new binding ruling that supports what Carmichael has been advising could be considered a hand bag and what could be at tote bag.

A handbag is typically smaller than a tote bag and designed to carry small personal items such as eyeglass cases, cellphones, cosmetics, and wallets. Handbags also usually have a substantial closure such as a zipper or strap. Tote bags are larger and carry items that are not ordinarily carried in a handbag, mostly sundry items, such as food, books or clothing. As we have often advised, if you have a bag that you can put sandals or a t-shirt in, it will probably be considered a tote-bag. This ruling does address size in that a bag with one side over 12 inches is generally considered to be a tote bag. The ruling references several other rulings that reinforce this its position.

A copy of this ruling can be found at: <http://rulings.cbp.gov/index.asp?ru=h027717&qu=kohl&vw=detail>

FDA Issues Latest Q&A Update for Food Facility Registration

The U.S. Food and Drug Administration has issued a new edition of a draft guidance for the trade for the 2016 Food Facility Registration requirements.

This new revision is the seventh version of "Questions and Answers Regarding Food Facility Registration – Guidance for the Industry" and contains 15 sections of a multi-section guidance for facility registration with updated information and an FAQ on FDA facility registration requirements.

This guidance can be found at: http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/ucm331959.htm?source=govdelivery&utm_medium=email&utm_source=govdelivery

This also a reminder that the 2016 Food Facility Registration biennial renewal period began on October 1, 2016 and will end on December 31, 2016.

MOL, NYK, and K-Line to Merge Operations

The three major Japanese container lines announced that they plan to merge their shipping and overseas terminal operations in a move to deal with overcapacity and losses. Mitsui O.S.K (MOL), Nippon Yusen K.K, (NYK), and Kawasaki Kisen Kaisha (K-Line) issued a joint statement that they are forming a joint venture to unite their shipping operations in a move to obtain a more competitive scale in an industry facing overcapacity and freight rates that continue to be uncompetitively very low. This includes merging their terminal management operations outside of Japan, but not in Japan. We can expect other carriers worldwide to look at consolidation which would again lower the number of options exporters and importers will have to move their cargo. This announced move is still subject to approval by several regulatory bodies.

By **Todd Boice**, President