



NEWS IN BRIEF

Korea Line Corporation Wins Hanjin's Asia-U.S. Operations

Korea Line Corporation has had its bid accepted for the purchase of Hanjin Shipping's business between Asia and the United States. The list for this sale includes 5 vessels and networks on Hanjin's East-West routes. The related crews for the 5 ships will remain with the vessels. The bid also includes 7 of Hanjin's overseas subsidiaries and a bid for Hanjin's 54 percent share in Total Terminals facilities in Long Beach, CA.

USTR Issues Notice of 11 Products That May Lose GSP Status

The Office of the United States Trade Representative (USTR) has issued a Federal Register Notice (FRN) announcing that 11 products from different countries may lose their status under the Generalized System of Preferences. The USTR prepares a report on trade statistics for the first nine months of each year. This report includes identifying some articles that may exceed the Competitive Need Limitations (CNLs) from certain countries. Items that exceed the CNLs are subject to exclusion from GSP unless interested parties submit a petition to waive the CNLs for the item from the individual Beneficiary Developing Country (BDC). This early report allows importers to have a chance to put their arguments together.

The items on the report for the first nine months of 2016 (with a short description) are:

- 0410.00.00 Edible products of animal origin from Indonesia
- 0714.90.10 Fresh or chilled dasheens from Ecuador
- 1104.29.90 Other grains of cereals from Turkey
- 2909.19.18 Ethers of acrylic monohydric alcohols from Brazil
- 2933.99.22 Other heterocyclic aromatic pesticides from India
- 4011.20.10 Pneumatic radial tires of rubber for buses and trucks from Indonesia
- 4409.10.25 Shaped coniferous wood from Brazil
- 6801.00.00 Setts, curbstones, and flagstones of natural stone from Turkey
- 6802.99.00 Monumental or building stone NSPF from Brazil
- 8525.80.30 Television cameras from Thailand
- 9001.50.00 Spectacle lenses other than glass from Thailand

A copy of the FRN can be found at: <https://www.gpo.gov/fdsys/pkg/FR-2016-11-16/pdf/2016-27542.pdf>

CPSC ACE Pilot Ending

The Consumer Product Safety Commission (CPSC) has announced, in a Federal Register Notice (FRN), that they are close to completing their initial test pilot, named "eFiling Alpha Test", in ACE that was limited to 9 participants. This test was necessary to review the CPSC programs for an electronic filing for imported cargo subject to CPSC regulations into the U.S. government single window under the International Trade Data System (ITDS). The vehicle for ITDS is ACE. In ACE, the data submitted from various agencies enhances its ability to do risk assessments on imported cargo while facilitating the movement legitimate cargo. The pilot will end on December 31, 2016.

After the test, CPSC will assess what it has learned from the "alpha" test. It will then set up a public forum to discuss what CPSC and the participating filers learned from the test and consider how to set up a better "beta" test for the next step forward.

A copy of the FRN can be found at: <https://www.gpo.gov/fdsys/pkg/FR-2016-11-23/pdf/2016-28172.pdf>

CBP Establishes New E-Commerce and Small Business Branch

U.S. Customs and Border Protection (CBP) has announced the establishment of a new E-Commerce and Small Business Branch to focus on worldwide e-commerce as this industry continues to grow. This branch that will be within the agency's Office of Trade is a commitment by CBP to support the quick flow of legitimate trade and small businesses in this sector.

CBP has the challenge of ensuring the safe flow of the small package movements, while at the same time dealing with and stopping unsafe and illegitimate trade from entering the U.S. commerce. This includes the enforcement of Intellectual Property Rights (IPR) and the proper importation of goods subject to import

regulations of other government agencies such as U.S. Food and Drug Administration and U.S. Fish and Wildlife. CBP will have to enforce the regulations of 46 agencies while trying to facilitate the quick and efficient movement of e-commerce shipment. We will be watching closely for information about this branch as its work develops.

HTSUS Update from WCO Coming in 2017

The Harmonized Tariff Schedules (HTS) undergo a review by the World Customs Organization (WCO) every five years. With the last change happening in 2012, an update is scheduled for 2017. The WCO has prepared a list of the proposed changes to the 8-digit numbers currently in use. The list is less than 300 HTS numbers, but there will be more in the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS numbers are to the 10-digit level and statistical information will lead to additional numbers. This change will affect, but not add any numbers to the 8 digit level.

The changes have to be approved and adopted by each signatory nation and can take months after the formal changes are announced. In 2012, the United States responded quickly and the changes went into effect in February of that year. By comparison the 2017 list of proposed changes is much shorter than the 2012 changes. The WCO has published tables of the changes on its website that can be found at: <http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs-nomenclature-2017-edition/correlation-tables-hs-2012-to-2017.aspx>

As we get closer to the finalization of the update Carmichael will develop a format to review its customers' past classification base against the new HTS numbers.



By **Todd Boice**, *President*