



# The American Companies Supply Chain Logistics Gazette

May 2010

## Customs Trade Partnership Against Terrorism

Are you looking to make a difference with a stronger supply chain and higher security standards? Are you tired of having your shipments inspected and delayed? Are you looking for information on CTPAT or need help in understanding it? Do you need help in becoming CTPAT certified? Are your business partners CTPAT certified and are requiring your participation in order to continue your relationship? If you have answered yes to any of the above questions, The American Companies can help. While this program is voluntary, there are numerous reasons to apply if you are eligible; such as reduced number of inspections, a Customs assigned account manager and a chance to self-police, rather than intrusive Customs verifications. Please contact Stacy Bauman at 201-478-4630 for further assistance or for information on whether the CTPAT program is right for you.

## ITC Begins Investigation on Proposed HTS Changes for Certain Rubber-Soled Footwear

The International Trade Commission has instituted an [investigation](#) and requests comments on proposed Harmonized Tariff Schedule amendments to modify the tariff treatment of certain footwear in Chapter 64, in order to take into account various World Customs Organization decisions. This investigation was requested by the Treasury Department, for the purpose of submitting recommendations to the President regarding changes to HTS Chapter 64 for subject footwear – e.g., footwear featuring outer soles of rubber or plastic to which a layer of textile material has been added. Comments on the proposed changes are due by May 14, 2010.

## Senate's TSCA Reform Bill Would Affect Importers, Exporting, Etc.

The "Safe Chemicals Act" ([S. 3209](#)) was introduced on April 15, 2010 to reform the Toxic Substances Control Act by establishing extensive new reporting requirements for manufacturers (including importers), processors, and distributors in commerce (including exporting or offering for export) of chemical substances. According to a press release from Senator Lautenberg (D), S. 3209 "puts the burden on industry to prove the chemicals are safe in order to stay on the market." This would be a critical change from TSCA, which places the burden on EPA to prove that a chemical is unsafe.

## EC Expands U.S. Products Subject to Byrd Amendment Sanctions

The European Commission has published a [regulation](#) that, effective May 1, 2010, will significantly add to the list of U.S. products subject to an additional 15% import duty, due to U.S. payout of benefits under the Continued Dumping and Subsidy Offset Act, or Byrd Amendment.

## Senate Finance Could Mark Up CBP Reauthorization Bill by August

Legislation to reauthorize U.S. Customs and Border Protection is expected to be a priority for the Senate Finance Committee in summer 2010.

The Customs Facilitation and Trade Enforcement Act of 2009 ([S. 1631](#)) has bipartisan support and the Senate Finance Committee could hold a mark-up before the Senate's August recess (which is scheduled to begin August 9). After the mark-up, S. 1631 could be brought to the Senate floor for a vote by the end of 2010.

As introduced, S. 1631 would, among other things:

- Repeal the provision prohibiting the use of 10+2 data for commercial enforcement, etc.;
- Require more C-TPAT benefits, create entry facilitation partnership program;
- Reorganize CBP to emphasize commercial operations;
- Add a new Principal Deputy Commissioner as a political appointee;
- Amend HTS for articles exported and returned;
- Raise the informal entry limit;
- Streamline drawback process;
- Allow \$325 million in MPF collections for ACE/ITDS, etc.;
- Strengthen IPR enforcement;
- Create import safety group;
- Designate enforcement officers at 40 ports,
- Amend forced/child labor law to include coerced labor, add civil penalties, debarment, etc.

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## **Final Rule Allows BIS to Eliminate “Paper Version” of Most License-Related SNAP-R Docs, Etc.**

The Bureau of Industry and Security has issued a [final rule](#), effective May 5, 2010, which amends the Export Administration Regulations to enable BIS to eliminate the paper version of license-related documents that it currently issues both electronically in the Simplified Network Application Processing-Redesign (SNAP-R) system and on paper. BIS' final rule also revises associated recordkeeping requirements to allow applicants the option to retain certain records electronically.

## **FMCSA's Final Rule on New Standards for EOBRs (Mandatory Use for Noncompliant Motor Carriers)**

The Federal Motor Carrier Safety Administration issued a [final rule](#) establishing new performance standards for electronic on-board recorders (EOBRs) for hours-of-service compliance. While the final rule is effective on June 4, 2010, motor carriers are not required to comply until June 4, 2012. Among other things, the final rule implements new performance standards for EOBRs that are installed in commercial motor vehicles (CMVs) on or after June 4, 2012. On-board hours-of-service (HOS) recording devices that meet existing standards and that are installed in CMVs manufactured before June 4, 2012 may continue to be used for the remainder of the service life of the vehicle. Also effective June 4, 2012, motor carriers that demonstrate serious non-compliance with HOS rules will be required to install EOBRs that meet the new performance standards.

## **Energy Star® Program to Require Testing of All Products Effective Immediately**

The Department of Energy and the Environmental Protection Agency have announced additional changes to strengthen the Energy Star program. These new changes, some of which are effective immediately, will transform Energy Star from a self-certification program that uses an automated approval process for some products to one that requires testing, review, and approval of all products before they are allowed to use the Energy Star label. According to the EPA:

- Effective immediately, all products that desire the Energy Star label must submit complete lab reports and results proving that the products meet the Energy Star requirements for review and approval by EPA prior to labeling.
- DOE and EPA are increasing their enforcement activities to ensure program compliance.

Contact your American Companies representative for complete details.

## **CPSC to Start Issuing Its Own Import Detention Notices in May 2010**

The Consumer Product Safety Commission announced at a recent trade event that starting in May 2010, the agency will begin issuing its own detention notices directly to importers and brokers. These detention notices will have more information than the current detention notices issued by U.S. Customs and Border Protection, as they will include CPSC contact information and the reason the goods were detained.

## **CBP Posts ISF Program Update**

CBP has posted to its website a [presentation](#) entitled, "Importer Security Filing and Additional Carrier Requirements '10+2' Program Update."

## **U.S. & India Sign Trade and Investment Framework**

U.S. Trade Representative Kirk and Indian Minister of Commerce and Industry Sharma signed a "Framework for Cooperation on Trade and Investment." This [agreement](#) strengthens bilateral cooperation and seeks to build on recent rapid growth in U.S. India trade, which has more than doubled over the past five years.

## **FDA Proposes to Amend Medical Device Reg and Listing**

The Food and Drug Administration has published a [proposed rule](#) with regard to certain medical device establishment registration and device listing regulations.

## **Finl Reform Expected to Delay Food Safety Bill in Senate**

Senate sources state that the Senate is expected to consider financial regulatory reform legislation before it considers food safety legislation. Early last week, sources had thought that the Senate was expected to soon begin its consideration of [S. 510](#), the FDA Food Safety Modernization Act, possibly as early as the week of April 19.

## **Final AD and/or CV Determinations for Retail Carrier Bags from Vietnam and Indonesia**

The International Trade Administration has issued final antidumping duty determinations for polyethylene retail carrier bags from [Vietnam](#) and [Indonesia](#) and a final countervailing duty determination for polyethylene retail carrier bags from [Vietnam](#).

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