



The American Companies

Supply Chain Logistics Gazette

July 2010

CPSC Started Issuing Its Own Detention Notices June 14

Consumer Product Safety Commission sources have confirmed that on June 14, 2010, the agency started issuing its own detention notices, as previously announced. CPSC has cautioned that full roll-out may take some time and importers should not expect to immediately see many CPSC detention notices. According to the sources, CPSC is issuing either a "Notice of Detention" or a "Notice of Sampling and Conditional Release," depending on the discretion of the Investigator. During a joint CPSC/CBP webinar on June 2, 2010 on these notices, CPSC explained, among other things, that for products under its jurisdiction, CPSC detention notices will generally be issued in lieu of CBP detention notices. However, there may be instances in which CBP has a non-CPSC-related issue with a CPSC-regulated product. In this case, detention notices would be issued by both agencies. Contact your American Companies representative for complete details.

CBP Announces ISF Progress Report Changes

U.S. Customs and Border Protection has issued a CSMS message outlining two format changes to the Importer Security Filing Progress Reports. CBP states that these changes should be in effect for the July report schedule:

- The count of the ISF submissions not measured in the "Timeliness Performance" section of the report will no longer include replace, delete, or rejected transactions.
- The ISFs "Not Matched to Bills" count will be displayed as a line in the subsection "ISFs Not Measured for Timeliness."

ITA Pilot for Electronic Document Filing in AD/CV Proceedings Begins July 1

The International Trade Administration is implementing a [pilot program](#) from July 1 through September 30, 2010 to test an electronic system for submitting documents in certain antidumping and countervailing duty proceedings, entitled Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS).

ITA requests comments on its proposed conduct of the pilot program by July 8, 2010.

CPSC Issues Significant CPSIA Proposed Rule on Component Testing

The Consumer Product Safety Commission has issued a [proposed rule](#) that would create a new 16 CFR Part 1109 on the conditions and requirements for testing component parts of consumer products to demonstrate, in whole or in part, compliance of a consumer product with all applicable rules, bans, standards, and regulations:

- (1) to support a General Conformity Certificate or a Children's Product Certificate;
- (2) as part of a reasonable testing program;
- (3) as part of the standards and protocols for continued testing of children's products; and/or
- (4) to meet the requirements of any other rule, ban, standard, guidance, policy, or protocol regarding consumer product testing that does not already directly address component part testing.

U.S. and Korea Sign MRA on C-TPAT Mutual Recognition

U.S. Customs and Border Protection [signed](#) a mutual recognition arrangement with the Korean Customs Service on June 25, 2010 at the 115th/116th Session of the World Customs Organization Council in Brussels, Belgium. The arrangement aligns security standards in international trade partnership programs, also known as Authorized Economic Operator programs, critical to both countries.

The Commissioner of the Korean Customs Service, Young sun Yoon, and CBP Commissioner Alan Bersin agreed to mutual standards in Korea's AEO program and the U.S.' Customs-Trade Partnership Against Terrorism program. The arrangement recognizes compatibility between the Korean and U.S. cargo security programs and acknowledges that KCS and CBP will accept the security status of members of the other program. Additionally, it will allow for closer collaboration between agencies and greater benefits and common standards to the trade community.

The American Companies

<http://www.shipamerican.com>

250 Moonachie Road (HO Office - Full Service)
Moonachie, NJ 07074 (201-478-4600)

400 Oceangate, Suite 1106 (Full Service)
Long Beach, CA 90802 (562-435-2327)

881 Route 83 (Full Service)
Bensenville, IL 60106 (630-860-0782)

Domestic USA Ground Operations
Domestic USA Air Operations
Asheville NC 828-974-3001

3PL Branch
Fairview, NJ
Carson, CA
Bensenville, IL

Congress-Passed Iran Bill to Ban Carpet and Food Imports, Require Procurement Certification, Etc.

On June 28, 2010, the House and Senate sent to the President for signature [H.R. 2194](#), the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, which will amend the Iran Sanctions Act (ISA) to expand the sanctions imposed against Iran. Highlights include:

- Carpet & Foodstuff Import Exceptions to Trade Ban Will be Eliminated
(H.R. 2194 will eliminate the existing exemptions under 31 CFR 560.534(a) to the current trade embargo of the ISA. Therefore, the importation into the U.S. from Iran or a third country will no longer be authorized for: (i) foodstuffs intended for human consumption that are classified under HTS Chapters 2–23 (including pistachios, caviar, etc); or (ii) carpets and other textile floor coverings and carpets used as wall hangings that are classified under HTS Chapter 57 or heading 9706.00.0060. This change is effective 90 days after the date of enactment. Note that these imports could be allowed by regulation if it is in the U.S. national interest to allow it.)
- Certification of Iran Sanctions Compliance for Government Procurement
- Procurement Ban for Companies that Export Sensitive Technology to Iran
- Criminal Penalties to Greatly Increase
- Expanded Sanctions for Violators of Iran Petroleum Provisions

Revised FDA Import Alerts

The Food and Drug Administration has posted revised versions of the following Import Alerts on the detention without physical examination of:

- [99-05](#): Raw Agricultural Products for Pesticides
- [99-04](#): Manufacturers of Low Acid Canned Foods and Acidified Foods
- [66-41](#): Unapproved New Drugs Promoted In The U.S.
- [45-02](#): Foods Containing Illegal and/or Undeclared Colors
- [20-03](#): Dried Fruits Due to Lead
- [16-127](#): Crabmeat Due to Chloramphenicol
- [16-120](#): Fish/Fishery Products from Foreign Processors (Mfrs.) Not in Compliance with Seafood HACCP
- [16-81](#): Seafood Products Due to the Presence of Salmonella
- [16-39](#): Processed Seafood and Analogue Seafood (Surimi) Products for Listeria Monocytogenes

Senate Finance Continues Trade Pressure on China, Super 301 Bill Expected

On June 23, 2010, the Senate Finance Committee held a [hearing](#) on “the U.S.-China Trade Relationship: Finding a New Path Forward.” Testifying at the hearing were U.S. Trade Representative Kirk and Commerce Secretary Locke, highlights of which include:

- Commerce is considering China currency in two CV investigations
- Senators to still pursue China currency legislation
- Senator Baucus intends to introduce “Super 301” bill

China Announces it Will Further Reform its Currency

The People’s Bank of China [announced](#) on June 19, 2010, that it will further reform the renminbi (RMB or yuan) exchange rate regime and enhance its exchange rate flexibility

House Bill Would Prevent Cambodian Apparel, Textiles & Footwear from Receiving Duty-Free Treatment

On May 20, 2010, Representative Delahunt (D) introduced the Cambodian Trade Act of 2010 ([H.R. 5349](#)) which would prohibit the extension of duty-free treatment to all Cambodian apparel and certain Cambodian textiles, footwear.

H.R. 5349 states that notwithstanding the Generalized System of Preferences (GSP) statute or any other legal provision providing duty-free treatment, no textile or apparel article that is the product of Cambodia would be extended duty-free treatment when entered into the Customs territory of the U.S. The bill defines textile or apparel articles as (i) any apparel article classified under any chapter of Harmonized Tariff Schedule (HTS) Section XII; (ii) any textiles classified under any such chapter from which apparel articles can be produced; and (iii) any footwear article classified under HTS Chapter 64.

Senators Ask FMC to Consider Penalizing Carriers for Low Export Capacity

On June 16, 2010, Senate Agriculture, Nutrition and Forestry Committee Chairman Lincoln (D) and Ranking Member Chambliss (R) sent a [letter](#) to Richard A. Lidinsky, Jr., Chairman of the Federal Maritime Commission, expressing concern with reports that U.S. agricultural exporters are experiencing serious service issues with the foreign-flagged ocean carrier industry. Additionally, Chambliss and Lincoln requested the FMC to identify steps it is taking to address these issues, including the ability to penalize carriers for egregious practices. The Senators added that they support the FMC’s official investigation into space and equipment shortages and look forward to the results of this inquiry.

The American Companies

<http://www.shipamerican.com>

250 Moonachie Road (HQ Office – Full Service)
Moonachie, NJ 07074 (201-478-4600)

400 Oceangate, Suite 1106 (Full Service)
Long Beach, CA 90802 (562-435-2327)

881 Route 83 (Full Service)
Bensenville, IL 60106 (630-860-0782)

Domestic USA Ground Operations
Domestic USA Air Operations
Asheville NC 828-974-3001

3PL Branch
Fairview, NJ
Carson, CA
Bensenville, IL