



Parker & Company Worldwide

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Importer Security Filing ISF - CBP had been saying that it can't keep "kicking the can down the road" on 10+2 (including Importer Security Filing) enforcement, and it looks like its delay is just about up. The agency has set a target date to begin 10+2 liquidated damages enforcement, a CBP official told International Trade Today. Parker & Company has been filing ISFs for many of our customers. If you desire us to file please contact our local manager at one of our offices to set this up.

Reminder on Ozone-Depleting Chemicals Tax on Imports - The Internal Revenue Service (IRS) recently increased its scrutiny of importers who are subject to the Ozone-Depleting Chemicals (ODC) excise tax. They are conducting audits, and proposing multi-million dollar assessments for compliance failures. Since 1989, an excise tax is imposed on any imported ozone-depleting chemical ("ODC") **and any imported products in which an ODC was used in the manufacturing process ("Imported Taxable Products")**. ODCs include Chlorofluorocarbons (CFCs) and Halons and similar products. CFCs are used as refrigerants, cleaners, solvents, sterilants, and propellants in the manufacture of insulation, electronic items, foam mattresses, and other products. The list of affected products is quite extensive. The Imported Products Table can be found at <http://edocket.access.gpo.gov/cfr/2010/aprqt/26cfr52.4682-3.htm>

Mexico will join the ATA Carnet System The ICC announced today from Paris that the ATA Carnet System is set to expand on 16 May, when Mexico will join this international system, which reduces paperwork and costs for businesses travelling with goods, following new members such as Bosnia and Herzegovina, and the United Arab Emirates. Mexico has long been identified as one of the priority target countries by the network of organizations already affiliated with the ATA guarantee chain, administered by the International Chamber of Commerce (ICC). The addition will bring to 71 the number of countries accepting ATA Carnets, which work like passports for goods.

CBP Guidelines Seek to Clarify Use of CF 28 and 29 for Initiation of Investigations

U.S. Customs and Border Protection sent to its field offices May 24 guidance on the proper use of CBP Form 28, Request for Information, and CBP Form 29, Notice of Action. This guidance is CBP's latest effort to address [trade community concerns](#) that the use of these two forms to initiate (or appear to initiate) formal investigations is effectively prohibiting or discouraging the filing of prior disclosures, which limit importers' exposure to penalties.

CBP states that Form 28 is used when there is insufficient information in the entry summary package to determine the admissibility, appraised value or classification of imported merchandise. CBP has advised that the use of Form 28 should be limited to these purposes and not be used as notification that a formal investigation has commenced as a matter of enforcement policy, not a matter of law. Instead, the preferred mechanism to inform an importer of the commencement of an investigation is by correspondence on CBP letterhead or Form 29. CBP has also advised that Form 28 shall not be used to request proof of a properly executed valid power of attorney, which will be done during a broker compliance visit or via an individually drafted letter.

CBP has also advised the field concerning the use of Form 29. Generally, when an entry is entered at a rate or value of merchandise that is too low or the import quantity exceeds that of the entered quantity, and the estimated aggregate increase in duties exceeds \$15, CBP will notify the importer of the specific nature of the difference. If the rate advance is a proposed action, the importer is afforded 20 days from the date CBP mails the Form 29 to furnish CBP with specific reasons why the rate advance should not be issued.

The guidance concludes that it is CBP's goal to act uniformly in providing legal notification to the appropriate party when proposing or taking certain actions. CBP's field offices have therefore been advised to avoid using language on these forms such as "failure to provide information could lead to penalties under 19 USC 1592..." or "this office is investigating the classification of..." if in fact an investigation is not already in process. Such language defeats the goal of informed compliance, CBP states, and may dissuade importers from filing valid prior disclosures.

Panama Wrapping Up "Last Few Steps" Before FTA Can be Sent to Congress, USTR Says

Deputy U.S. Trade Representative Miriam Sapiro told the House Ways and Means Trade Subcommittee March 30 that Panama "is now in the process of completing work on the last few steps" needed before the Obama administration can submit to Congress legislation to implement the U.S.-Panama Free Trade Agreement.

Cargo scanned for exposure to radiation - Radiation detectors originally intended to thwart terrorists smuggling nuclear bombs into the country have been put to another use at this sprawling port across the bay from San Francisco. A driver with cargo from Japan is directed through the scanners. CBP officers used the equipment to screen Japanese cargo plucked by cranes as high as 24-story buildings from the NYK Aquarius, a massive cargo ship. Semi trucks hauling the containers passed slowly between two government trucks mounted with radiation detectors that resembled white cabinets. If the lights flashed, it would mean the equipment detected unusual levels of radioactivity in the cargo. A white light means gamma radiation was detected; a red light indicates neutron radiation. Recently, vessels arriving direct from Japan loaded with steel products have also faced scrutiny and inspections from US Coast Guard at the Port of Brownsville.

Lawsuit, Legislation Challenge Mexican Truck Pilot Program

The Obama administration's announcement this week of a final plan for a pilot program allowing Mexican long-haul trucks to operate throughout the U.S. was immediately met with opposition. One lawmaker introduced legislation to limit the effects of the program, while an industry group filed a lawsuit seeking to stop it from proceeding. The three-year pilot is designed to resolve a longstanding dispute, and its announcement prompted Mexico to suspend 50% of its retaliatory tariffs on U.S. exports as of July 8.

FDA issues first new rules under Food Safety Modernization Act *Rules to prevent potentially unsafe food from reaching consumers* - The U.S. Food and Drug Administration today announced two new regulations that will help ensure the safety and security of foods in the United States. The rules are the first to be issued by the FDA under the new authorities granted the agency by the FDA Food Safety Modernization Act (FSMA), signed into law by President Obama in January. Both rules will take effect July 3, 2011.

The first rule strengthens FDA's ability to prevent potentially unsafe food from entering commerce. It allows the FDA to administratively detain food the agency believes has been produced under insanitary or unsafe conditions. Previously, the FDA's ability to detain food products applied only when the agency had credible evidence that a food product presented was contaminated or mislabeled in a way that presented a threat of serious adverse health consequences or death to humans or animals.

CTPAT Services – Parker & Company continues to provide CTPAT consulting services: Parker will provide program guidelines and requirements, help you file with CBP and be on hand for site visit if necessary. Contact Abel Medina in our consulting department for service in this area amedina@parker-logistics.com Phone 956-831-2000

Steel Import License Application Under Review - The International Trade Administration is accepting public comments through Sept. 6 on form ITA-4141P, the application for steel import license. The president's proclamation on steel safeguards mandated that the departments of Commerce and the Treasury institute an import licensing system to facilitate the monitoring of certain steel imports. Regulations were established that implemented the Steel Import Monitoring and Analysis system and expanded on the licensing system for steel that was part of those safeguards. The import license information is necessary to assess trends in imports of steel products.

NCBFAA and Others Tell Congress To Reject China Currency Bill - NCBFAA joined more than 40 other business organizations in sending a letter to [House](#) and [Senate](#) leaders urging their opposition to China currency legislation. Such legislation, the letter stated, "is unlikely to incentivize China to move expeditiously to modify its exchange policies. Rather, it would likely have the opposite effect and could engender retaliation against U.S. exports into the Chinese market."

The trade organizations told legislators that "unilateral" legislation would be "counterproductive." The letter further stated "Above all, such legislation would do more harm than good to job creation and economic growth at a time when the United States dearly needs both."

Last year, the House passed legislation to treat undervalued currencies as a subsidy under U.S. trade law and allow companies to seek countervailing duties on a case-by-case basis. This year, House sponsor, Rep. Sander Levin (D-MI), reintroduced the bill, which has already attracted 160 cosponsors. Democrats in the House are currently circulating a discharge petition to force Republican leaders to schedule a vote on the currency bill.

Parker & Company Trucking- Parker & Company has trucks in Houston every day; we can pick up your freight at the airport cargo terminal or from many of the import warehouses in the Greater Houston area. Contact our Freight department for rates either Xavier Cardenas xcardenas@parker-logistics.com or David Dubois ddubois@parker-logistics.com

FAST Lane Pilot Program for Empty Trucks at Otay Mesa - Customs Border Protection (CBP) and the Administration General de Aduanas de Tijuana have officially announced a 90 day Pilot Program which will enhance the benefits of the FAST lane. With this Pilot Program Empty Trucks belonging to **C-TPAT carriers** will now be able to cross the border using the FAST lane as long as they submit an e-manifest.

The Pilot Program will become effective on **Monday June 13, 2011** and will conclude **Saturday September 10, 2011**. The empty truck benefits will only be effective by submitting an e-manifest and will run **Monday through Friday from 6:00am - 12:00pm**.

Once the Pilot Program finalizes both customs authorities will evaluate the usage results.

Steel Exports Decline in April from March Reflecting Softer Demand in NAFTA Region - McLean, VA, June 16, 2011– Exports declined by 9.3 percent in April from March, according to government reporting. "Softening shipments to the NAFTA region led the decline in April, although there was some good news as non-NAFTA Western Hemisphere shipment rose, mostly due to a jump in semi-finished exports to the Dominican Republic over March," reported David Phelps, president, AIIS.

For the year to date period, exports in 2011 remain slightly above 2010, up 1.2 percent. "Exports to the NAFTA region declined in the first four months of 2011 compared to 2010, but that decline was offset by an increase in exports to Asia, including a solid increase in exports to China and Taiwan. Strong economic growth in Asia is a bright spot for the steel market internationally," concluded Phelps.

Total Steel exports in April 2011 were 1.026 million tons compared to 1.132 million tons in March 2011, a 9.3% decrease, and an 8.8% decrease compared to April 2010. According to year-to-date figures, exports increased 1.2% compared to 2010 or from 4.12 million tons in 2010 to 4.17 million tons in 2011

President Obama Nominates John Bryson Commerce Secretary- John Bryson has been nominated Secretary of Commerce to replace the current Secretary, Gary F. Locke, who has been nominated to become the next American ambassador to China. "I am pleased to nominate John Bryson to be our nation's Secretary of Commerce, as he understands what it takes for America to succeed in a 21st century global economy," said President Obama. "John will be an important part of my economic team, working with the business community, fostering growth, and helping open up new markets abroad to promote jobs and opportunities here at home."

Vessel Calls at U.S. Ports Up 13% in 2010 - The Maritime Administration released June 14 a report showing that the number of oceangoing vessel calls at U.S. ports rose 13% in 2010 following an 8% drop in 2009.

Drewry Trans-Pacific Benchmark Rate Slides Peter T. Leach | Jun 8, 2011 1:32PM GMT The Journal of Commerce Online - News Story - Rate dropped by 8.1 percent to \$1,775 per 40-foot container, Spot container freight rates on the eastbound trans-Pacific took a sharp turn downward in the last week, falling 8.1 percent in a new sign of weakness on the trade lane, according to Drewry Shipping Consultants. The Drewry Container Rate Benchmark for shipping a loaded 40-foot container from Hong Kong to Los Angeles fell to \$1,775 per 40-foot container in the week ending June 6, down from \$1,932 the week before.

Parker & Company offers Mexican West and East Coast container freight services – Parker and Company Monterrey office handles all our Mexican clients Container freight services we offer Competitive Ocean rates via Manzanillo, Lazaro Cardenas, and also East coast Port of Altamira. We provide trucking services from Monterrey KCS rail ramp and Altamira port. We also have Mexican broker clearance services. Our service is provided through our large international network of WNA agents providing hands on service. Please contact Ben Trelles in our Monterrey office btrelles@gmail.com

Foot notes - Articles in this newsletter are taken from variety of sources. Including Journal of Commerce, Sandler and Travis newsletter, and NCBFAA Monday morning briefing. Other articles are personally written by the newsletter publisher Frank Parker.

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