

May 2016

VGM must be supplied by shipper beginning July 1, 2016 (Reminder)

Beginning July 1, 2016, changes to the IMO's Maritime Safety Committee's Safety of Life at Sea (SOLAS) Convention require the shipper to provide carriers with verified gross mass (VGM) documentation. After that date, it will be a violation of the SOLAS requirements to tender a packed container to a vessel unless the vessel operator has been provided the required weight verification signed by the shipper. While there is some controversy that SOLAS is not legally binding in the US, several steamship companies [including NYK & APL below] and the Port of Houston have gone on record that they will not load a container that does not have a VGM. The Ports of Charleston and Savannah, however, will offer the weighing service for exports. In order to help promote an understanding of these SOLAS amendments, the World Shipping Council released a three page synopsis of what the SOLAS requires for all containers. This can be found at:

<http://www.ncbfaa.org/Scripts/4Disapi.dll/userfiles/uploads/SOLASContainerWeightVerificationRequirement1-15.pdf>

More detailed information on this issue can be found via various links at:

<http://www.worldshipping.org/industry-issues/safety/cargo-weight>

[Ed. note: As we disseminate this, VGM requirements are still a VERY fluid situation that will vary by country, by carrier, and by port. We strongly urge you to work with your shippers to insure they are **in local compliance by July 1, 2016. Otherwise, your containers may not be loaded.**]

NYK rep reiterates no VGM, no load (From American Shipper)

A representative of the ocean carrier NYK Line last month told a conference in New Orleans that if the verified gross mass data is not submitted for a container, the carrier will not load that container when it arrives at a U.S. port. Bill Ferguson, vice president, security services and environmental affairs for NYK Line (North America) reiterated a stance made by carriers in recent weeks as enforcement of the International Maritime Organization's Verified Gross Mass (VGM) guidelines become clearer. For more info, please go to

http://www.americanshipper.com/Main/ASD/NYK_rep_reiterates_no_VGM_no_load_63680.aspx

APL also has no VGM, no load policy

APL has put a very useful “handbook” on their website that gives a lot of information not only peculiar to APL, but relevant to other carriers as well. Please go to:

http://www.apl.com/wps/wcm/connect/121e3541-a439-4f9e-a30d-c5097b92dbc6/APL_SOLAS+VGM+Handbook_22Apr2016.pdf?MOD=AJPERES

Port of Houston: No VGM documentation, no load (From American Shipper)

The Port of Houston will not accept containers at terminal gates that do not have a certified container weight electronically on file prior to arrival, effective July 1, the port authority announced April 28. The new policy is in line with many other ports as the deadline approaches for complying with an amendment to the International Maritime Organization’s Safety of Life at Sea convention. For more information, please go to

http://www.americanshipper.com/Main/ASD/Port_of_Houston_No_VGM_documentation_no_load_63810.aspx

USCG outlines methods for VGM compliance (From American Shipper)

Scales currently used to comply with federal and state laws are acceptable for complying with the new International Maritime Organization container weight regulations due to go into effect July 1, according to the U.S. Coast Guard. For more info, please go to

http://www.americanshipper.com/Main/ASD/USCG_outlines_methods_for_VGM_compliance_63835.aspx

[Ed. note: This applies primarily to exports from the US, but it could apply to some imports handled on a US port.]

\$15 Million Penalty for AD Duty Evasion; CBP Chief Says More Such Cases Likely (From our friends at Sandler Travis)

[Ed. note: We have had several recent instances where importers unknowingly had AD/CVD articles in their shipments. As importer of record, you are responsible for knowing if your commodity is subject to AD/CVD. Further, we MUST get special permission from your surety to make entry if AD/CVD is involved, and in many cases, the surety will require collateral for the full value of the bond with either a cash deposit or standby letter of credit. We bring this to your attention because we continue to see increases in AD/CVD cases, especially from non-market economies (China & Vietnam), and CBP is aggressively seeking violators. We urge you to frequently check the list of Commerce investigations so you will not have an unpleasant surprise if your commodity is undergoing an AD/CVD investigation. The list can be found at

<http://enforcement.trade.gov/stats/inv-initiations-2000-current.html>

(end of Ed. note)]

A U.S. company has agreed to pay \$15 million to resolve allegations that it violated the False Claims Act by engaging in a years-long scheme to evade antidumping duties on wooden bedroom furniture imported from China through misclassification, according to an April 27 press release from the Department of Justice. U.S. Customs and Border Protection Commissioner R. Gil Kerlikowske said that under the recently enacted Trade Facilitation and Trade Enforcement Act “CBP will likely see an increase in these types of settlements as the streamlined processes take effect concerning allegations of duty evasion.” For more info, please go to

<http://www.strtrade.com/news-publications-duty-evasion-false-claims-act-penalty-042816.html>

Textile Articles, Coffee Added to List of Eligible Imports from Cuba

(From our friends at Sandler Travis)

As of April 22 persons subject to U.S. jurisdiction may import coffee (HTSUS heading 0901) and additional textiles and textile articles (HTSUS Chapters 51 and 52) produced by independent Cuban entrepreneurs in addition to the items previously authorized. In addition, these items no longer need to be imported directly from Cuba. According to a notice from

the State Department, this change was made by removing these products from the list of goods NOT eligible for importation from Cuba, which is [available here](#). For more info, please go to

<http://www.strtrade.com/news-publications-textile-articles-coffee-Cuba-imports-042616.html>

U.S. intellectual property seizures in 2015 up 25% (From Sandler Travis)

U.S. Customs and Border Protection, along with Immigration and Customs Enforcement's Homeland Security Investigations, reported that seizures of imports containing intellectual property infringements were up 25 percent in fiscal year 2015, compared to the fiscal year prior. Specifically, the agencies made 28,865 seizures of IPR-violating shipments last fiscal year, up from 23,140 in fiscal year 2014. "Had these products been genuine, the estimated manufacturer's suggested retail price (MSRP) of the seized goods would have been over \$1.35 billion. This is a 10 percent increase in the value of seized goods from the previous fiscal year, which were estimated at \$1.23 billion MSRP," the agencies said in a joint press release on Friday. Topping the list were watches & jewelry, handbags & wallets, wearing apparel, and pharmaceuticals & personal care items. China and Hong Kong continued to account for more than three-quarters of the value and number of IPR seizures. For more info, please go to

<http://www.strtrade.com/news-publications-IPR-infringing-seizures-2015-CBP-041916.html>

[Ed. Note: If you are importing IPR material, especially in the top 4 categories mentioned, we urge you to confirm with your shipper that they are in compliance with all copyright, patent, and trademark requirements.]

FDA rule now includes electronic nicotine delivery systems

Previously, the FDA regulated cigarettes, cigarette tobacco, roll-your-own tobacco and smokeless tobacco, but recently, the FDA finalized a rule – [Deeming Tobacco Products To Be Subject to the Federal Food, Drug, and Cosmetic Act](#) – which extends the FDA's authority to include the regulation of electronic nicotine delivery systems (such as e-cigarettes and vape pens), all cigars, hookah (waterpipe) tobacco, pipe tobacco and nicotine gels, among others. This final rule goes into effect on August 8, 2016. For more information, please go to

<http://www.fda.gov/TobaccoProducts/Labeling/RulesRegulationsGuidance/cm388395.htm>

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