



March 2017 - Info Expeditior

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CBFANC New Website!

Upcoming Event!

A CBFANC and WIT-NC SPECIAL CHARITY EVENT!

An Evening with Congresswoman Jackie Speier

Please join us on **May 5, 2017**, and take advantage of this unique event will enable us to further strengthen the effective working relationship we have developed with Rep. Speier and provide an opportunity for us to voice our issues and concerns in this time of political uncertainty.



Congresswoman Jackie Speier represents California's 14th Congressional District, which stretches from the southern portion of San Francisco through San Mateo County to East Palo Alto. She is a recognized champion of women's rights, privacy, and consumer safety — as well as an avowed opponent of government inefficiency and waste. In 2012, she was named to Newsweek's list of 150 "Fearless Women" in the world

When: Friday May 5, 2017
Cost \$85 per person / \$800 for table of 10
5:00 PM – Registration & No Host Reception – Dinner begins at 6:00 PM
Where: SFO Hilton Hotel, 600 Airport Blvd., Burlingame, CA 94010



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LATELY?
IF NOT PLEASE
DO!**

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new platform that
combined the best of
the old with a
healthy dash of the
new. Visit our new
digs soon!**

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Social Media Committee

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big toe into
the Social Media arena...
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[CBFANC](https://www.linkedin.com/company/cbfanc)**

[Dinner Reservations - Individual \(Click Here\)](#)

[Dinner Reservations - Table of 10 \(Click Here\)](#)

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Cinco De Mayo Plated Dinner

MISSION SALAD

Jicama, Tomatoes & Mixed Greens Salad with Choice of Dressing

Select Your Choice of Entrée

All entrees come with Black Beans and Spanish Rice with Cilantro

NEW YORK STEAK - With Chili Lime Butter

GRILLED MAHI MAHI - With Spicy Fruit Salsa

MARINATED CHICKEN BREAST - With Tequila, Lime & Cumin

Dessert

Dolce de Leche Cheese Cake

All net proceeds will benefit San Francisco SafeHouse

www.sfsafehouse.org

Peter Friedmann's View from Washington DC - March 2017

Dead on Arrival - As Usual

Intense scrutiny is being directed to President Trump's first budget submittal to Congress. Leaks and speculation are suggesting that it will upend the status quo, dramatically reducing Federal support for longstanding programs, while dramatically increasing funding for certain high priorities of the new Administration. However, a little perspective is a good antidote for all the hyperventilating. Because this President's budget proposal will meet the same fate as those of his predecessors - dead on arrival.

Under the Constitution, it is Congress, not the President which controls the purse strings of government. Only Congress can raise taxes, and only Congress can appropriate federal funds. The President's budget request is just that: a request. Congress has a long history of ignoring much of the President's budget request, and this year will be no different.

To underscore this point, see this quote from Idaho Congressman Mike Simpson, who is Chairman of the House Energy and Water Appropriations Subcommittee, when he was asked last week about the dollar figures the White House Office of Management and Budget (OMB) has been talking about recently: "I'm not paying much attention to OMB. What you've gotta remember is what OMB puts out is just the administration's recommendation. It's up to Congress to do the appropriation. ... It's not the gospel. It's not handed down to us on a golden tablets and OMB needs to understand that."

The media, glued to all things Trump, is not inclined to make this history clear. After all, to say that Trump's budget request will suffer the same fate as Obama's and Bush's, would undermine the media's narrative that "everything's different

Facebook - [CBFANC](#)

New Members of CBFANC!

*Chris Kammer - Membership
Committee Chair*



**Please join us in
welcoming the following
members to**

**Customs Brokers & Freight
Forwarders Association of
Northern California!**

STEFAN SPANGLER CHB was founded, purely by chance, simultaneous with the rollout of ACE for Customs entries. The impetus for its founding was a sudden disengagement of the principal from his former employer, followed by calls from loyal clients seeking continued great service! The book 'How to Start Your Own CHB Business' by Jon K Sasaki was very helpful in getting the business up and running. ACE and modern software providers empower small and individual brokers as never before. We cherish our new role in the vibrant west coast trade community.

KORD Partners, LLC is a consulting company based in SF and LA, with a branch office in Korea. We help customers introduce overseas goods to the U.S. market. KORD assists in lowering the trade barrier and understanding in-country laws so customers can prepare product

now".

In many ways it's not different, as those coming to DC to lobby Congress are learning. They are meeting with Republican and Democratic staff jointly - as usual. Republican and Democratic Senators are joining together in signing letters to the President to protect funding for Coast Guard, to release funding for navigation dredging funds, to fund transit - as usual. Many Republican and Democratic members of Congress are aligned against the ObamaCare Reform proposals, and the Border Adjustment provisions of tax legislation.

Sorry MSNBC, CNN and FOX, and sorry to some of the Republican and Democratic "Leadership", but many Republicans and Democratic members of Congress are working together, jointly advocating positions on which they are aligned. After all, they are ultimately responsible to their constituents, who care more about getting the Federal government to address their needs, than they are in partisan political squabbling.

Meanwhile, most Republicans and Democrats will agree on yet another thing: as has been the case for many years, the President's Budget Request will be... dead on arrival.

Peter Friedmann OurManInDC@federalrelations.com

PCC Mission to Washington D.C.

Renata Pearson, CBFANC Customs Committee Chair



From Left to Right: Peter Gong, Chris Garcez, Evey Hwang, Jack Hubbard, Congresswoman Jackie Speier, Renata Pearson, Renata Rios, Felicia Addison, Peter Friedmann

Once again CBFANC joined the Pacific Coast Council, PCC, on its annual Mission to DC. Members from the 5 local associations for Washington State, Columbia River, Northern California (CBFANC), Los Angeles, and San Diego, gathered in D.C. to meet with government officials to learn about the current state of affairs affecting the trade community, as well as Congress members, to communicate issues affecting the trade community at the local level. These were 3 days where everyone got a chance to meet, talk about common issues, possible solutions, and how we can communicate our issues to

compliance from exporting country. With partnerships with U.S. and overseas customs, logistics, and marketing experts, we save clients time and cost to introduce products successfully.

2017 Educational & Program Events

Events Committee

[Air & Ocean DAU](#)

04/19/2017

[Cinco de Mayo with Representative Jackie Speier](#)

05/05/2017

[Surety & ADD/CVD Issues](#)

05/22/2017

[CEE Apparel, Footwear & Textiles](#)

06/14/2017

[CHB Exam Prep Course - Fall 2017](#)

07/08/2017- 09/23/2017

2017 State of the Port

CBFANC Program Committee

A wonderful night filled with informative and engaging presentations from both U.S. Customs & Border Protection (Steve Baxter & Eric Batt) and the Port of Oakland (Ron Brown). Not to mention the great networking with friends and colleagues!



This could not have been accomplished without all of our wonderful sponsors:

the interested parties in order to achieve continual, successful trade in our local areas.

On Sunday February 26th, members from all associations met to discuss the agenda at hand. We came together as a group to determine what we could discuss with our Congress members. With TPP out and NAFTA not on the radar at this very second, 3 key points we came up with were the handling of section entries, having more trained officers when it came to clearances since many are being sent to handle the immigration issues, and the continual cost and delay of ACE.

For the handling of section entries we discussed how this affects the consumer. With the big carriers, such as FedEx and DHL, being able to clear freight on consolidated entries up to \$800, there is no clear way for agencies such as FDA or Consumer Product Safety Commission to target some of these commodities such as clothing, toys, handbags, silverware, etc. With the lack of complete and proper descriptions, many shipments are not being cleared through the proper channels. This affects the safety of the consumer and agencies not being able to target imports appropriately. If the big carriers are allowed to do this, they should be mandated to follow similar clearance requirements as all brokers are required to follow. With the explosion of E-commerce, more and more shipments will move through the big carriers, which will leave the traditional brokers at a disadvantage and place a safety and health risk to the consumer. On top of this, many shipments are being undervalued under \$800 to avoid incurring duties, which means loss of revenue for Customs.

With the current issue of immigration, many officers are being transferred to the borders or airports to deal with the situation. Also many officers in general lack training when it comes to ACE, for example and the hiring process is lengthy. This will only hinder in the clearance process of freight and lack consistency. Officers are still transitioning in their positions and there is no real end in sight of when everything will be situated.

ACE is still not complete, after 20 years of discussion. Millions have been spent and yet there are still pending deadlines to transfer all procedures to ACE. This only creates more work for the broker, hiccups in the system that occur during daily work, and just not everyone on the same page between the broker and Customs. If it has been "forced" upon the broker to work in ACE with no other option to fall back on, such as ACS, then Customs should also be "forced" to work on ACE and complete the project to achieve the "single window" that is required of all brokers to use.

On Monday we met with key people in FDA, FMC, those handling ACE implementation, and the CEE's. We discussed what was coming up soon, what changes are taking place. Some items brought up were the lack of response communication from the CEE's when called. CEE's are not responding in a timely fashion, causing delays. Another issue was the lengthy training process for the new officers. Customs advised that the process has been cut in half in order to avoid losing good candidates to the long process. ACE...lots of things pending to get established, organized, and completed. For drawback, a CATAIR will be coming out shortly. The 5000 line situation is due to the system performance which they will look into. Many more shipments were seized in comparison to last year. Customs is working with China to be able to stop

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**CBP Info Notice ACE
Cargo Release Downtime
Procedures 728-17-04**

shipments with IPR issues.

On Tuesday, we were off to the Hill to state our cases. Each association met with their Congress members to which they are constituents of. For CBFANC, there were 8 members assisting the Mission (Chris Garcez, Jack Hubbard, Evey Hwang, Renata Pearson, Sarah Stroth, Felicia Addison, Peter Gong, and Renata Rios) and were split in teams to meet with any many as possible. Of course, Congress members cannot meet with each but have their aides meet with us instead.

One of the first meetings was with the Senate Finance Committee in which all associations attended. We were able to discuss all our issues and they were very attentive to where we needed help. After that we were off to meet our Congress. For CBFANC, we were able to meet with members' aides for Congressmen Jeff Dunham, Minority Leader Nancy Pelosi, Congressman Devin Nunes, Congressman Eric Swalwell, Congressman Mike Thompson, Congressman John Garamendi, Senator Dianne Feinstein, Congresswomen Barbara Lee, and Congresswomen Jackie Speier.

Each of the meetings have different turnouts. When meeting with the aide for Congressman Jeff Dunham, we wanted to discuss the issues of clearing sections shipments but that was not her area of expertise. Instead, we were able to discuss infrastructure, specifically the issue with the fumigation site in Oakland. Being that this is an issue affecting all parties in the Bay Area, we were able to voice out and plea for help which in turn we hope will have a good outcome. In meeting with the aide for Congresswomen Barbara Lee, she had only been an aide for 6 months, and had no idea as to what importing/exporting is all about. She took many notes. We just hope that she was able to relay our concern for section entries and the delay in ACE. When meeting with 2 aides for Congressman Thompson, they had some knowledge of ACE and how the goal was to achieve a "single window" which allowed them to be engaged in the conversation.

But highlight of the meetings was in speaking directly the Congresswomen Jackie Speier. Being able to speak with her directly allowed us to voice the immediate concern of the fumigation issue, the issue with the current officer that is impeding a resolution and causing many imports to move through Southern ports. As always, she was attentive and promised to look into the situation. Her concern is how trade is affected and all those affected in the process. She advised that she would work hand in hand with other Congress members in which their districts are also being affected.

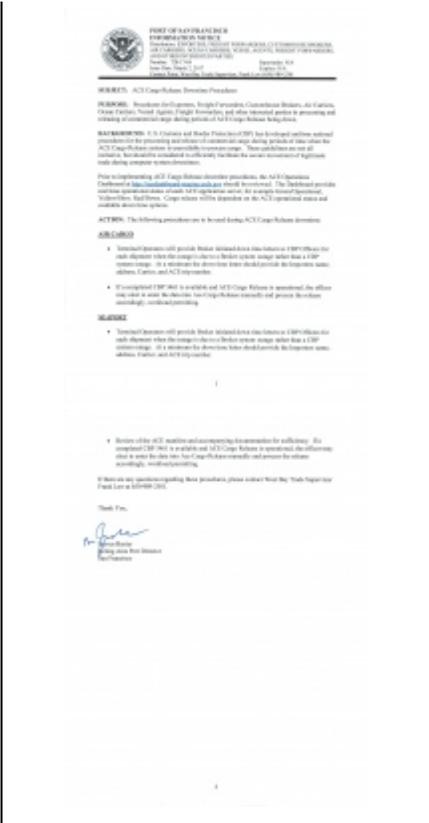
Being able to speak with Congresswomen Jackie Speier directly and all the other aides allows our voices to be heard and hopefully help to promote continued success in trade, specifically in the Bay Area.

[More Mission Photos](#)

PCC Mission Breakout Session with FDA-FSVP

Chris Garcez, Legislative Committee

Missionaries peppered the Director of DIOPS (Division of Import Operations & Policy), John Verbeten, with numerous questions, the answers to which should interest you. Mr. Verbeten provided a brief overview of the new Foreign Supplier



Verification Program (FSVP) pursuant to the Food Safety Modernization Act (FSMA). He explained that basically importers of food and produce will now be on a level playing field with domestic producers to ensure preventative systems are put in place to safeguard food that will enter the nation's food supply. For brokers, we will have a few new data elements to transmit starting in June 2017. The new elements are simple, but one is a DUNS number for the "FSVP Importer" (more on that below). In 2015 FDA said it was taking at least 45 days to get a free DUNS number, so the clock is ticking. Importers may need to create a vast compliance program (if they already haven't) to assess and monitor the foreign producer's compliance with sanitary processes. So everyone's compliance department should start by reading this page which has all the links you'll need:

<https://www.fda.gov/Food/GuidanceRegulation/FSMA/ucm361902.htm>

Note that it's a very long rule. If you are familiar with the HACCP program for juice, Mr. Verbeten explained, that program basically summarizes what many importers will now have to do for other food products. There are several exemptions, some of which are complicated – so be sure to read through those and work with your clients. The new Implementation Guide (still forthcoming) should describe how to handle the exemptions, whether with positive disclaims or otherwise.

One point of clarification: Mr. Verbeten said that the DUNS number was optional. The final rule was very clear in multiple places that DUNS would be required. So perhaps we need to see what is in the IG once it comes out.

The most important question regarding FSVP concerned who the "FSVP Importer" really is. Is it the importer, a distributor, or a retailer? The question arises because technically, anyone with a purchase order out on foreign product could potentially stand as the FSVP Importer. Mr. Verbeten clarified that it is the party with the "direct connection to the foreign supplier" that is considered the FSVP Importer; that stands to reason because in most cases the importer does have that connection. But there are other circumstances (perhaps with brokers of food ingredients if my memory of the Final Rule comments is reliable) where a party besides the importer might have that more direct connection. So no, brokers will not be transmitting a name and address plus a DUNS number for parties we do not have relationships with.

Mr. Verbeten expects there will be an informed compliance period and then an enforcement period. The first period will be used to "regulate and educate" just as happened with seafood. 2020 would be an enforcement date target. But establishment inspections will still happen during the first period, and an importer's compliance program will be looked at. Deficiencies will be brought up to speed.

A little time was spent on how FDA is developing their new filer review program. This has been in progress for some 4-5 years now. FDA sounds like they are back to stage one or two. They are reviewing, and will put new ideas before NCBFAA for feedback. In other words, not going to happen soon.

Will Amazon Revolutionize Shipping?

Adam Minter, Bloomberg News

For consumers, Amazon's made shipping easy: Just choose the desired delivery date for your goodies and click. For the manufacturers who have to get those products to you, however, shipping remains a troublesome, inefficient, stubbornly analog business. Your "one-click" often translates into multiple phone calls, emails, faxes and reams of paperwork -- all coordinated by a knowledgeable and well-connected professional.

So Amazon, which prides itself on upending old ways of doing business, is now looking to transform the shipping industry as it has the retail industry. Between October and January, it [arranged for the shipping](#) of at least 150 containers of goods from China to the U.S. That's an infinitesimal proportion of the millions of containers sailing between the two countries every year. But Amazon is just getting started -- and the company isn't alone. Last month, Alibaba

Duty Free Entry under 9801

Neil S. Helfand, Esq., GDLSK

started [booking space](#) for its suppliers on Maersk container ships, joining a [growing wave](#) of e-commerce companies looking to bring greater efficiency and transparency to the [\\$160 billion](#) business of arranging cargo shipments.

To read this article in its entirety, click [here](#).

World's Biggest Shipping Company Voices Alarm at Trump Trade War

Christian Wienberg, Bloomberg News

A.P. Moller-Maersk A/S, the owner of the world's biggest container shipping line, is paying particular attention to noises coming from the United States that suggest the new administration is moving closer to a trade war with China. President Trump's rejection of trade agreements with the rest of North America and Europe have done little to unsettle Maersk's management. "But when the talks come to a potential trade war with China, we sit up and listen," Soren Skou, the CEO of the Copenhagen-based company, said in an interview Feb. 8. "That would have a very negative effect on our business." To read article in its entirety, click [here](#).

U.S. and Mexico Working to Resolve Issues Affecting Bilateral Sugar Trade

Courtesy of Sandler, Travis & Rosenberg Trade Report

U.S. Commerce Secretary Wilbur Ross and Mexican Secretary of Economy Ildefonso Guajardo announced March 10 a renewed effort to resolve ongoing issues over Mexican sugar exports and anti-bunching limits. The two sides last held a round of talks on this matter in mid-December 2016 and have now agreed to hold additional discussions in an attempt to reach a mutually-acceptable resolution of the serious issues that have been

Duty Free Entry under 9801 – U.S. Goods Returned

Discovering that your merchandise can enter the United States duty free is always a happy surprise, and importers have long benefited from the use of heading 9801, which allows for the duty-free return of previously exported **U.S. goods** that have not been advanced in value or approved in condition while abroad. As part of the recent Trade Facilitation and Trade Enforcement Act of 2015, however, 9801 has now been expanded to include merchandise of **any origin** that is returned to the United States and satisfies the provision. Effective as of April 25, 2016, the new language of the heading reads as follows:

Products of the United States when returned after having been exported, **or any other products when returned within 3 years after having been exported**, without having been advanced in value or improved in condition by any process of manufacture or other means while abroad. [Emphasis added]. This expansion of the provision will doubtless benefit countless importers, and securing the duty free benefit has always included submission of the required documentation to substantiate your claim. For those eager importers now ready to contact their customs broker to jump on board, a bit of a refresher is in order – obtain the correct documentation! The documentation requirements to ensure the smooth use of 9801 are set forth in the customs regulations, 19 CFR Section 10.1, and CBP itself has commented in a recent ruling on these requirements, in HQ H276787 (August 17, 2016). Specifically, an importer seeking to claim 9801 must obtain:

- Declaration from the foreign shipper indicating the port and date that the goods were exported from the United States, and that they were not advanced in value or improved in condition while abroad.
- Declaration from the owner, importer, consignee, or agent that the foreign shipper's statement is true and that the articles were not manufactured or produced in the United States under subheading 9813.00.05 (articles to be repaired, altered or processed, including those processes that result in articles manufactured or produced in the United States), and that the articles were exported from the United States without the benefit of drawback.
- Certain additional documentation if requested by the port director to substantiate the claim, including a U.S. export invoice, bill of lading or airway bill evidencing the exportation of the articles from the United States and/or the reason for the exportation of the articles demonstrating that they were returned within 3 years.

Some final thoughts. Those importers wondering whether or not their re-imported goods will now qualify for duty free entry should also pay close attention to the language of 9801 that has not changed, namely that the merchandise is being re-imported to the United States "without having been advanced in value or improved in condition by any process of manufacture or other means while abroad." CBP has issued a host of rulings detailing the many activities abroad that satisfy this definition. This may include excess merchandise being returned, merchandise that underwent certain packaging operations (which may include a variety of activities), disassembly, inspection, and any other processes which arguably falls within the definition. A little bit of due diligence

identified with the current arrangement. To read article in its entirety please click [here](#).

should ensure if your goods will qualify as well.

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