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Update on West Coast Waterfront Labor Negotiations - Ray Bucheger Friedmann I Beaubien I Bucheger Federal Relations



SAN FRANCISCO (July 2, 2008) -- The Pacific Maritime Association, whose 71 member companies include cargo carriers, terminal operators and stevedores on the West Coast, issued the following statement today regarding the ongoing negotiations on a new waterfront labor agreement:

The six-year West Coast waterfront labor agreement expired Tuesday, but negotiations between the Pacific Maritime Association and the International Longshore and Warehouse Union (ILWU) on a new contract will continue beyond the deadline.

While the ILWU has stated that work will continue as normal as we negotiate, we regret that it did not agree to a formal extension of the contract and its no strike clause and arbitration procedures for resolving workplace disputes, including the tactic of slowdowns. An extension would have sent a much stronger message to the shippers and the public that the West Coast Ports will continue to operate without disruption.

As it has since negotiations began March 17, PMA remains focused on reaching a new agreement that is fair and reasonable to both sides, while at the same time keeping the ports running smoothly and safely. We will continue to work as hard and as quickly as possible to resolve remaining issues.

The West Coast ports are a critical economic engine for the U.S., generating almost \$1.3 trillion in domestic business impacts - which represents 11 percent of total U.S. gross domestic product - and supporting more than 8 million direct and indirect U.S. jobs. With a weakened economy, the country can't afford uncertainty or disruption at the ports.

The contract covers wages, benefits and conditions of employment for the more than 26,000 ILWU members and identified casuals working at 29 West Coast ports in California, Oregon and Washington.

INSIDE THIS ISSUE

PAGE

- 1** Update on West Coast Waterfront Labor Negotiations
- 2** ITC Posts July 1, 2008 HTS to its Web Site
- 4** ITC announces AGOA Textile Determination
- 5** EPA Launches New Web Portal on Import/Export Requirements
- 5** Working Group Issues Action Plan Update on Steps Taken to Improve Import Safety
- 7** CBP Officers Find a Ton of Marijuana Hidden in Empty Cargo Truck
- 8** Energy Department's Megaports Initiative to Launch Pilot Project at Japanese Port

ILWU MESSAGE

Dockers will keep working
Our committee will keep negotiating

The ILWU/PMA contract expired at 5pm on Tuesday, July 1, and there's been no agreement to extend the contract. Members should continue working as normal while the ILWU Negotiating Committee keeps meeting to reach a fair contract.

The Negotiating Committee wants everyone to dispatch and work normally without any slowdowns or other actions. This will help our Committee manage the negotiations. Please don't let employers provoke you to take actions that could undermine our strategy to win a good contract.

While we're working without a contract, most things will seem the same, including the filing of grievances with the Joint Labor Relations Committee.

The biggest change is that there will be no arbitration process. None of us should participate in any arbitration process for disputes arising after 5pm on Tuesday, July 1st. Please contact the ILWU Negotiating Committee immediately if the PMA tries to involve you in any arbitration while our contract is expired.

The Negotiating Committee has provided information to local union officials, and we'll keep you informed with updates on our website and through these Bargaining Bulletins. Thank you for ignoring the rumors and staying united.

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UNITED STATES INTERNATIONAL TRADE COMMISSION



TC Posts July 1, 2008 HTS to its Web Site – *By Broker Power Inc.*

The International Trade Commission (ITC) has posted to its Web site an updated version of the 2008 Harmonized Tariff Schedule of the U.S. (HTS) dated July 1, 2007 (Supplement 1).

List of Principal Changes in July 1st Version

According to the preface of the July 1, 2008 version, the principal changes in this version reflect:

GSP, AGOA. Modifications to duty-free treatment and certain designations under the Generalized System of Preferences (GSP) and the African Growth and Opportunity Act (AGOA) and HTS technical changes due to Proclamation 8272 and Proclamation 8240. (See *ITT's Online Archives* or 07/02/08 and 07/03/08 news, (Ref: [08070205](#)) and (Ref: [08070315](#)), for Parts I and II of BP's multi-part series of summaries on Proclamation 8272. See *ITT's Online Archives* or 04/24/08 news, (Ref: [08042410](#)), for BP summary of Proclamation 8240.)

Bamboo Flooring, receivers. Amendments to the HTS to restore certain duty rates (for bamboo flooring, broadcast receivers) which were inadvertently increased by the World Customs Organization-recommended changes to the HTS that took effect on February 3, 2007, as provided for in Presidential Proclamation 8228. (See *ITT's Online Archives* or 04/14/08 news, (Ref: [08041405](#)), for BP summary of Proclamation 8228.)

UCFTA, SFTA. Amendments to the HTS rules of origin for the U.S.-Chile Free Trade Agreement (UCFTA) and the U.S.-Singapore Free Trade Agreement (SFTA) provided for in Presidential Proclamation 8214, effective February 7, 2008. (See *ITT's Online Archives* or 01/10/08 news, (Ref: [08011010](#)), for BP summary of Proclamation 8214.)

Gambia. Office of the U.S. Trade Representative (USTR) determination that The Gambia is eligible for AGOA textile and apparel benefits, effective April 28, 2008. (See *ITT's Online Archives* or 04/30/08 news, (Ref: [08043020](#)), for BP summary of the USTR notice.)

Honduran cotton socks. USTR notice which modified the HTS to reflect the U.S.-Dominican Republic-Central America Free Trade Agreement (DR-CAFTA) safeguard duty on certain Honduran origin cotton socks. (See *ITT's Online Archives* or 05/14/08 news, (Ref: [08051420](#)), for BP summary of USTR notice on the application of such safeguard duties.)

Tariff changes at 9th/10th digit. HTS statistical changes, effective July 1, 2008, approved by the Committee for Statistical Annotation of Tariff Schedules (484(f) Committee), to various tariff numbers (at the 9th and 10th digit level) and statistical notes in the following HTS chapters: 8, 22, 23, 44, 48, 72, 73, 84, 85, and 98. (See July 1, 2008 HTS "Change Record" for list of HTS numbers and statistical notes affected.)

Supplement 1 Expected to Soon be Sent to GPO for Printing, Distribution - ITC sources state that on July 3, 2008, the paper version of the July 1, 2008 HTS (Supplement 1) is expected to be sent to the Government Printing Office (GPO) contractor for printing and distribution to subscribers.

ITC sources have previously stated that this printing and distribution process usually takes 2-4 weeks.

July 1, 2008 HTS (Supplement 1) available for downloading by chapter or in its entirety at <http://www.usitc.gov/tata/hts/>.

Supplement 1 change record available at <http://hotdocs.usitc.gov/docs/tata/hts/bychapter/0810chgs.pdf>.



ITC ANNOUNCES AGOA TEXTILE DETERMINATION

http://www.usitc.gov/ext_relations/news_release/2008/er0701ff1.htm



The U.S. International Trade Commission (ITC or Commission) today announced its determination in connection with its investigation *Denim Fabric: Use in AGOA Countries During Fiscal Year 2007*, Inv. No. AGOA-002. The determination is required under amendments to the African Growth and Opportunity Act (AGOA) that the President signed into law in December 2006.

All six Commissioners determined that 21,120,000 square meter equivalents (SMEs) of qualifying denim fabric produced in beneficiary Sub-Saharan African (SSA) countries was used in lesser developed beneficiary (LDB) SSA countries to produce apparel exported to the United States that received preferential treatment under the AGOA during fiscal year (FY) 2007.

When it passed the amendments to the AGOA, the Congress deemed such denim fabric to be available in the amount of 30 million SMEs during FY 2007 (October 1, 2006 - September 30, 2007). Under the statute, the Commission must add the 8,880,000 SME difference between the amount of denim fabric deemed to be available for FY 2007 and the amount found to have been used during FY 2007 to the amount of regional SSA denim fabric that the Commission determined will be available during fiscal year 2008 (October 1, 2007, to September 30, 2008) for use in LDB SSA countries in the production of denim apparel receiving U.S. duty free treatment. In September 2007, the Commission found that the amount available for FY 2008 will be 21,303,613 SMEs.

The AGOA statute sets forth circumstances when the President may or must remove duty-free treatment for apparel made from third-country fabric when regional fabric is found to be available to make the apparel, but is not used for such production. The Commission's determinations are made in the context of a statutory provision that allows apparel made in LDB SSA countries from third-country fabric to enter the United States duty free.

The Commission's public report, *Denim Fabric: Use in AGOA Countries During Fiscal Year 2007* (Inv. No. AGOA-002, USITC Publication 4021, July 2008) will contain the views of the Commission and information developed during the investigation.

The report will be available by July 11, 2008, and will be posted on the ITC web site (www.usitc.gov). Copies can be obtained by emailing pubrequest@usitc.gov, calling 202-205-2000, or from the Office of the Secretary, 500 E Street SW, Washington, DC 20436. Requests may also be made by fax to 202-205-2104.





EPA Launches New Web Portal on Import/Export Requirements –

by Sandler Travis & Rosenberg PA

The Environmental Protection Agency announced July 1 that it has developed a new one-stop Web portal (<http://www.epa.gov/compliance/international/importexport.html>) to help importers and exporters of goods meet statutory and regulatory requirements designed to protect human health and the environment. This portal, which was launched in conjunction with the recent update to the November 2007 Action Plan for Import Safety, provides information on the following

- vehicles and engines
- fuel and fuel additives
- ozone-depleting substances
- chemical substances regulated under the Toxic Substances Control Act
- pesticides, including pesticide residues on foods
- hazardous wastes
- plumbing products
- scrap metal



Import Safety

Working Group Issues Action Plan Update on Steps Taken to Improve Import Safety by Broker Power Inc.

On July 1, 2008, the Interagency Working Group on Import Safety released its *Action Plan Update* outlining the steps taken by the federal government, private sector and international partners to bolster import safety since the group's November 2007 release of the *Action Plan for Import Safety: a Roadmap for Continual Improvement*.

According to the update, the U.S. government has made substantial progress since the release of the Action Plan. (See ITT's Online Archives or 11/08/07 and 11/09/07 news, (Ref: [07110815](#)) and (Ref: [07110910](#)), for BP summaries of the Action Plan.)

(The President established the working group in July 2007 and appointed Health and Human Services (HHS) Secretary Leavitt as chairperson. The group was to review current import safety practices and determine where improvements could be made.)

U.S. Has Signed Agreements, Enforced Rules, Seen Private-Sector Actions, Etc. - Since November 2007, the U.S. has made substantial progress including: convening international forums; holding bilateral and multilateral discussions; signing international agreements; private sector advancements; federal government collaboration and information sharing, and enforcement actions. Accomplishments include (*partial list*):

- The Justice Department indicted two Chinese businesses and a U.S. company for their roles in manufacturing and importing tainted ingredients used in pet food. (See *ITT's Online Archives* or 02/15/08 news, (Ref: [08021599](#)) #2, for BP summary.)
- U.S. Customs and Border Protection (CBP) is working towards a shared automated system permitting information gathering and sharing among participating import safety agencies. (See *ITT's Online Archives* or 07/02/08 news, (Ref: [08070220](#)), for latest BP summary on CBP's International Trade Data System.)
- HHS signed and has begun to implement Memoranda of Agreement with China to enhance the safety of a wide variety of food, feed, drugs and medical devices traded between the two nations. (See *ITT's Online Archives* or 12/13/07 and 12/19/07 news, (Ref: [07121315](#)) and (Ref: [07121915](#)), for BP summaries of the memoranda.)
- The Consumer Product Safety Commission (CPSC) has a Memorandum of Understanding with China and has implemented agreements in key consumer product categories. (See *ITT's Online Archives* or 09/13/07 news, (Ref: [07091305](#)), for BP summary of the CPSC-China agreement. See today's *ITT*, (Ref: [08070307](#)), for BP summary of the CPSC issuing its Import Safety Strategy.)
- CBP and CPSC are working with the private sector to explore including an import safety component in CBP's Importer Self-Assessment (ISA) Program. (See *ITT's Online Archives* or 05/23/08 news, (Ref: [08052310](#)), for BP summary.)
- The Toy Industry Association partnered with the American National Standards Institute (ANSI) to create a safety assurance program for toys. (See *ITT's Online Archives* or 03/14/08 news, (Ref: [08031410](#)), for BP summary.)
- In February 2008, Wal-Mart announced that certain suppliers must be certified by the Global Food Safety Initiative. (See *ITT's Online Archives* or 02/19/08 news, (Ref: [08021905](#)), for BP summary.)
- The Food and Drug Administration (FDA) linked the contaminant heparin to Chinese suppliers and has worked with the Chinese government subsequently to improve testing. (See *ITT's Online Archives* or 02/21/08 news, (Ref: [08022199](#))#2, for BP summary of Senator Grassley questioning the FDA on heparin, etc.)

Pending Items From Action Plan

Administration officials will continue to work with Congress to seek enactment of the recommendations from the November 2007 Action Plan requiring legislation. For example:

- The FDA should be able to require, as a condition of import, an assurance that certain high-risk products comply with the agency's requirements;
- CPSC should be granted follow-up recall authority; and
- USDA, CPSC and FDA would all benefit from having asset forfeiture remedies as an option for remedying criminal offenses.

Import Safety – Action Plan Update: A Progress Summary (dated 07/01/08) available at <http://importsafety.gov/report/actionupdate/actionplanupdate.pdf>

Import Safety Working Group Web site available at <http://www.importsafety.gov/>

HHS press release and fact sheet (dated 07/01/08) available at <http://www.hhs.gov/news/press/2008pres/07/20080701a.html> and <http://www.hhs.gov/news/facts/actionplanupdate.html>



CBP Officers Find a Ton of Marijuana Hidden in Empty Cargo Truck

2,017 Pounds Seized by CBP Officers at Otay Mesa Port (Monday, July 07, 2008)

(http://www.customs.gov/xp/cgov/newsroom/news_releases/07072008_5.xml)

Otay Mesa – A 34-year old Tijuana man was arrested Saturday afternoon after U.S. Customs and Border Protection (CBP) officers at the Otay Mesa cargo port of entry discovered over a ton of marijuana hidden in his tractor-trailer rig shortly after it entered the U.S. from Mexico at 1 p.m., officials announced today.



CBP officers found 122 wrapped packages of the narcotic weighing 2,017 pounds and valued at more than \$900,000 hidden within a non-factory front wall compartment inside the trailer of the 1983 California-plated cargo conveyance, officials said.

CBP Officers noticed irregularities within the trailer during a gamma-ray inspection. A narcotics detector dog also alerted to the conveyance.

The driver, a Mexican citizen, was arrested by special agents of U.S. Immigration and Customs Enforcement and subsequently transported to the Metropolitan Correctional Center. The tractor-trailer and narcotics were seized by CBP.

The seizure comes on the heels of another marijuana discovery on Thursday afternoon at the cargo port when CBP officers found 42 wrapped packages of the narcotic weighing over 731 pounds hidden in the sleeper area of a 1999 cargo truck that entered from Mexico at about 4:30 p.m.

The driver, a 36-year old Tijuana man, was arrested by ICE agents after CBP officers found anomalies with the conveyance during a gamma ray examination.

U.S. Customs and Border Protection is the unified border agency within the Department of Homeland Security charged with the management, control and protection of our nation's borders at and between the official ports of entry. CBP is charged with keeping terrorists and terrorist weapons out of the country while enforcing hundreds of U.S. laws.



Energy Department's Megaports Initiative to Launch Pilot Project at Japanese Port - *by Sandler Travis & Rosenberg PA*

Japan's Ministry of Foreign Affairs announced July 3 that the U.S. and Japan plan to launch a pilot project under the U.S. Department of Energy's Megaports Initiative at the Minami Honmoku Terminal at the port of Yokohama in Japan. Under this project the terminal will install radioactive materials detection equipment to monitor cargo containers for nuclear and other radioactive material. The two governments will exchange information obtained through this project in accordance with their agreement on mutual assistance between customs administrations and other legal frameworks. They will then take the results of the project into account when consulting on future cooperation in this area.



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