

**October 2011**

**Congress approves FTAs, GSP, & ATPA** (From American Shipper)

Capitol Hill lawmakers on October 12, approved the long-awaited free trade agreements with Colombia, Panama and South Korea, and voted to renew Trade Adjustment Assistance (TAA), the Generalized System of Preferences (GSP) and the Andean Trade Preference Act (ATPA). Approval of the three FTAs is considered by policy makers and industry representatives to be the most significant trade action since the implementation of the North America Free Trade Agreement (NAFTA) in 1994. For more info, please go to

[http://www.americanshipper.com/NewWeb/news\\_page\\_SNW2.asp?news=205594](http://www.americanshipper.com/NewWeb/news_page_SNW2.asp?news=205594)

**OECD: Indicators point to economic slowdown** (From American Shipper)

The Organization for Economic Cooperation and Development (OECD) said Monday that composite leading indicators (CLIs) for August, designed to anticipate turning points in economic activity relative to trends, continue to point to a slowdown in economic activity in most OECD countries and major non-member economies. The CLI for the OECD area fell half a point in August, the fifth consecutive monthly decline. The Paris-based organization said the indicators for the United States, Germany and Russia point more strongly to a slowdown than in last month's assessment, but are still above 100, indicating economic activity remains above its long-term trend. For all other major economies, except Japan, the CLIs are now below 100, pointing strongly to a slowdown in economic activity below the long-term trend. For more info, please go to

[http://www.americanshipper.com/NewWeb/news\\_page\\_SNW2.asp?news=205318](http://www.americanshipper.com/NewWeb/news_page_SNW2.asp?news=205318)

**Importer Reinspection User Fees Postponed** (From NCBFAA 10/6)

The new FDA proposed process on implementing FSMA user fees reported in the August newsletter has been postponed. FDA will not invoice for any fees prior to January 1, 2012. FDA will further evaluate import reinspection

fees and notify the public prior to assessing these fees. For more info, please go to

<http://www.fda.gov/Food/FoodSafety/FSMA/default.htm>

### **Funding Food Safety at FDA** (From NCBFAA 10/3)

The House and Senate Appropriations Committees are working to resolve their differences over permanent FY '12 spending for each of the agencies. One area of key concern to many customs brokers and importers is funding for the Food and Drug Administration. With passage of the Food Safety Modernization Act earlier this year, FDA's responsibilities for food imports increased dramatically. Now, the challenge is for Congress to provide the resources to enable the agency to carry out these responsibilities. Failure to do so could cause further delays and inefficiencies at the border. The Senate Appropriations Committee recently passed their FDA funding bill, providing \$867 MM for the Center for Food Safety and related field activities. This is \$88 MM less than the Administration's request, but it was nearly \$70 MM *more* than the House-passed funding bill for FDA. The effort to reach an agreement will continue into the fall. One positive feature of both the House and Senate committee reports is a provision that states:

"The Committee strongly encourages FDA to establish a pilot program to expedite imports for highly compliant importers...[It] could be modeled on CBP's CTPAT and Importer Self-Assessment programs. The goal would be new trade facilitation methods for low risk shippers.... enabling FDA to better target federal resources."

### **Ocean rates below or near 2009 levels** (From American Shipper)

Analysis of spot rates on the two key east-west trades shows that carriers will have to shelve capacity in the coming months, according to the maritime analyst SeaIntel.

After deducting the effect of rising bunker fees, SeaIntel found rates on the transpacific and Asia-Europe trades are roughly analogous to levels during the 2009 global economic crisis, despite repeated attempts by carriers to hike base rates.

"We find that spot base rates from Asia to North Europe for the past two months have been lower than the base rate levels seen in the crisis year 2009, clearly illustrating the unsustainable market conditions in this trade presently," SeaIntel said. "For Asia to the U.S., we find that base rate levels

have not yet fallen to the levels seen in 2009, although the level now is only \$156 per TEU higher than the bottom in 2009.”

[http://www.americanshipper.com/NewWeb/news\\_page\\_SNW2.asp?news=204093](http://www.americanshipper.com/NewWeb/news_page_SNW2.asp?news=204093)

**CBP makes headway on simplified entry** (From American Shipper)

U.S. Customs and industry representatives on September 26, outlined how a simplified process for filing import declarations would look and said a trial program will start soon to demonstrate how fewer documentation requirements could benefit the government and importers alike.

The goal is to give trusted traders a more streamlined process to get goods released by linking security and admissibility data requirements. A simplified customs entry would resemble the Importer Security Filing (ISF) with a few extra data elements such as a 10-digit Harmonized Tariff System code, the estimated value and an entry number, reporters were told during a telephone briefing about last week’s Trade Support Network plenary session. Importers need to be in Tier 2 or Tier 3 of the Customs-Trade Partnership Against Terrorism, a voluntary supply chain security program, to be eligible for simplified entry.

[http://www.americanshipper.com/NewWeb/news\\_page\\_SNW2.asp?news=204175](http://www.americanshipper.com/NewWeb/news_page_SNW2.asp?news=204175)

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