



June 2003 International Trade Newsletter

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New FDA Requirements

The Food and Drug Administration (FDA) has issued a press release announcing that the FDA and the Bureau of Customs and Border Protection (CBP) will streamline implementation of the prior notice requirements of the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Bioterrorism Act). Implementation will allow food importers to provide required information on food imports to both agencies using an integrated process.

Several months ago, in the February 3, 2003 Federal Register, the FDA published a Notice of Proposed Rulemaking that would have required the submission of advance information to the FDA separately from information submitted to the CBP. The February 3, 2003 proposed rule required information to be submitted to FDA no later than noon on the calendar day before the food will arrive at the border. The proposal has been severely criticized as unduly burdensome and duplicative.

The press release explains that the FDA and CBP are working together to find ways to modify CBP's Automated Commercial System (ACS), currently used to obtain import information. As a result of this collaboration, **IMPORTERS, IN MOST CIRCUMSTANCES, WILL BE ABLE TO PROVIDE THE REQUIRED INFORMATION TO FDA USING THIS EXISTING ACS SYSTEM.** Although the Bioterrorism Act requires that FDA receive prior notice before food is imported into the United States, the press release does not provide any further information about the timing of when the information must be submitted.

FDA anticipates publishing a final rule in early October, effective for imported food shipments beginning December 12, 2003, the date provided in the statute.

KMZ Rosenman will continue to monitor this area and provide more information as it becomes available. For further information, please contact Carol Fuchs, Government Relations Counsel for KMZ Rosenman's Global Trade Advisory Group, at (202) 625-3635 or carol.fuchs@kmzr.com, or any KMZ Rosenman/GTAG professional by e-mail at kmzrcustomsgroup@kmzr.com.

Asia Peak Season Surcharge

Don't forget: The Ocean Import Peak Season Surcharge is due to begin on June 15, 2003

USDA Vets – Temporarily Understaffed in Chicago

In a previous e-mail we had been told that the understaffing was due to vet training. We have recently learned that the understaffing is due to a crisis in the Poultry industry.

Due to an outbreak of Newcastle Disease in California, Texas, and Arizona, most of the USDA Vets stationed in Chicago have been reassigned to California. There is currently 1 Vet handling the entire port of Chicago until this crisis is over.

We are advising all clients who work with the USDA to be aware of backlogs in there work schedule which may affect import and export shipments.

For those of you interested here is a brief description of the disease:

Exotic Newcastle Disease

APHIS Veterinary Services

January 2003

Exotic Newcastle disease (END) is a contagious and fatal viral disease affecting all species of birds. Previously known as velogenic viscerotropic Newcastle disease (VVND), END is probably one of the most infectious diseases of poultry in the world. END is so virulent that many birds die without showing any clinical signs. A death rate of almost 100 percent can occur in unvaccinated poultry flocks. Exotic Newcastle can infect and cause death even in vaccinated poultry.

Export: Iraqi Sanctions Lifted

The U. S. Government, Department of Treasury, Office of Foreign Assets Control (OFAC) has begun to lift the embargo against the country and government of Iraq. Effective May 8, 2003 , there is no longer a complete ban on trading with Iraq.

The OFAC has issued 4 “general licenses” that permit trading with Iraq.

Licenses #1 Allows for the transfer of non-commercial funds used for humanitarian and family purposes

Licenses #2 Allows for U.S. Agencies and their contractors and grantees to engage in all export transactions with Iraq either directly or by re-exportation through a third country. However the export must be “in support of U. S. government humanitarian assistance or reconstruction efforts” or used in support of the U. S. Peacekeeping mission.

License #3 Allows for Privately financed humanitarian donations to Iraq. This includes goods, services and people.

License #4 Authorizes the exportation from the U. S. to Iraq of any goods or technology controlled by BIS for exportation to Iraq or listed on the U. N. goods review list under the oil for food program so long as the exportation or re-exportation is separately authorized under one of the above licenses.

For more information contact the following resources:

Iraq Reconstruction Daily Fact Sheet

www.usaid.gov/iraq/

Dept. of State, Office of Peacekeeping and Humanitarian Operations: 202-647-2708

How freight is stolen: A report of Piracy – Piracy is alive and well.

The report below is one of hundreds reported every year.

Anti-Shipping Activity Warning Messages - 2002

Date of Occurrence: 01/08/2002 Reference Number: 2002-1

Geographical Subregion: 22

Geographical Location: 2/12/00 S 79/53/00 W

Aggressor: PIRATES

Victim: MERCHANT VESSEL

Description:

ECUADOR:

The container ship (CSAV ATLANTA) was boarded 8 Jan at 2258 local time while dropping pilot on departure Guayaquil. Two small boats observed at port side and crew alerted to search ship. Two men observed running and jumping overboard on starboard side and boats observed on radar returning in direction of data buoy. One of men had a knife and one a walkie talkie and was wearing a jacket of the security guard force. Six containers opened or had seals removed. No information loss of contents.

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We invite you to contact our offices with any questions you may have.

BDG International, Inc.

846 Foster Ave.

Bensenville, IL 60106

Phone: 800-327-6392

Fax: 630-595-3049

www.bdginternational.com

E-Mail Addresses: import@bdginternational.com //

airfreight@bdginternational.com // ocean@bdginternational.com

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