



Trade Enforcement Bulletin

U.S. Customs and Border Protection

CBPTRADE



Quarter 3, FY 2018

Bulletin Index

Intellectual Property Rights

CBP Seizes Counterfeit Designer Handbags and Belts 1

CBP Seizes Counterfeit Designer Jewelry from Hong Kong 1

E-Commerce

CBP Cautions E-Commerce Buyers, Offers Tips 2

Antidumping

Wire Hangers 2

Agriculture

Mother's Day Bouquets Undergo CBP Exam 3

Automated Commercial Environment

CBP Intercepts Two Tons of Prohibited Fruit 3

Drug Interdiction

New Technology Helps Identify Dangerous Drugs 4

Outreach

CBP Hosts "Trade Day" at Charleston Seaport 4

CBP.gov/trade

Intellectual Property Rights

CBP Seizes Counterfeit Designer Handbags and Belts



On May 2, CBP officers working at the Port of Tacoma, Washington, seized a shipment of various counterfeit items, including high-end handbags and belts. Had the items been genuine, the seized products would be worth more than \$1.5 million. The merchandise was of poor quality and violated the trademark rights of Chanel, Luis Vuitton, Calvin Klein, Gucci, and Fendi.

"CBP is focused on identifying and intercepting counterfeit merchandise and products. The enforcement of trade laws at U.S. ports of entry remains a high priority for us," said Mark Wilkerson, director of the Area Port of Seattle. "The importation of counterfeit merchandise threatens the health and safety of the American people and can damage the economy of the United States."

With the growth of foreign trade, unscrupulous companies have profited billions of dollars from the sale of counterfeit and pirated goods. To combat the illicit trade of merchandise that violates laws relating to intellectual property rights (IPR), trademark and copyright holders may register with CBP through an online system – the Intellectual Property Rights E-Recordation application (<https://iprr.cbp.gov/>). Such registration assists CBP officers and import specialists in identifying counterfeit merchandise.

CBP Seizes Counterfeit Designer Jewelry from Hong Kong

CBP officers in Philadelphia, Pennsylvania, seized 87 pieces of counterfeit designer jewelry from Hong Kong. If authentic, the combined seizure of the jewelry would hold a manufacturer's suggested retail price of over \$3 million.

CBP officers examined the first parcel on March 20. The parcel, which was destined to Cincinnati and manifested as bangles from Hong Kong, contained what officers suspected, based on its poor quality and packaging, to be various counterfeit designer brand jewelry.



Then, on April 3, CBP officers examined a second parcel manifested as an ornament, which contained various pieces of jewelry, including bracelets, earrings, and rings bearing the brand names Cartier and Tiffany.

On both occasions, CBP officers submitted samples of the seized products to CBP's Consumer Products and Mass Merchandising Center for Excellence and Expertise. CBP worked with the trademark holders and determined the jewelry to be counterfeit.

For more information, visit <https://www.cbp.gov/trade/priority-issues/ipr>.

E-Commerce



CBP Cautions E-Commerce Buyers, Offers Tips

Counterfeit and pirated products threaten U.S. economic security and undermine legitimate businesses who invest significant amounts of resources into manufacturing safe, quality products. Furthermore, counterfeit products often pose serious health and safety hazards to the people who buy and use them.

For example, counterfeit electronics or mobile devices can overheat due to improper manufacturing can

overheat due to improper manufacturing processes, and fake footwear or apparel can fall apart. Phony cosmetics may lead to skin ailments, and even seasonal holiday lights can be poorly made, resulting in fires.

There are steps shoppers can take to protect themselves. Exercise caution when buying merchandise through social media platforms. Avoid clicking on suspicious advertisements either emailed directly or found while searching the Internet.

Key signs that a website may be pushing counterfeit goods include:

- All the products listed are on sale or offered at extremely low prices.
- The website does not have proper contact information.
- The product is not shipping from within the United States.
- The buyer is redirected to an external online payment system during checkout.

CBP officers play a vital role in stopping the flow of counterfeit goods and are stationed at international mail facilities located throughout the country. CBP officers are responsible for screening arriving international mail and are on the lookout for any type of contraband, counterfeits or prohibited items being shipped to the United States that can harm the community or take advantage of an unsuspecting buyer.

If you have information about counterfeit merchandise being illegally imported into the United States, CBP encourages you to submit an e-Allegation. The e-Allegation system provides a means for the public to anonymously report to CBP any suspected violations of trade laws or regulations related to the importation of goods into the United States. Submit your trade allegation by visiting <https://eallegations.cbp.gov/>.

Antidumping

CBP's Antidumping Investigation Helps America's Last Wire Hanger Manufacturer Survive



The latest edition of *Frontline*, CBP's official magazine, features a story about a U.S. wire hanger manufacturer to protecting his business and employees from the Chinese hangers that were being "dumped" into U.S. commerce. After years of filing (and winning) antidumping cases against Chinese manufacturers, M&B Metal Products continued to see identical products arriving from Thailand, Vietnam, and Malaysia and suspected that they were still being manufactured at the same Chinese factories and shipped through different countries to avoid paying antidumping duties. A private investigation proved as much.

CBP was looking into antidumping allegations as well, with limited impact. In February 2016, Congress passed the Enforce and Protect Act, or EAPA, as part of the Trade Facilitation and Trade Enforcement Act of 2015. Pursuant to EAPA, CBP established a rigorous antidumping investigation process and M&B Metal Products' allegation became CBP's first EAPA investigation. Shortly thereafter, CBP did its own investigation in Thailand, discovering a lack of manufacturing capability to match what was being imported into the U.S. Due to the success of this first EAPA case, M&B Metal filed an additional eight EAPA cases with CBP.

Please visit <https://www.cbp.gov/frontline/hanging-tough> to read the full story.

Agriculture

Mother's Day Bouquets Undergo CBP Exam

Leading up to the busy Mother's Day holiday, CBP agriculture specialists at Houston's George Bush Intercontinental Airport were especially busy examining flower shipments.



"CBP agriculture specialists are the frontline in preventing the introduction of harmful pests and plant diseases into the United States," said CBP Houston Area Port Director Raymond S. Polley. "The work they perform is vital to protecting our nation's agriculture and commerce."

If, during an exam, CBP encounters a pest or diseased leaf, a specimen is collected for U.S. Department of Agriculture to identify.

In the Houston and Dallas areas, CBP agriculture specialists examined over 7,742,000 cut flowers from October 2017

through May 2018, an increase of more than 350,000 flower stems from the same period the previous year.

Rose stems, mixed bouquets, chrysanthemums, and rose bouquets were the top imported flowers this fiscal year. The top five countries for commercial flower imports are Colombia, Ecuador, Mexico, Netherlands and Costa Rica.

On a typical day in fiscal year 2017, CBP agriculture specialists discovered 352 pests at U.S. ports of entry and 4,638 plant, meat, animal byproduct and soil materials for quarantine.



Automated Commercial Environment (ACE)



CBP Announces ACE Enhancements

In February 2018, CBP deployed the last of the seven major scheduled core Automated Commercial Environment (ACE) deployments. ACE is the "single window" through which all import and export data are reported by industry to more than 47 partner government agencies, automating 269 different forms and streamlining trade processes. With this latest deployment, all phases of cargo processing are now in ACE.

Looking ahead, CBP is focused on sustaining all deployed ACE capabilities and ensuring ACE operates as a highly available and reliable system.

In addition to funds for sustaining core ACE, CBP has received \$30 million in the fiscal year 2018 appropriations for ACE enhancements. CBP's strategic goals and priorities are informed by the Commercial Customs Operations Advisory Committee and through active dialog between CBP, industry, government agency and congressional stakeholders. The resulting CBP trade agenda includes program initiatives for advancing trade facilitation, security and enforcement objectives. There is an ongoing demand for ACE capability enhancements, CBP follows a formal process to prioritize automation funding based on specific evaluation criteria. The criteria account for the interests of the trade community, the potential to reduce the burden on the trade community and impact to CBP users. The nexus to existing and emerging priorities, and workload efficiency and operational improvement opportunities are also considered.

FY 2018 ACE enhancement funding will be used for the following:

- Section 321/Trade Facilitation and Trade Enforcement Act enabling automation
- Electronic CBP Form 5106
- Modernizing Foreign Trade Zone (e214) process in ACE
- Creation of unique identifiers for Centers of Excellence and Expertise
- Transitioning to broker national permit
- Modernizing vessel management, via vessel agent account type
- Streamlining and modernizing truck processing, via a non-intrusive inspection program
- Updating Generalized System of Preferences (GSP)
- Manifest update to include shipper phone number
- Electronic vessel manifest confidentiality request

Please visit <https://www.cbp.gov/trade/ace-enhancements-announcement> for additional information.



Drug Interdiction

CBP Deploys New Technology to Help Identify Dangerous Drugs

CBP officers at the Detroit Metropolitan Airport recently acquired new devices that have the ability to sample and identify over 14,000 chemical substances. Advanced technology is a key component of CBP's efforts to detect, intercept and prevent dangerous drugs from entering the United States, and to keep frontline officers safe.

The new device is a handheld tool called the Gemini[®] that performs elemental isotope analysis to identify hazardous

chemicals and drugs coming into the United States via express consignment shipments and other means of transportation. The officers were also provided specialized training on using the device.

"Our officers now have the ability to safely sample unknown substances in real-time, and get instant results. This, in turn, saves time while protecting our officers and the general public from potentially hazardous materials," said CBP Port Director Devin Chamberlain. "We are dedicated to combating the threat that fentanyl and other dangerous drugs pose to our nation."

According to the Centers for Disease Control and Prevention, drug overdose deaths and opioid-involved deaths continue to increase in the United States. In 2016, the number of overdose deaths involving opioids (including prescription opioids and heroin) was five times higher than in 1999. From 2000 to 2016, more than 600,000 people died from drug overdoses.

Outreach

CBP Hosts "Trade Day" at Charleston Seaport

On May 17, CBP hosted a "Trade Day" along with the Maritime Association of South Carolina and the Customs Brokers and Freight Forwarders Association at Charleston seaport. Trade days allow members of the trade community to meet CBP officers and import, entry, and agriculture specialists who enforce import and export regulations. During the Charleston Trade Day, representatives from CBP's Laboratories and Scientific Services Directorate in Savannah, Georgia, were available to discuss and demonstrate their capabilities and conduct tours of their mobile laboratory.

"Much has changed in the way international cargo information is shared between the trade community and CBP. Agency-wide, CBP has ramped up its enforcement of intellectual property rights, consumer safety protections, accurate assessment of duties, and disruption of the 'dumping' of goods in the international marketplace," said Charleston Area Port Director Robert Fencel. He further commented that these events provide one-on-one access to government officials who can explain how these issues, and many more, are impacting the trade community. These events also help educate members of the trade community, while CBP benefits from improved understanding of the trade community's most pressing concerns.

Representatives from various federal agencies, including U.S. Department of Commerce; Immigration and Customs Enforcement, Homeland Security Investigations; U.S. Coast Guard; Consumer Product Safety Commission; Food and Drug Administration; U.S. Department of Agriculture; Environmental Protection Agency; Bureau of Alcohol, Tobacco, Firearms and Explosives; U.S. Fish and Wildlife; and National Oceanic and Atmospheric Administration were also on hand to answer questions and share information about their missions.

