

# The J-REPORT

Information and News from the World of Compliance and Logistics

## John S. James Co.

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## IMPORT Country of Origin Labeling for USDA

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Agriculture Secretary Tom Vilsack announced Feb. 20 that the USDA's Jan. 15 final rule on mandatory country of origin labeling will go into effect as scheduled March 16. Under the COOL regulation muscle cuts and ground beef, pork, lamb, goat, and chicken, wild and farm-raised fish and shellfish, fresh and frozen fruits and vegetables, peanuts, pecans, macadamia nuts and ginseng must be labeled at retail to indicate their country of origin.



The final rule outlines requirements for labeling covered commodities and the recordkeeping requirements for retailers and suppliers, prescribes specific criteria that must be met for a commodity to bear a "United States Country of Origin" declaration and contains provisions for labeling covered commodities of foreign origin.

The COOL rule was published just prior to the Obama administration taking office and had been under regulatory review by the USDA pursuant to a Jan. 20 memorandum from White House Chief of Staff Rahm Emanuel. A USDA press release states that during this regulatory review process Vilsack determined that allowing the rule to go into effect and carefully monitoring implementation and compliance by retailers and their suppliers would provide the best avenue to evaluate the program. This evaluation period will inform the USDA's consideration of whether additional rulemaking may be necessary to provide consumers with adequate information.

As expected, the USDA also sent a letter to stakeholders in the meat industry inviting them to voluntarily adhere to the following additional labeling practices.

- *processors should include information about what production steps occurred in each country when multiple countries appear on the label (e.g., "Born in Country X and Raised and Slaughtered in Country Y")*
- *COOL labeling is appropriate even if products are subject to curing, smoking, broiling, grilling or steaming*
- *the final rule allows labels for ground meat to bear the name of a country even if product from that country was not in the processor's inventory for up to 60 days, but this time allowance should be reduced to 10 days*

The letter states that the USDA will be closely reviewing industry performance in relation to these suggestions for voluntary action and that depending on that performance it will consider whether modifications to the COOL rule will be necessary.

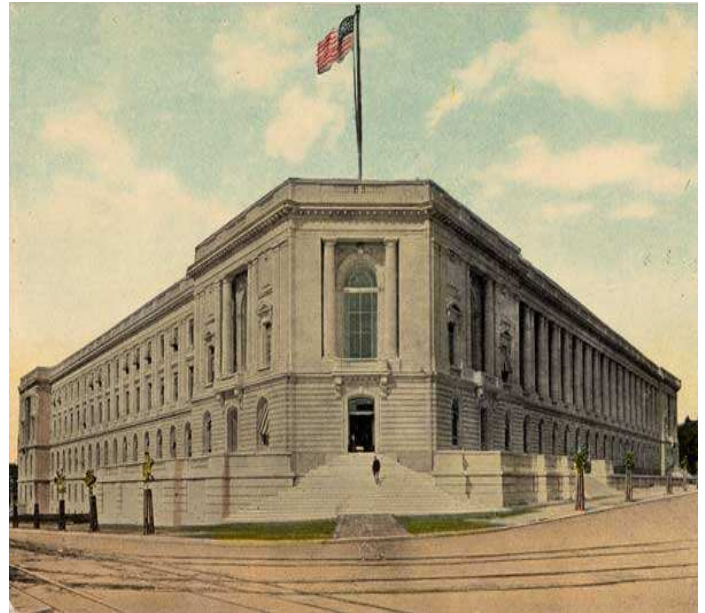


## 100-Year Anniversary Russell Senate Office Building

Long before e-mail guaranteed citizens instantaneous communication with their representatives in Washington, Senator Harry Truman used to tell his constituents that they could easily reach him by using the following simple address: "Truman, S.O.B., Washington." And, he was right. Even as an obscure first-year senator in 1935, Truman knew the post office would direct any envelope marked S.O.B to a member of the United States Senate.

That abbreviation for Senate Office Building served nicely until 1958, when a second office building opened. After that, members had to specify in their addresses whether they resided in the "Old S.O.B." or the "New S.O.B."

In October 1972, the Senate passed legislation providing for a third office building. Although that structure would not open for another 10 years, its authorization doomed the practice of referring simply to the old and the new S.O.B.s.



Recognizing this, Senator Robert C. Byrd offered a resolution, adopted by the Senate on October 11, 1972, naming the old and new buildings, respectively, in honor of two recently deceased Senate leaders—Georgia Democrat Richard Russell and Illinois Republican Everett Dirksen.

In 1976, shortly after ground-breaking for the third building, the Senate named that structure in honor of Michigan's then terminally ill senior senator, Philip Hart.



## Import Uniform Rules of Origin

Reports from industry trade associations indicate that U.S. Customs and Border Protection is not expected to take further action anytime soon on a July 2008 proposed rule that would establish uniform rules governing the country of origin of imported merchandise. Specifically, this proposal would (a) extend the application of the so-called tariff-shift

country of origin rules set forth in 19 CFR Part 102.20, (b) amend the country of origin rules applicable to pipe fittings and flanges, printed greeting cards, glass optical fiber and rice preparations, and (c) revise the textile regulations set forth in 19 CFR 102.21.

According to reports, during a recent meeting between the Treasury Department and a number of industry associations

it became clear that the two sides view the proposed rule differently. Treasury said the rule was intended to ease burdens on CBP and industry by reducing the number of inputs whose origin must be known to determine the ultimate product's essential character. The trade community, however, sees the rule as a major change that would require

manufacturers to determine the origin of all materials used in the production of a good. Treasury officials acknowledged that the proposed rule does not accurately reflect CBP's original intent and said it cannot move forward until this discrepancy is addressed. Treasury and CBP will continue to consider how best to do this over the coming months.

## Incoterms Seminar Savannah, Ga

Gulfstream Aerospace Corporation in conjunction with the Savannah Brokers Association has arranged for Mr. Frank Reynolds, International Trade Consultant and author of Incoterms reference guides, to conduct a four hour seminar on Incoterms. Considered an expert in this area, Mr. Reynolds will provide an overview of the current incoterms along with strong predictions about future revisions. The seminar is scheduled for Wednesday, April 15, 2009 from 1:00 p.m. to 5:00 p.m. at the Coastal GA Continuing Education Center; located at 305 Fahm St. Savannah, Ga.

Anyone who is involved in imports and exports, whether it be sales, order fulfillment, credit finance, purchasing, supply chain, legal counsel, risk management, and foreign trade consulting is urged to attend.

*Please contact Jan Fields if you are interested in participating:*  
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## Reminder Cargo Screening

As we mentioned in a flash email back on February 12th...

On February 1, 2009 the Transportation Security Administration (TSA) implemented the recommendations of the 9/11 Commission Act of 2007, 29 U.S.C. 44901 (2207) (9/11Act), that requires that the TSA develop a system to screen 100% of cargo transported on passenger aircraft by August 3, 2010, with the interim requirement to screen 50 % of such cargo by February 1, 2009.

The John S. James Co.'s Atlanta Facility has received its Certification to operate as a Certified Cargo Screening Facility (CCSF).

Our Atlanta Facility can perform this vital security function for you at a time and cost savings compared with the airline carrier. If you have any questions regarding cargo screening, please email [Tom.King@johnsjames.com](mailto:Tom.King@johnsjames.com)

*Please note that John S. James Co. has updated our terms of service on February 18th, 2009. Terms are listed on our website and can be accessed via the following link:*

<http://www.johnsjames.com/TERMS/index.html>

## John S. James Co. Employee Anniversaries

**We would like to acknowledge the contributions of the following JSJ employees, wishing them a happy anniversary in March**

- |               |          |
|---------------|----------|
| Yvonne Turner | 29 years |
| Pug Chase     | 11 years |
| Laurie Capó   | 7 years  |



“We are always more anxious to be distinguished for a talent which we do not possess, than to be praised for the fifteen which we do possess. “

-Mark Twain

