

## CLIENT ALERT

### Customs and CPSC Offer Benefits to Importers that Join New Import Safety Compliance Program

**November 14, 2008**

The Consumer Product Safety Commission ("CPSC") and the U.S. Customs and Border Protection ("CBP") recently announced a voluntary pilot partnership program between the CPSC, CBP and importers called the Importer Self-Assessment-Product Safety Pilot ("ISA-PS"), which is aimed at ensuring importers maintain a high level of product safety compliance. ISA-PS is an expansion of the CBP's Importer Self Assessment program ("ISA"), which was first launched in 2002. At the recent CBP 2008 Trade Symposium, Anne Maricich, Field Oversight Director, Regulatory Audit, Office of International Trade spoke about the launch of ISA-PS and indicated that the program recognizes that importers with strong internal import controls, such as ISA members, are likely to have mechanisms in place to ensure compliance with consumer product safety laws as well. She also stated that this program will allow the agencies to better focus their resources on companies that do not have proven import-compliance track records.

In order to participate in ISA-PS, an importer must:

1. Be an active ISA member and in compliance with all ISA requirements;
2. Complete an ISA-PS/CPSC Questionnaire and sign an ISA-PS/CPSC Addendum;
3. Agree to comply with all laws and regulations administered by CBP and the CPSC;
4. Maintain an internal control system that ensures the integrity of product safety;
5. Notify CBP of any major organizational changes that may impact the importer's product safety controls; and
6. Submit an annual written notification to CBP that sets forth the importer's ISA-PS point of contact and acknowledges that the importer continues to meet the requirements of ISA-PS.

The application process for the first and only company approved to participate in the pilot program - JC Penney Co. - took four months to complete. CPSC and CBP hope to streamline the process in the future. Non-ISA members can apply to participate in the pilot program only by first completing the ISA application process and being accepted into that program.

Currently, importers that are ISA members are removed from the CBP audit pool and may not be subject to penalties. In addition to these benefits, the new ISA-PS affords participants certain others valuable benefits, including a CPSC point of contact who can assist with National Electronic Injury Surveillance System Product Codes for entry lines; access to special CPSC training; reduction of product safety tests on imported goods; "front-of-the-line testing" when product safety testing must be conducted; the potential to destroy products in lieu of requesting redeliver to CBP; as well as the opportunity to participate in the CPSC's Fast-Track Recall Program.

For more information, or assistance with becoming an ISA member or ISA-PS participant, please contact the professional listed above or your regular Crowell & Moring contact.

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**John B. Brew**

Partner – Washington, D.C.

Phone: +1.202.624.2720

Email: [jbrew@crowell.com](mailto:jbrew@crowell.com)