



## How the Government Shutdown is Affecting International Exhibitions

by Michelle Bruno

**T**he Government shutdown that officially began at midnight on September 30 is beginning to affect the trade show industry. Reports of government shows being cancelled or rescheduled appear daily in the industry news. International trade shows across all market sectors are being affected as well. With no end in sight, organizers should learn what services are being interrupted and how to counsel foreign companies and visitors participating in US shows.

The good news is that Customs and Border Protection (CBP) employees are on duty. In fact, the Journal of Commerce reported, “only 6,000 of the 58,000 CBP workers were furloughed after the government shut down.” The bad news is that some government agencies—including the ones required to approve the importation of specialty imports—have gone dark. Even some agency websites are offline during the shutdown.

### Imports in jeopardy

Trade shows featuring international products in the following list could be affected by the shutdown:



Alcoholic beverages, animal and animal products, certain drugs, firearms and ammunition, fruits, nuts, meat and meat products, milk, dairy, and cheese products, plants and plant products, poultry and poultry products, petroleum and petroleum products, and vegetables

### Agencies partially or completely shut down

The **Alcohol and Tobacco Tax and Trade Bureau (TTB)** is partially closed with only 35 of the 483 employees on the job. Even the TTB website bears the message, “Due to the government shutdown, information on this website is available, but may not be up to date.” Because this agency approves labels for wine imports, organizers of food and beverage shows that feature imported wines may need to determine an interim course of action until normal agency operations resume.

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The **US Department of Commerce** is partially closed with only 6,186 of the 46,420 employees at work. International organizers needing to apply for the designation that allows exhibitors to import products under a “trade fair entry”—a category of importation that allows importers to delay the payment of duties on high-value equipment until 90 days after the show closes—will have to delay the application. Without the trade fair entry, goods must be re-exported (or duties and penalties paid) or enter under a permanent, duty-paid entry.

The **Environmental Protection Agency** is partially closed. All but 1,069 of the agency’s 16,205 employees have been furloughed. Agricultural exhibitions featuring products that impact the environment, such as fertilizers, may need to put international exhibitors on notice that there will be delays if the shutdown continues.

The **Food and Drug Administration** is also partially shut down. Trade show organizers of food, fresh produce, pharmaceutical (including veterinary) and medical device exhibitions with international exhibitors will be impacted in two ways. All importers of FDA-regulated products must register their facilities every two years. The FDA is not currently accepting new registrations or renewals. FDA compliance officers are still on duty, but inspections and food sampling has slowed down except for high-risk shipments.

The **Bureau of Alcohol, Tobacco, Firearms and Explosives** is shut down. Exhibitors should prepare for delays if they have any products subject to ATF clearance. The National Shooting Sports Federation, owners of The Shot Show, issued an advisory this week:

“The **ATF Office of Enforcement Programs and Services (EPS)**, which includes the imports, firearms technology, NFA branches, the licensing center and firearms industry programs branch now processing marking variances, is effectively shut down, operating with minimal staff.”

While the branch of **US Department of Agriculture** that inspects food imports for insects and diseases that could be harmful to the public, is partially open, the web site that provides information is shut down. Organizers of shows with fresh produce, seafood, meat and dairy products should monitor the situation closely. As the shutdown continues, the USDA will have to furlough more employees and the required inspections could come to a standstill.

## International visitors should still be able to attend

There is one ray of sunshine for international organizers and attendees. **The US State Department** is functioning. Out of about 70,000 State Department employees, only 343 have been furloughed. Consular offices around the world remain open and are continuing to process foreign applications for visas.

## What should exhibition organizers do?

There are several things that trade show producers affected by the shutdown can and should do:

1. Consult with the official customs broker for the show to learn about the specific effects of the shutdown on your show.
2. Craft a communication strategy to keep international exhibitors apprised of the situation.
3. Network with other exhibition organizers to stay abreast of the situation.
4. Develop a “Plan B” for food and non-food items.

The shutdown situation is fluid. The impact on trade shows grows with every day that passes. Agencies that are able to function today may not be working in a few weeks from now. International organizers with concerns should continue to monitor the situation as it unfolds.

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