

# TRADE TALK

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## SEPTEMBER IS NATIONAL PREPAREDNESS MONTH

The Dept. of Homeland Security has sponsored a National Preparedness Month 2007, which is a nationwide effort to encourage Americans to take simple steps to prepare for emergencies. The goal is to increase public awareness about the importance of being prepared for emergencies in the home, business or schools, and to encourage individuals to take action and responsibility.

For more information on National Preparedness log onto the Transportation Security Administration's webpage [www.tsa.gov](http://www.tsa.gov)

## HOUSTON LOCATION BECOMES A CONTAINER FREIGHT STATION (CFS)

Rogers & Brown's Houston facility moved last October to a 4,000 square foot warehouse and cross docking location near the International Airport. This location is now an official CFS designated warehouse.

**3340-D Greens Road, Suite 300**

**Houston, TX 77032**

**Phone: 713.861.7178**

**Fax: 713.868.1039**

This facility adds to the already existing 500,000+ warehouse facilities owned and/or managed by Rogers & Brown in Charleston, Atlanta, and Greer, SC.



Houston Office

For more information on this or other Rogers & Brown facilities and warehouse locations contact our Houston Division Manager, Ms. Lori Mullins at the phone number listed, or contact Ken Bolin, Director of Sales at 864-801-8300 X 111.



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## IMPORT COMPLIANCE/INVOICE REQUIREMENTS

US Customs and Border Protection (CBP) has created and posted multiple Informed Compliance Publications on their website <http://www.cbp.gov>. These publications are intended to guide importers and educate them on the Reasonable Care requirements relating to importing and entry documents.

One of the most critical areas related to proper documentation and importing is the Invoice Requirements. CBP is enforcing these requirements by issuing "Informed Compliance Notices" to importers who do not provide the necessary invoice data at the time of entry. Penalties against the importer and broker may result if the lack of detail continues.

The invoice requirements as outlined in CFR146.86 includes, but is not limited to:

- A complete, English description of the product being imported, including the composition of the commodity
- The country of origin (where the product was made, not necessary shipped from)

In the case of textiles, the actual manufacturer and the manufacturer's address must be shown. This information will be provided to CBP as the MID (Manufacturer Identification Number), for all textile related imports. If CBP determines that an MID is based on information related to a party other than the manufacturer (the actual producer of the goods) then the importer and the broker may be subject to penalties. The shipper MID is not acceptable unless it can be verified that the shipper is also the actual manufacturer. The importer must provide the broker with a statement from their agent that provides the name and address of the factory that produced the merchandise.

CBP will only allow annotated invoices at the time of entry document submission, attachments will not be accepted.

"When we long  
for life  
without  
difficulties,  
remind us that  
oaks grow strong  
in contrary winds  
and diamonds are  
made under  
pressure."  
Peter Marshall

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## USTR ANNOUNCES REVIEW OF PRODUCT AND COUNTRY PETITIONS FOR GSP STATUS

As part of the 2007 Generalized System of Preferences (GSP) Annual Review, the Office of the United States Trade Representative (USTR) is accepting public comments until October 19 on country petitions for products to receive duty-free treatment under GSP.

For specific details refer to the Federal Register:

[http://www.ustr.gov/assets/Trade\\_Development/Preference\\_Programs/GSP/GSP\\_2007\\_Annual\\_Review/asset\\_upload\\_file893\\_13276.pdf](http://www.ustr.gov/assets/Trade_Development/Preference_Programs/GSP/GSP_2007_Annual_Review/asset_upload_file893_13276.pdf)

## ADDITIONAL TEXTILE INVOICE REQUIREMENTS

<p>The following is required on the invoice per 19CFR141.89(a) – Textile fiber products (T.D. 55095) – (1) The constituent fiber or the combination of fibers in the textile fiber product, designating with equal prominence each natural or manufactured fiber in the textile fiber product by its generic name in the order of predominance by the weight thereof if the weight of such fiber is 5 percent or more of the total fiber weight of the product; (2) The percentage of each fiber present, by weight, in the total fiber content of the textile fiber product; (3) The name, or other identification issued and</p>	<p>registered by the Federal Trade Commission, of the manufacturer of the product or one or more persons subject to Section 3 of the Textile Fiber Products Identification Act (15U.S.C.70a) with respect to such product; (4) The name of the country where processed or manufactured.</p> <p>The following is required on the invoice per 19CFR141.89 – Woven fabric of man-made fibers in headings 5407, 5408, 5512, 5513, 5514, 5515, 5516 – 1) State the exact width of the fabric; 2) Provide a detailed description of the merchandise, (trade-name, if any); 3) Indicate whether</p>	<p>bleached, unbleached, dyed, of yarns of different colors and/or printed; 4) If composed of more than one material, list percentage by weight in each; 5) Identify the man-made fibers as artificial or synthetic, filament or staple, and state whether the yarns are high tenacity. Specify the number of turns per meter in each yarn; 6) Specify yarn sizes in warp and filling; 7) Specify how the fabric is woven (plain weave, twill, sateen, dobby, jacquard, swivel, lappet, etc.); 8) Indicate the number of single threads per square centimeter in both warp and filling; 9) Supply the weight per square meter in grams; 10) Provide the</p>	<p>average yarn number using this formula; <math>100 \times</math> number of single threads per square centimeter divided by number of grams per square meter; 11) For spun yarns, specify whether combed or carded; 12) For filament yarns, specify whether textured or not textured.</p> <p>If you have questions related to the necessary invoice requirements contact Floyd Sirico, Entry Manager, or Beth Morris, Director of Drawback and Special Services at 843-577-3630.</p>
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## COST / BENEFIT SURVEY OF C-TPAT IS CONDUCTED BY THE UNIVERSITY OF VIRGINIA

Customs – Trade Partnership Against Terrorism (C-TPAT) requires that members voluntarily sign an agreement to work with Customs Border Protection. Through C-TPAT, CBP asks businesses to ensure the integrity of their security practices and communicate and verify the security guidelines of their business partners within the supply chain.

The survey was conducted at the request of CBP to gather the impressions of C-TPAT partners regarding the value, benefits and costs associated with membership in the program. Significant findings were revealed from the more than 1,700 companies that participated.

A copy of the survey is located at the C-TPAT area of the Customs website [www.cbp.gov](http://www.cbp.gov)



We are a certified and validated member of Customs-Trade Partnership Against Terrorism.

## POST ENTRY AMENDMENTS

US Customs and Border Protection (CBP) announced a modification to the Post Entry Amendment Processing Test (PAE). This allows an amendment to entry summaries prior to Liquidation. Effective September 20, 2007, Supplemental Information Letters (SILs), the previous method of correcting entries, has been eliminated.

Under the PAE test, the importer (or broker) must file an amendment letter upon discovery of: (1) A revenue related error in an

entry summary where the error results in either an overpayment or underpayment of duties, taxes, and/or fees in the amount of \$20 or more; (2) any error in an entry summary relating to anti-dumping or countervailing duties; and (3) any non-revenue related statistical information errors in an entry summary that must be reported to the U.S. Census Bureau.

Customs published an amendment to the PAE test in the Federal Register, which now requires the information to be

submitted to Customs minimally 20 days prior to the scheduled liquidation date of each entry summary covered in the PAE letter.

Because of the time constraints imposed by the PAE, 20 days prior to liquidation, and due to the fact that a reasonable amount of time that is required in order to process the PAE, it is imperative that importers notify Rogers & Brown Customs Brokers of any required changes to their Entry as soon as they are aware of the required amendments.

"Pain and Suffering is inevitable but Misery is optional"

Author unknown

## 10 +2 DRAFT EXPECTED TO BE PUBLISHED IN OCTOBER

As mentioned in the December newsletter of Tradetalk, the 10 + 2 (required data elements) will be CBP's new security initiative, with the intent of identifying and targeting high risk cargo. If the details are not provided, Customs will issue a "no load" order resulting in the freight not leaving the foreign country destined for the United States.

Customs intends to release the draft plan next month, with a 60- to 90-day public comment period, and then the final regulation

publication is expected.

There will likely be a phase-in period before full enforcement takes place.

The required data elements to be supplied are:

1. Manufacturer name and address
2. Seller name and address
3. Container stuffing location
4. Consolidator name and address
5. Buyer name and address

6. "Ship to" name and address

7. Importer of record

8. Consignee number

9. Country of origin of the goods

10. Commodity

Harmonized Tariff

Schedule number (six digits)



## IMPROVED IMPORT COMPLIANCE

An "Improved Import Compliance" seminar was held recently in Charleston. Many issues were discussed in detail, but the focus was on the fact that the trend in Customs is going to be towards "Trade Enforcement". This means that CBP is going to be looking for better information to be supplied by the importer through their broker representation.

A major part of the discussion was the fact of deduction of ocean freight on imports. It is their contention that it is imperative that the amount being deducted be able to be substantiated by the importer. It is not acceptable to take out estimated freight amounts, but if there is an amount shown on the invoice, CBP can request verification of this amount. Methods of verification would be various ways such as:

- Copy of Freight Bill of Lading (No hand written amounts will be considered verification)
- Copy of Payment to SS Co (Cancelled check)
- Copy of Contract or statement on invoice attesting that there is a contract with the SS Line
- Copy of Arrival Notice with freight annotated
- NVOCC notice substantiation of freight amount

We will continue to deduct the amounts shown on the invoice if annotated by the shipper, however, please be aware that this amount could be challenged by CBP and they could request the verifications. If a "Prepaid" freight amount is estimated, please be advised that deductions should now include any estimated figures - that is the law.

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## BENEFITS OF PRIOR DISCLOSURE

There are many importers who are not aware of the benefits of **"Prior Disclosure"**. This is a procedure in which an importer can advise U.S. Customs and Border Protection (which will later be shown as CBP) of any discrepancies, such as misclassification, value differences, incorrect advice or miss declaration of assist, and any other inadvertencies that might have been incorrectly reported to CBP. The **"Prior Disclosure"** method of advice can only be used if the importer has not been advised by CBP of the issue. If an audit or advice by means of a CF28, CF29 or verbal advice by CBP has been received the **"Prior Disclosure"** will be denied.

If an importer has any idea that there has been an error made they should contact their broker or customs attorney and proceed with weighing the options of this method of correcting the errors. When submitting a Prior Disclosure, all entries that have been incorrectly submitted must be corrected by this method, going back 5 years of liquidated entries. It is imperative that an importer immediately act on any discrepancies as penalties can be costly. If you are unable to retain all the information, required filing can be done with a request for a 30 day finalization to the **"Prior Disclosure"** and tendering of the additional duties. If there are multiple ports involved, the lead port (port with the majority of the entries involved) would be the port of filing for all of the disclosures. There are 3 positions CBP can take in regards to penalties. These are determined according to CBP's judgment of the severity of the error. These positions and penalties are as follows:

**"Negligent"** – Penalties would range from a minimum of 0.5 times the total loss of duty to a maximum of 2 times the total loss of duty, but the amount not to exceed the domestic value of the merchandise. If **"Prior Disclosure"** were submitted the penalty would be the interest on the loss of revenue.

**"Gross Negligent"** – Penalties would be an amount ranging from 2.5 times to 4 times the total loss of duty, but the amount not to exceed the domestic value of the merchandise. If **"Prior Disclosure"** were submitted the penalty would again be the interest on the loss of revenue.

**"Fraud"** – Penalties would range from a minimum of 5 times to a maximum of 8 times the total loss of duty not to exceed the domestic value of the merchandise. If **"Prior Disclosure"** were submitted the penalty would be 100 percent of the loss of duty.

Be aware that even if there is not any loss in duty, all discrepancies should be reported to CBP. There are also major differences in penalties invoked in regards to **"Prior Disclosure"** when the case does not result in loss of duty. Additional information can be obtained in the "Code of Federal Regulations" which is available on the government website at [www.customs.ustreas.gov/](http://www.customs.ustreas.gov/) and follow instructions to Regulations and CFR 171 App. B. If you are interested in acquiring more information in regards to this procedure you can access the above website or contact Floyd Sirico, entry manager at 843-958-2291.

## ROGERS & BROWN

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If you no longer wish to receive Special Notices from Rogers & Brown, please send an email to [Christina\\_Hughes@rogers-brown.com](mailto:Christina_Hughes@rogers-brown.com) and type "UNSUBSCRIBE" in the subject line of your email.

CHECK OUT OUR WEBSITE!

[WWW.ROGERS-BROWN.COM](http://WWW.ROGERS-BROWN.COM)



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### **Deborah Nelson**

Division Manager, Savannah, GA Division  
Deborah joined the Savannah Office as import manager in 1996 and was promoted to Division Manager in 2004. She is a licensed Customhouse Broker and brings over 26 years of transportation experience having worked for an LTL trucking company, an importer, and a Southeastern based Customs broker. Deborah resides in Rincon GA with her husband David.



**Ships, trains, planes, nor trucks move product. People do. People who show up to work each day with sleeves rolled up. Proud employees dedicated to the success of their clients. Loyal folks who understand that time is money, assembly lines cannot stop, cars need tires.**

**The sleep we sacrifice puts our clients at ease. The solutions we invent help streamline business and move cargo faster. Global networks we build make storms, port congestion and tight security restrictions small hurdles. We are Rogers & Brown. Our tireless efforts bring certainty to an industry where much is left to chance.**

**Our clients see us as more than a dedicated partner. They see us as heroes. Everyday**

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