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### **\*IMPORTANT UPDATE:\*** Federal Register Publishes Notice of Proposed "10 + 2" Rulemaking

The Notice of Proposed Rulemaking for Importer Security Filing and Additional Carrier Requirements (Also known as "10 + 2") was [published in the Federal Register](#) on January 02, 2008.

The proposed "10 + 2 rule" only applies to vessel cargo, and is an expansion of the requirement of the current "24 hour rule."

The 2 potential carrier requirements are:

- The vessel stow plan.
- Daily container status messages.

The 10 potential importer requirements for vessel cargo destined to the United State are:

- Manufacturer (or supplier) name and address.
- Seller name and address.
- Buyer name and address.
- Ship to name and address.
- Container stuffing location.
- Consolidator (stuffer) name and address.
- Importer of record number/FTZ applicant identification number.
- Consignee numbers.
- Country of Origin.
- Commodity HTSUS.

For foreign freight that will remain onboard a vessel that docks at a U.S. port, there are 5 potential data elements:

- Booking party name and address.
- Foreign port of unloading.
- Place of Delivery.
- Ship to Name and Address.
- Commodity HTSUS number.

In the proposal, Customs addresses some of the issues mentioned by interested parties when this topic was open for comment last year. For example, the HTSUS number would be required at the 6-digit level with an option of using the full 10-digit HTSUS that will be required at time of entry.

This proposal is again open for comment, and all written comments must be submitted prior to March 3, 2008.

## Ocean Fast Facts for January

### **World Container Port Ranking Top 11 Ports Combined Import and Export Volume: Year End 2005**

CONTAINER TRAFFIC in TEUs (000s)

<i>RANK</i>	<i>PORT</i>	<i>COUNTRY</i>	<i>TEUs</i>
1	Singapore	Singapore	23,192
2	Hong Kong	China	22,427
3	Shanghai	China	18,084
4	Shenzhen	China	16,197
5	Busan	South Korea	11,843
6	Kaohsiung	Taiwan	9,471
7	Rotterdam	Netherlands	9,287
8	Hamburg	Germany	8,088
9	Dubai	United Arab Emirates	7,619
10	Los Angeles	United States	7,485
11	Long Beach	United States	6,710

Source: <http://aapa.files.cms-plus.com/Statistics/WORLD%20PORT%20RANKINGS%202005.xls>

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Previous issues of the AIT eNewsletter have defined the word "incoterms" and provided a definition for the first popular incoterm, "Ex works (EXW)." This month, AIT offers another glimpse at a commonly used incoterm in the ocean industry: Free on Board (FOB).

### Ocean "BUZZ" Word of the Month: Free on Board - FOB

**Free on Board - FOB (... named port of shipment):** The term "Free On Board" is used only for ocean and inland waterway transport. FOB terms are when the seller/exporter or manufacturer clears the goods for export and is responsible for the costs and risks of delivering the goods past the ship's rail at the named port of shipment. Normal payment terms for Free On Board transactions include cash in advance, open account, and letters of credit. The key document in FOB transactions is the "On Board Bill of Lading." FOB is sometimes confused with Free Carrier (FCA ... named place), but FCA applies to all modes of transportation.

Examples: FOB Free on Board "MSC Loretta V310" Hong Kong, China

FOB Free on Board Halifax, Nova Scotia

Sources: <http://www.exporter.com/moreus.asp?ID=10>

Dictionary of International Trade - Handbook of the Global Community, 7th Edition. Edward G. Hinkelman, 2006.

Understanding incoterms can have an impact when quoting freight shipments and depending on which incoterms are used when a shipment is quoted, it can make a very big difference in the rate, as certain charges on freight shipments are excluded or included, depending on the type of incoterm used for the quote.

When you have questions about incoterms, please contact your AIT representative to assist! It will ensure apples-to-apples comparison when figuring out your transportation costs.

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### [A Snapshot of Ocean ... from 2007 to 2008](#)

The beginning of the 2007 ocean shipping season from Asia brought about a high level of uncertainty regarding ocean freight rate increases and a highly anticipated peak season. There were dire predictions that rates would skyrocket in part due to a shortage of capacity on high shipping volumes and the 2007 market would incur Peak Season levels never seen before with delays and backlogs of shipments for weeks.

By the time peak season hit in June into July, it became apparent that the highly anticipated "peak" would not transpire. Lack of consumer confidence in the USA during the mid-year, tied to a weak demand for home improvement goods related to the sub-prime mortgage correction in the USA, played a significant role in stalling orders for consumer goods from Asia to the USA.

The recent "lead paint" toy scare on goods imported from China also is thought to be a contributing factor to subtle reductions in import volumes. Inbound volumes through west coast USA ports in October and November 2007 were flat when compared to same period in 2006.

As 2008 is now a reality, the carriers in the Asia to USA trade are already under cost pressures relating to fuel and environmental matters. As mentioned below in this month's "Market Notes," ocean carriers are implementing Emergency Bunker Surcharges to offset rising fuel and environmental costs. While cost recovery programs implemented in 2005 and 2006 were aimed at infrastructure improvement, the cost recovery programs into 2008 are geared toward the environment and port efficiencies. Imports from other regions such as Europe and Latin America remained steady.

While the weak dollar contributed to a fall-off in import volumes, it actually helped U.S. exports throughout 2007. Export ships to all regions; Asia, Oceania, Latin America and Europe, are at full or over capacity. Rates have remained rigid, or increased slightly. Surcharges such as BAF have increased in line with increased bunker costs. While this is good news for the ocean carriers, there is a struggle for these same carriers to keep an adequate supply of ocean containers, especially in the USA mid-sections, available for immediate bookings. Taking this into consideration, it is important for AIT customers and exporters to remain on top of all export shipments, especially when sourcing from such markets as Chicago, St. Louis, Kansas City, and Denver. These intermodal markets are often "demand" areas for ocean equipment; and import empty "turns" occasionally do not become available fast enough to supply the export booking demands.

The bottom line recommended New Year's Resolution for your ocean transportation needs in

2008: Book early and often to ensure available equipment, preferred carrier and sailing options, especially for USA based exporters!

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OCEAN

### [Market Notes](#)

#### ***Emergency Bunker Surcharge (EBS) Advisory = Asia to USA***

Several ocean carriers are now implementing an Emergency Bunker Surcharge, also known as "EBS." For some carriers, the EBS went into effect on December 21, 2007 while others will implement after the 1st of January. Depending on the ocean carrier, it is expected that the EBS will be between \$200 and \$400 per 40' container. Additionally, most carriers are expected to apply the following EBS: \$240/20', \$300/40', \$340/40'HC and \$380/45'. EBS will also apply for LCL rates and is anticipated to be in the range of \$5-\$8 per w/m.

The primary reason for the implementation of EBS by the carriers is due to the increase in costs for ocean carriers to use high-grade "bunker" or fuel, as well as increased fuel costs for pier trucking services working within the ocean terminals.

#### ***Alameda Corridor Surcharge (ACS) Advisory = New Levels in 2008***

ACS will experience a slight increase beginning on January 01, 2008. The previous levels were \$18/\$36/\$36/\$40, and new levels are \$19/\$38/\$39/\$42 per 20'/40'/40'HC/45'. This is for all cargo transiting via intermodal rail corridors to and from the ports of Los Angeles and Long Beach.

#### ***Los Angeles / Long Beach Container Handling Fee coming in 2008***

The "going green" initiative on the west coast will result in a new handling fee for containers entering the Ports of Los Angeles / Long Beach. An initiative proposed earlier in 2007 is now being backed by the Los Angeles Harbor Commission in December. The proposed fee will assist replace trucks operating on port terminals, which will meet stringent emission standards outlined by the Los Angeles-Long Beach Clean Air Action Plan. The fee is estimated to be \$35 per-TEU or \$70 per-FEU and the start date has not yet been announced. It is expected this fee will result in 1.6 billion in revenue over the next five years.

Source: Journal of Commerce Online; December 20, 2007

#### ***Happy New Year! Happy New Year!***

Please be reminded that by the February edition of the AIT eNewsletter, Chinese New Year will be celebrated for our partners, clients and suppliers throughout Asia. This year, Chinese New Year, or "Spring Festival," falls on February 7, 2008 as millions throughout China and the rest of Asia celebrate this most important annual event in the Chinese calendar. Also be reminded that due to closures by your suppliers, vendors and agents alike, you must plan your shipments carefully and pre-book ocean shipments if possible. 2008 is the "Year of the Rat" by the Chinese calendar, so don't be caught "chasing your tail" at the last minute and plan your shipments accordingly.

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## The Parting "Wave" - New Year's Resolutions

From the entire team at AIT Ocean Systems, all the best for a healthy and prosperous 2008 - Happy New Year!

**One item forthcoming in the February 2008 AIT Ocean Systems Newsletter Edition: The Third Incoterm: Cost, Insurance and Freight (CIF).**

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## Airlines Go Green - Continued

The subtext here could be, "How will they pass this one along?" As our readers know, freight forwarders have "passed along" the fuel and insurance security surcharges implemented by various airlines. As we quickly approach \$100 per barrel crude costs by press time, the fuel surcharge has already hit \$1.11 per chargeable kilogram in some markets. As we have written in previous issues of this column, escalating fuel surcharges is one of the primary reasons why air freight is being diverted to ocean freight. The October 19, 2007, issue of Air Cargo News reported the following:

*"The political battle against pollution has taken another turn, with the unexpected pre-budget announcement that freighters will be hit with an environmental tax under a new scheme to eradicate Air Passenger Duty (APD) and pressure airlines to reduce carbon emissions.*

*From November 2009 all aircraft operators will be subject to an emissions tax, rather than the individual."*

Although the international carriers have been doing their best to eliminate fuel-gouging, environmentally-unfriendly aircrafts like the Boeing 747-200 and increase their purchases of the modern B-777 and B-787F, imposing a tax on the airlines who have just (barely) started showing a profit will somehow be passed along to the forwarders, who in turn will somehow have to pass the tax along to the customers.

While governments and carriers attempt to find an amicable solution, one compromise to the European Union's Emission Trading Scheme (ETS), beginning on 2011, is trading tax credits. More CO<sup>2</sup> efficient carriers can trade or sell tax credits to less efficient airlines as a way of the former paying for their investment at the expense of the latter.

IATA, not to be left out of the "I'm more green than you" tit-for-tat, has given "the aerospace industry 50 years to come up with" a zero-emissions jet. (CNS Air Cargo Focus - Fall 2007 issue). Talk about an unfunded mandate!

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## Northwest Announces "EarthCares" Program with the Nature Conservancy as Founding Partner

Northwest announces its EarthCares program to reinforce the airlines' commitment to the environment with The Nature Conservancy (TNC) as a founding partner.

In addition to a \$1 million donation from Northwest made to The Nature Conservancy on behalf of all Northwest customers, this partnership will focus on five strategic Nature Conservancy land conservation projects around Northwest's domestic hubs, as well as a unique program in China and a unique carbon offset program in the Mississippi River Valley. Aside from carbon sequestration, these projects boast many environmental benefits, including habitat preservation, promotion of biodiversity, recreation for hunting, fishing, hiking, and bird watching, improved water quality and even flood prevention.

Through this partnership, Northwest customers will have the opportunity to support these significant TNC projects with a financial donation, a donation of frequent flier miles, or a contribution to TNC's forest carbon projects to offset credits to offset the estimated carbon emissions from their travel on Northwest flights.

"The Northwest Airlines EarthCares program is about protecting the environment, which is a priority for us. We look forward to partnering with TNC and our customers on these strategic environmental land conservation projects," said Doug Steenland.

NWA WorldPerks customers are already supporting The Nature Conservancy and last year donated more than a million miles for their use.

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## Cities around the World: Hong Kong

In 2008, a new section of the International e-Newsletter will be introduced, featuring the profile of a major trading city with the United States in each edition.

This month's profile spotlights the city of Hong Kong.

**Hong Kong**, officially the Hong Kong Special Administrative Region, is one of the two special administrative regions of the People's Republic of China (PRC), the other being Macau. The territory lies on the eastern side of the Pearl River Delta, bordering Guangdong province in the north and facing the South China Sea in the east, west and south. Beginning as a trading port in the 19th century, Hong Kong has developed into a leading financial centre.

Hong Kong was a crown colony of the United Kingdom from 1842 until the transfer of its sovereignty to the People's Republic of China in 1997. The Sino-British Joint Declaration and the Basic Law of Hong Kong stipulate that Hong Kong operates with a high degree of autonomy until at least 2047, fifty years after the transfer. Under the policy of "one country, two systems," the Central People's Government is responsible for the territory's defense and foreign affairs, while Hong Kong maintains its own legal system, police force, monetary system, customs

policy, immigration policy, and delegates to international organizations and events.

The Basic Law of Hong Kong, which would serve as the constitutional document after the transfer, was ratified in 1990. The transfer of the sovereignty of Hong Kong occurred at midnight on July 1, 1997, marked by a handover ceremony at the Hong Kong Convention and Exhibition Centre. Tung Chee Hwa assumed office as the first Chief Executive of Hong Kong.

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### **Geography**

Hong Kong consists primarily of Hong Kong Island, Lantau Island, Kowloon Peninsula and the New Territories as well as some 260 other islands. The Kowloon Peninsula is attached to the New Territories to the north, and the New Territories spans northwards eventually connecting with mainland China across the Sham Chun River (Shenzhen River). Overall, Hong Kong encompasses a collection of 262 islands and peninsulas in the South China Sea. While Lantau is the largest island, Hong Kong Island is the second largest and the most populated. Ap Lei Chau is the most densely populated island in the world.

The name "Hong Kong," which literally translates to "fragrant harbor," is derived from the area around present-day Aberdeen on Hong Kong Island. This is an area where fragrant wood products and incense were once traded. The narrow body of water which separates Hong Kong Island from the Kowloon Peninsula is known as Victoria Harbor and is one of the deepest natural maritime ports in the world.

Despite Hong Kong's reputation of being intensely urbanized, the territory has made much effort to promote a green environment. Much of the territory remains undeveloped as the terrain is mostly hilly to mountainous with steep slopes. Of the territory's 1,104 square kilometers (426 square miles (1,103 km<sup>2</sup>)), less than 25% is developed. The remaining land is remarkably green with about 40% of the landmass reserved as country parks and nature reserves. Most of the territory's urban development exists on the Kowloon peninsula, along the northern shores of Hong Kong Island and in scattered settlements throughout the New Territories.

Hong Kong's long, irregular and curvaceous coastline also affords the territory many bays, rivers and beaches. Despite the territory's extensive wooded and ocean setting, environmental awareness is growing as Hong Kong's air ranks as one of the most polluted. Approximately 80% of the city's smog originates from other parts of the Pearl River Delta.

Hong Kong is 60 kilometers (37 miles) east of Macau on the opposite side of the Pearl River Delta. It borders the city of Shenzhen in Guangdong Province to the north. The highest elevation in the territory is at Tai Mo Shan, at a height of 958 meters (3,142 ft) above sea level. Lowlands exist in the northwestern part of the New Territories.

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## Economy

Hong Kong maintains a highly capitalist economy built on a policy of free market, low taxation and government non-intervention. It is an important centre for international finance and trade, with the greatest concentration of corporate headquarters in the Asia-Pacific region. In terms of gross domestic product per capita and gross metropolitan product, Hong Kong is the wealthiest urban centre in the People's Republic of China. The GDP (PPP) per capita of Hong Kong exceeds the four big economies in Western Europe (UK, France, Germany, Italy), as well as Japan.

Continuing the practice established under the British administration, the government of Hong Kong mostly leaves the direction of the economy to market forces and the private sector. Since 1980, the government has generally played a passive role under the official policy of positive non-interventionism. Hong Kong has often been cited as a prime example of laissez-faire capitalism in practice, most notably by economist Milton Friedman. It has ranked as the world's freest economy in the Index of Economic Freedom for 13 consecutive years, since the inception of the index in 1995. It also places first in the Economic Freedom of the World Report.

Hong Kong has little arable land and few natural resources within its borders, and must therefore import most of its food and raw materials. Hong Kong is the world's eleventh largest trading entity, with the total value of imports and exports exceeding its gross domestic product. As of 2007, there are 115 countries that maintain consulates in Hong Kong, more than any other city in the world. Much of Hong Kong's exports consist of re-exports, which are products made outside of the territory, especially in mainland China, and distributed through Hong Kong. Even before the transfer of sovereignty to the People's Republic of China, Hong Kong has established extensive trade and investment ties with mainland China. The territory's autonomous status enables it to serve as a point of entry for investments and resources flowing into the mainland. It is also a connecting point for flights from Taiwan destined for the mainland.

The currency used in Hong Kong is the Hong Kong dollar. Since 1983, it has been pegged to a fixed exchange rate to the United States dollar. The currency is allowed to trade within a range between 7.75 and 7.85 Hong Kong dollars to one United States dollar. The Hong Kong Stock Exchange is the sixth largest in the world, with a market capitalization of about U.S. \$2.97 trillion as of October 2007. In 2006, the value of initial public offerings conducted in Hong Kong was second highest in the world after London. The City of London Corporation's Global Financial Centers Index (GFCI) 2007, which evaluates the competitiveness of 46 financial centers worldwide, ranks Hong Kong as the third-best financial centre globally and the strongest centre in Asia.

Hong Kong's economy is dominated by services, which accounts for over 90 percent of its gross domestic product. In the past, manufacturing had been the most important sector of the economy, as Hong Kong industrialized following the Second World War. Driven by exports, the economy grew at an average annual rate of 8.9 percent in the 1970s. Hong Kong underwent a rapid transition to a service-based economy in the 1980s, when growth averaged 7.2 percent annually. Much of the manufacturing operations moved to mainland China during this period, and industry now constitutes just 9 percent of the economy. As Hong Kong matured to become a financial centre, growth slowed to an average of 2.7 percent annually in the 1990s. Together with Singapore, South Korea, and Taiwan, Hong Kong is known as one of the Four Asian



Tigers, or Dragons for its high growth rates and rapid industrialization between the 1960s and the 1990s.



The economy continues to grow strongly with the return of consumer confidence and rising trade. Hong Kong has set low rates in both personal and corporate taxation.

In 2006, Hong Kong's per-capita GDP ranked as the 6th highest in the world at U.S. \$38,127, ahead of countries such as Switzerland, Denmark, and Japan. Its GDP ranked as the 40th highest at U.S. \$253.1 billion.

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### **Demographics**

Hong Kong's population increased sharply throughout the 1990s, reaching 6.99 million in 2006. About 95% of Hong Kong's population is of Chinese descent, the majority of which are Cantonese or from ethnic groups such as Hakka and Teochew. Cantonese, a Chinese language originating from Guangdong province to the north of Hong Kong, is Hong Kong's official dialect. English is also an official language widely spoken by more than 38% of the population. According to the 1996 Hong Kong Government by-census, some 3.1% regard English as their 'usual' language with 34.9% claiming to speak English as 'another' language. Signs displaying both Chinese and English are extremely common throughout the territory. Since the 1997 handover, new groups of mainland China immigrants have arrived. The usage of Mandarin (Putonghua), the official dialect of mainland China and Republic of China (Taiwan), has also increased. The integration with mainland economy led to a demand in Mandarin speakers.

The remaining 5% of the population is composed of non-ethnic Chinese forming a highly visible group despite their smaller numbers. A South Asian population comprised of Indians, Pakistanis and Nepalese are found. Vietnamese refugees have become permanent residents. Approximately 140,000 Filipinos live and work in Hong Kong with the majority as foreign domestic helpers. An increasing number of domestic workers also originate from Indonesia. There are also a number of Europeans, Americans, Australians, Canadians, Japanese, and Koreans working in Hong Kong's commercial and financial sector.

Considered as a dependency, Hong Kong is one of the most densely populated countries/dependencies in the world, with an overall density of more than 6,200 people per km<sup>2</sup>.

Hong Kong's population has an extremely dense urban core, consisting of Kowloon and the north of Hong Kong Island. The rest is relatively sparsely populated, with millions of residents scattered irregularly throughout the New Territories, south Hong Kong Island and Lantau Island. An increasing number of citizens are living in Shenzhen, and commuting from mainland China.

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## **Transportation**

Hong Kong has a highly developed and state-of-the-art transport network, encompassing both public and private transport. Over 90% of daily travels are on public transport, making it the highest percentage in the world.

Hong Kong has one active international airport, known as Hong Kong International Airport, located at Chek Lap Kok. In 1998, this replaced the former Hong Kong International Airport - Kai Tak Airport located at Kowloon City, which was simultaneously closed. After high-profile delays in the cargo systems in the first few months, the airport now serves as a transport hub for Southeast Asia, and as the hub for Cathay Pacific Airways, Dragonair, Air Hong Kong, Oasis Hong Kong Airlines, Hong Kong Airlines and Hong Kong Express. Additionally, both Hong Kong International Airport and Cathay Pacific Airways have been voted best in the world, in the airport and airline criteria respectively, by Skytrax from 2001 to 2005, and again in 2007. Hong Kong International Airport served more than 36 million passengers in the year 2004, and increased to over 40 million passengers in 2005.

Source: Wikipedia

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COMPLIANCE

## **C-TPAT Training Seminar to be held in New Orleans Feb 26-29**

If you are C-TPAT, this could be a good post Mardi-Gras event. If you don't like crowds, this is a great time to visit New Orleans.

This seminar is open to certified C-TPAT members only. The attendees should be individuals directly responsible for the implementation of the C-TPAT program throughout the organization's supply chain.

The agenda will focus on the need to improve supply chain by strengthening the Customs/Trade cooperative partnership. Joint Customs/Trade presentations, panel discussions and concurrent workshops will be conducted. Many new topics will be discussed this year to include: Current Terrorism Threats, Industry Best Practices, FAST/ACE, Mutual Recognition, Secure Freight Initiative, Product Safety, and 100 Percent Scanning.

For more information go to Customs website:

[http://www.cbp.gov/xp/cgov/import/commercial\\_enforcement/ctpat/ctpat\\_training\\_sem.xml](http://www.cbp.gov/xp/cgov/import/commercial_enforcement/ctpat/ctpat_training_sem.xml)

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### Informed Compliance

The "Informed Compliance Publications" page on the Customs website ([http://www.cbp.gov/xp/cgov/toolbox/legal/informed\\_compliance\\_pubs/](http://www.cbp.gov/xp/cgov/toolbox/legal/informed_compliance_pubs/)) is one of the best sources for information regarding Customs compliance issues. While not all publications will apply to all companies, there are some ("Recordkeeping," to name just one) that should be required reading for any company involved in international business.

A great New Years resolution would be to read through the "Reasonable Care" publication. It contains checklists regarding general compliance, merchandise description & classification, valuation, country of origin/marketing/quota, intellectual property rights (IPR), additional questions for textile & apparel importers, and miscellaneous questions. Your company can help itself by incorporating these guidelines into its SOPs.

Some other very useful Customs websites:

<http://rulings.cbp.gov/> - Rulings useful in classification aka CROSS

<http://iprs.cbp.gov/> - Intellectual Property Rights Database

<http://addevd.cbp.gov/> - Antidumping/Countervailing Duty Database

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### Some thoughts about issues with clearance of Import freight

In the perfect world, it would be simple to clear an import shipment through Customs, and in many cases it is not very difficult. All that is needed to prepare your own entry for Customs clearance is proof of a financial transaction (Invoice) and proof of how freight moved to the U. S. (Airbill, Ocean waybill, etc.). Of course, to guarantee Customs that any later requirements will be satisfied, a "Customs Bond" will be required to process a formal entry through Customs. If this was all that is involved, there would probably not be a need for Customs Brokers.

Now comes the part where the process becomes less simple. The merchandise listed on the invoice must be classified using the HTSUS (Harmonized Tariff System, US version), and the classification must be accurate so that the correct amount of duties/taxes/fees will be paid to Customs. When there is only one commodity, this can be a simple procedure, and Customs has made the CROSS website (Customs Rulings Online Search System) available to research rulings for some more difficult commodities. But a multiple page invoice with various commodities can become a very complex classification project.

This is when the description as shown on the invoice becomes very important. If the invoice's description of the merchandise is not clear enough to allow a valid classification, there can be a problem. For example, Customs believes that "parts" is not a sufficient description; this is because if a generic part (bearings, transformers, screws/nuts/bolts, etc) is specifically mentioned in the tariff (HTSUS), then that part should be classified as what it is and not as a part. Certain commodities will need more exact descriptions (clothing, bearings, video monitors, watches/clocks, steel, etc.) since the tariff can be very specific.

One of the most basic invoice requirements is a declaration of the country where the merchandise was originally manufactured. This is especially important for textiles and quota goods, and for commodities that could have anti-dumping or countervailing duties assessed against them.

U.S. good declarations are a compliance area that should be audited closely. When something that was shipped from the U.S. is returned the U.S., that merchandise is not automatically classified as U.S. goods; only merchandise actually manufactured in the U.S. can be classified as U.S. goods.

Furthermore, a declaration must be made regarding all returned goods (whether or not U.S. goods) as to whether they have increased in value in any way (upgraded, manufactured, repaired, etc) since they were exported from the U.S. Replacement goods are not returns, they are a new importation; so if repairs are not possible, the new merchandise (free warrantee replacement) is not goods returned after repairs.

If, in addition to Customs, any governmental agencies are interested in the merchandise (FDA, FCC, EPA, DOT, ATF, etc.), paperwork must be presented to satisfy those agencies' requirements. For example, vehicles require both DOT & EPA approval; alcoholic beverages have federal, state, and local requirements; certain electronics can require FCC (regarding transmissions) and FDA (regarding radiation)... the list continues to have commodities (HTSUS classifications) added.

Please visit the websites below for more detailed information.

US Import Requirements:

<http://www.cbp.gov/linkhandler/cgov/toolbox/publications/trade/usimportrequirements.ctt/usimportrequirements.doc>

Importing into the US:

<http://www.cbp.gov/linkhandler/cgov/toolbox/publications/trade/iius.ctt/iius.doc>

Customs Bond Q & A:

[http://www.cbp.gov/linkhandler/cgov/toolbox/publications/trade/qandabonds.ctt/q\\_and\\_a\\_bonds.doc](http://www.cbp.gov/linkhandler/cgov/toolbox/publications/trade/qandabonds.ctt/q_and_a_bonds.doc)

Tariff Classification:

[http://www.cbp.gov/linkhandler/cgov/toolbox/legal/informed\\_compliance\\_pubs/icp017r2.ctt/icp017r2.pdf](http://www.cbp.gov/linkhandler/cgov/toolbox/legal/informed_compliance_pubs/icp017r2.ctt/icp017r2.pdf)

CROSS (Customs rulings online search system):

<http://rulings.cbp.gov/>

Customs Regulations (CFR 19 102.11) - Rules of Origin/General Rules:

[http://a257.g.akamaitech.net/7/257/2422/26mar20071500/edocket.access.gpo.gov/cfr\\_2007/aprqr/19cfr102.11.htm](http://a257.g.akamaitech.net/7/257/2422/26mar20071500/edocket.access.gpo.gov/cfr_2007/aprqr/19cfr102.11.htm)

DOT vehicle imports:

<http://www.nhtsa.dot.gov/cars/rules/import/>

EPA Vehicle engine imports:

<http://www.epa.gov/otaq/imports/>

Importing Alcoholic Beverages:

[http://www.ttb.gov/itd/importing\\_alcohol.shtml](http://www.ttb.gov/itd/importing_alcohol.shtml)

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### Questions & Contact Information

If you have any questions or comments regarding this eNewsletter, please contact one of the following representatives. Thank you.

Ocean: [Chris Jostes & Kevin Krause](#)

Air Freight: [Joseph Hoban](#)

Compliance: [Paul Codere](#)

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