



WINGS, WAVES & WHEELS

Customs Clearance International, Inc.

Around the Corner or Around the World, We keep your merchandise moving

www.cciusa.net

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Customs Clearance is a full service logistics company with offices in Los Angeles, San Francisco, New York and Houston. Please visit us at www.cciusa.net for a complete list of our services and office contact details.

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Power of Attorney Form

Customs brokers are governed by regulations, specifically CFR 19, part 111 and 141 dealing with brokers responsibilities and powers of attorney from clients. The Customs power of attorney provides authority for the brokerage company to act on behalf of the importer before Customs & Border Protection. The authority is very broad and allows for the signing of necessary government forms, posting of bonds and authorizing delivery of the importers shipment. The broker is required to obtain the power of attorney from the importer prior to filing entry in the importers name.

Over the years many variations of the power of attorney form have been circulated and some lack the current necessary language now required under the regulations with respect to the notification of the importers right to pay duty directly to CBP.

We have posted a current, updated version to our web site at www.cciusa.net if you would like to review. This same updated language has also been incorporated into our ISF-Importers Security Filing, POA form.

If the form that is currently on file is not current you will be requested to update the form on your next shipment.

Trade Investigations- AD/CVD

Importers should be aware of two types of trade investigations that can affect their business. They are AD, antidumping and CVD, countervailing duty. An antidumping investigation evaluates if an imported product is being sold by a foreign manufacturer in the US market at less than a fair value. The countervailing duty investigation reviews if a foreign producer is gaining an unfair advantage through the receipt of government subsidies.

The investigation process by the Department of Commerce and International Trade Commission can take a year or longer. If either an AD, CVD or both are issued against a particular product from a specific country the case can continue on for five years with indefinite five-year renewals. This process can be very troubling to an importer as the establishment of an AD or CVD case can be retroactive which allows for additional duties to be charged on shipments that have already been entered and sold or the material used in production

If you would like additional information about the AD/CVD process please contact your local office.

GSP- Refund claim deadline

As reported in the last newsletter GSP was renewed on Oct. 21. 2011 with retroactive action to Jan. 1, 2011. Importers have 180 days to file a claim for refund of duties paid if the entry was not flagged at the time of importation. For entries that were flagged Customs anticipates that the automatic refunds will all be issued by the end of February 2012.

China- Radiation Issues

CBP is finding increasing numbers of shipments originating from China to contain unacceptable levels of radiation contamination. Most of the products are metal based. Importers should be aware that Customs scans containers and shipments for radiation levels and will refuse entry of merchandise and require the importer to export contaminated product to the origin at their own expense. Importers should take note and safeguard their purchases by

making sure their suppliers are only using quality materials in their production and guarantee no radiation contamination on their purchase orders.

Transportation Corner

Ocean Freight- Because of lower shipping volumes we are seeing carriers pulling out of trade lanes and vessel sharing arrangements increase among carriers. This is a natural process when volumes decrease. Even with the consolidation we are not seeing much of an increase in pricing. We do not expect to see a successful increase in rates in the first quarter of 2012.

Airfreight- The market remains stable but fuel prices are still very high making the overall cost of airfreight too expensive for many products.

Trucking- although domestic fuel prices have decreased in recent weeks the FSC with most carriers has not changed. The current fuel surcharges are running 20% to 30% depending on the trade lane.

Cargo Insurance

Importers and exporters must be aware that truckers, air and ocean carriers, brokers/forwarders have limited liability in their terms of service agreements. In general truckers, brokers/forwarders have a \$50 liability, ocean carriers \$500 and air carriers \$20 per kilogram. Unless the shipper or consignee requests in writing an increased insurance amount they will not be covered in the event of a loss. The cost of insurance is very minimal and we highly recommend that all clients have insurance on their shipments. Please contact your local Customs Clearance office for a free quote on your next shipment.

Continuous Bond

If you are a regular commercial importer and have high value or more than five shipments per year we would like to make you aware of a potential time and money saving tool for your company. In general Customs requires an entry bond for commercial shipments valued at \$2000 or

more. If the shipment is arriving via ocean a separate ISF bond is also required so you have the potential of filing two bonds on each shipment. The cost of the entry bond is based on the value/duty amounts of your shipment. This process is known as a STB or single transaction bond.

For clients that have high value or more than five shipments we highly recommend the filing of a CTB or continuous transaction bond. This bond is good for one year from the date approved by customs. The bond covers both your entry and the ISF filing requirement and is good for all of the importers shipments at all ports in the USA. The other added benefit is that it allows for your entry in most cases to be remote filed so you can utilize Customs Clearance for all your shipments arriving in the USA with one point of contact. The continuous bond also allows for paperless customs releases unlike the single transaction bond where physical documentation must be manually filed which can cause delays and the possibility of storage/demurrage on shipments.

If you would like to apply for a continuous bond please contact your local office for a bond application and start saving money and expediting your shipments.

Household Goods/ Personal Effects

By: David Sudduth

Well another successful year has passed and as we move forward to a New Year we all need to give thanks to all our friends and associates around the world.

Please pay close attention that you are using the most current power of attorney form as required. We do not want to delay your shipments and we have provided several notices about the requirement to use the current power of attorney form that can be found on our website.

Also a reminder to all moving companies that every ISF filing service is required to hold a valid power of attorney from the importer in order to transmit data to Customs per the law. If you are not using our ISF filing service we invite you to inquire about this no hassle, cost efficient service today.

Please be sure the ISF completed form

are submitted to us at least 48 hours (excluding weekends & holidays) prior to the loading on the vessel at origin in order to be timely filed and avoid a potential penalty.

Also as a quick note, household goods clients should be encouraged not to ship food or alcohol in their shipments as these delay the releases. As mentioned in previous issues no rice or tuna fish, tuna products should be imported at all as they will be required to be removed and destroyed at the importers expense.

Many thanks to all our loyal customers and we look forward to serving you in the New Year.

Presidents Minute

As we close the chapter on our 11th year as a company I would like to thank all of our customers and personnel. 2011 was a solid year for the company. We relocated our San Francisco and Los Angeles offices to larger facilities during the year. We upgraded our computer system to allow us to process transactions more promptly for our clients. We were able to hire new personnel at a time when most companies were reducing staff. We have many things to be thankful for this year and wish everyone a prosperous New Year in 2012.

Sincerely

Bill Wratschko

President

