

E&W also a Worldwide Logistics Management Company

The logistics industry has experienced several years of transformation. As the economy dictates, more businesses are looking for **Supply Chain Networks and Personalized Services**. Most people do not know that Evans and Wood is also a global logistics company. We reach 300 ports in over 100 countries through more than 200 agents worldwide. Some of our overseas relationships are over ten years old.

Evans and Wood has long been known for its integrity, professionalism and experience in providing high levels of service through client relationships, advanced technologies and top-notch attention to U.S. Customs compliance. We have taken that further by partnering with like-minded U.S. and foreign agents to provide that level of service internationally, as well as broaden our transportation arm, with a level of personalized service which can't be beat.

In short, Evans and Wood has been building its high U.S. Customs Compliance culture and its transportation expertise, including U.S. and foreign agents, into a **World Class** logistics management company. The difference between us and integrated carriers is the personalized attention each shipment receives at Evans and Wood.

Director, Trade Relations Discusses C-TPAT by Dawn Ballard

Director, Trade Relations, U.S. Customs headquarters, Andrew Maner addressed the Houston Customs Brokers and Freight Forwarders Association at their April luncheon. Primary topic of concern was the recently introduced Customs-Trade Partnership Against Terrorism.

C-TPAT is a joint government-business initiative to build cooperative relationships that strengthen overall supply chain and border security. It is the brain-child of recently appointed Customs Commissioner Robert Bonner. Senate-approved one month **after** the 9/11 disaster, Bonner responded to the nuke-in-a-box concerns of Americans and Congress with C-TPAT.

C-TPAT recognizes that Customs can only provide high levels of security in containers entering and departing the U.S. through heightened cooperation of ultimate consignees, importers, exporters, carriers, brokers, warehouse operators, and other trade partners.

Through this initiative, Customs is asking businesses to ensure the integrity of their own security practices and communicate their security guidelines to their business partners within their supply chain.

In his appeal, Bonner reported that Customs examines less than 2% of all import containers. They intend to examine more in the U.S. and overseas. Businesses can help by applying to participate in C-TPAT, obtaining detailed information via the Customs website or attending our May 2 Houston Compliance Seminar.

Customs issued a press release including importer incentives in April. Evans and Wood intends to prepare an Importer Take Note on this matter soon and will bring attendees of the May 2 workshop up-to-date then.

In the meantime, you can find additional information by going to www.evanswood.com, click on links, Treaties and Regulations, U.S. Customs Service, Importing and Exporting, C-TPAT.



Director, Trade Relations, U.S. Customs Headquarters Andy Maner speaks with Evans and Wood Vice President Pam Reeder and one of our import clients about C-TPAT at the April 3 HCB/FAA luncheon.

U.S. Customs may be "pushing out borders" in Rotterdam

The Dutch Customs Authority is poised to sign an agreement with the U.S. allowing the stationing of U.S. Customs officers in Rotterdam to assist in the inspection of containers bound for the U.S. Under the Container Security Initiative, the U.S. wants to station Customs officers in ten ports that handle about half of all containers exported to the US.

The co-operation will involve the U.S. and Dutch Customs developing ways of ascertaining, as early as possible, which containers are considered as a risk. Initially, there will be a three- to four-month trial period, after which the results will be reviewed. Part of the deal is that the presence of the US customs officers in Rotterdam should not result in more inspections of containers or delays. Evans and Wood's agents plan to be Customs' exam coordinators in a number of cities.

Inside this issue:

Logistics Management *Cover*

Customs-Trade Partnership Against Terrorism *Cover*

U.S. Customs Pushing Out the Borders *Cover*

Ask Your Broker, Special Programs Status 2

Opt-Out... USCS Public Access of Proprietary Info 2

Fuel Surcharge Indexed 2

FAA-TSA 2

Our Company's Main Assets Go Home at Night 3

SRO, "Face-to-Face" Service 3

Binding Rulings Timeframe Set 3

CF28/29 Limits Prior Disclosures 3

Importers Could Face Labor Pains on West Coast 3

Duties/Quotas on Steel, Effective 3/20/02 4

You're Invited

Complimentary Executive Summary of Focused Assessment & C-TPAT

Sponsored by Evans and Wood.

Conducted by Suzanne Richer, a nationally recognized speaker on customs compliance

May 2, 2002

10:45 a.m.—1:15 p.m.

Evans and Wood's Houston Headquarters

Please RSVP by May 1, 2002 to Sherry, sherry@evanswood.com or 713-468-0406

Ask Your Broker

What duty free "special programs" are or are not in effect now? It's all very confusing.

Generalized System of Preferences (GSP): The National Customs Brokers and Freight Forwarders Association, of which Evans and Wood is a member, continues to focus Congressional attention on renewal of the GSP, which expired as of September 30, 2001. The plan is to attach GSP renewal to a trade package on Trade Promotion Authority (formerly "Fast Track Authority"), which the Senate will begin debating in late April or early May. Now is the time to write your senators in support of GSP renewal, since the vote on the trade package is expected to be very close. To find out how to contact your two senators, go to www.senate.gov. Importers should stress the importance of GSP to their businesses, and urge a longer renewal period, rather than the now-annual lapses in this program. **CONTACT YOUR SENATORS NOW IN SUPPORT OF GSP RENEWAL!**

Andean Trade Pact Agreement (ATPA): This program expired in December, and has not yet been renewed. Customs published a temporary rule on February 15, 2002, allowing importers to defer payment of duty and fees on merchandise that would have been duty-free under ATPA, until May 16, 2002. If ATPA is not renewed during this 90-day grace period, importers must pay all deferred duties and fees on or before May 16, 2002; if ATPA is renewed, deferred fees must still be paid by that date. Customs allows for payment by check on an entry-by-entry basis, or a lump sum payment for all deferred entries in a single port, by check or EFT.

African Growth and Opportunity Act (AGOA): The AGOA was amended in October 2000 to extend GSP duty-free/non-quota treatment to sub-Saharan African countries designated by the President, for non-textile articles normally excluded from GSP, and specific textile and apparel articles. AGOA has not expired, and in fact GSP treatment for sub-Saharan African countries does not expire until the year 2008.

Caribbean Basin Trade Partnership Act (CBTPA): In October 2000, Customs amended the trade benefit provisions for Caribbean Basin countries to allow duty-free/non-quota entry of specific textile and apparel articles, and the extension of NAFTA duty treatment standards to non-textile articles that are excluded from duty-free treatment under the Caribbean Basin Initiative (CBI) program. CBTPA is currently still in effect.

Contact your local Evans and Wood & Co., Inc. import manager for further information on these programs.

This question answered by Pam Reeder, CHB, Import Vice President.

Send Your Questions to espirit@evanswood.com

Fuel Surcharge, Go Figure

When we started to put together our newsletter we wrote a notice about the falling fuel prices. However, as the deadline approached, fuel surcharges began to increase again.

Instead of notices, let us share **how** trucker lines generally calculate a fuel surcharge and you can keep track yourself. Using the Department of Energy Highway Diesel Fuel National Price Index, if diesel fuel costs are \$1.20 per gallon at the pump, there is generally no surcharge. When the price at the diesel pump is:

1.20-1.299	3% fuel surcharge
1.30-1.399	4% fuel surcharge
1.40-1.499	5% fuel surcharge
1.50-1.599	6% fuel surcharge
1.60-1.699	7% fuel surcharge
1.70-1.799	8% fuel surcharge

So, go figure! Now, as you fill up, take a peak at the diesel prices and you can calculate the additional for yourself.

Opt-Out of U.S. Customs Public Data Access of Proprietary Information

by David Strong, CHB

Thought that you could only OPT-OUT (of having your private information disclosed) with your personal financial institution? Read on.

Customs Regulations state that accredited members of the press, for publication purposes, are permitted to examine vessel manifests and summary statistical reports of imports and exports. Further, manifest data acquired from the Automated Manifest System (AMS) is available to interested members of the public on magnetic tape. Among the data elements that are made available are: Consignee name and address, shipper/supplier name and address, description of goods and 17 other specific data elements.

However, you can OPT-OUT. Customs regulations state that an importer or consignee may request confidential treatment of their company's information. In addition, an importer or consignee may request confidential treatment of the name and address of the shipper or shippers to such importer or consignee. Furthermore, data for which parties have requested confidential treatment will **not** be included in data listed on the available magnetic tapes.

If you would like to OPT-OUT with U.S. Customs, contact your local Evans and Wood Group customer service representative for further information.

FAA-TSA: Another Acronym

by John Sevcik, COF

Based on the November 19, 2001 Aviation and Transportation Security Act (ATSA), the responsibility and control for air cargo security has officially been transferred from the Federal Aviation Administration (FAA) to the new Transportation Security Administration (TSA). TSA is the government agency created by the statute to deal with security matters impacting airline cargo and passenger operations. Many of the existing FAA personnel have moved to TSA. They are operating temporarily under the FAA regulations; however, regulatory changes are likely.

While this is primarily a cosmetic change for your day-to-day operations, there are new variations coming in documentation and requirements, particularly for security certifications. We will work to make these changes as transparent as possible without delays to air export cargo. We will be qualifying our customers and prospective clients as required by the TSA regulations soon. In some instances, site visits or additional documentation will be required.

Should you have any questions, please contact John Sevcik @ jsevcik@evansandwood.com or go to www.evanswood.com, click on Links, then US Government Agencies, then U.S., Department of Transportation logo, finally click on TSA to link to TSA's website.

BXA renamed BIS

The Bureau of Export Administration (BXA) has been renamed the Bureau of Industry and Security (BIS). This agency grants licenses and enforces the laws over a wide variety of goods sold by American companies for export from the U.S.

2002 U.S. Government Holidays

May 27	Memorial Day	Nov. 11	Veterans Day
July 4	Independence Day	Nov. 28	Thanksgiving Day
Sept. 2	Labor Day	Dec. 25	Christmas Day
Oct. 14	Columbus Day	Jan. 1	New Year's Day

Our Company's Main Assets go Home at Night

by Holland Evans, CHB

I enjoy talking about our people to anyone who will listen, or in this case, read. We have some very experienced and well-qualified people working for us and I think you will enjoy getting to know them better here.

Holland Evans, Floy Evans and Pam Reeder joined Evans and Wood at its inception in 1983. All are licensed brokers located in the Houston headquarters. Floy is Executive Vice President, Chief Operating Officer and currently serves as President of the Houston Customs Brokers and Freight Forwarders Association. Pam is Vice President of Imports and also serves as the Houston Import Manager. I am privileged to be the President of E&W, having previously served in government and the oil field supply field.

Larry Sauseda (1985) is a Customer Service Representative in charge of air imports for the Houston office. **John Sevcik** (1987), Vice President of Exports, is housed at our Dallas Export Service Center and Warehouse Distribution Center, and is a Certified Ocean Forwarder. **George Little** (1988) is our Sales Representative in our Tulsa Sales Office.

Accounting Manager **Peggy Masciopinto** (1989) is at the Houston headquarters. **Shannon Scheid** (1990) is an import Customer Service Representative in Houston. **David Strong** (1991), Import Manager of the Los Angeles office, is a licensed broker.

Pat Gonzales (1993) is an import Customer Service Representative in Houston. **Dina Deniz** (1994) is an import Customer Service Representative in Dallas. **Eugenia Guerrero** (1999) is a Clerical Assistant in the Accounting Department in Houston.

Stay Tuned for Meet the Team, Part Two which will appear in our next newsletter. May is Employee Appreciation Month at Evans And Wood. Please help us encourage your favorite E&W team-member.

Binding Rulings Timeframe Set

by Jann Futrell, CHB

As a critical part of informed compliance, importers have often turned to Customs for interpretation of the laws and regulations as they apply to their import product. The U.S. Customs Service Office of Regulations and Rulings (OR&R) provides the agency's interpretations. However, in the past, it has taken months and even years to receive a ruling on some issues. This inability to issue rulings in a timely manner can be costly to importers and Customs has resolved to streamline the process.

Commissioner Robert C. Bonner has set a standard of 90 days for issuing headquarters rulings. To achieve this, he has appointed Douglas M. Browning as deputy customs commissioner and tasked him with making the changes necessary to meet this standard.

Browning is trying new ideas and approaches to the process of issuing rulings. He believes that the old way of "first-in, first-out" does not work, as some rulings are more complex than others. He also sees areas where the process can be streamlined, believing that you can reduce a 15 page report to three pages without losing the message.

Already, Browning's new approaches have reduced a backlog of 11,000 to 12,000 cases to 800 to 900 cases. The Commissioner believes that this number will continue to drop and eventually the 90-day standard will become a reality. This will leave room for the OR&R to actually take a leading role in compliance issues, answering questions before they are asked, thus eliminating the need for many rulings.

CF 28/29 Used for Commencement of Investigations Limits Prior Disclosures

By Floy Evans, CHB

In a May 28, 1998 Final Rule, Federal Register, Vol. 63, No. 102 RIN 1515-AB98 TD 98-49 29126, U. S. Customs considered the ways in which it contemplated *notice of the commencement of an investigation*. It specifically said in its final rule that it did not consider a "commencement document" as CF 28 and CF 29 (Request for Information or Rate/Value Advance Notice).

However, recent action taken by Customs in several ports, uses these very forms to notify an importer of an investigation commencing, using as justification the ruling which says CF 28 and 29 could not be considered "commencement document for prior disclosure purposes unless they (the CF 28 or CF 29) **articulate that a possible violation exists**".

This recent action seriously limits the use and timing of prior disclosures, uses CF 28 and CF 29s in more formal ways than industry practice ever considered their use, and is a significant "watch-out" for the importing community.

If your firm has had entry level people reviewing and replying to CF28/29s, you should consider additional training or higher levels of review due to this "legal" use on Customs' part. Contact Floy Evans with questions or for copies of the final rule.

Standing Room Only

"Face-to-Face" Services

U.S. Customs is continuously adding new programs, such as C-TPAT (see related article in this newsletter), and revising existing ones, such as the replacement of the Customs Assessment Program with Focused Assessment. Evans and Wood offers face-to-face meetings, on-site assistance and the publication of newsletters, mailings and flyers to keep our clients up-to-the-minute. Our website provides valuable links to Customs and other government agencies, as well as on-line tracking for all current and past shipments.

With all the complex issues facing importers today, we have found the most effective tool for our customers is the regularly scheduled meetings that our licensed brokers have with them. These meetings are documented and used as Customs' Reasonable Care evidence. Areas in which we provide assistance include classification, Customs audits, Reasonable Care, new Presidential Proclamations (see article on Steel Imports), etc.



Karen Keeling, Dallas Import Manager, in a lighter moment with client regarding their customs compliance program.

Regular meetings also provide an avenue for discussion to make traffic issues flow more smoothly and increase efficiencies between all parties involved, the importer and broker, Customs, vendors and transportation providers. If your import program does not warrant monthly or quarterly meetings, you may attend our in-house workshops. (See announcement of the May 2nd Focused Assessment and C-T PAT in Houston).

Customs' Focused Assessment Program for audits emphasizes the importance of internal controls, documentation and training. With regular meetings and on-site visits, Evans and Wood can assist in creating and implementing your internal processes. We provide training programs for general Customs compliance and specialized training for different commodities. Programs can be tailored for import departments, traffic departments and even your suppliers.

Contact your nearest Evans and Wood office to find out more about the personal service and care we give our clients.

Importers About to Face Labor Pains?

The current 3-year contract between the Longshore employees (ILWU) on the West Coast and the Pacific Maritime Assoc. (PMA), which represents the employers, expires on July 1, 2002.

Both sides are preparing for a possible strike. Importers should be prepared for almost certain work slowdowns at various West Coast piers. These disruptions will coincide with the beginning of the peak season.

Special purchasing strategies are appropriate.

Section 201 Duties/Quotas on Steel, effective 3/20/02

On December 19, 2001, the United States International Trade Commission (ITC) transmitted to the President a report on its investigation of the Trade Act of 1974, as amended (the "Trade Act") (19 U.S.C. 2252), with respect to imports of certain steel products.

The ITC reached affirmative determinations that some steel products are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat of serious injury, to the domestic industries producing like or directly competitive articles. Of the 33 product categories reviewed, 16 were found to be harmful.

On March 5, 2002, the President signed into effect a comprehensive relief program on steel imports, mostly in the form of 30 percent tariffs, with a smaller number ranging from 8-15 percent, and a quota on slab products. The remedy went into effect on March 20, 2002. The safeguard duties are effective for 3 years, and step down each year. At press time, Customs has not finalized how these duties will be collected.

The products covered include steel plate, rebar, hot-rolled steel sheet, certain welded tubular products, cold-rolled steel sheet, carbon and alloy fittings and flanges, coated steel sheet, stainless steel bar, tin mill products, stainless steel rod, hot-rolled steel bar, stainless steel wire, cold-finished steel bar, and steel slab.

Steel products from Free-Trade Partners (e.g.: Canada, Mexico, Israel and Jordan), and WTO member developing countries that export only small amounts of steel to the U.S., will be excluded from the safeguard measures. In order to qualify for the exclusion, steel products further manufactured in such exempt countries from steel of foreign origin must be transformed in accordance with the specific rules of origin. Mill certificates will be required to be submitted with every entry summary.

Deferral of Section 201 duty deposits until after April 19, 2002 was provided to accommodate the WTO negotiations scheduled to take place within the first 30 days of the safeguard action. The duty deferral was provided in the event that a modification to the order were to take place as a result of the negotiations. Importers continued to incur liability for section 201 items imported in this March 20 to April 19 deferral period. We will attend the first Customs training session on this matter on April 30, 2002. Upon Customs clarification, we will provide an *Importer Take Note* on this matter.

Further detailed information is available on the U.S. Customs website, at the following URL: <http://www.customs.gov/impexpo/steel.htm>, or by contacting Pam Reeder, Vice President, Imports, at 713-468-0406 ext 104, or pam@evanswood.com.



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May 2, 2002— Focused Assessment and C-TPAT Briefing at our Houston Office

