



Coppersmith Inc.
Global Logistics

**INSIDE THIS
ISSUE:**

SPOTLIGHT ON SECURITY

Security is in all aspects of our personal and professional lives these days and has become an increasingly high priority for the government. Read on to see what areas are being impacted, what the expectations are for the trade and what Coppersmith is doing to assist our customers meet their obligations.

- Security = Customs -Trade Partnership Against Terrorism (C-TPAT)
- Security = Product and Food Safety
- Security = 10+2 – Security Filing
- Security = Automated Commercial Environment (ACE)
- Security = Exports



Customs-Trade Partnership Against Terrorism

In April 2002, Customs invited the Trade to participate in C-TPAT. The purpose of C-TPAT is to strengthen supply chains and in turn, border security. Participating companies are asked to conduct a comprehensive self-assessment of their supply chain security using the guidelines jointly developed by Customs and the Trade. These guidelines encompass Procedural Security, Physical Security, Personnel Security, Education and Training, Access Control etc.

Coppersmith Inc. has invested heavily in all aspects of the security guidelines listed above to provide our customers with the assurance that our link is a strong component in the security of your supply chain. When visiting any Coppersmith facility you will see restricted access to all offices and warehouses, high-end automation security of all data collected, as well as secure processes and procedures in handling freight and documentation.

Product and Food Safety - Import Safety Action Plan

In 2002 the Bioterrorism Act was enacted, which mandated the Food & Drug Administration to establish regulations to ensure the safety of the food supply chain from terrorist activities against US citizens. This includes registration of both foreign and domestic parties who manufacture, process, pack, transport, distribute, receive, hold or import food into the US. Further recordkeeping from source to subsequent receipt of these goods as well as pre-arrival notification of these shipments is required.

Recently because of the highly publicized safety issues surrounding the imports of tainted food and unsafe toys President Bush is calling for an Import Safety Action plan to be considered in development of new regulatory and legislative efforts to ensure the safety of food and consumer products.

Page Two

**10+2
Automated Commercial
Environment
Additional Security for
Exports**

Page Three

**AES Operational
Requirements
TSA Requirements for
Export Freight Forwarders
BIS Requirements
Our Commitment to Export
Compliance**

Page Four

**Coppersmith Office
Locations**

“This newsletter is for Clients of Coppersmith Inc., and is for informational purposes only. Topics included herein are taken from numerous sources and edited to provide an overview of the subject and should not be relied upon solely for implementation or compliance purposes. Where possible we have provided sources for more detailed information.”



*Serving the International Trade
Community since 1948*

Continued on Page Two

Continued from Page One

Coppersmith Inc. immediately invested in programming to provide our importers with a 1-stop method of meeting the pre-arrival reporting requirements of the Bioterrorism Act.

Coppersmith remains involved in national and regional trade associations to represent our customer's interests to meet the needs of food and product safety. As these new processes are mandated, Coppersmith is ready to provide effective tools to help our customers meet their obligation under these new requirements when they become enacted.

10+2 – Security Filing

CBP published in the Federal Register, on January 2, 2008, a plan to require additional data elements 24 hours prior to loading of cargo destined to the US. Importers will be held liable for the accurate reporting of this information. There is no question that this information is usually available at or near the time of entry. However, since it must be reported 24 hrs prior to loading, the challenge for importers will be to coordinate all parties in their supply chain to have this data available significantly earlier in the transaction. This Security Filing (as it is being called) must link the manufacturer to the origin and the tariff number of each product.

Who will you trust with your EIN number and the accurate transmission of this data? Coppersmith Inc. is preparing now to put its resources to work to assist our clients to meet this new obligation.

The 2 additional data elements will come from the carrier and the 10 from the importer or his agent. For importers, CBP expects: manufacturer/supplier name and address; seller or owner name and address; ship to name and address; container stuffing location; container or stuffer name and address; importer of record and consignee IRS number; country of origin; and the 6 digit tariff number for all commodities in the shipment.

See the complete proposal in Federal Register /Vol. 73, No.1 (RIN 1651-AA70) 01-02-08. Comments due on or before March 3, 2008 and may be submitted to <http://www.regulations.gov>. Reference Docket No. USCBP-2007-0027.

ACE – Automated Commercial Environment

ACE is the commercial trade processing system being developed by Customs (CBP) to facilitate legitimate trade while strengthening border security.

This is going to be the new automated system CBP will use to track, trace and enforce the laws regarding all imports. It will be CBP's primary communication tool with importers. It will contain data and reporting tools to meet its obligation under informed compliance so that they can now enforce compliance. Are you preparing now? Will you be ready?



Coppersmith Inc. has invested heavily in programming for ACE and participates fully with its import customers to accommodate payment through Periodic Monthly Statement (PMS). We also sit on the Trade Support Network (TSN) and have provided input as well as a test ground for upcoming new modules of ACE. Access to over 100 reports on company specific compliance, transactional and financial data is available via the ACE Portal.

Currently monthly PMS statements are available for payment of duties and fees. By utilizing the PMS program, you are eligible to pay duties and fees on shipments released during a given month by the 15th working day of the following month, interest free.

**Becoming an ACE portal account is easy.
Sign up today at www.cbp.gov/modernization.**

Additional Security Measures for Export Shipments

For years, export customers have had the luxury of their status as the champions against the trade deficit. To this end, the government has not been heavily involved in regulating US Exports. Since 9-11, with the creation of the Department of Homeland Security, export shipments are subject to greater scrutiny. No longer is it possible to file export data without complete consignee information and an accurate manifest, post departure. Correct manifest information must be submitted 24 hours prior to vessel sailing. For air shipments, cargo must be tendered to the airline at least two hours prior to the flight. Some airlines require even more time.

Continued from Page Two

AES Operational Requirements

AES, the Automated Export System, was developed in partnership with the US Bureau of the Census and the export trade. Coppersmith Inc.'s programmers worked very closely with Census to assure that our proprietary system would work seamlessly and automatically to provide the government with export information in the fastest manner possible.

Like Customs, the Bureau of the Census requires export information to be provided to them prior to vessel departure. To accomplish this, Coppersmith Inc. must provide the most complete information we can prior to departure. Amending this information once shipments are finalized is time consuming and expensive. This results in essentially dual filing of each and every export shipment.

Getting accurate information in a timely manner is one of the steps that we're taking to help each of our customers comply with US export regulations. Enforcement of the regulations could mean freight does not get loaded on board a vessel if the information is not filed with the government.

TSA (Transportation Security Administration) Requirements for Export Freight Forwarders

This is a new agency established under the Aviation and Transportation Security Act, signed into law Nov. 19, 2001, as a branch of the newly created U.S. Department of Homeland Security (DHS.) The TSA oversees all aspects of transportation security, from passenger transportation to freight transportation. They have imposed several requirements on Export Freight Forwarders and Exporters that did not exist prior to the agency's creation.

1. Our employees are required to undergo background screening approved by the TSA.
2. Our facilities must have restricted access that is electronically monitored and recorded.
3. All individuals in secure areas must have identification displayed.
4. Two employees must screen any loose freight handled by Coppersmith Inc. consolidated into one shipment and records of this screening must be recorded.
5. Export Freight Forwarders are required to keep all their security procedures in a manual that is available to the TSA.
6. The airlines are charging an additional TSA security fee on each shipment to cover the cost of required security screening and additional personnel.

U.S. Bureau of Industry and Security (BIS) Requirements for Export Freight Forwarders

The sub-organization, formerly known until April 2002, as the Bureau of Export Administration (BXA), under the US International Trade Administration (ITA) is primarily responsible for implementing the Export Administration Act (EAA) and developing/administering the Export Administration Regulations (EAR).

The BIS requires freight forwarders to maintain a comprehensive manual of all procedures related to adhering to the export laws of the United States. Export Freight Forwarders are required to maintain all records of every export transaction for a period of five years. This information must be readily available to any enforcement official from the BIS at a moments notice.

Exporters, not the forwarders, are liable for violations of US export laws. To assist exporters comply with US export laws, Coppersmith Inc. maintains a staff of knowledgeable professionals with a working knowledge of export laws.

Coppersmith Inc.'s Commitment to Export Compliance

At Coppersmith Inc., we pride ourselves in our relationships with all Government agencies that are responsible for regulating US Exports. A critical success factor for Coppersmith Inc. is our ability to establish an infrastructure capable of serving our customers. A key element in this infrastructure is the Coppersmith Inc.'s ability to export products while helping our clients with US export control laws and regulations. To help our clients achieve compliance with US export control laws and regulations, Coppersmith Inc. has developed an export management and compliance program. The fines and penalties that exporters face will increase as the amount of regulations governing export transactions increase.



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