



Coppersmith Inc.
Global Logistics

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Are you ready for the 2007 Global Harmonized Tariff Schedule Changes?

The World Customs Organization's (WCO) third major revision of the Harmonized Tariff Schedule will be implemented on January 1, 2007.

The new version includes:

- ◆ More than 350 amendments to the Harmonized Schedule Nomenclature.
- ◆ Amendments to 83 Chapters
- ◆ 240 Heading changes
- ◆ Over 1600 HTS classifications will change at the 8-digit level
- ◆ Almost 10% of the 8-digit HTS classifications will change
- ◆ All the Free Trade/Trade Preference programs will be amended to reflect changes.

How will this impact your company? The initial impact will be the administrative burden of updating your classification databases. Don't forget you have the legal burden to properly classify your imported and exported goods. Fines and penalties for incorrect classifications are levied on the importer and exporter and rarely the broker/forwarder.

While most of the changes are meant to be duty neutral, there are instances where duty rates may also be affected. Coppersmith, in cooperation with Global Data Mining, can pre-screen your database of HTS classifications. Prescreening will include HTS not subject to change, subject to a one-to-one change, or subject to a one-to-many change. In all cases new HTS codes will be provided. In addition the report will identify any current HTS that is subject to a change in duty.

Receive pre-January 1 2007 US-HTS 8 Pre-Screening Reports for only \$750 regardless of the # of HTS's.

ITC website available with correlation tables:
<http://hotdocs.usitc.gov/docs/tata/hts/Pub3851.pdf>

DON'T WAIT until Jan 1, 2007 when reclassifying at the last minute may hold up the release of your shipment and result in storage or demurrage costs.

Recommended 2007 HS Reform Project steps

1. Determine all countries you do business with that will be affected.
2. Determine all internal company systems and databases that will be affected.
3. Determine all trading partners that rely on accurate classification data (suppliers, forwarders, carriers, brokers, and governments)
4. Determine all Other Government Agencies (OGA) that currently govern imports or exports
5. Determine all Trade Agreements that currently apply to your imports
6. Design project steps, assign personnel; timelines, and allocate a budget

Contact: msmith@coppersmith.com for an order form. Reports available within 3 weeks of payment and order receipt. **ACT NOW!**

"This newsletter is for Customers 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*

ANTIDUMPING DUTY UPDATES

Reminder: In our April newsletter we advised importers that Customs had changed its policy for Antidumping Reimbursement Certificates. Effectively, if an importer fails to file a certificate prior to liquidation double the antidumping duties will be assessed. Certificates may be provided in a Blanket format or a Single shipment format. Coppersmith Inc. will provide sample language of either certificate upon request.

Federal Register Notice: Monetary Guidelines for Setting Bond Amounts for Importations Subject to Enhanced Bonding Requirements.

In short, because importers have increasingly failed to pay additional ADD/CVD duties upon liquidation, CBP is reconsidering its bond sufficiency formula for importers subject to these duties. Interested parties are invited to submit written comments on or before

December 26, 2006. For a complete text of this Federal Register Notice go to our website at www.coppersmith.com and click on ADD/CVD Bond Requirements.

Further, CBP has been conducting aggressive bond sufficiency reviews for all importers bonds. Please note that you have only 30-days from the notice to comply with the new bond limit requirements. Coppersmith Inc. is happy to assist you in obtaining your new bond, however please keep in mind that the surety requires a new and complete application, indemnity agreements and in some cases financial statements and collateral. These submissions and approvals must be in place prior to submission to the Customs Bond Desk. If the 30-days expires prior to submission, a single transaction bond will be required for any transactions during the lapsed bond period.

Unexpected Bills for Many Importers Due to Antidumping Rule Change by Department of Commerce.

This rule "clarification" applies to transactions involving re-sellers. In effect the Department of Commerce will no longer allow application of a producer's rate unless the producer knew, or should have known, the merchandise it sold to the re-seller was destined for the US. Most importers prefer using the producer's rate, as they are generally lower. The change took effect for Administrative Reviews commencing on May 2003 and after. Due to the length of time to complete most reviews the change is just now beginning to impact importers. If your company purchased merchandise subject to antidumping duties from the foreign re-seller, this could result in significant additional duty bills.

COMPLIANCE CORNER

CORRECT NAME AND IRS# ON FILE WITH CUSTOMS

In attempt to clean up and maintain an accurate database of importers, Customs has been issuing periodic letters to Brokers for verification of information on file with Customs. Importers are targeted based on comparative information obtained from IRS or Social Security Administration. These requests require the

broker to obtain proof, in the form of documentation issued by the IRS or SSA to the importer of the IRS or SSN and name associated with that number, otherwise they would void from their system. Please respond promptly to our request in this matter. If information provided is found to be different than what Customs or Coppersmith Inc. has on file, it will necessitate a new Power of Attorney and filing of CBP Form 5106.

EXPORTERS

We want to remind AES filers that State Department Licenses govern and Census must defer to State. So, when AES asks for the identity of the intermediate consignee, the party named as the foreign consignee on the State Department License should be listed. Similarly, the end user listed on the State Department License should be reported as the ultimate consignee even if the foreign consignee is further processing what it receives before delivery to the end user.

Compliance Corner Continued

AGRICULTURAL IMPORTERS

Destroying or Re-exporting Agricultural goods denied entry and abandoned. CBP is considering billing importers for the cost of destroying or re-exporting abandoned agricultural goods that have been denied entry to prevent the spread of pests or disease.

USDA RESTRICTS CERTAIN FISH IMPORTS

USDA- APHIS has issued an interim rule to restrict imports of carp (including koi), grass carp, silver carp, bighead carp, Crucian carp, goldfish, tench and sheatfish. The unregulated importation of these species has reintroduced the previously eradicated viral disease Spring Viremia of Carp.

IMPORTER POWER OF ATTORNEY REQUIREMENTS

The Customs regulations specify that POA's issued by Partnerships or LLC's to Customs Brokers are only valid for 2 years. Please remember that we must have a valid POA on file to conduct Customs business on your behalf. Your soonest response to our request for an updated POA is greatly appreciated and will ensure uninterrupted handling of your shipments.

GSP for Non-AGOA Countries and ATPA/ATPDEA to Expire on Dec. 31, 2006 Unless Extended by Legislation



Modernization
Information Systems
Periodic Monthly Payment
of Duties

For more information go to our website at coppersmith.com and click on icon above.

Benefits of the monthly statement and payment capability include:

- ◆ The potential to receive more than 45 days interest-free float
- ◆ The ability to view statements as they are created
- ◆ The ability to select either a national or port statement

Current ACE users have said the following about the benefits of ACE and the monthly statement and payment capability:

"The first benefit is that it provides cash flow and related interest savings. Secondly, we benefit from a reduction in administrative work relating to duty payments. We no longer have to review and approve ACH payments daily"

"If the cash flow advantage alone is not enough to entice importers to take advantage of the ACE Secure Data Portal, access to payment information and reporting tools is a significant bonus for importers who have no on-line access to import data stored within the Automated Commercial System."

"Before, we spent a lot of time coordinating the ACH debits for each individual shipment. Now, it takes us about 15 minutes a month to tweak each monthly statement report we pull from ACE, before submitting it to the proper financial departments."



Customs-Trade Partnership

Against Terrorism (C-TPAT):
Partnership to Secure the Supply Chain

To fully realize the reduced cargo examinations of ocean cargo afforded to certified and validated C-TPAT importers, entry must be made to CBP as early in the importation process as possible, and at a minimum, of 24 hours prior to the cargo arriving to the first port of entry within the United States.

In addition the Ports of LA/LB and Dallas have begun a pilot program to expedite the processing, examination and release of C-TPAT certified importers air shipments.

To take advantage of this pilot program please advise our LA or DFW office if you are a "certified" C-TPAT partner and provide us a copy of your certification letter.

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