



# NEWSLETTER

*Changes That Might Affect You!!!*

*July 2002*

## *What is C-TPAT?*

Customs-Trade Partnership Against Terrorism, or C-TPAT is a joint initiative between government and business designed to protect the security of cargo entering the United States while improving the flow of trade. C-TPAT requires importers to take steps to assess, evolve and communicate new practices that ensure tighter security of cargo and enhanced security throughout the entire supply chain. In return, their goods and conveyances will receive expedited processing into the United States.

C-TPAT offers businesses an opportunity to play an active role in the war against terrorism. Through C-TPAT, Customs is asking businesses to ensure the integrity of their security practices and communicate their security guidelines to their business partners throughout the supply chain.

"Our nation's economy relies heavily on the ability to move cargo across our borders quickly -- in full compliance with the law," said Secretary of Treasury Paul O'Neill. "As a former CEO myself, I know it is critical to engage American businesses in our fight against terrorism. C-TPAT does just that." (Cont pg.4)

## *South-bound trucking/Exports*

On October 7<sup>th</sup>, 2002, the Mexican government intends to push all commercial traffic through the export facility. Currently the empty trucks (some 1000) are exiting through the tourist side. The infra structure on the American side is not capable of handling an additional 1000 trucks. We had a three-

day test and it was a total disaster. Any person trying to use La Media, Airway, or parts of Siempre Viva found a long wait.

The trucking companies, commercial real estate developers, and almost all government officials and brokers are involved. We are hoping that if a solid play with definite time lines for construction of roads for the trucks will persuade Mexican Customs to delay the move.

Importers are encouraged to write to their local representative, U. S. Customs to do what they can to delay this most detrimental action.

## *ILWA & PMA*

### *Tight Lipped*

The International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA) have seemed to agree on extending their contract on a day-to-day basis, there is very little information being published on the status of their negotiations. Both sides have done a wonderful job maintain a media blackout regarding their discussions. Therefore, the amount of publicly available, substantiated information is very limited.

We can confirm that David Miller, a veteran longshoreman and union official, has been named area arbitrator for Southern California. Waterfront employers and International Longshore (cont pg2)

**(ILWA &PMA cont.)**

and Warehouse Union officials say Miller's appointment removes a potential roadblock to successful negotiations for a new contract on the West Coast. Southern California had been without an area arbitrator since the previous arbitrator, John Pandora, died more than a year ago. Whilst Miller's appointment eliminates a possible impediment to successful negotiations, larger issues still remain to be resolved.

Industry groups (including the NIT, International Mass Retail Association (IMRA) and the West Coast Waterfront Association) have been registering increasing concern over the talks and the potential economic harm a lockout or strike would produce. Robert Verdisco, President of the IMRA, in published excerpts of his letter to President Bush and other government leaders, wrote, "For the mass retail industry, the stakes could not be higher. July marks the beginning of the 'peak' import season for back-to-school and Christmas merchandise. Worker disruptions could severely impact both selling seasons, which encompass a large percentage of annual retail sales."

In the event an agreement has not been reached, a work slowdown or complete stoppage remains a possibility.

### *Textile FYI*

Just to let everyone know TPL 1 is closed and TPL 3 is at 92.6% as of July 15th.

Importers, especially textile importers need to remember that they are responsible for any declaration made at crossing. It is recommended that importers keep in close contact with their contractors. It should be clear on what the importer is going to declare, keeping good records of this communication is recommended. If you contractor declares NAFTA or any other preferential treatment (special regime) you need to have the proper documentation required to back up the declaration made at the time of crossing.

Also companies need to remember that BRAND NAMES need to be checked for trademarks prior to shipping from Mexico. The trademark holder

must issue a letter of authorizing the importer of record to import the good. If you wait until the inspector finds the violation, your cargo will be detained or seized depending on you ability to get the authorization.

While washing instructions are not mandatory by Customs, in these current times, it should be there. It can't however cover the 3 items listed above. Care Instructions can be on the backside of the label or on a separate label.

A MARKING NOTICE issued by Customs, is what you will receive if your goods are not marked in accordance with the law. You will have 30 days to mark the goods. Normally the goods are released to the Importer of record. On occasion the goods are sent to the brokers premises and must be marked there. To release the goods, the broker will get a sample, have the importer sign that the whole cargo has been marked and will proceed to have the import specialist sign off the marking notice. Customs can recall the entire shipment and do a complete examination of all the cargo.

If you sell the goods or fail to satisfy the notice, U.S. Customs will issue a penalty for the entire value of the shipment plus duties. Marking problems also put your IRS number in the computer and subsequent shipments will be checked. If you get 3 marking notices in a short period of time, U.S. Customs can also issue penalties.

This marking law seems easy to understand, however it is one of the most violated law. Importers often redesign their label, or have it supplied to them without noticing the changes or deletions. It should be checked prior to export. If you have questions, please ask us.

## IAB News

IAB will be leasing out some space to Sarana y Asociados S.C. Agencia Advanal, which is the U.S satellite office for Licensed Mexican customs broker Ana Bertha Sanchez Perez. Joel Sarana has been working in the industry for many years and we all wish him success and an easy transition with his new location. Besides Mexican Documentation they offer consulting for Mexican regulation, laws, importation program and maquiladoras. This is creating even more of a seamless operation at IAB; efficiency is gained by having all of the Mexican and American documentation in one place. Their office is located over in the Lax office

### IAB Phone Directory

<b>Employee</b>	<b>Extension</b>	<b>Direct</b>
Armando Salazar	115	
Brian Raynoha	105	
Carolyn Goding	102	671-3180
Dennise Gutierrez	106	
Elsa Fraire	104	
Emilio Martinez	131	
Gloria Magna	117	
James Goding	125	671-3185
Jesus Ortiz	130	671-3184
John Morris	142	
Karla Amaya	129	
Laura Gonzales	121	671-3188
Laura Jimenez	141	
Leticia Munoz	116	
Loraine Chavez	120	671-3187
Mario Rodriguez		
Marcia Galvan	127	
Marisa	138	
Miguel Estevez	112	
Mini Ascencio	108	671-3181
Miriam Meza	118	671-3190
Misako Newkirk	110	671-3182
Oscar Segura		
Pedro Esteves		
Ruben Marquez		
Sandra Richter	122	671-3189
Shippers	100, 101	
Steve Goding	111	671-3186

Takako Mason	114
Victor Torres	107
Yolanda Garcia	119

### IAB Mexico Extensions

Jorge Martinez	2001
Antonio Ibarra	2002
Carmen Peraza	2003
Jorge Lagunas	2004
Gloria Gutierrez	2005
Gregorio Martinez	2006
Gilbert Luna	2007

### LAX Freight Phone Director

Gustavo Rodriguez	133
Luis Arreguin	134
Martha Torres	136
Tony Morales	135
Charles Van Single	132

And you can always press zero for the operator.

Thank you.

### Serana y Asociados, S.C

Phone	619.671.0920
Fax	619.671.0923

**(C-TPAT from pg 1)**

Customs will offer additional potential benefits to C-TPAT members, including:

- Dedicated commercial lanes where infrastructure permits
- Assigned Customs point of contact (account manager)
- Eligibility for account-based processes (bimonthly/monthly payments)
- Reduced inspections

Businesses must apply to participate in C-TPAT. C-TPAT membership is available to importers, carriers, brokers, warehouse operators, and manufacturers. Participants will sign an agreement that commits them to the following actions:

- Conduct a comprehensive self-assessment of supply chain security using the C-TPAT security guidelines jointly developed by Customs and the trade community.
- Submit a supply chain security questionnaire to Customs.
- Develop and implement a program to enhance security throughout the supply chain in accordance with C-TPAT guidelines.
- Communicate C-TPAT guidelines to other companies in the supply chain and work toward building the guidelines into relationships with these companies.

C- Benefits will begin once Customs has evaluated the application package and has found it to be acceptable. Their goal is to have a response to the applicant within 60 days of submission. Customs has stated that all information submitted for this process will be confidential. Once accepted the account manager will begin working with the applicant and will track progress in making security improvements, communicating C-TPAT guidelines to business partners and establishing improved

security relationships with other companies. Customs has stated that the amount of work and expense associated with this initiative will vary by importer. They expect small to mid size importers to spend less than large importers and they state that most companies should be able to become a member of this new initiative should they so desire. Customs has information on their website to help importers decide if this program is right for them.

Seven companies helped initiate the program - its charter members. They are: BP America, Daimler Chrysler, Ford Motor Company, General Motors Corporation, Motorola Inc., Sara Lee Corporation, and Target. Customs also invited more than 200 highly compliant importers to join C-TPAT. Thus far sixty have signed agreements and more than 100 additional applications are pending.

The first step in becoming involved in C-TPAT is to review your current trading practices and look for weaknesses. We are well versed in the requirements of membership in C-TPAT and can help you navigate the security recommendations and explain the agreement you are required to sign. We recognize the need for a more secure border and are committed to helping our customers achieve the level of security they deem necessary in our changed world of international trade. The threat of terrorism is real as we all know and we stand ready to answer your questions now and in the future.