

Windsor Employees Move Into New Facilities



There have been a number of changes to our Windsor facilities over the past few months. With the addition of a new, 32000 square foot, building at 1980 Ambassador Drive, we have relocated the Windsor Regional Centre. That move has allowed the corporate office to move to an expanded 2001 Huron Church Road. The majority of Windsor staff are now within walking distance of one another as the two facilities are only 150 feet apart. One of the benefits of the moves has been that both locations are now on one phone system. Incoming calls to both buildings will now ring at the same location and anyone in either building can

be accessed. Our mailing address remains unchanged as P.O. Box 333 Windsor, Ontario N9A 6L6. See below for a breakdown of the various departments and their locations.

2001 Huron Church Road (Corporate Office)

- Executive Group
- Parcel Logistics (canadaplus.com)
- RAF Express (Windsor)
- Marketing
- Finance (Credit & Accounting)
- IT (Information Technology-Windsor)

1980 Ambassador Drive (Windsor Regional)

- Windsor Brokerage Operations including
- Transaction Processing
- Litigations
- Permits
- Dedicated Services
- Client Services

The former Corporate office, at 747 Huron Church Road, has been sold to the Detroit International Bridge Company, owners of the Ambassador Bridge. They intend to level the building to make way for expansion of the Bridge plaza.

Our Windsor offices are not the only branches undergoing changes. Our Toronto office has recently under gone renovations adding 1500 square feet to the facility, while our Taylor, Michigan Farrow U.S.A. branch has doubled their office space and undertook a complete and much needed refurbishment. ▲

AMPS- A Six-Month Review

The Canada Customs and Revenue Agency (CCRA) is conducting a review of the Administrative Monetary Penalty System (AMPS) to identify the strengths and weaknesses of the program during the first six months of full implementation.

A review at this time cannot include every aspect of AMPS. The potential impact created by a Customs audit cannot be evaluated because relatively few audits subject to the full impact of AMPS have been completed so far and the necessary information is simply not available.

That said, CCRA is actively seeking feedback from the trade community and have held a series of sessions at various key locations, including Halifax, Montreal, Toronto and Vancouver. While this will result in some tweaking of the system we don't anticipate any major changes.

AMPS has proven to be a good news, bad news program. Good news because compliance is an absolute necessity to drive consistency, important to traders in an increasingly competitive world. It's good news because compliance also supports the heightened security so evident in the post 9/11 environment. Bad news because non-compliance costs money when detected but compliance also costs money and is not always rewarded. AMPS has not yet been successful in leveling that

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Huntley James Farrow Scholarship Fund

Huntley J. Farrow, Chairman of the Board and son of Russell A. Farrow, recognizes the advantage that post-secondary education can offer. In the interests of this philosophy of encouraging continuing education, Russell A. Farrow Limited has instituted a new program this year to offer scholarships to the children, grandchildren, adopted children and stepchildren of permanent full-time and part-time employees of the Farrow Group of Companies. Up to ten 1500.00 (Canadian) scholarships will be awarded each year. This scholarship will assist in ensuring a prosperous and productive future for the Russell A. Farrow employees, their families and the community as a whole. ▲



Joint Russell A. Farrow Limited – The Home Depot Canada Habitat for Humanity Build

Russell A. Farrow has long been a supporter of Habitat for Humanity and this year is no exception. Russell A. Farrow Limited along with The Home Depot Canada are co-sponsoring a Habitat for Humanity (Waterloo region) build in Cambridge, Ontario. President and C.E.O. Rick Farrow was joined by his brother John Farrow, Exec. V.P. Sales and Human Resources and Steve Savoie, Regional Operations Manager of The Home Depot at the ground breaking which took place July 4th. The build is scheduled for August 5-14th.

This joint sponsorship provides us with an opportunity to work alongside our colleagues at The Home Depot, a valued client, as we help Habitat for Humanity work towards eliminating poverty housing in Canada and around the world.

It is expected that some of our employees will take advantage of the Russell A. Farrow Limited Volunteer Program. This program allows employees up to two paid days a year for volunteer work to help with projects like this or projects of their own interest. ▲

Exporting Motor Vehicles From the United States Requires 72 Hour Advance Notice

"Used" self-propelled vehicles being exported from the United States now require that documentation describing the vehicle (in most cases the original Certificate of Title) including the VIN be presented to Customs at least 72 hours prior to export. In the case of vehicles being exported by vessel or aircraft, the documentation and the vehicle itself must be presented to Customs within the 72 hour time frame. For vehicles being exported at land border crossing points via rail, highway, or under their own power the documentation must be presented 72 hours in advance and the vehicle must be presented to Customs at the time of exportation.

The definition of "Used", in this instance, "refers to any self-propelled vehicle the equitable or legal title to which has been transferred by a manufacturer, distributor, or dealer to an ultimate purchaser."

The definition of "Self-propelled vehicle" refers to "any automobile, truck, tractor, bus, motorcycle, motor home, self-propelled agricultural machinery, self-propelled construction equipment, self-propelled special use equipment, and any other self-propelled vehicle used or designed for running on land but not rail."

The documentation requirements vary according to whether the vehicle in question is U.S. Titled, Foreign-Titled or Untitled. We strongly recommend that you contact your nearest Russell A. Farrow Limited Technical Services/Trade Compliance department if you are planning on importing or exporting vehicles from the United States.

Additional information is available at: http://www.cbp.gov/xp/cgov/export/export_docs/motor_vehicle.xml. ▲

Exchange of NAFTA Related Information

Effective April 23, 2003 the Canada Customs and Revenue Agency and the Bureau of Customs and Border Protection signed a Memorandum of Understanding that allows the exchange of NAFTA related information. This includes determinations, re-determinations, and further re-determinations of origin, as well as audit reports, advance rulings and the annual audit plan.

It is believed that this exchange will foster consistency in the application of the rules of origin associated with NAFTA and will assist exporters with compliance.

While the Memorandum of Understanding is based on the principles of reciprocity and confidentiality, each agency will have the capability to refuse to provide information it believes is not in the best interest of its country. ▲

AMPS a Six-Month Review Continued from page 1

particular playing field. It's bad news also because, even after four years of development, many aspects of AMPS were still under development when it was implemented. Even today many issues and questions remain unresolved.

The first question in the six-month review questionnaire circulated by CCRA asks "How effective is the AMPS in levelling the playing field; and why?". In another recent message, CCRA stated that AMPS "was designed to affect the bottom line on non-compliers". Those two objectives are not necessarily the same. Chronic non-compliers can be penalized out of existence but that will not necessarily level the playing field. It simply eliminates a problem without resolution leaving room for other non-compliers to continue and even flourish.

The six-month AMPS review is a welcome step. CCRA is actively seeking answers. Some of the issues are difficult to resolve. We are actively involved in this process and will continue to do all we can to improve and enhance the level of compliance of our customers. BUT, we can't do it alone. We need your support and often, the support of the suppliers, carriers and others in your supply chain.

Compliance costs but non-compliance will cost more, if not today then certainly tomorrow. ▲

Two New Regulations Proposed By The U.S. Food and Drug Administration

Administrative Detention and Recordkeeping are the final two of four proposed regulations to be required by the Public Health Security and Bioterrorism Preparedness and Response Act of 2002. The first two, concerning registration of food facilities and prior notice of imported foods, were put forward in January of this year. See our article in the Spring 2003 issue of the Customs Reporter (Shipping Food to the U.S.A.?).

According to the U.S. Food and Drug Administration (FDA) web site, the Administrative Detention will allow the FDA "to detain any article of food for which there is credible evidence that the article poses a threat of serious adverse health consequences or death."

In fact, the Act does provide for administrative detention already, however, the current proposal provides details for its enactment especially when dealing with enforcement issues with regards to perishable foods. The procedures will include details of how the FDA will detain an article of food in addition to identifying the detention order appeal process.



The recordkeeping regulation would help the FDA "track foods implicated in future emergencies, such as terrorism-related contamination." All parties involved in the food process, manufacturers, processors, packers, distributors, receivers, holders and importers, would be required to maintain records specifying where they received the food and to whom they forwarded it onto. This includes the specific source of each ingredient used to make the finished product provided it is reasonably available. According to the information on the web site, "reasonably available" may vary from case to case. In addition, transportation companies would be required to keep similar records detailing all modes of transportation used.

It is anticipated that the final regulations will take effect by December 12, 2003. Small businesses with less than ten full-time employees will have 18 months to comply; those with up to 500 employees will have 1 year and all other businesses will have to comply within six months.

To obtain further details regarding these initiatives, please check out the U.S. Food and Drug Administration's web site at: <http://www.fda.gov/oc/bioterrorism/bioact.html>. ▲

Delay to Implementation of Guidelines for Regulating Wood Packaging Material in International Trade.

The North American Plant Protection Organization (NAPPO) countries have agreed to amend the implementation date of the International Standard for Phytosanitary Measures as outlined in the Guidelines for Regulating Wood Packaging Material in International Trade. The regulations will now take effect on January 4, 2004, to allow the member countries – Canada, United States and Mexico – time to change national regulations and directives accordingly. This additional time frame allows business to adapt to the new requirements as well.

This international standard provides detailed requirements regarding the use of wood packaging. To review the current regulations, please visit the following web sites:

<http://www.inspection.gc.ca/english/plaveg/protect/dir/d-98-08e.shtml> and <http://www.inspection.gc.ca/english/plaveg/protect/dir/d-98-10e.shtml>. ▲

Provisional Duty

Canada Customs has indicated that certain carbon steel pipe nipples, threaded couplings and adaptor fitting from the People's Republic of China are being dumped into the Canadian market. The current margin of dumping is 147%, and such provisional duty in that amount will be collected on any entries of the above products until the Canadian International Trade Tribunal finishes its investigation. The CITT inquiry is expected to be completed by July 16, 2003.

For details on this and other goods subject to dumping duties, please visit Customs web site at: <http://www.ccr.gc.ca/sima>. ▲

New Export Import Controls System

On June 3, 2003, the Department of Foreign Affairs and International Trade (DFAIT) introduced a new permit processing system. All import/export business transactions are now being handled by the new system. The updated system is accessible over the Internet and incorporates a number of technological advances.

Russell A. Farrow Limited maintained an existing online relationship with DFAIT and therefore were among the first companies allowed to issue permits under the new system. We have experienced a number of problems with the stability of the system, however, DFAIT is committed to resolving issues of degradation of performance and they are continuing to enhance the system. ▲

Updated Definition of "Reason to Believe"

Canada Customs has updated the definition of what is "reason to believe" as set out in the Administrative Policy and Guideline of D11-6-6.

Currently, the guidelines are as follow:

- (a) legislative provisions that are evident and transparent (e.g., specific tariff item number, specific valuation provision, specific origin provision, etc.);
- (b) determinations (not "deemed determinations"), re-determinations, further re-
- (c) tribunal or court decisions issued to the appellant (e.g., Canadian International Trade Tribunal, Federal Court, etc.);
- (d) information received from exporters, suppliers, etc. (e.g., cancellation of certificates of origin or corrections to the value for duty);
- (e) written communication addressed directly to the importer or his/her agent such as a ruling (e.g.,

National Customs Ruling), an advance ruling under section 43.1 of the Customs Act, a CCRA post-release verification report, or a decision of an agency official responsible for origin, tariff classification, or valuation administration;

- (f) a final report from an importer-initiated internal audit or review or from an external company conducting an audit or review of an importer company; or
- (g) knowledge of the goods being diverted to a non-qualified end-use or end-user. ▲

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reporter

Customs



Expanded Enforcement of 24-Hour Advance Manifest Rule

As of May 4, 2003 and May 15, 2003 the U.S. Bureau of Customs and Border Protection (CBP) has expanded its enforcement actions of the 24-hour rule, which requires advance cargo information from sea carriers.

"Do Not Load" orders will be issued for containerized cargo that has invalid or incomplete cargo descriptions or for violations of the consignee names and addresses. Descriptions such as Said to Contain, Freight of all Kinds, General Merchandise, and consignee fields with To Order, To Order of Shipper, or left blank will not longer be tolerated.

In addition to "Do Not Load" messages,

Customs can impose monetary penalties for a number of infractions such as late submission of cargo declarations, or for Foreign Remaining on Board cargo that has invalid cargo descriptions, or has been loaded outside the 24 hour time frame.

According to the Journal of Commerce as of June 20, 2003 the CBP has issued less than 400 "no load" orders since February 2, 2003. Given the fact that the U.S. imports in excess of 7 million containers each year, it is a pretty good report card. Carriers are clearly taking the time to ensure their manifest information is in order. ▲

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