

## RAF News

### Niagara Falls

Effective October 20, 2007 our Niagara Falls office is no longer open on Saturdays. With the mandatory EDI being introduced on October 15, 2007, it is no longer necessary to staff the Saturday shifts. The hours of operation for Niagara Falls will be **Monday – Friday 8:00 AM until Midnight**. Our Windsor and Ayr offices remain open seven days a week.



### Edmonton

Our Edmonton office moved to their new premises on September 29, 2007.

As anticipated our telephone and facsimile numbers all remain the same.

Our new address is:

500, 10310 Jasper Avenue NW,  
Edmonton, Alberta T5J 2W4.

### Calgary

In keeping pace with the Edmonton office, our Calgary office will also be moving in the near future. The scheduled move date is December 8, 2007. Their new address will be:

350, 3115 - 12 Street N.E.  
Calgary, Alberta T2E 7J2

Again it is expected that telephone and facsimile numbers will remain the same.

### Windsor – Tunnel Office

Effective November 16, 2007, our Windsor Tunnel Office closed its operations. Shipments can still be released at port 452 but documents need to be faxed to 519-966-2557 (1-888-237-7956) and the telephone number is 519-966-3003. ▲

## Farrow Introduces Mobile Phone Shipment Tracking!

Drivers carrying loads cleared by The Farrow Group of Companies can now check on the status of their shipments from the comfort of their cabs! All that's needed is a cell phone with mobile web browser, and you're three steps away!

This new service, developed by the I/T professionals of Russell A. Farrow Limited, provides real time status on shipments headed in either direction across the border, and is an extension of the PARS/ACROSS and PAPS tracking applications, accessible from any web-enabled PC. This easy-to-use feature is available now. Check it out!



From your web-enabled mobile device:

track **Canada bound** shipments at <http://m.farrow.com/pars.wml>  
track **U.S. bound** shipments at <http://m.farrow.com/paps.wml> ▲

## Customs Self-Assessment - CSA

Have you been contemplating the benefits of self-assessment but considered it to be a step towards self importing and you didn't want to lose the security of using a professional Customs Broker? We can help.

We are uniquely positioned to help you determine if the program is right for your company. We can provide government approved, world-class software that is easy to implement and lets you account for imported goods without having to implement substantial changes to your business systems in order to connect directly with the Canada Border Services Agency (CBSA).

Customs requires eligible importers to be:

- residents in Canada;
- actively importing for at least 90 days;
- devoid of contraband or major commercial infractions;
- willing to be liable for and maintain control of CSA shipments until delivered; and
- willing to provide senior management representation that proper commercial business processes and audit trails exist or will exist.



The Customs Self-Assessment program is structured to primarily target low-risk shipments from the U.S.A., however the CBSA has announced plans to expand CSA to include imports and shipments from overseas. It relies on the importer's commercial records and documents for import reporting. It provides improved timeframes for paying duty and taxes. It allows on-time movement of USA-originating freight through the use of approved carriers and drivers. It reduces exposure to penalties and it elevates an importer's status to that of "known and trusted" by the CBSA.

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It does not require self clearance. An importer can continue to partner with their customs broker and benefit from their expertise. It does not eliminate Other Government Department requirements e.g. certificates, permits etc. It does not currently release freight originating outside of the U.S.A.

Things to ask yourself:

- Do you currently have a process that compares customs declarations with commercial documentation to ensure they agree?
- Do you want to improve your level of compliance with customs regulations?
- Do you want to dispense with artificially created documents which are only required for customs purposes?
- Does your operation depend on assured movement of freight in the event of another security disruption?
- Do you want to improve your status as a good corporate citizen by supporting security programs?
- Do you want to reduce amending entries?
- Do you want an import process that is driven by your internal systems and financial records?
- Do you want to minimize exposure to Customs Administrative Penalties?

If you answered yes to one or more of the questions listed then CSA is worth further consideration and investigation. Contact your nearest Client Service or Sales Representative or call 416-622-9327 ext. 335. ▲

# Certificates of Origin

Customs has expanded the options available to importers for receiving valid certificates of origin. The following are now considered acceptable by the CBSA as per Customs Notice 07-027:

- “(a) Scanned certificates of origin: The exporter may scan a completed and signed certificate of origin for electronic transmission to the importer. This entitles the importer to receive and maintain the certificate of origin electronically and to transmit the scanned certificate of origin by e-mail upon request to the CBSA.
- (b) Certificates of origin with power of attorney: The exporter provides the importer with vested power of attorney, thereby authorizing the importer to complete the certificate of origin for the goods. The importer is allowed to complete and maintain the certificate of origin electronically and transmit it to the CBSA upon request. At that time, the importer must be able to prove to the satisfaction of the CBSA that he or she has the legal authority to complete and sign the certificate of origin. More information on the requirements can be found in Memorandum D11-4-14 at [www.cbsa.gc.ca](http://www.cbsa.gc.ca)

- (c) Electronic certificates of origin – Customs Self-Assessment (CSA) program participants only: All importers approved to participate in the CSA program may receive electronic certificates of origin. With this option, an alternative signature to the traditional cursive signature can be used on the certificate of origin. For example, the alternative could be a series of numbers that represent the exporter's signature. With this option, no one is required to physically sign the document and, as such, it can be both created and transmitted electronically without the need for any paper copy. It should be noted that all the data elements on the certificate of origin are required but do not need to be in the form of a certificate. The importer is fully responsible to ensure the secure transmission and validity of the certificate of origin, including the signature on the certificate. This option is initially being offered to CSA participants to allow the CBSA to fully test the concept before determining the feasibility of expanding this option to all commercial importers.” ▲

*P.S. Now is the time to send us your 2008 NAFTA certificates.*

## E-Manifest Enforcement Clarification

U.S. Customs has issued a statement clarifying the applicability of e-Manifest filing, in particular with regard to Section 321 shipments.

Effective September 1, 2007 trucks will not be allowed to proceed into the U.S. when entering through ports in Washington, Arizona, eastern North Dakota, Texas, New Mexico, California, New York and Michigan if no attempt has been made to transmit all applicable shipments via e-Manifest.

The following goods are exempt from e-Manifesting:

- (1) Cargo in transit from point to point in the United States after transiting Canada or Mexico.
- (2) Certain informal entries:
  - (i) Merchandise which may be informally entered on Customs and Border

Protection Form (CBPF) 368 or 368A (cash collection or receipt);

- (ii) Merchandise unconditionally or conditionally free, not exceeding \$2,000 in value, eligible for entry on CBPF 7523;
- (iii) Products of the United States being returned, for which entry is prescribed on CBPF 3311.

The use of e-Manifest is not currently required for:

- (1) Trips consisting solely of merchandise that is subject to the provisions of 19 U.S.C. (United States Code) 1321 (Sec. 21 Releases). Section 321 releases consist of merchandise under \$200.00. However, if a trip is made up of Section 321 eligible shipments and shipments requiring an entry or in-bond move, all shipments on that trip must be manifested.

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## Search Warrants in Canada Customs Future?

In July of this year, a B.C. Court ruled that Customs officers must obtain a search warrant before thoroughly searching a vehicle. In making this ruling, the B.C. man accused of smuggling 50 kilograms of cocaine into Canada was acquitted.

The case involved the dismantling of the accused's vehicle which the judge considered to be "...a search carried out in an unreasonable manner". It is anticipated that the practice of checking car trunks and back seats without a warrant will not be affected and appeal of the ruling has already been filed. ▲



## 2008 Tariff

At the time of writing, the 2008 version of the Customs tariff has changes to Chapter 38 only. For additional detail, visit: [www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2008/tn26-eng.pdf](http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2008/tn26-eng.pdf). The complete tariff will be available on the CBSA web site on November 30, 2007. ▲

## 100% Scanning of Containers Destined to the United States

In August, the U.S. government signed into law the "Implementing the 9/11 Commission Recommendations Act". Included in the Act is a provision that requires that by 2012 all containers imported into the United States must be scanned before being loaded aboard vessels headed for the United States.

Some of the concerns raised over this legislation, is the lack of reciprocity –

currently the United States has no plans in place to scan its own outbound cargo containers; the lack of enforcement ability – the U.S. cannot force other countries to comply except by ceasing trading; the provision does not identify who will be responsible for ensuring the scans take place; and responsibility for funding the initiative. ▲

## Proposed GST Rate Reduction

As announced in October, the GST rate is proposed to be lowered by 1% from 6% to 5% effective January 1, 2008.

The date of release triggers the correct rate to apply on imports. Therefore if a shipment is released on December 31, 2007, 6% will be applicable, if released on January 1, 2008 then 5% will be applicable.

Importers need to consider this when determining if it might be worthwhile to wait a day or two rather than clearing a shipment the last week of December, 2007. It may even be feasible to pay storage for a day on a high value shipment and only pay 5% in GST and be able to pass the savings on.

For more information regarding when the new rate applies please visit Canada Revenue Agency's web site: [www.cra-arc.gc.ca/E/pub/gi/notice226/notice226-e.html](http://www.cra-arc.gc.ca/E/pub/gi/notice226/notice226-e.html) ▲

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- (2) Empty trucks and truck cabs;
  - (3) The following shipments cannot currently be reported by e-Manifest and therefore are not required even when an e-Manifest has been filed:
    - (i) Shipments consisting solely of Instruments of International Traffic (IIT) eligible for release under 19 CFR 10.41(a). IIT can be reported on an e-Manifest as associated to a conveyance or shipment but cannot be used as a shipment release type;
    - (ii) International mail shipments moving via a contact carrier from a foreign postal service to the US Postal Service;
    - (iii) Carnets;
    - (iv) A delivery ticket (CBPF 6043) for movement to a CBP bonded warehouse or a direct Foreign Trade Zone admission on a CBPF 214; and
    - (v) Shipments imported for the Department of Defense using 19 CFR 10.102/103 as a release mechanism.
- All other shipments are required to provide advance electronic cargo information via an e-Manifest including personal effects using form CBP 3299.
- Note: Russell A. Farrow (U.S.) Inc. is able to provide e-Manifest services for carriers. EZZ-Manifest will satisfy U.S. Customs mandatory requirements for filing electronic manifest reporting. For additional information, visit [www.farrow.com](http://www.farrow.com) or contact your nearest Russell A. Farrow (U.S.) office. ▲*



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## Economic Consequences of Excessive Security Measures

Recently, Canada's Ambassador to the United States, Michael Wilson, addressed the U.S. Customs and Border Protection Agency with concerns over the erosion of economic prosperity between the two countries.

Due to the nature of our economic trade, products often cross the border multiple times before they reach retail status. Additional costs are accrued with each trip due to additional security checks and regulations, lack of infrastructure, inadequate staffing and computer glitches.

Currently, U.S. Congress is reviewing two bills that would levy additional fees on food imports. Canada is the United States' largest exporter of food and agricultural products but if the fees are introduced it is possible that Canadian companies would pay more in fees than Chinese or European companies. At the same time the legislation is proposing a reduction of the number of entry points for food products from the approximately three hundred today to thirteen.

According to the Ambassador "Many of those fees are intended to address costs associated with imports from countries that do not have the

same proven track record as Canada as a safe supplier".

The number of secondary inspections has increased markedly over the past few years. Canada is advocating that the regulations be streamlined and address the unique manufacturing situation between our two countries.

For additional information, please refer to The Canadian Press article published in The Globe and Mail on November 14, 2007. ▲



Return Undeliverable Canadian Addresses to:  
Suite 500, 10310 Jasper Avenue NW  
Edmonton, AB T5J 2W4

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# reporter

customs

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