

Farrow Group Acquires U.S. Customs Broker

Russell A. Farrow (U.S.) Inc. of Taylor, MI has acquired Cortez Customhouse Brokerage Company, and Cortez Global Logistics, both of Battle Creek, Michigan with offices in Chicago, Illinois.

The acquisition brings together two organizations which have a similar corporate culture including a "client service first" focus.

In a statement to employees, President and C.E.O. (The Farrow Group of Companies) Richard Farrow outlined the reasons for the acquisition:

The acquisition of Cortez will increase our U.S. brokerage opportunities and provide an increased market presence in the key trading centre of Chicago, Illinois. A Chicago office will positively enhance our relationships with key existing accounts which have corporate headquarters situated there. Cortez also has nurtured strong relationships with key automotive suppliers which will allow us to leverage this market sector further with our own clients in that industry.

Cortez was founded in 1984, and a Global Logistics Division was added in 1999. Jack Henderson, co-founder and President will remain in his current role with Cortez Customhouse Brokerage Company. Cortez has 30 staff in Battle Creek, Michigan and Chicago, Illinois. Service offerings include Customs Brokerage, Foreign Trade Zone Services, Warehousing, Freight Deconsolidation, Domestic Trucking and other related services. Their client base is a mix of automotive manufacturers, medical equipment manufacturers and food product manufacturers.

Russell A. Farrow (U.S.) Inc. has other news. Effective March 1, 2009, Mr. Tom Kowalski will rejoin the Farrow Group as President of Russell A. Farrow (U.S.) Inc.

For more information visit our website at: www.farrow.com. ▲



RAF News

Kaizen Excellence Award

Russell A. Farrow Limited was recognized by Toyota Canada Inc. by winning their Kaizen Excellence Award. The award was given in recognition of our achievements as a key logistics partner for 2008.

canadaplus.com

canadaplus.com is a wholly owned subsidiary of Russell A. Farrow Limited. Its primary focus is to serve America's most successful internet and catalogue retailers, as well as businesses that require door-to-door shipping to Canada with integrated customs clearance. canadaplus.com is known for its single-source, end-to-end and back again (returns if necessary) solutions. Logistics management includes parcel, less than truckload (LTL) and truckload (TL) freight. Seamless integration drives repeat business through the customers' satisfaction in the purchase experience. Some of canadaplus.com's many valued clients include: 4imprint, American Eagle, Bass Pro Shops, Crate & Barrel, Four Star Distribution (C1RCA), Hubert, JCPenney, Saint-Gobain Abrasives, School Specialty and TigerDirect.ca.

The canadaplus.com team use their vast customs and logistics knowledge and information technology solutions, in conjunction with exceptional customer service to ensure companies reach their business goals. Since 1991, canadaplus.com has demonstrated adaptability, versatility and a focus on supply chain management to ensure a positive experience. Valued services include: B2C (business to consumer), B2B (business to business) and Vendor Direct integration programs; full range customs brokerage services; management of international logistics operations; pick and pack fulfillment; return to vendor programs; cross border and domestic transportation; shipping container deconsolidation; and a variety of warehousing options.

Recently canadaplus.com and RAF Express Inc. moved their headquarters to LaSalle, Ontario (southwest of Windsor). The new location is well positioned to take advantage of the new bridge border crossing to be built to service the Detroit/Windsor corridor. This 35,000 square foot state of the art facility represents a \$2.5 million dollar investment and includes:

- Six truck loading bays .
- Two drive-in bays.
- 4000 feet of office space.
- Individually secured and temperature controlled pick and pack fulfillment rooms.
- The building is designed with expansion in mind, and can be doubled in size.

Our new operations address is:
6220 Westar Drive
LaSalle, ON
N9J 0B5

RAF Express Inc.
Phone: 519-734-7239
Fax: 519-734-1802

canadaplus.com
519-734-0292 (auto attendant)
519-734-1464 (customs clearance)
519-734-6075 (warehouse)

Similar operations exist with a 15,000 square foot facility in western Canada at our Delta, British Columbia location. The complete services of canadaplus.com support major gateways into Canada via Windsor, ON (Detroit, MI), Fort Erie, ON (Buffalo, NY), and in the west, via Vancouver, BC (Blaine, WA).

Visit www.canadaplus.com for more details.

Dorval (Montreal) Office

Effective October 20, 2008 our new address is:

Russell A. Farrow Limited
2200 Ave. Reverchon, Suite 254
Dorval, QC
H9P 2S7

Phone & Fax numbers are unchanged:
Phone: 514-636-1941; Fax: 514-636-3222

John Brooks Elected to Board of Canadian Society of Customs Brokers

John Brooks, Manager of Trade Compliance Services Ayr, ON, has been elected to the Board of Directors of the Canadian Society of Customs Brokers (CSCB).

John is in his 41st year with Russell A. Farrow Limited and joins a distinguished list of Farrow's Managers who have been involved with the CSCB at its highest levels, including Huntley Farrow, Rick Farrow, Guy Graveline, Bob Beausoleil and Wendy Stayko. ▲

Travel Documents

Effective June 1, 2009 the Western Hemisphere Travel Initiative (WHTI) will extend to land and sea ports of entry. Acceptable documents include:

- Canadian or U.S. passports
- Trusted Traveler Card (NEXUS, FAST, SENTRI)
- U.S. Passport Card
- Province or state enhanced driver's licences
- Form I-872 American Indian Card or (when available) enhanced tribal cards (note the Canadian Certificate of Indian Status is only valid until May 31, 2009)
- Military identification cards presented by members of the U.S. armed forces traveling on official orders
- U.S. Merchant Mariner Document (for U.S. citizens, when conducting official maritime business)
- Citizens 15 and under require proof of citizenship e.g. birth certificate, Canadian citizenship card or other proof of citizenship. ▲

PIP Legacy Members

Eligible PIP (Partners in Protection) legacy members are allowed to reapply for continued membership until March 31, 2009 due to an extended deadline. Visit the following website for additional information: <http://www.cbsa-asfc.gc.ca/security-securite/pip-pep/app-demande-eng.html>. ▲

eManifest

Canada's eManifest program is scheduled to be completely implemented by 2012. It will affect all modes of transportation as well as importers, carriers and freight forwarders. The implementation of eManifest will require shipment information to be transmitted to the Canada Border Services Agency (CBSA) so that risk assessment analysis can be completed and the admissibility requirements of goods can be determined prior to their arrival. It will be an expansion on the electronic pre-arrival information currently in place.

eManifest is being developed in concert with the U.S. Customs & Border Protection (CBP) Automated Commercial Environment (ACE) eManifest program. The United States has

already implemented their eManifest program for highway carriers.

During the coming months, the CBSA will be determining the Importer Admissibility Data (IAD) elements, as well as the data sets required from highway and rail carriers and freight forwarders regarding the conveyance, cargo and secondary information and the Electronic Commerce Client Requirements Document (ECCRD) for rail and highway carriers. In many cases, the data elements required are already being supplied. For example, of the 34 proposed IAD elements, 27 are already required under PARS (Pre-Arrival Release System).

It is expected that shipment tracking will be enhanced along with communication between

the CBSA and the trade community. The ultimate goal is to ensure that high-risk shipments get the time and attention they require while low risk shipments are processed in an environment commensurate with the level of risk.

Generally, the pre-arrival information will have to be transmitted 24 hours in advance for marine, 4 hours in advance (or upon departure) for air, 2 hours in advance for rail and 1 hour in advance for highway.

Additional information can be accessed at: <http://cbsa-asfc.gc.ca/agency-agence/consult/manif/menu-eng.html> or by just visiting the CBSA website at: <http://cbsa-asfc.gc.ca> through the "Stay in touch" link in the "Priorities" box. ▲



Bill C-6

Canada Consumer Product Safety Act

Bill C-6 recently received first reading in the House of Commons. However, even though final reading may be some time away and the regulations to support this legislation have yet to be written, as proposed this Act could have serious ramifications to importers into Canada of consumer products.

Following our review of this proposed legislation, it appears that the Canadian government intends to put in place a similar regulatory regime to that in the US by way of the CPSIA (Consumer Products Safety Improvement Act) - <http://www.cpsc.gov/ABOUT/Cpsia/cpsia.html>.

As presented, Bill C-6 includes the requirement that importers of consumer products provide documentation, yet to be specified, to the Minister of Health no later than the time of

the product's importation into Canada. It could be assumed that the requirements will be very similar in form, content and testing requirements to the now required Certificate of Conformity that the CPSC (Consumer Products Safety Commission) requires no later than the time of importation of consumer products into the US.

Although a complete review of the proposed legislation is recommended, following are some areas of particular interest to importers:

- i). Section 13 - deals with the documentary requirements;
- ii). Subsection 13(4) specifically addresses imported consumer products;
- iii). Subsection 13(1)(b) - the "prescribed documents" referred to must be provided to the Minister of Health no later than at the time of the product's importation;

iv). Section 36 addresses the regulations;

- v). Subsection 36(1)(e) gives authority to the Governor in Council to make regulations "specifying the documents that an importer shall provide the Minister with under Sub 13(4)."

The proposed penalty provisions for contravening the Act are steep, ranging from a minimum \$250,000.00 plus 6 months in jail for a first offense to the maximum \$5,000,000.00 plus 2 years in jail on conviction regarding some sections of the Act. As proposed, evidence of due diligence is an acceptable defense in a prosecution under Subsection 38(1).

Progress of this Bill should be closely monitored by all involved in the importation of consumer products into Canada. ▲



Importing Vehicles

We have encountered instances where companies are trying to import vehicles or trailers into Canada that are inadmissible. Upon arrival at the border, such vehicles are denied entry and are turned back. In the unlikely event the vehicle is released by Customs in error, registration will not be possible and you will have the choice of returning it or scrapping it.

It is important to note that flood damaged vehicles can be legally imported but they can not be licensed for road use anywhere in Canada.

A quick check of the admissibility list at Transport Canada's website ahead of time may save you thousands of dollars: <http://www.tc.gc.ca/roadsafety/importation/VAFUS/list?VAFUS.pdf>.

Additional contacts that are useful in determining the requirements for importing vehicles are:

Registrar of Imported Vehicles

405 The West Mall, Suite 400
Toronto, Ontario M9C 5K7

Within North America:
1-888-848-8240 English & French
Outside North America: (416) 626-1803
Internet Address: <http://www.riv.ca>
E-mail Address: info@riv.ca

Canada Border Services Agency Automated Information System (ACIS)

Within Canada: 1-800-461-9999
Outside Canada (English): (204) 983-3500 or (506) 636-5064
Outside Canada (French): (204) 983-3700 or (506) 636-5067

Transport Canada Vehicle Importation

Tower C
Place de Ville
330 Sparks Street
Ottawa ON K1A 0N5

Within Canada Phone: 1-800-333-0371
Outside Canada Phone: (613) 998-8616
Facsimile: (613) 998-4831

Internet Address: <http://www.tc.gc.ca> ▲



Good Importer Practices

Various departments in the U.S. Government have issued draft guidelines for importers to follow to ensure that they are compliant with U.S. regulations. They established four main divisions:

- **Establish a product safety management program;**
- **Knowing the product and applicable U.S. requirements;**
- **Verifying product and company compliance with U.S. requirements throughout the supply chain and product life cycle; and**
- **Taking corrective action and preventative action when the imported product is not in compliance with U.S. requirements.**

For additional information please see: <http://www.fda.gov/oc/guidance/goodimportpractice.html>. ▲

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Suite 500, 10310 Jasper Avenue NW
Edmonton, AB T5J 2W4



reporter

Customs

TC Air Cargo Security Program

A New Initiative by Transport Canada

Transport Canada (TC) has announced a new Air Cargo Security Program (ACSP) that brings the supply chain to a new level of increased security.

Farrow International, the freight forwarding division of Russell A. Farrow Limited, has recently entered into an MOU (memorandum of understanding) to participate in Transport Canada's Air Cargo Security Program. It will apply to all air export cargo. This program was developed to respond to the ever-increasing need for security, and more specifically in transportation security.

The intention of this program is to improve aviation security, while maintaining a reasonable movement of goods through the supply chain; to respond to international partner concerns; and to address acts of bad faith.

In order to participate in this program, we entered into an agreement to provide transparency in our management of air export cargo. This requires us to be compliant with a host of requirements in our internal processes and handling of this cargo, to identify and work with known carriers and couriers, and to make our database of shippers known by registering them in TC's known shipper database.

The benefits of participation will make for a safer environment for air cargo and for all Canadians. It will provide for more secure cargo processes and will be even faster, more efficient and reliable as various countries tighten their security requirements.


Choosing not to participate can come at a cost of the airline refusing to carry cargo on passenger aircraft for any company not participating, delays and additional fees for searching unknown cargo.

As a requirement for our participation, we will be contacting the clients that will be impacted in the near future to register you in TC's Known Shipper database.

For further information, please contact Vanessa Head, Manager, Farrow International Toronto at (416) 622-9327 ext 322 or vanessa.head@farrow.com. ▲

VISIT OUR WEBSITE

FOR UPDATES ON THESE AND OTHER TOPICS

 <http://www.farrow.com/>

The Customs Reporter is a bulletin on Customs and International Trade for the clients of Russell A. Farrow Limited.

Publisher: Rick Farrow
Editors: Randy Motley
Susan Love
Contributors: John Brooks
Stephen Cortelli
Vanessa Head
Michael Meixner
Walter Pizzolitto
Wendy Stayko

This publication is not intended to provide legal or other professional advice. Readers are asked to contact their local RAF office for advice specific to their needs.



RUSSELL A. FARROW LIMITED

A FARROW COMPANY CUSTOMS • LOGISTICS • SYSTEMS SOLUTIONS • GLOBAL SERVICE

Head Office: Post Office Box 333, 2001 Huron Church Road,
Windsor ON N9A 6L6 Phone: (519) 252-4415 Fax: (519) 252-0982

Web site: <http://www.farrow.com>

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