



MANAGING IMPORTS & EXPORTS

U.S./Canadian Travelers New Regulations Begin June 1, 2009

By Rennie Alston

As members of the international trade community, we are often called upon for international trade compliance interpretations and updates for our companies, colleagues and business partners. We are also held accountable for information requests that come from other acquaintances, such as extended family members, friends and neighbors. I was recently approached at my youngest son's little league baseball game by a team parent who knew that I was familiar with international trade issues. Her inquiry was related to new requirements governing cross border travel by land transportation to and from Canada. She is planning a trip this summer to Toronto and wanted to know if there were any new regulations that she should be aware of in the planning stages of their family vacation.

My reply was in fact there is a new regulation entitled the Western Hemisphere Travel Initiative (WHTI), which requires U.S. and Canadian travelers to present a passport or other document that denotes identity and citizenship when entering the U.S. It is a result of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA). The goal of WHTI is to facilitate entry for U.S. citizens and legitimate foreign visitors, while strengthening U.S. border security. Standard documents will enable the Department of Homeland Security to quickly and reliably identify a traveler.

WHTI will go into effect June 1, 2009 for land and sea travel into the U.S. WHTI went into effect for air travelers on January 23, 2007. On June 1, 2009, U.S. citizens returning home from Canada, Mexico, the Caribbean or Bermuda, by land or sea, will be required to present one of the travel documents listed below. Many of these documents are already available, and obtaining one now will ensure that you are ready on June 1, 2009, when they will be required.

U.S. Passport – This is an internationally recognized travel document that verifies a person's identity and nationality. It is accepted for travel by air, land and sea.

U.S. Passport Card – This is a new, limited-use travel document that fits in your wallet and costs less than a U.S. Passport. It is only valid for travel by land and sea.
Enhanced Driver's License (EDL) – Several states and Canadian provinces are issuing this driver's license or identification document that denotes identity and citizenship. It is specifically designed for cross-border travel into the U.S. by land or sea.

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U.S./Canadian Travelers New Regulations Begin June 1, 2009 continued...

Trusted Traveler Program Cards – NEXUS, SENTRI or FAST enrollment cards can speed your entry into the U.S. and are issued only to pre-approved, low-risk travelers. The cards are valid for use at land or sea; the NEXUS card can be used in airports with a NEXUS kiosk.

Special Groups – Information for Children, Groups of Children, Native Americans, “Closed Loop” Cruises, U.S. Lawful Permanent Residents, Ferries and Small Boats, and Boaters.

I reiterated to this team parent that knowing what documents are required and having them ready when you return home will help streamline the entry process and ensure your return to the U.S. is as smooth as possible.

Remember as compliance professionals, informed compliance has no boundaries. We may be called upon on the field bleachers as we are in the corporate compliance strategic board rooms.

What to do when the HAZMAT Inspector comes to call...

By Randi Keenan



I would have to say that the greatest peace of mind in the world of global compliance is to be...TOTALLY compliant. If we were totally compliant in every area of our business practice, we would welcome the inspector when he/she came to call! However, that is not the reality. Even in the largest of companies where resources are plentiful, a non-compliant act is going to occur at one point or another.

This is even more true today, when the myriad of regulations that a global logistics professional must navigate are abundant, and change continually as the face of the landscape in the global arena changes.

The best thing anyone can do to be prepared is...to be prepared. Although the chances of a HAZMAT inspection is not great, you should still anticipate that the possibility is real. Especially now when federal enforcement programs are helping each other enforce all of these intricate regulations, and when new inspectors are continually being added to the enforcement staff, you must be prepared!

Here are answers to 10 basic questions that can help in any inspection situation, not just HAZMAT compliance.

- 1) When the inspector knocks on our door, what do we do first? Always ask for credentials. This should include the inspector's name, agency name, telephone number and address of the inspector's place of business, fax and email address. Call their office to verify that the inspector is truly with that agency. A good inspector will appreciate this verification effort on your part.**
- 2) Who will be the point person for the inspector? This should always be someone at a senior management level. Establish this point person in advance, prior to an inspection.**
- 3) What if a senior manager is not available? It is OK to ask for the inspector to come back at a time when the point of contact will be present. Some companies inform their legal department to give them an opportunity to participate.**
- 4) What should we do first? Once the inspection begins, try to immediately obtain the "scope" and purpose of the inspection. Try to find out what caused the inspection (e.g., leaking package, employee complaint, customer or carrier complaints, etc).**
- 5) Once the scope is determined, how should we proceed? Once you determine exactly what the inspector wants to see or know about, keep it limited to that subject only. It is not in your best interest to offer any more information than what is required. I certainly would not ask them if they would like a facility tour.**
- 6) Take good notes! Be sure to take good notes of all issues discussed. Don't be afraid to ask the inspector to give you time to write as you discuss the issues.**

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Ask The Experts



MIE's 'Ask the Experts' team -- Kelly Raia, Vice President & Senior Consultant, The World Academy and Sarah Reynolds, Senior Consultant, The World Academy -- answer readers' import or export related questions. This month's column is by Kelly Raia. Readers may submit questions to TWAPACMAN@aol.com --

Question: My company has a product that we offer in the U.S. and recently have designed it for our customers outside the U.S. It is a software application. Do we need a special license to export this product?

--JR, JGR Products, Inc.

Answer: Dear JR: Your question does not identify the specific application of the software. You should consult the Commerce Control List to review the specific commodity as well as the software that will be used for that product. http://www.access.gpo.gov/bis/ear/ear_data.html

Question: Where can I find an interactive NAFTA Certificate online?

--BH, Fusion Accessories

Answer: Dear BH: The Trade Information Center website has a ton of information on trade agreements as well as an interactive tool for preparing a NAFTA Certificate. Check out these weblinks:

<http://www.export.gov/exportbasics/ticredirect.asp>

<https://emenuapps.ita.doc.gov/tic/login.jsp>

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What to do when the HAZMAT Inspector comes to call -- continued...

- 7) How should we answer questions asked by the inspector? Keep your answers truthful, factual, and use a minimal amount of words as possible. Do not volunteer any additional information unless specifically asked, but be sure to always be polite.
- 8) What if the inspector asks us to sign something? The answer is NO! The only thing you should sign is possibly an acknowledgement of receipt of something given to you by the inspector. There have been times where an inspector will word their own statement, in such a way that would be incriminating and most certainly binding, without you knowing you are being led into this admission of guilt. Don't sign!! Ask politely for the request to be sent to legal and give the inspector all the necessary contact information (be sure to give legal a "heads up").
- 9) What if the inspector asks to make copies of documents for his records? Again, ask politely for that request to go to the legal department. You should not give copies of documents to anyone that will be taking them outside the company. The legal department or a similar department within your organization should first approve this request.
- 10) What do we do after the inspector leaves? The notes taken during the inspection should be immediately transposed into a report form. This report should be as detailed as possible. It should include the people the inspector spoke with, date/time of the visit, the main scope of the inspection, notation of any samples taken or any photographs taken by the inspector. The report should include the potential violation(s) your company is facing, and you should attach any and all documentation left with you by the inspector. Finally, the report should advise the next steps your company must take, according to the inspector. Send this report immediately to legal counsel and/or any other supervisory person who will be affected or involved in seeing this to resolution.

Comment: If you have other facilities that could have the same potential violations, be sure to include that facilities management staff on the findings, mitigation and resolution of the inspection. This will help avoid a repeated offense.

Any government inspection causes anxiety and fear. However, if you are prepared with a good compliance program, are keeping your employees current with their HAZMAT training (with good recordkeeping practices of such training), and are compliance minded, you should be rest assured that you are doing better than the majority. This is all very much in your favor when mitigating a fine or penalty. If you are compliant in general, and try to remain compliant continually, then the chance of a major enforcement action is not likely.



Website Feature of the Month

www.export.gov/tic

Export.gov is sponsored by the Dept of Commerce's International Trade Administration. The website was created as a resource for U.S. companies engaged in exports from the U.S.

This website provides information on trade agreements, foreign country documentary requirements and foreign tariff rates.

Additionally the site provides information on financing and insuring international transactions.



Ten Key Responsibilities of a Newly Appointed Trade Compliance Manager

By Neil Lenok



Being a newly appointed trade compliance manager for a company engaged in international trade can be a very exciting as well as challenging position. Hopefully, if you find yourself in this position, you have resources you can turn to for assistance. These resources may be internal as well as external. An example of the internal resources may be someone in the company whom you inherited the area from (as long as they have a consciousness of the importance of trade compliance), or someone in legal or logistics with prior knowledge of any problems or holes that need to be addressed.

An example of outside resources may be a trade consultant you have dealt with in the past, freight forwarders, as well as attorneys specializing in international trade compliance. It is also beneficial to take outside seminars dealing with trade compliance and utilize those instructors for support, as well as join an association specializing in trade compliance (such as The PACMAN Association www.compliancemaven.com).

The key responsibilities to focus on are:

1. Analysis and Review

The process to determine where you are ... is to conduct a facilities review (mock audit), detailed analysis and mock audit of your supply chain and operations.

This is typically best accomplished by engaging an independent consultant. This will afford a third party analysis where "others" do it outside the corporation. They have no specific agendas that conflict with personnel or career matters and will have external reference points to utilize as "benchmarks" for where your company is.

This necessary review will then provide the "blueprint" for actions to be taken later that will make the company's supply lines more able to manage the affects of terrorism, compliance and security issues.

2. Develop an Action Plan

Once the facilities review is complete, you will need to enact an action plan outlining the key areas to focus on from the findings. Having the plan done on an Excel spreadsheet is a good way to manage this process. The action plan needs to include realistic time frames, as well as the people responsible to accomplish the myriad of objectives. It basically outlines who will do what, by when and the status.

3. Develop SOP's (Standard Operating Procedures

One of the key points you should have on your action plan which will be a product of the facilities review, is the implementation of SOP's to ensure your company will be run in a compliant manner. The SOP's need to be laid out so they are easy to follow by all employees and senior management needs to sign on so all employees understand the importance of adherence.

SOP's provide a blueprint for all personnel to follow in the business practices that surround corporate compliance management.

4. Training & Education

You must be well informed about what is going on with the various regulatory agencies. Departments of State, Treasury, Homeland Security and Commerce are but a few of the key government agencies that control what goes on in global supply chains and in the world of importing and exporting.

You also need to arrange for your key supply chain personnel to be trained in the area of security and compliance as well.

Some of the key areas to focus on for training are classification, valuation, recordkeeping and documentation. You can accomplish this by going to outside seminars and conferences as well as bringing in experts for in house training. During tough economic times (like the current environment) having in house seminars can be a lot more cost effective than sending people to seminars all over the country. The World Academy www.theworldacademy.com and the AMA www.amanet.org provide excellent options in this regard.

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Is Your Company ICE Strong Enough?

**by Marie Cabral
Import/Export Compliance Director
America II Electronics, Inc.**



What will define the future of a company's compliance program?

Whether small, midsize or large size company, regardless of the nature of the individual product produced or the various geographical locations, the common denominator is, and will remain, I.C.E.

Furthermore, permit me to clarify, this is not the same US government agency known as ICE, Immigration and Customs Enforcement. Although, ICE is an important government agency, my reference is directly related the business elements essential to the establishment of a workable corporate Import/Export Compliance Program, Investment, Commitment, and Execution.

Subsequently, any further reference to the acronym ICE in this article will relate directly to, Investment, Commitment, and Execution, and it bears repeating, the three essential elements required to implement, maintain, and continually improve a company's Import/Export compliance Program.

This formula, ICE, is exacting in the order of its presentation. Investment without commitment is as futile as investment and commitment without an execution process.

See the formula below and review the elements.

**Do you recognize any of the factors?
Is your corporate formula incomplete?**

Formula:

**Investment \$\$\$\$ X Experienced Compliance Professional X Commitment executive
+ Top Level Management support, Sales TEAM+ Logistic TEAM + Software/IT
Compliance TEAM**

Tool(s) = Execute one (1) Profitable and successful Compliance Program.

Although the aforementioned formula is succinct and logical, additional intangible factors must be ever present in order to ensure success as well.

These intangibles include, but are not limited to, patience, diligence, cooperation, and follow through, respect for one's turf boundaries, real or imagined. Acknowledge the strengths and weaknesses of the company's culture and take advantage of both characteristics.

However, and most importantly the company executives must design a forum that will allow equal participation for all segments within the company to engage in the formula process.

The success of your program can not be attained overnight. Consequently, do not be discouraged, consider any movement forward in the designed compliance program successful. As the individual leading the compliance effort you may find yourself frustrated with the process.

In order to strengthen your position, may I suggest that you continue your formal regulatory education; attend the government and private seminars readily available. In addition, register for the Federal Trade Register automatic email service and network, network, network with your fellow compliance professionals.

Ten Key Responsibilities of a Newly Appointed Trade Compliance Manager continued...

5. Denied Party Screening

As the compliance manager, you need to ensure there is an IT program in place to do denied party screening to ensure that exports/imports are not falling into hands of entities around the world (and in the US) that we as US owned companies can't do business with.

There are many different software options available in the market place to perform this task both expeditiously and cost effectively.

In addition to the Denied Parties List, you also have responsibility to check these government lists for exports and imports...Unverified List, Specially Designated Nationals List, Entity List, and Debarred List.

6. Classification

The importer of record and the USPPI are responsible to determine the classification of internationally transported merchandise and provide such classifications to their service providers. As a newly appointed compliance manager, you will need to ensure there is a process in place to determine both the HTS classification number for imported products, as well as correct Schedule B classification numbers for exports.

To accomplish this task, you will need to ensure that your products are detailed and described in an accurate manner to identify them for compliant classification process. Full and complete information will also afford your customs brokerage and international freight forwarding service providers an ability to verify that your classifications are within reasonable guidelines of being true and correct.

An annual Harmonized tariff schedule/Schedule B line review will need to be implemented as a self assessment tool to ensure that classifications determined in previous efforts remain the most accurate classification in the respective reference guides as the schedules are updated on that same annual basis.

7. Get involved in International Freight Forwarding Decisions

As a compliance manager you need to work with the international logistics people to understand how freight is being shipped.

If freight is being routed by the customer or shipped on an "ex-works" basis, there are many compliance exposures that your company is potentially liable for.

The compliance manager, through the process of education & training, needs to make sure that logistics, sales and customer support understand this important issue and possibly change the way international shipments are being handled.

A thorough understanding of INCOTerms will also serve the compliance manager well in this process.

8. Recordkeeping

The requirement of recordkeeping is one that gets many importers and exporters into trouble. A requirement of US Customs and BIS is for a company to keep complete copies of all import and export transactions for a period of 5 years in a centralized location and able to be accessed if required by US Customs or BIS within 36 hours of notification.

The compliance manager needs to ensure this is being handled and it is an area that should be addressed in the initial facilities review.

9. Automated Export Systems (AES)

The Shipper's Export Declaration has been replaced by the Electronic Export Information (EEI). The EEI is required by the Census Bureau to compile export statistics for goods leaving the United States.

The EEI is filed through the Automated Export System (AES).

The EEI is required for export shipments where the value per Schedule B number is over \$2,500.00 or for any dollar value if the shipment requires an export license. AES is mandatory and must be filed electronically.

It is the responsibility of your company to retain a copy of the AES and an area that you, as the compliance manager, need to manage.

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Ten Key Responsibilities of a Newly Appointed Trade Compliance Manager continued...

This sometimes becomes more difficult on buyer routed shipments which does not alleviate the exporters responsibility to assure compliance with all U.S. export controls. The manufacturer or supplier is still responsible to obtain the EEI from the overseas supplier's freight forwarder and the provider is legally liable to provide same.

10. Self-Audit

The ultimate goal of this whole process outlined in these 10 Steps is for a corporation to run its global supply chain compliantly and securely on an independent basis.

This means that the company can self audit its import and export operations and feel confident in its personnel, SOP's and operations that will run in accordance with the new Post 9/11 regulations and be cost effective in competing in the market place.

Summary

If you are a newly hired compliance manager and you follow these 10 steps, you should be able to mitigate the many minefields that you will encounter in your day to day operations.

The key is to follow a basic agenda, commit it to a plan of action, and then execute. Set a reasonable time frame for completion and be flexible in allowing for the normal disruptions that might affect scheduling and keeping close to your anticipated time frames.

All new trade compliance managers should consider the certification program offered by The PACMAN Association (www.compliancemaven.com) that teaches all these ten steps in great detail and allow you to exercise:

Due Diligence ... Reasonable Care ... Supervision and Control ... in your global supply chain responsibilities

Upcoming Educational Seminars --

Census Workshops: www.census.gov/foreign-trade

June 9 & 10	Export Compliance and AES PcLink Workshop, Tampa, FL
June 17 & 18	Export Compliance and AES PcLink Workshop, Herndon, VA
July 15	AES PcLink Workshop, Henderson, NV
August 5	AES PcLink Workshop, Atlanta, GA
August 7	AES PcLink Workshop, Corpus Christie, TX
August 20	AES PcLink Workshop, New York, NY

BIS: www.bis.doc.gov

June 10 & 11	Complying with US Export Controls, Seattle, WA
June 25 & 26	Complying with US Export Controls, Salt Lake City, UT
June 25 & 26	How to Develop an Export Mgmt Compliance Program, San Diego, CA
July 21 & 22	How to Develop an Export Mgmt Compliance Program, Austin, TX
Aug 19 & 20	Complying with US Export Controls, Universal City, CA
Sept 10 & 11	Complying with US Export Controls, San Diego, CA
Sept 15 & 16	Complying with US Export Controls, Oklahoma City, OK
Sept 17	Complying with ITAR, Oklahoma City, OK
Sept 23 & 24	Complying with US Export Controls, San Jose, CA



Routed Export Transactions

by Dale Dickerson Kelly
Assistant Division Chief
Data Collection Foreign Trade Division
Census Bureau

Two of the most commonly asked questions the U.S. Census Bureau's Foreign Trade Division (FTD) staff receives from the trade community are, "what is a routed transaction" and "what are my responsibilities in a routed export transaction?"

A routed transaction is a transaction in which the Foreign Principal Party in Interest (FPPI) authorizes a U.S. agent to facilitate the export of items from the United States and to prepare and file the electronic export information (EEI) in the Automated Export System (AES). Contrary to popular belief, the responsibilities of the parties in an export transaction were spelled out long before the publication of the new Foreign Trade Regulations (FTR), Title 15, Part 30, on June 2, 2008. The concept of routed export transactions was first established in a rule published in the Federal Register on July 10, 2000. The 2008 regulations, which also mandated that all export information previously required on the paper Shipper's Export Declaration (SED) be filed using the AES, provides more clarity but the concept of routed transactions remains the same. The FTR can be viewed in its entirety at www.census.gov/traderegs.

Specifically found in Section 30.3(e) of the FTR, are the responsibilities of the U.S. Principal Party in Interest (USPPI) and the U.S. authorized agent in a routed transaction. The USPPI is the person or legal entity in the United States that receives the primary benefit, monetary or otherwise, from the export transaction. The authorized agent is the individual or legal entity physically located in or otherwise under the jurisdiction of the United States that has obtained power of attorney or written authorization from the FPPI to act on its behalf and to file the EEI in a routed transaction. The FPPI is the party in the foreign country that purchased the goods for export from the United States. This party may or may not be the ultimate consignee.

When the FPPI contracts with the U.S. agent to be responsible for the movement of the goods from the United States including the AES filing, it is the responsibility of the U.S. agent to obtain a power of attorney (POA) or

written authorization from the FPPI. The USPPI is responsible for providing the agent with the elements listed in Section 30.3(e)(1) and the agent is responsible for the remaining elements. Upon request, the agent must present the USPPI with documentation that the required AES record(s) were filed including the information provided by the USPPI. The agent should also be aware that it is a violation of the FTR to provide the FPPI with a copy of the AES record(s). Alternatively, the USPPI may select to file the EEI by receiving a POA or written authorization from the FPPI. Regardless of which party files, the filer is responsible for the accuracy of the electronic export information (EEI) reported in the AES insofar as the filer can demonstrate that he or she reasonably relied on information furnished by other responsible persons participating in the transaction.

You may be asking yourself by now, why the need for the POA or written authorization? The purpose is to identify which party in the transaction will be responsible for the AES filing as well as eliminates duplicate filing. It is the responsibility of the filer to correct any information on the AES record as soon as it is known, as specified in Section 30.9.

To assist USPPIs, authorized agents, and carriers meet the requirements of the FTR, the Census Bureau conducts training through webinars, AESPCLink Certification workshops and AES Compliance Seminars. All are welcomed and encouraged to send key staff to learn about the export regulatory requirements and responsibilities of each party in the filing of AES information and exporting process. The training schedule is available on the Census Bureau web site: www.census.gov/trade. Any company interested in hosting a seminar or workshop on the FTR should contact 1-800-549-0595. You may also call this number for further information about the regulations or AES filing.



Managing Exports Successfully

**by Thomas A. Cook, Managing Director
American River International**

Internal communications within an organization is a critical component of any trade compliance program.

Below is an export work sheet which allows sales and customer service to create an export order work sheet in some electronic format that communicates information from sales to ops then to the freight forwarder.

This helps to assure that all the interested parties are on the same page and that there is a clear and consistent flow of information to make the shipment happen successfully.

Making the shipment happen... Export Order Worksheet

ABC Industries Export Order Entry Form

<input type="checkbox"/>	Date	Date: 12 September 2000
<input type="checkbox"/>	Person	Person: John Cox
<input type="checkbox"/>	Pieces, Wt, Dims (Individual)	Pick up: Iverson Warehouse
<input type="checkbox"/>	Time Frame	121 Main St
<input type="checkbox"/>	From/To	Heaterton, WS 100889
<input type="checkbox"/>	Terms of sale/terms of payment	Contact: Bob Bobson 331-654-0987
<input type="checkbox"/>	Insurance	12 crates, 3x4x5.5 128 lbs. each
<input type="checkbox"/>	Pick-up/consignee specifics	Contents: Wire gauges
<input type="checkbox"/>	Import/export license's	Special handling: Keep away from moisture
<input type="checkbox"/>	HTS or Schedule B identity	Consignee: Espinosa Trading
<input type="checkbox"/>	Product Nuances	30 Rue St.
<input type="checkbox"/>	Variables & Wish list	Barcelona, Spain 0754
		Contact: Jesus Pariva 011-43-789-5643
		Terms of Sale: DDP Barcelona Door to door
		Terms of payment: Prepaid
		Insurance: seller provides w-w
		HTSUS: 2900.1300.90
		Special instructions: rush shipment, by air, deliver by this Friday, alert cnee of ETA and keep me advised of any shipment delays

Five Top Mistakes Exporters Make

by Kelly Raia

On a weekly basis, I meet with exporters all over the country through training seminars. Within the context of the training or during sidebar discussions we will discuss compliance and logistics issues. While I could repeat “relying too heavily on service providers” five times and be done with this article...there are other mistakes made by newbie and seasoned exporters that I come across most frequently.

1. Failure to screen denied parties:

It is the responsibility of an exporter to know with whom they are conducting business. This includes customers, distributors, carriers, forwarders and charter companies. One glance through the current list of OFAC and BIS violations is enough proof that if your company is not screening all parties in its export supply chain, you could be in big trouble. Implementing denied party screening should be a priority for companies not currently doing so.

2. Breakdown in communications between the forwarder and the exporter:

Most exporters reading this newsletter probably manage their forwarders and service providers. There are many exporters who assume the forwarder will contact them if there is a holdup including missed cut-off times, clearance delays overseas, as this should be the bare minimum of follow-up by the forwarder. The exporter should include in their forwarder’s obligations that the forwarder will track the shipment not only from point of departure to the overseas destination, but to also make certain the shipment has been picked up from the overseas warehouse by the customer. For a door delivery, the forwarder should provide proof of delivery to the exporter.

3. Relying on forwarder to proactively advise on regulatory changes and compliance issues:

Many forwarders are ‘on the ball’ when it comes to dangerous goods regulations due to the potential liabilities. However, many forwarders are not aware of compliance issues such as ECCNs, export licensing and license exceptions. Find out if your forwarder has a compli-

ance “maven” and access that person for assistance. Ask if your forwarder has other resources available such as websites, industry news briefs, some way to reach out to their client base on changes. If they don’t, you will have to find your own way to stay current.

4. Believing whew, that shipment is out the door my work is over on to the next one:

Exporters need to maintain their export documents for a period of five years and make certain that any information provided to Census on behalf of the exporter was accurately reported. Require your forwarder to send the transportation documents, EEI etc., to your attention for your review and filing. Make certain the back-up documentation is not sitting in your accounts payable department where they may not understand the importance of these documents from a compliance perspective.

5. Failure to recognize the manufacturer of a product is a great resource:

Many U.S. companies source within the U.S. The manufacturer is knowledgeable about their product line and many provide material safety data sheets, UN numbers, NAFTA information and even Export Commodity Control Numbers through their customer service departments. This can be a tremendous resource for the exporter who is reselling a product or incorporating a component into a finished item. Ask your purchasing people to bring you into the loop on the companies they’re working with. Having access to this information before you need it can save you headaches and time!

In next month’s issue... Five Best Practice Measures for Exporters



IMPORT-EXPORT MANAGERS' CALENDAR



**THE
WORLD
ACADEMY**

Contact:

www.theworldacademy.com

Email: info@theworldacademy.com

877-265-0070

Advanced Import/Export Operations, Documentation & Compliance Management

September 14-15, Chicago, IL

September 21-22, Newark, NJ

October 19-20, Los Angeles, CA

November 9-10, Ft. Lauderdale, FL

C-TPAT Certification Training Workshop

July 20, Newark, NJ

August 17, San Jose, CA

September 16, Chicago, IL

October 21, Los Angeles, CA

November 11, Ft. Lauderdale, FL

Negotiation Skills Workshop

October 14, Newark, NJ

PACMAN - Import/Export Compliance Certification Workshop & Exam

November 17 & 18, Chicago, IL

Drawback Workshop

October 20, Newark, NJ

Establishing Import/Export Compliance Procedures

June 22, 23, & 24, Newark, NJ

October 27, 28 & 29, Chicago, IL

Hazardous Materials Training

June 16, 17, & 18, Newark, NJ

October 14, 15 & 16, Newark, NJ

Importer Security Filing (ISF) Compliance & Related

Global Management Security Procedures

July 24, Newark, NJ

August 20, San Jose, CA

October 8, Chicago, IL

November 13, Ft. Lauderdale, FL

INCOTERMS and Related Global Trade Issues

July 21, Newark, NJ

August 18, San Jose, CA

September 17, Chicago, IL

October 22, Los Angeles, CA

November 12, Ft. Lauderdale, FL

Letters of Credit

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Avoiding Pitfalls When Implementing New Business Systems

by **Allyson Garrone**
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American River International

Many organizations are reviewing current business practices and the need for upgrading information technology is always a requirement.

The need to achieve a smooth system implementation, free of omissions and delays, is obvious for successful business management.

We have all lived through a past implementation experience which may not have gone as smoothly as management would have liked. Sometimes, departments/business units have suffered a loss of credibility that has affected their reputation for months or years.

While a smooth and error free implementation can never be guaranteed, particularly where new technology is involved, there are factors that need to be planned out in advance.

Factors that need to be considered include:

- the extent and complexity of the change;
- the availability of staff for the extra work and time involved;
- staff skills and experience in implementing change, particularly technological change.

Changes, particularly those involving technology, are intensive users of resources. As resources are scarce in most organizations, special attention to detail is required. Effective control in day-to-day administration is essential.

A difficulty experienced by some organizations has been the loss of historical knowledge and experience caused by the turnover of staff. While new staff or outsourced suppliers may have mastered the normal day-to-day running of the system, they may not have had any experience in implementing changes. Sometimes this means that staff do not know the assumptions and

quirks built into the system. When change is contemplated, these assumptions need to be reviewed. This is very difficult when you do not know that they are there! System documentation may be of assistance, but many have difficulty reading such documents. Extensive testing of the new system is essential in this type of environment.

Software upgrades of proprietary systems can sometimes require an upgrade of the operating system/network software to the latest or later version. This may even require upgrades/replacement of computer and network hardware. These combinations increase the complexity dramatically, as interfaces between the various components may cause operational problems. Extensive testing of the new system is essential in this type of environment. Even sometimes as basic as adding new laser printers have been known to have compatibility problems that are difficult to resolve.

Added to the factors discussed above, are the normal time and budget constraints faced by most organizations. Budgets may have considered the capital costs involved with the new system implementation, but the additional time requirements are not planned out.

System implementations can be tied to specific dates e.g., the first day of the month or the start of the financial year. If these dates are missed, additional effort can be required e.g., running the 'old' system, then having to transfer the same data to the 'new' system.

A typical response to all these factors could be "Do the best you can." This approach would be detrimental to the organization. Poorly planned and executed system changes are normally disastrous, with loss of time, customer inconvenience, public relations problems and greater cost being common outcomes.

A planned approach is essential. It does not have to be complex, but it does need to be organized.

Well-planned projects consistently demonstrate significant time savings and cost containment because of appropriate project management.

The factors that will help guarantee success include:

- Ensuring that one person is allocated responsibility for system implementation management.

CONTINUED ON PAGE 15

The Importance of Customer Service in Today's Economy

by Sarah Reynolds



As the economy plunges deeper into recession, many companies are facing difficult choices. While businesses may feel forced to trim costs, cutting too deeply can drive away customers.

Customer service should become the focal point of a company's focus as this is a cost effective way to maintain your customer base. Lack of customer service is usually the result of cutting corners and downsizing which can result in the loss of business. In today's economy, there is no room for this type of risk as many companies have been hit hard and are struggling just to stay above water. Competition is fierce now and many are taking drastic measures just to stay in business, while trying to remain optimistic about the future. Companies are experiencing plummeting sales and low employee morale, while customers are seeking more attention. One area cut first is travel, which may affect your customer relationship by limiting that face to face forum which is a contributing factor to a successful business partnership.

During these difficult circumstances, customers are becoming increasingly aware of their importance to such companies, and with the competition knocking at their door, their expectation for customer service is much higher. In order to maintain your customer, the objective should no longer be to merely have a satisfied customer, that concept would now be considered insufficient. Now is the time to step up your customer service level. While face to face contact may be reduced or limited, it can be counteracted by providing optimum customer service in all other facets of the business relationship.

Customers are the key to your business and keeping them happy is critical. Don't provide the competition any opportunity to infiltrate your customer base. By keeping customer service a primary focus during downsizing and budget cuts, the customer may not feel the aftereffects nearly as much. With the focus on increasing customer service levels, companies feeling the pinch should make budget cuts in other areas, for instance,

back office expenses. Keeping customer service jobs in the frontline will help maintain business and continue to provide opportunities for the future. If you are unable to keep current customers satisfied it will be an even greater hurdle to service future potential customers. This could result in a slippery slope that no company wants to be in. Once a customer has lost faith in your service, it is very difficult to restore that faith, if at all and it is a risk no one can chance.

Many companies are providing incentives to their employees in order to boost customer service levels and morale with a minimum cost to the organization. Providing excellent customer service is essential to standing out against your competitor and if employees are an advocate of this type of thinking they are helping ensure the company's future and their own. Incentives for promoting team work, camaraderie, and customer service within an organization will lead to an optimistic work environment, and the end result will be felt by the customer. Now is the time to be creative in developing cost effective ideas to keep customers and employees engaged in the customer service process.

By providing exceptional customer service and listening to your customer you are more able to satisfy your customer's needs. This will allow you to retain their loyalty, and through positive word of mouth, possibly procure new customers, without increasing costs for advertising and marketing. Companies that can set themselves apart will have the staying power to not only survive during the hard times, but to increase their market share at the same time.

It is critical to familiarize oneself with the key elements of a successful customer service program. First and foremost is listening to your customer. In order to effectively service your customer you must identify their needs, wants, and requirements, and develop an action plan. Too often this is addressed only after a problem has occurred, and by then the damage may be irreparable. Never become complacent. Always try to exceed the customer's expectations. Keep your word, and at all times be honest with them. These elements are the stepping stones to a successful business partnership, which can only be achieved through teamwork, consistency and dedication. During these hard economic times no company can afford to ignore customer service and expect to survive solely on competitive pricing. The competition is too fierce and the customer wants it all, and rightly so.

Avoiding Pitfalls When Implementing New Business Systems continued...

- Ensuring that all users/departments are represented and all major stakeholders are included throughout the project.
- That technical support (internal/external) is obtained as required.
- That a detailed specification of requirements is documented and reviewed by all parties.
- That related practices/procedures are reviewed to maximize opportunities for improvement.
- That a plan is developed covering equipment, testing, training and implementation.
- That where possible, a full testing environment is created with extensive testing of key aspects conducted. Parallel systems is recommended during testing stages.
- That training is provided and initial support in the first few days is available.
- That user friendly documentation is prepared and available.
- That the project is reviewed and lessons learned are documented.

A planned approach is well worth the effort. The Staff needs to develop skills to ensure successful implementation of technological changes. All parties should participate to ensure all aspects are considered.



FINES & PENALTIES



SOURCE: WWW.BIS.DOC.GOV

Houston Firm Settles Export Allegations

WASHINGTON, D.C. -The Commerce Department's Bureau of Industry and Security (BIS) announced that B.J. Services Company, a provider of specialty products and services to the oil and gas industries, has agreed to pay an \$800,000 civil penalty to settle allegations that it exported certain butterfly and check valves in violation of the Export Administration Regulations. B.J. Services Company is headquartered in Houston, Texas.

"An effective compliance program requires continuous oversight and revision," said Kevin Delli-Colli, the Acting Assistant Secretary of Commerce for Export Enforcement. "Failing to keep pace with changing business practices can result in numerous violations and degrade our system of export controls."

The allegations involved 63 unlicensed exports to a variety of countries of various service parts controlled under Export Commodity Classification Number 2B350 for reasons of chemical and biological weapons proliferation, specifically, Teflon-coated valves. The violations occurred between 2003 and 2007. The company voluntarily disclosed the violations, and cooperated fully with the investigation.

Acting Assistant Secretary Delli-Colli praised the BIS Dallas Field Office for its outstanding work on this case.

BIS controls exports and re-exports of dual-use commodities, technology, and software for reasons of national security, missile technology, nuclear non-proliferation, chemical and biological weapons non-proliferation, crime control, regional stability and foreign policy. Criminal penalties and administrative sanctions can be imposed for violations of the Export Administration Regulations. For more information, please visit www.bis.doc.gov.

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