



Since 1983

October 2005 International Trade Newsletter

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BDG Domestic Truck Brokerage Air, LTL and FTL Services

BDG offers a full range of Domestic Truck Brokerage services nationwide.

- LTL
- FTL
- Air
- On-Line Track and Trace

For a rate quote contact our Domestic Team at 847-760-0030 or domestic@bdginternational.com

USA Phase In of ISPM 15 Wood Packing Regulations

As you know, the new requirements applicable to wood packaging materials for imported shipments went into effect on September 16, 2005, there will be three stages in the enforcement process:

Phase I -- September 16, 2005 - January 31, 2006 (Informed Compliance): Basically, during this phase penalties will not be imposed while Customs educates importers by placing notices on goods that violate the regulations. This will not be the case if actual pests are discovered in the wood packaging materials. In that event, the applicable regulations for the particular pest discovered will be applied.

Phase II -- February 1 - July 4, 2006 (Wooden Pallets and Crates): Shipments with non-compliant wooden pallets and crates will be held and not released. If the violating materials can be separated from the rest of the shipment they can be separated at the importer's expense and the violating materials will be exported. If the violating materials cannot be separated from the rest of the shipment, the whole shipment will be ordered exported at the importer's expense.

Phase III - July 5, 2006 and beyond (Full Enforcement): All wooden packaging materials -- i.e., not just wooden pallets and crates -- will be required to meet all of the regulatory requirements and the procedures used in Phase II for wooden pallets and crates will be used for all non-compliant materials subject to the regulations.

You should review the entire notice from Customs for complete information. If you have any questions, please don't hesitate to get in touch with me.

David

David P. Street
Galland, Kharasch, Greenberg,
Fellman & Swirsky, P.C.
1054 Thirty-First Street, N.W.
Suite 200
Washington, D.C. 20007-4492
202.342.5220
202.342.5219 fax
dstreet@gkgllaw.com

Evergreen stops taking Venezuela Collect

We have received notice from Evergreen Lines that they are no longer accepting collect freight to Venezuela.

Venezuela / USA political relationship continues to deteriorate and is beginning to have an effect on commercial relationships.

We are advising all clients to approach the Venezuelan market with caution.

Central American Free Trade Agreement – Dominican Republic

The Central American - Dominican Republic Free Trade Agreement (CAFTA-DR) is currently not in effect. The U.S. Congress approved the CAFTA-DR in July 2005 and the President signed it into law on August 2, 2005.. The CAFTA-DR has been approved by the legislatures in El Salvador, Guatemala and Honduras. Approval is pending in Costa Rica, the Dominican Republic and Nicaragua. The agreement shall enter into force on a date to be agreed upon among the parties. Once implemented, however, U.S. manufacturers, workers, farmers and ranchers will benefit from its market opening provisions.

- The CAFTA-DR is a state-of-the-art free trade agreement. It not only will reduce barriers to U.S. trade, but also require important reforms of the domestic legal and business environment that are key to encouraging business development and investment.
- It will promote economic growth in the Central American countries of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, as well as in the Dominican Republic, and thereby will expand U.S. opportunities in important regional markets.
- The Agreement will provide new opportunities for U.S. workers and manufacturers. More than 80 percent of U.S. exports of consumer and industrial goods will become duty-free in Central America (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) immediately, with remaining tariffs phased out over 10 years. Key U.S. export sectors will benefit, such as information technology products, agricultural and construction equipment, paper products, chemicals, and medical and scientific equipment.

For more information visit: <http://www.ita.doc.gov/cafta/index.asp>

ACH ANNUAL NOTIFICATION

Under the requirements of Section 111.29 of the Customs Regulations, it is BDG's responsibility to notify our import clients on an annual basis of your payment options to customs.

"If you are the importer of record, payment to the broker will not relieve you of liability for Customs charges (duties, taxes, or other debts owed Customs) in the event the charges are not paid by the broker. Therefore, if you pay by check, Customs charges may be paid with a separate check payable to the "U.S. Customs Service" which shall be delivered to Customs by the broker."

BDG International, Inc. can help set up credit on your behalf with U.S. Customs Automated Clearing House Program. The ACH program will withdraw the duty payment directly out of your account and send it to Customs. We recommend ACH for importers who have duties that exceed \$5,000.00 per entry.

Duties are required to be paid by the tenth working day, counted from the date of the entry. If the payment is made after the tenth day, penalties will be levied by customs. We are proud to say, BDG has never had to pay penalties for a late payment. If you choose ACH, there are easy steps to ensure that late payment will not be made. If you are interested, please let us know.

For those of you who choose BDG to make payment of duties for you. Each week we send payment of all duties owed for that week via the Automated Clearing House program on the behalf of our import clients. We receive a confirmation from customs that they have received the payment and paperwork required. Our accounting department then receives the final confirmation from the bank confirming that the payment had been withdrawn properly. All import entries require the payment process to be followed. Even if the amount owed is "Zero" due to no duties or taxes required, the broker is still required to go through the motions of making a "Zero" duty payment.

If you have questions please contact Lisa V. Waller
(Tel: 800-327-6392 or email: lisaw@bdginternational.com)

ECCN NUMBER:

“Does my product require an ECCN (Export Commodity Control Number) Number??” or “Can your product be used in a way that may risk the national security of the USA?” Even though the ECCN has been in place for years, exporters are still learning about it for the first time. The USA has had a national security program for export and is nothing new. What is new is that the citizens of the USA are taking our national security seriously and everyone is learning that we all take a part in keeping our nations security.

Part of our C-TPAT (Customs-Trade Protection Against Terrorism) security program of BDG is to keep our clients informed of security issues. It has been our goal for the last 21 years to educate our customers about regulations, becoming C-TPAT made our commitment to our customers and the U.S. Government official.

Please visit the following website to learn more about ECCN: www.exporthmichigan.com/eccn.htm

BDG International has provided International Freight Forwarding, NVOCC, Custom House Broker, and Truck Brokerage services since 1983. BDG offers international transportation worldwide via air or ocean. Our services include complete export/import documentation and customs clearance support to clients throughout the USA.

We invite you to contact our offices with any questions you may have.

BDG International, Inc.
840 Tollgate Rd
Elgin, IL 60123
Phone: 800-327-6392
Fax: 847-760-0005
www.bdginternational.com

E-Mail Addresses: import@bdginternational.com
airfreight@bdginternational.com
ocean@bdginternational.com
domestic@bdginternational.com

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