



## March 2002 International Trade News Letter

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Airline Security

WHY PURCHASE A CONTINUOUS BOND versus A SINGLE ENTRY BOND?

### BDG International's Service Spotlight:

- Air Export Services: Service Highlights
- Express, Standard and Deferred transit times.
- World-Wide Destinations
- We accept Dangerous Goods of most classes (Excluding Radio Active and Infectious Substances)
- We specialize in shipments totaling over 100 LBS in actual or dimensional weight.
- Oversize shipments
- Overweight shipments
- Representation in over 170 Air Ports.

Contact our air export department at any time via Phone, Fax, e-mail or web to learn more about our services.

## Airline security a major factor to consider

Since the tragic events of 9/11, airlines, shippers and forwarders have been subjected to heightened awareness of security issues, and stricter compliance directives. Shippers should be aware that their forwarders bear a large responsibility in regards to air safety. The government and the airlines rely heavily on information supplied by forwarders. As a group, forwarders provide a vital link in the flow of information to airlines and the government. A responsible forwarder will now ask more questions of their customers and expect more details about shipments than they would have in the past. Each forwarder participates in a government regulated security program. This imperative is designed to prevent any unauthorized introduction of explosive or incendiary materials into United States air commerce. Under particular scrutiny are transactions between shippers and forwarders who do not have any previous business history. We therefore ask that all companies that ship goods by air be aware and patient as we carefully complete our security requirements. Thank you for understanding that we do this expressly to help make your air travel safe.

### **WHY PURCHASE A CONTINUOUS BOND versus A SINGLE ENTRY BOND?**

The purpose of Customs bonds is to protect the tariff revenue of the United States by ensuring the payment of all applicable duties, taxes and fees. The bond also ensures compliance with Customs import regulations concerning situations such as country of origin marking, quotas, consumer safety, copyrighted and patented materials, unfair trade practices and FDA. The Customs required bonds may be executed on either a continuous or single entry basis.

Goods that are imported under the value of \$1250.00 are allowed to be entered as an informal entry and do not require a bond. However, goods that are considered textiles, or chemicals do not fall under this category and are required to be entered as a formal entry regardless of the value. (There are many exceptions to informal entries).

#### **SINGLE ENTRY BOND:**

Standard Single Entry Bond (SEB):  $\text{Total value} + \text{duties} \times 1 = \text{total amount bonded}$   
Textile SEB: are classified at three times total value + duties.

#### **CONTINUOUS BOND:**

Annual flat fee of per year.

### **Benefits to a continuous bond:**

1. Savings: Based on the minimum fee you will break-even on the cost at 10 imports a year. If you have any valuable shipments imported during the year you can easily exceed the flat fee of the continuous bond per year.
2. Quicker entry process: your imports have a chance of clearing through customs via the ABI (Automated Broker Interface) paper-less system.
3. Coverage for the entire USA: a continuous bond is executed under the name of the importer. Any broker or customs official will be able to query the Continuous Bond information by using your corporate IRS number. The bond can be used in any port / airport by any broker in the USA. This includes shipments coming from Canada and Mexico, that you may arrange on your own with your trucker.
4. Border clearance: Don't forget about your clearances for shipments coming across the border from Canada or Mexico. We have seen our clients overcharged on single entry bonds and entry fees with border brokers. Their SEB charges are normally way over priced. Having a continuous bond will fix your cost and reduce the chance that the border brokers try to overcharge for an SEB.
5. U.S. goods returned: U.S. goods returned may be duty and tax free, but are not free from the requirement of an SEB. If you have a high value shipment you may have a very expensive SEB charge. If your U.S. goods returned are high value or often you may want to look at a Continuous bond.

BDG offers very competitive prices for Continuous Bonds. If you think that the bond will benefit your company, we will complete the application and the bond form on your behalf. The bond takes about two weeks to activate.

Lisa V. Waller  
Director / CHB

### **International Transportation Quotation Requests**

Quotations can be requested via our web site: [www.bdginternational.com](http://www.bdginternational.com) or feel freight contact us via phone, fax, or e-mail.

BDG International is an International Freight Forwarder, NVOCC, Custom House Broker, and Duty Drawback Specialist. We provide international transportation worldwide via air or ocean. Our services include complete export/import documentation support.

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

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