



ORGANIZED 1961

# CUSTOMS BROKERS & FREIGHT FORWARDERS ASSOCIATION of Charleston, S.C., Inc.

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Member

## AGENDA

**September 10, 2009**

### **Meeting of Regular & Affiliate Membership**

- I. Call to order**
- II. August Minutes**
- III. President's report:**  
**Local Issues:**  
**National Issues:**
  
- IV. Treasurer's report**
- V. Committee reports**  
**Customs – Wallace Hester**  
**Port – Jack Daniel**  
**Automation – Doug Smith**  
**Education – Rick Jones**  
**Membership – Pat Fosberry**  
**Social Planning – Alicia Medeiros**  
**Carrier/Forwarding: Scott Kates**
- VI. Other reports**  
**Maritime – Barbara Locklear**  
**NTW – Barbara Locklear**
- VII. Old Business**
  
- VIII. New Business:**  
**Membership applications:**  
**2<sup>nd</sup>- Superior Transportation**

Door Prize- Sponsored by:

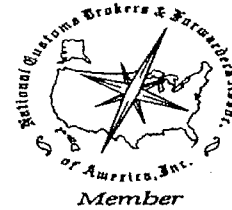
**Shipco Transport**

Adjourn



**CUSTOMS BROKERS & FREIGHT  
FORWARDERS ASSOCIATION  
of Charleston, S.C., Inc.**

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## Treasurer's Report

**September 10, 2009**

**Checking Account Balance as of 8/13/09: \$ 10,055.21**

**Deposits:**

2009 Dues \$ 682.00  
US Free Trade Agreements Seminar \$ 1,425.00

**Total Deposits: \$ 2,107.00**

**Disbursements:**

Jessica: GAC Flight \$ 264.70  
Jonathan Fee: US Free Trade Seminar \$ 882.00  
Radisson: Aug. Meeting \$ 1,124.02

**Total Disbursements: \$ 2,270.72**

**Checking Account Balance as of 9/10/09: \$ 9,891.49**

Respectfully Submitted,  
Robert Simpson  
Treasurer

## CUSTOMS COMMITTEE - CBFFA of CHS MEETING REPORT

Meeting Date: 9/8/09

CBFFA Attendees: Wallace Hester  
Linda Muccio  
Dennis Melton  
Karen Carlin  
Tammi LaRoche

US CBP Attendees: Mike Maillard  
Brenda Gibson  
Robert Fencel  
Lynn O'Conner  
Brian McKenzie  
Janet Talley

### Item 1 – Permits to Transfer

The typical process in Charleston for PTT processing has been presentation to the nominated carrier or handling agent of a stamped hard copy Delivery Ticket (CBP Form 6043) from CBP which was initially issued through Orion or in hard copy format. This process has allowed the nominated carriers and handling agents to maintain a copy of the “approved” PTT for filing purposes in order to maintain proper compliance. Now carriers and handling agents are seeing, in some cases, reports from brokers reflecting a PTT paperless filing as a result of PTT processing being done through alternate applications other than those mentioned above. Based on this scenario, the association has the following questions:

1. Can the carrier or handling agent handle shipments without an official delivery ticket, on the word from the broker that the PTT has been filed?
2. Is a report showing a paperless PTT acceptable as hard copy back up for carrier or handling agent file for compliance purposes?

**Normal process: fax prepared CBP Form 6043 (from broker or Orion) to Customs – will sign-off and stamp and put in broker’s boxes. As far as CHS CBP is concerned, the assigned carrier or handling agent must have an approved form prior to moving cargo. However, CHS CBP does acknowledge this new processing capability exists and is seeking confirmation from ABI Representatives and software vendor in order to determine how to proceed. For now, all PTT filers should process Delivery Tickets in the old fashion as previously noted.**

### Item 2 – First Sale Rule

With the expiration of the First Sale Declaration requirement on August 19, 2009, can CBP advise any findings as a result of the collection of this data over the last year and if so is there any corresponding action CBP will take in the future based on these findings. (We understand that this information was collected on behalf of the USITC and therefore CBP may be unable to provide accurate guidance on this inquiry without obtaining information from the USITC).

**USITC trying to get the First Sale Rule passed as a method of appraisement. This year of data collection carried out in order to make a case to trade. At this time CBP does not have any information regarding results or findings of the USITC – will follow this item and advise on results.**

### **Item 3 – Notice of Action Inquiry**

In the case that a Notice of Action is taken on a specific entry resulting in a change in classification and therefore a corresponding change in duties associated with the entry summary, how does CBP either collect and refund duties paid at the time of entry summary filing. In the case of additional duties as a result of the action taken, will an invoice be processed to the entry filer at the time of liquidation? In the case a refund will be applicable, will CBP automatically generate a refund check in the name of the importer of record at the time of liquidation?

**If liquidation with increased duties, taxes and fees as a result of a Notice of Action (CBP Form 29), an invoice will be sent directly to the importer of record for the corresponding amount plus any accrued interest. Invoice is typically processed within 2 weeks after liquidation by the CBP Finance Center. Process is the same for processing of refunds if this rare scenario were to take place. Refund time is approximately 6-8 weeks (supposedly).**

### **Item 4 – Modification to Ruling Letter: Return of Empty Containers Containing Residuals**

On July 17, 2009, CBP issued a modification to HQ 113129 as published in the Customs Bulletin, Vol. 43, No. 48. This modification ultimately reverses the ruling stating that importers and/or carriers can treat tanks, containers and other containers of conveyance which contain chemical residues as empty tanks with regards to CBP entry filing requirements upon importation. In short, it states that any such equipment being imported into the United States must be treated as a commercial importation. Based on this modification, the association has raised the following questions:

- **Right to Make Entry / Importer of Record**  
In the case there is not a clear importer of record, who is deemed to have the right to make entry and who should be the importer of record? One example is a carrier is returning their own equipment, which contains residue – will they be the importer of record?  
Can a customs broker be the importer of record?  
**CBP is reviewing this ruling modification in order to confirm further details and advise the association accordingly with the consequences of this modification – the committee will follow up accordingly on this item.**  
**A customs broker can be nominated as the importer of record if circumstances permit, as long as they have a bond against which to process the entry.**
- **Customs Bond Requirements**  
If the carrier or importer has an IIT bond, can the carrier or importer utilize their IIT bond for ISF and entry filing purposes? Furthermore, in most cases, informal entry provisions will be applicable given the amounts of product being declared are so minimal, therefore, would any kind of Customs Bond be required in such a case?  
Can a customs broker utilize their Customs Bond?  
**Under further review by CBP – the committee will follow up on this item accordingly.**  
**As addressed previously, a customs broker can utilize their bond.**
- **Applicability for Chemical Gas**  
Is this modification of ruling applicable for gas residual?  
**No – the modification is only applicable to the chemicals outlined in the initial ruling, which covered solid and liquid chemical states – therefore the modification is not applicable to gas residuals.**

### **Item 5 – Importer Security Filing**

The ISF report cards reflect percentage of filings processed/received by CBP in a timely fashion as well as the percentage of filings made which were missing information. Clearly missing information and timely filing are directly related. Therefore, it will be beneficial to know the missing components for those filings made and rejected for missing data. Internally, can CBP provide a listing of the specific missing components of those filings rejected for missing information? As ISF processes have been and continue to be developed, the trade and CBP see the potential trouble spots, which in turn create future potential non-compliance situations. One sticking point still tends to be the MB/L number issuance and availability to the importer and their corresponding filing agent.

**As noted in the ISF seminar in Charleston on 9/9/09, the bulk of ISFs are filed completely with all 10 components. Therefore rejections are not measured with regards to missing information but on a more general level, the two largest reasons being Duplicate Filings and Invalid Transaction Numbers. With regards to the MB/L numbers, CBP views the acceptance of the ISF more important than the B/L match. Ultimately getting this B/L number in a timely fashion still remains the burden of the importer.**

### **Other Items:**

- Question for the association regarding Customs release documentation for shipments having gone on intensive exam. Seeking feedback in order to determine if this is a systematic issue. Lost docs between CFS and CBP-Entry? Should a second run be established between CFS and CBP-Entry?
- CBP again expressed their great thanks for all those in the trade participating in the food drive in late July and early August. Based on donations from the trade, CBP donated 904 lbs. of food to the Lowcountry Food Bank.
- New labels have been placed on the boxes at Customs by Robin's Messenger Service. Robin's requested approval to do this and once granted, created attached the new labels.

### **Next Committee Meeting will be 10/6/09.**

Please let any of the committee members know of items you would like presented to CBP.

## Port Committee Meeting of August 12, 2009

### S C S P A:

John Hassell  
Paul McClintock  
Pam Everett

### C B F F A:

Alicia Medeiros  
Lou Mello  
Jack Daniel

- 1) The SPA Board of Directors is scheduled to meet in Charleston on Tuesday, August 18, 2009. Management will present the usual reports on cargo throughput, vessel activity, and various productivity measures. Results for the prior fiscal year should be ready for release.
- 2) There was a discussion of dredging issues. There are four (4) major economic projects on the horizon at the port of Georgetown which depend on getting the channel dredged to a depth of 27 feet. At the present time, it appears the Georgetown channel is only 21 feet deep. To get maintenance dredging every year for Georgetown, the port must be handling one (1) million tons of cargo. Georgetown needs an appropriation of \$1. million in order to bring the channel to a competitive depth.
- 3) In the meantime, Charleston is seeking federal funds for reconnaissance dredge work. Reconnaissance dredging must be funded by the Federal Government. This type of dredging will look at the economic feasibility bringing the local port to a depth of close to 50 feet. Paul McClintock indicated a meeting with harbor pilots at Charleston showed the channel depth is 45 feet regardless of the tide. At high tide, the channel is in excess of 48 feet. McClintock believes harbor depth is a real selling point for the port. This is especially true once the Panama Canal improvements come on line in 2013. Representation Henry Brown has got \$12. million for dredging in the house version of the Federal budget.
- 4) There was a discussion of the Maersk Line chassis program now started at the port of New York. Motor carriers must rent a chassis from Maersk for \$11/chassis per day or bring their own chassis to the pier. So far, the program seems to be working. There is a lot of interest in this program on the part of numerous parties on the New York waterfront.
- 5) Navy Yard Terminal: Work continues on the Navy Yard container terminal. At present, the request for an injunction filed by the Coastal Conservation League has not been granted. Work will proceed until there's a written order to stop.

- 6) SPA management is increasing their sales efforts. Paul McClintlock described a change in focus for sales professionals at the port. Future sales efforts will target the beneficial cargo owner (BCO). McClintlock wants sales representatives to work on quality sales calls. Sales calls will be more targeted and with less emphasis on the "warm & fuzzy type" of sales call.
- 7) Steamship lines continue to rationalize their vessel calls. Recent examples include CMA-CGM joining with Mediterranean Shipping on their trans-Atlantic loop by the end of September 2009. In addition, three carriers to South America will be merging two loops into one loop. This is the "Tango service" which will include Hamburg-Sud, Alianca and CSAV. Lines continue to lose money and most trade lanes are unprofitable. SPA management believes the future trend will be larger vessels (with partners sharing slots). Once the Panama Canal improvements are completed (2013), smaller vessels may become obsolete on the major trade lanes. The port will see fewer vessel calls but those calls will be with larger ships.
- 8) Renewed efforts are being made to market the Veterans Terminal. This terminal has over 150 acres of open space which would be perfect for roll-on-roll-off cargo. Problems may be encountered because of the finger pier construction at that site. Brad Stroble has been promoted by the SPA to manager of break-bulk sales and marketing. One of Stroble's responsibilities will be to develop new business at Veterans Terminal. SPA management wants a "unified approach" where cargo is worked wherever it makes the most sense
- 9) Jasper County: There was a discussion of the proposed port terminal at Jasper County. The site is about 1,500 acres and is eight (8) miles from the Atlantic Ocean while the present Garden City Terminal is 22 miles from the sea. There are a lot of development issues involved including road access and major dredging requirements. A great deal of work must be done before any construction is ever started.
- 10) Management was asked about Maersk Lines as that line\*was hosting a major reception for import & export customers on board the Danmark that very day. There was no word on Maersk's intentions although port management had a courtesy meeting with Maersk senior USA management scheduled for later after our meeting. SPA management was invited to the reception on board the Danmark.
- 11) There was a brief discussion of a new CBP initiative involving the U S Fish & Wildlife Service. As you know, there are only a few ports on the east coast where Fish & Wildlife permitted articles can be imported. Charleston is not a Fish & Wildlife port. CBP & Fish & Wildlife enforcement inspectors are making inspections and seizures at Charleston of animal trophies, antlers, mother of pearl, and other items hidden in import shipments.



**CUSTOMS BROKERS & FREIGHT  
FORWARDERS ASSOCIATION  
of Charleston, S.C., Inc.**

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P.O. BOX 20578 • CHARLESTON, SC 29413



## **Nominating Committee**

Susan Matteo- Chair  
J.F.Moran Co., Inc  
843-849-1068  
[smatteo@jfmoran.com](mailto:smatteo@jfmoran.com)

Rick Fogle  
Seamodal Transport Corp.  
843-766-2281  
[rffogle@seamodal.com](mailto:rffogle@seamodal.com)

*The Architects of Transportation*



## CUSTOMS BROKERS & FREIGHT FORWARDERS ASSOCIATION of Charleston, S.C., Inc.



### APPLICATION FOR MEMBERSHIP

The Customs Brokers & Freight Forwarders Association of Charleston, S.C., Inc. invites Persons\*, Firms or Corporations engaged in business as bona fide licensed Customs Brokers, Freight Forwarders, Ocean Transportation Intermediaries and Non-Vessel Operating Common Carriers who maintain offices within the South Carolina counties of Berkeley, Dorchester or Charleston to apply for *Regular Membership*; and others engaged in a business related to transportation or international trade services to apply for *Affiliate Membership*.

Check type membership applied for:  Regular \$350/yr + Initiation fee  Affiliate \$250/yr + Initiation fee  
(Initiation fee of \$125.00 applies to both membership types)

- Business type:  Customs Broker, License# \_\_\_\_\_  OTI, FMC License# \_\_\_\_\_  
 IATA Agent, Reg# \_\_\_\_\_  NVOCC, FMC Bond# \_\_\_\_\_  
 Drawback Specialist  Motor Property Broker  Container Station  
 Air Carrier  Ocean Carrier/Agent  Warehouseman  
 Motor Freight Carrier  Other: \_\_\_\_\_

First Name/Middle Initial/Last name: Sean T. Kennedy  
 Company name: Superior Transportation  
 Address: P.O. Box 1599 Mt. Pleasant, SC 29465-1599  
 City/State/ZIP: 1940 Hanahan Rd. N. Charleston 29406  
 Officers or owners of company: Patrick Barber  
 Telephone/Fax: 843-740-1840  
 Email: sean@superiortransportation.us Website: www.superiortransportation.us  
 State of Incorporation: SC Years In business: 11  
 Referred by: Gerald Bresnihan Referred by: Alicia Medeiros

I hereby apply for membership in the Customs Brokers and Freight Forwarders Association of Charleston, S.C. Inc. on behalf of the firm listed above. Our firm agrees to observe and uphold the by-laws of the Association.

Print Name	Title	Signature	Date
<u>Sean T. Kennedy</u>	<u>Dir Biz Development</u>	<u>Sean T. Kennedy</u>	<u>July 21, 2009</u>

- Membership Benefits:**
- ❖ Attendance of 2 individuals (1 individual for Affiliates) to each meeting included in membership fees
  - ❖ Educational classes & seminars at discounted prices
  - ❖ Document drop-box at US Customs at no cost
  - ❖ Access to meetings at US Customs, S.C. State Ports Authority & Maritime Association
  - ❖ Listing in the directory on the CBFFAC website
  - ❖ Access to all reports presented by Committee Chairs at the meetings

- Application Process**
- ❖ Application requests will be read at two consecutive regular meetings
  - ❖ Membership will vote on the application at the second meeting
  - ❖ The applicant is accepted if they received three-fourths approval from members present.
  - ❖ Treasurer will contact applicant to coordinate timely dues remittance

\*All persons applying for membership must have attained 21 years of age