



## BARTHCO NEW YORK MOVES TO BIGGER AND BETTER FACILITY!

### **T**he Move

On August 23, 2002, as the hour approached 4 p.m., with desks packed in boxes, Freightek computer engineers swarmed into the Jamaica, NY, Barthco office and dismantled the computer system. At the same time, 13 men from a local moving company swiftly took apart the office furnishings and loaded everything into tractor-trailers. Three members of the supervisory staff coordinated

the exodus from Jamaica while a team of managers and employees waited at the new Barthco facility in Franklin Square. At 7 p.m., the first truck arrived at the new facility; by 1 a.m. the last truck had left.

The computers, the Customs permit and the Powers of Attorney were the first to be moved. With the Freightek engineers working diligently throughout the first

critical hours, the computer system at the new facility was up and running by Friday evening. On Saturday morning (only 15 hours after the move began) the Barthco NY office was processing entries. Wow – what a show!

**Great job, Freightek!**

### **The Facility**

The new Barthco NY facility, located in  
Continued on Page 4

# U.S. CUSTOMS SYMPOSIUM 2002

**T**he discussion began with an address by the Commissioner of Customs Robert Bonner. During his address, the Commissioner stressed the importance of both the C-TPAT and 24-hour notification programs. He also announced the signing of the Homeland Security Department Act and his understanding that Customs would be moving intact to this new department.

After the Commissioner's speech, the deputy commissioner and four assistant commissioners provided highlights of their areas of responsibilities. Mr. Schmitz, Office of Regulations and Rulings, discussed the rulings process and noted that the backlog of ruling requests in the OR&R headquarters office has been completely cleaned up, and that all current and future rulings will be answered within 90 days as prescribed by regulations. Mr. Don Shruhan, Office of International Affairs, focused on the Cargo Security Initiative and disclosed that 15 of the top 20 ports in the world have signed on for this program. He expects that the remaining ports will shortly follow. Ms. Deborah Spero, Office of Strategic Trade, discussed both Focused Assessments (FA) and Importer Self Assessments (ISA). She stated that 30 of the FA's have been completed, 150 are underway, and that Customs expects to do 150 per year with a hopeful completion time of six months each.



## Other highlights of the symposium:

### C-TPAT

Customs has 1,115 agreements for entities to participate in C-TPAT. Of these, 764 are importers, 252 are brokers (including Barthco) and 99 are carriers. Under C-TPAT, each entity agrees to review, and increase, where necessary, the security of their supply-chain operations. Doing so will result in decreased examinations for an importer, as well as other benefits, such as anti-terrorism training seminars. To date, the above entities represent more than 34 percent of imported goods by value, which includes 55 of the top 100 importers and 32 ocean carriers responsible for 93 percent of all containerized cargo imported into the United States. This year, Customs hopes to set up security validations that will be focused, limited to, and concentrated on submissions. The focus will be on self-policing; consequently Customs agents will not be involved in the validation process. Customs also hopes to develop these validation procedures jointly with the

trade. In addition, Customs is planning to have foreign companies/manufacturers join C-TPAT and expects to develop industry-specific security standards. Finally, Customs will publish a "best practices" brochure for C-TPAT sometime this year.

As part of this presentation, Peter Powell, an owner of a Customs brokerage company, discussed initiatives his company has developed as part of their C-TPAT program. These included verifying all references on an employee's application, having both domestic and overseas vendors complete security questionnaires, doing security checks at all their facilities and performing employee security training. This training includes making employees aware of trouble signs such as discrepant commodity descriptions, unusual payment methods (i.e. customer pays a large bill in cash), extremely unusual routing of freight, overeager customers (customers who call multiple times to check on the progress of a shipment that does not appear to be urgent), unidentified parties and customers who urge or suggest bending the rules for additional money payments.

### Automated Commercial Environment (ACE)

ACE is a web-based portal system and will be rolled out from 2003 through 2007 replacing the current ACS. In February, 40 participants will be testing the first phase of ACE that will involve the availability of statistical and accounting information through their website. Customs intends to expand the number of test participants to 1,000 by year's end. In 2004, some transaction processing testing will occur.

### Importer Self-Assessments (ISA)

ISA's are designed to enable the importer to perform their own compliance assessments and report the results to U.S. Customs. To participate, the importer must first be a C-TPAT participant, then apply for ISA and be approved by Customs. Customs repeatedly stressed the importance of this program and how they wish to have importers participate. The benefits of participation will be greater business certainty, exemptions from comprehensive audits and reviews, access to ISA consulting teams, access to additional import statistics and enhanced prior disclosures.

### 24 Hour Rule

This new regulation requires the reporting of manifest information by the shipper to Customs 24 hours prior to the loading of containers on a vessel. The rule took effect December 2, 2002. Most of the discussion involved the requirement for a complete description of the merchandise or the reporting of the six-digit HTSUS number. The more complete the description, the less chance of having the containers delayed for searches or need of further information. Customs felt that the best practice would be to use the six-digit HTSUS. However, some members of the trade felt that these numbers would not always be adequate, and that in some cases a description of

Continued on Page 6

## CUSTOMS CORNER

### Steel Licensing

The International Trade Administration (ITA) issued its final rule to establish a steel import licensing and surge monitoring system for Section 201 steel-related imported products. The ITA program will consist of three elements. The first will be an online registration procedure in which the importer, customs broker or importer's agent will obtain a user's identification number. Using the identification number, the registrant will then perform the second element by obtaining steel licenses through another online process for all steel imports subject to the Section 201 duties. All Customs entries entered on or after February 1 containing the effected steel products will require these licenses prior to entry. The licenses may be obtained up to 60 days prior to the expected date of filing the entry summary documents, and are valid for 75 days. The final element of this program will be the monitoring aspect in which the ITA will monitor imports of steel through the licensing program in order to detect any surges of product.

### The 24 Hour Rule

Customs instituted its new 24-hour manifest requirement. This rule requires that carriers must submit to Customs certain manifest elements about cargo destined to the United States from foreign ports no later than 24 hours before that cargo is loaded on board the vessel. Failure to do so could result in penalties, examinations and extreme cargo delays. The purpose of this rule is to prevent the smuggling of weapons of mass destruction into the United States. By providing data ele-

ments that include the names and addresses of the shipper and consignee, and a complete description of the merchandise, Customs hopes to target suspicious containers and examine them prior to being loaded on the vessel. Each importer should insure that its overseas shipper provide a complete description of the merchandise to the carrier or the Harmonized Tariff Schedule numbers to the six-digit level.

### Tariff Elimination Proposal

The Office of the United States Trade Representative stated that it would present a proposal to the World Trade Organization (WTO) to eliminate all tariffs on consumer and industrial goods by 2015. Since most developing countries depend on tariffs as a major source of revenue and would most likely oppose such an idea, the future of this proposal is very unlikely.

### Department of Homeland Security

In organizing the Department of Homeland Security, it was announced that the United States Customs Service would be officially transferred from the Treasury Department to the Department of Homeland Security March 1. The Customs Service will become part of the Directorate of Border and Transportation Security (BTS). The Under Secretary for BTS will be responsible for preventing the entry of terrorists and instruments of terrorism into the United States and administering the Customs laws of the United States.



## Global solutions personally delivered.

Whether it's designing a seamless logistics process to accelerate the movement of your freight, or developing an information system to handle compliance issues, BARTHCO offers a comprehensive suite of services that allows for unparalleled flexibility.

We invite you to join our growing list of clients and discover the value of our personalized service.



**BARTHCO**

Global Logistics • International Freight Forwarder • Customs Broker • Regulatory Compliance  
Air and Sea Cargo Consolidation / IATA • Project Services • Warehouse/Distribution  
NVOCC Groupage • Fine Arts & Valuables Services • Insurance Services

1-888-BARTHCO • [www.barthco.com](http://www.barthco.com) • Offices throughout the United States and in all major trade centers worldwide.

ISO 9002  
CERTIFIED

# BARTHCO NEW YORK MOVES TO BIGGER AND BETTER FACILITY!

Continued from front page  
Franklin Square, is approximately 7 miles from JFK airport and has direct access to freight facilities. The facility quickly became "home" to Barthco's employees. The 2-story facility was completely renovated inside and out during the eight months leading up to the move, making it like new. Much of the design input came from the employees, so that we could make it a home away from home. Some of the amenities include a stylish reception area, a professional and warm conference room, and a large, classy dining room with many windows. In addition, the main floor has been furnished with all new workstations and a new telephone system.

## The People

The Barthco NY office is staffed with 85 employees including a Senior Vice President, Robert Chin Quee; a Vice President, Joseph Galeone; and an Assistant Vice President, Kim Whitfield. The supervisory staff includes: Maritza Rosario, Import Manager; Annemarie Devivo, Administrative Manager; Jamil Chaudhury, Entry Manager; and John Bronner, Import Supervisor. In addition to the import group, Betsy Escobar heads up airfreight exports while Eduvie

## BARTHCO's office in New York



Noblejas manages inbound transportation for the local Barthco Logistics team. Together, the entire group is one big team working together to service our clients.

## The Future

When designing the new facility, the task force assigned to the project looked into the future at 2-year, 5-year and 10-

year intervals. The facility was then built to accommodate growth potential at those intervals. We are very excited at the thought that Franklin Square will be our "home away from home" for many years to come. Many thanks to our clients for their continuing support, which in turn has provided us with the need for growth that necessitated this move!

## JUST BORN

Jack Samuel to **David Schlenger**, Director of Business Development, of the Newark office, and his wife Jill, October 29, 2002.

David Edward Kulb born to **David Kulb** of Barthco's Philadelphia Ocean Import department November 11, 2002.

Julian Domingo Santana born to **Wilma Hernandez** of Barthco's Newark office, November 28, 2002.

## JUST MARRIED

**Lydia Doria** of Barthco's New York office to Edson Dijamco on September 6, 2002.

## BARTHCO MILESTONES

10 YEARS:

**Catherine Bonadonna**

**Syvoia Davis**



## THE BARTHCO COMMUNICATOR IS AVAILABLE AS AN E-MAIL ATTACHMENT!

Please e-mail [marketing@barthco.com](mailto:marketing@barthco.com) with your company name and e-mail address if you wish to receive the Barthco Communicator electronically.

# CUSTOMS OFFICE OF REGULATORY AUDIT LAUNCHES ISA

**A**t the recent Customs Trade Symposium held in Washington, DC, in November 2002, the Customs Office of Regulatory Audit presented a newly launched program called Importer Self Assessment (ISA). The ISA program is a partnership between Customs and importers to maintain a high level of trade compliance.

ISA is a voluntary approach to trade compliance that allows importers maximum control of their own Customs compliance. ISA recognizes importers who are willing to assume responsibilities for self-assessment in exchange for less Customs oversight.

An importer may apply by completing an ISA Memorandum of Understanding and an ISA questionnaire. Upon submission of these application documents, Customs Regulatory Audit will conduct a risk assessment of the importer to determine the review necessary. During the review of each ISA application, Customs will schedule a meeting with the applicant to introduce the Customs ISA representatives, and to explain the expectations for ISA. The consultation will determine if the applicant is ready to assume responsibilities of self-assessment and will provide assistance and training.

The benefits of the ISA will begin once Customs has completed an evaluation of the importer's ISA application package and notified the importer of their findings. Customs expects to complete the review within 90 days after the application is received.

Once accepted into the ISA program the importer must submit an annual written notification to Customs confirming that it continues to meet the requirements of the ISA program.

## Specific requirements of the ISA program are as follows:

- Comply with all applicable Customs laws and regulations
- Maintain a system of business (including records, procedures and policies) that demonstrates the accuracy of Customs transactions
- Maintain internal controls appropriate

to provide reasonable assurance of Customs compliance

- Perform periodic testing based on risk
- Maintain results of testing for three years and provide test results to Customs on request
- Make appropriate adjustments to internal controls when needs for improvements are identified

- Maintain an audit trail from financial records to Customs declarations
- Make appropriate disclosures to Customs

For further information and assistance regarding the ISA program, please call Barthco Trade Consultants at 215-238-8600.

## In order to participate in the ISA program, an importer must:

- ◆ Become a member of the Customs-Trade Partnership against Terrorism (C-TPAT)
- ◆ Complete an ISA Memorandum of Understanding (MOU) and an ISA questionnaire
- ◆ Agree to comply with all applicable Customs laws and regulations
- ◆ Maintain a system of business records that demonstrates the accuracy of Customs transactions
- ◆ Establish, document and implement internal controls
- ◆ Perform periodic testing of the system based on risk
- ◆ Maintain results of testing for three years and make test information available to Customs on request
- ◆ Make appropriate adjustments to internal controls
- ◆ Maintain an audit trail from financial records to Customs declarations
- ◆ Submit appropriate disclosures to Customs upon completion of company reviews
- ◆ Submit an annual written notification to Customs to confirm the identity of the company ISA contact, and confirm that the importer continues to meet the requirements of the ISA program as specifically listed in the MOU

## An importer in the ISA program will receive the following benefits:

- ◆ Customs will provide consultation, guidance and training as requested
- ◆ The importer will have the opportunity to apply for coverage of multiple business units
- ◆ The importer will be removed from audit pools established for comprehensive audits, including Focused Assessments, Drawbacks, and Foreign Trade Zones
- ◆ The importer will have access to a hotline to OST/RAD key liaison officials
- ◆ The importer will be entitled to receive entry summary trade data, including analysis support, from Customs
- ◆ Utilization of the prior disclosure process
- ◆ In the event that civil penalties or liquidated damages are assessed against an importer, the importer's participation in ISA will be considered in the disposition of the case
- ◆ The importer will have access to a Customs consulting team consisting of an Account Manager, Auditor and Trade Analyst assigned to service ISA Accounts..

# U.S. CUSTOMS SYMPOSIUM 2002

Continued from Page 2

the merchandise would be more effective. Using actual descriptions will require precision. For example, describing the merchandise as footwear will not suffice. The description should state men's or women's, the material and the style of the footwear. Customs stated that poor descriptions would result in delays, while incorrect descriptions may possibly result in penalties. If merchandise is examined overseas, the results of that examination will be entered into the ACS system and be available for Customs personnel upon arrival of the merchandise. While Customs hopes that an overseas examination will greatly lessen the chance of re-examination of the freight upon its entry into the United States, further examinations will not be precluded. Freight examined overseas may be examined again in the United States for compliance reasons or for other government agency requirements. Confidentiality of the information on the manifests will pertain to the name and address of the shipper and importer only, and must be requested in writing by the importer. Once approved, such confidentiality must be requested every two years by the concerned party. Customs, by law, cannot keep any other information confidential other than the sending and receiving parties. Customs also indicated



that beginning December 2, 2002, a compliance program to insure the submission of this information would go into effect. For 60 days thereafter, Customs does not intend to issue penalties for non-intentional violations of the program. Beginning February 2, penalties will be issued against the shippers for violations of the program. Importers should be proactive in assisting their suppliers to provide the complete, accurate descriptions to shippers so that any delays or other problems can be avoided.

Customs also discussed the requirement of Section 343 of the Trade Act of 2000 that will require advance electronic manifest information for all modes of transportation including ocean, air, rail and truck by August. Customs will have meetings with the trade to discuss the implementation of this provision. The schedule of these meetings was published in the Federal Register of November 26, 2002.

Questions concerning C-TPAT may be addressed to Bill Evans at 215-238-8555. Questions concerning the ISA may be addressed to either Jennifer Polidoro at 215-238-8577 or Don Simpson at 215-937-6654. Questions concerning any other issue discussed above may be addressed to Don Simpson.

## BARTHCO INTERNATIONAL, INC.

721 Chestnut Street • Philadelphia, PA 19106  
(215) 238-8600 • Fax: (215) 592-1254  
Toll Free: 1-888-BARTHCO

## BARTHCO LOGISTICS

514 Kaiser Drive  
Folcroft, PA 19032  
(610) 461-3200 • Fax: (610) 461-3250

## BARTHCO TRADE CONSULTANTS

7575 Holstein Avenue • Philadelphia, PA 19153  
(215) 365-8600 • Fax: (215) 937-6685  
9 Farber Hill Road • Suite 300 • Boonton, NJ 07005  
(973) 402-8300 • Fax: (973) 402-0012

### BARTHCO OFFICES

Allentown, PA	Charlotte, NC	Hong Kong	Miami, FL	Philadelphia, PA
Baltimore, MD	Chicago, IL	Houston, TX	Newark, NJ	Seattle, WA
Charleston, SC	Harrisburg, PA	Los Angeles, CA	JFK Airport, NY	Wilmington, DE

All rights reserved. Reproduction is prohibited except by permission. All information is believed to be true and correct. However, Barthco International, Inc., and its affiliates do not guarantee the accuracy or completeness of any information. Further, we are not responsible for any errors or for the results obtained from the use of the information contained.

# C-TPAT AND PORT SECURITY MEASURES UPDATED AT RECENT WORKSHOP

**O**n January 21, 2003, representatives from all facets of international trade and safety gathered at the Maritime Exchange for the Delaware River and Bay for a security workshop.

The workshop opened with remarks from Dennis Rochford, President of the Maritime Exchange. Mr. Rochford explained that recent port security initiatives and the interest of the port community sparked the need for such a meeting.

First to speak was Captain Jonathan Sarubbi of the U.S. Coast Guard Marine Safety Office. Capt. Sarubbi discussed the Maritime Transportation Security Act of 2002, which mandates that all ports, facilities and vessels have comprehensive security plans and incident response plans based on vulnerability assessments. He also discussed the Coast Guard's involvement relating to the Act's requirement for a development of a maritime intelligence system to collect and analyze information concerning vessels as well as their cargo and crew. The Coast Guard is currently seeking input at a series of public hearings on how they will implement these and other facets of the Maritime Security Act.

Next to speak was Bill Evans, Senior Vice President of Barthco International,



Mike Lovejoy, District Director of Customs in Philadelphia



Presenters at the security workshop, left to right: Dennis Rochford, President of the Maritime Exchange; Captain Jonathan Sarubbi of the U.S. Coast Guard Marine Safety Office; John Mallough, Director, Executive Board, Maritime Exchange; Bill Evans, Senior Vice President of BARTHCO and Mike Lovejoy, District Director of Customs in Philadelphia.

who also served on the Border Security Advisory Group of the U.S. Treasury Department's Commercial Operations Advisory Council (COAC) which, in conjunction with U.S. Customs personnel, developed guidelines for the Customs-Trade Partnership Against Terrorism (C-TPAT). Mr. Evans spoke about C-TPAT, explaining that the initiative was created in order to meet new security challenges, and allows Customs to assess risk on a broader perspective. Since 30 to 40 entities can be involved from the beginning to the end of a transaction, C-TPAT includes all players in the supply chain. The program is designed to address the security procedures of all components of the import supply chain; consequently Customs is recruiting its partners from a wide spectrum of industry representatives. As C-TPAT expands into the supply chain, more key players are in a position to contribute to the success of the program. C-TPAT's ultimate goal is to protect legitimate trade against smugglers and terrorists.

Mr. Evans stressed the importance of upper management's support for C-TPAT participants. Companies need to provide personnel and funding, on an ongoing

basis, so that C-TPAT becomes part of daily operations procedures. "It's not only important to have security measures in place, but to ensure that they are being implemented. This is an ongoing program that must be monitored and enhanced as situations change. Program administrators need to make their employees aware of C-TPAT and the role that each of them plays in the success of the program," stated Mr. Evans.

Finally, Mr. Mike Lovejoy, District Director of Customs in Philadelphia, spoke about several aspects of port security and noted that Commissioner Bonner is working extensively with foreign ports, as part of the Container Security Initiative, to target containers destined for the U.S. and to set up teams there. Forthcoming are Customs Validation Teams comprised of dedicated C-TPAT validators whose job it will be to visit with participants and confirm that the items mentioned in the security profile are factual and in practice.

If you have questions about the C-TPAT program, please contact Bill Evans at 215-238-8555 or via email at [w.evans@barthco.com](mailto:w.evans@barthco.com).