

Take the right Route

News and Views for the clients of Universal Logistics • Fall 2003

Have you received an AMPS penalty?

11,938 Notices of Penalty—and counting

As of September 12, 2003, the Canada Customs and Revenue Agency (CCRA) had issued 11,938 Notice of Penalty Assessments (NPA) and collected \$9,090,413 in Administrative Monetary Penalty System (AMPS) penalties. Most of the penalties have been issued at the border level.

The penalties will dramatically increase over the next year, when Post-audit Customs Assessment Reviews (CARs) will result in penalties for everything from non-report of discrepancies (overages/shortages) to failure to report exported goods.

With an effective compliance plan, you can avoid many penalties by correcting declarations to CCRA within 90 days of your having "reason to believe" that an error occurred. This is far better than the alternative, which would involve paying penalties for errors identified by a CAR. But that would only be the beginning because you would also have to go back

and file corrections (where necessary) for your entire previous fiscal period.

"You have a choice," explains Mark Glionna, VP – Client Relations. "You can invest in compliance or you can pay for non-compliance."

Invest in compliance — or pay for non-compliance

Mr. Glionna recommends that every company should have an AMPS compliance co-ordinator or team that has reviewed and understands the Master Penalty Document (<http://www.ccra-adrc.gc.ca/customs/general/amps/mpd-e.pdf>). The next step is to conduct a walk-through of your internal systems, including purchasing, receiving, customs/traffic, accounts payable and finance. The values reported to Customs must flow through your payment and financial statements.

Penalties are identified with a Notice of Penalty Assessment (NPA). Ensure every NPA is forwarded immediately to the AMPS

compliance team and send a copy of the NPA to Universal Logistics. "We can answer any questions and determine whether there are any grounds for appeal," says Brian Rowe, General Manager – Customs Consulting Services. If the NPA cannot be appealed, prompt action should be taken to identify and correct the infraction that led to the penalty, a vital step to avoid additional escalating penalties for the same infraction.

More information is available on the CCRA web site (<http://www.ccra-adrc.gc.ca/customs/general/amps/snapshot-e.html>). Or you can take advantage of the expert consulting provided by Universal Logistics. To learn more, call Brian Rowe. Remember to ask about our AMPS Seminars. They can be held in your offices or the meeting facilities at our head office in Markham, Ontario. Half-day and full-day sessions can be arranged, or you can order custom designed sessions, the best choice for companies that require extensive support.

See "Top Ten AMPS penalties" on page 2

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Four more ways we can help

As part of our continuing commitment to meet the full needs of our Clients, we have created a Transportation Consulting group and introduced, under our *TradeUp* brand, three new specialized service packages.

The new consulting group, working under the direction of Carlos Torres, Manager - Transportation Consulting Services, will provide guidance on a wide variety of issues, including transport modes, rate quotations, insurance placement and freight audit services.

The new TradeUp services include:

Book It!: Transportation and customs brokerage for the book industry

UK OK: Ocean and air services for the UK/Canada trade lane

Go North: A total logistics solution – transportation, customs brokerage and warehousing/distribution – for U.S. companies exporting to Canada.

Each package offers full access to expert customs and transportation consulting, and the convenience of a total logistics solution. For more information on any of our new *TradeUp* services, please contact Mark Glionna, Vice-President – Client Relations (ph. 905-882-4880, email: markglionna@universallogistics.ca)



Industry Roundup

Free Time reduced at rail yards

Earlier this year, both CN and CP Rail Lines reduced the free storage time allowance from four days to three (the second reduction in the last year). CN has no exception for weekends and holidays; CP will include weekends and holidays once storage commences.

Under the Administrative Monetary Penalty System (AMPS), requests for customs release cannot be submitted until the physical arrival of the goods at the terminal. For example, if a container arrives at CN on Thursday evening, customs release documents would not be submitted until Friday morning and the first day of storage would be Monday. With the current service levels offered by both railroads, storage fees are likely unavoidable and costs for storage will have to be absorbed by the importer.

Daily storage charge update

With reduced free time already in effect, Canadian National Railway (CN) has now increased its daily storage charges from CAD \$50.00 per day to CAD \$75.00 per day, effective July 30, 2003. The rate increase is a standard tariff applicable to all import containers. For more information, contact Carlos Torres, Manager – Transportation Consulting Services.

Beware FDA registration scam

Under the U.S. Food and Drug Administrations (FDA) Bioterrorism Act, companies who manufacture, process, pack, transport, distribute, receive, hold, or import food into the USA will be required to register their facility. The registration forms are expected to be available in October. There will be no registration fee and the FDA will be offering free internet-based registration. There is no need to buy registration assistance, a service being offered for a fee of as much as \$595.00 USD. For more information, go to the following FDA web address: <http://www.cfsan.fda.gov/~dms/fsbtnote.html>.

New import policy for wood

Canada's wood and wood products import policy has been revised to include several new commodity groups, such as bamboo products and decorative wood items. To view the full policy, visit the CFIA's web site (www.inspection.gc.ca/english/plaveg/protect/dir/d-02-12e.shtml) or contact Brian Rowe, General Manager – Customs Consulting Services.

Can you Help?

Nicolas Brandon, the grandson of Joyce Dickson, Internal Sales Coordinator, is one of many children urgently in need of a bone marrow transplant. Visit our web site (www.universallogistics.ca) for more information on how you can become a bone marrow donor to help a child like Nicolas.



Nicolas Brandon

Company Corner Going the extra mile

How far will we go to enhance our industry leading UK service? All the way to the UK.

Earlier this year, we sent David Lychek, Manager – Ocean Services, to the Manchester, England office of our UK partner, World Transport Agency (WTA) for a two-month staff exchange. At the same time, Andrew Doick of WTA worked at our Head Office in Markham, Ontario. "I have a much better idea now of what WTA needs to move a shipment in the shortest time possible," says Mr. Lychek.

Rising prospects Down Under

Paul Glionna, Vice-President – Operations, and Chris Barnard, Vice-President – Sales and Market Development, attended an international agents conference in Australia earlier this year to gain valuable insights on how to enhance our China/Hong Kong services. "We are now in a much better position to provide a full service to and from Asia," says Mr. Glionna.

Head Office appointments

At Head Office, Carlos Torres has been promoted to Manager – Transportation Consulting Services, Debbie D'Ornellas has been promoted to Supervisor – Truck Services and Elaine Day has been promoted to Supervisor – Customs Operations.

Top 10 AMPS penalties

(Cont'd from page 1)

- C066** Person removed goods unreleased from warehouse or duty free shop
355 *Contraventions* = \$1,032,097
-
- C033** Person moved, delivered or exported goods without authorization
1,022 *Contraventions* = \$1,022,000
-
- C019** Importer failed to report regular goods (\$1,600 or greater)
314 *Contraventions* = \$831,498
-
- C348** Person intentionally provided false information
205 *Contraventions* = \$659,314
-
- C008** Carrier failed to use correct carrier code number
455 *Contraventions* = \$537,100
-
- C274** Person reported goods as arrived prior to arrival
322 *Contraventions* = \$525,973
-
- C336** Person failed to pay duties on accounted goods
1,721 *Contraventions* - \$393,500
-
- C315** Exporter failed to provide CCRA with any export permit required
246 *Contraventions* = \$291,000
-
- C007** Person failed to include appropriate bar code on the Cargo Control document
2,131 *Contraventions* = \$263,900
-
- C343** Person failed to report in-bond cargo to Customs outbound
203 *Contraventions* = \$203,000

Route

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