

Take the right Route

News and Views for the clients of Universal Logistics • Winter 2001

Special delivery from the book industry

For the fifth consecutive year, Canada's Book & Periodical Council has awarded Universal Logistics the title "Recommended Customs Broker".

We earned the designation by offering a full complement of customs brokerage services at competitive prices.

However, Universal is still looking for ways to better serve our clients. For example, to meet the growing export needs of our clients within

the book industry, Universal was the first to introduce a specialized service: book export consolidations serving the U.K., Europe, Far East and United States.

Established in 1949, family-owned Universal Logistics provides expert customs brokerage, transportation and distribution services for over 60 book publishers and retailers.

High fuel costs driving up cost of doing business

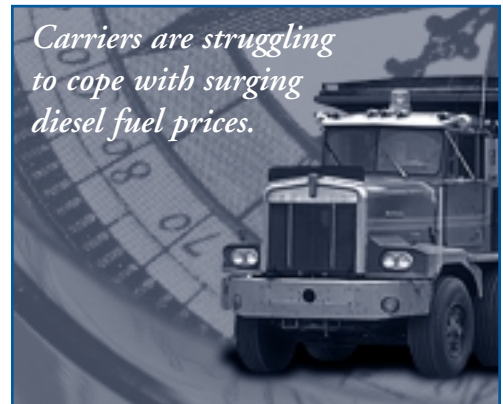
Many trucking companies are imposing fuel surcharges to compensate for the high cost of diesel fuel. Within just one year, the price of diesel fuel has increased over 100 percent - and more increases are expected through spring and summer.

As a result, many owner/operators have had to take their trucks off the road because they can't afford the operating costs. Truckers blame deregulation for driving prices for haulage down to the lowest bidder. "With the cost of fuel approaching 70 cents a litre and no trucking rate increase in 10 years, I can

no longer afford to keep my truck on the road," said Oshawa trucker Paul Bourgeois in a Toronto Star article.

The spike in diesel prices is the result of crude oil approaching \$30 (U.S.) a barrel and heavy demand during this cold winter for home heating oil, which is almost identical to diesel.

Some -- but not all -- carriers used by Universal Logistics are implementing surcharges ranging from four to nine percent. Where applicable, this cost will appear as a separate line item on client invoices.



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How to keep on truckin' with new PARS codes

Here's an important tip on the Pre-Arrival Review System (PARS), the program set up to expedite the customs release procedure for shipments clearing at the Canada/USA border, day or night.

Effective June 30, 2000, all carriers must present a PARS bar code incorporating their unique 4-digit carrier code (previously generic "2ITN" PARS codes were acceptable). Any carrier who has not made this change will be delayed at the border. That, in turn, means your shipment will be delayed, so it pays to ensure your carrier has the correct PARS coding.

Carriers can obtain their code by completing Form E369, Application to Transact Non

Bonded Carrier Operations at Point of Arrival In Canada. This form is available at any Customs office or via the web at: <http://www.ccradrc.gc.ca/E/pbg/cf/e369bq/README.html>. For more information on PARS bar coding, please call our Consulting Services at 905-882-4880.

A simple way to avoid the worries of carrier codes and shipping delays is to book your truck freight directly with Universal Logistics. "We ensure that your freight is automatically set up on the PARS program to expedite clearance and reduce your transit times," says Mark Glionna, Vice-President - Client Relations.

Industry Roundup

ARE YOU READY FOR A PERIODIC VERIFICATION AUDIT?

There's nothing like a government audit to let you know how "customs-compliant" your company really is. And sooner or later, your company will be selected for a Periodic Verification Audit (PVA), so it is better to be prepared.

Unlike previous reviews -- which were conducted on a transaction-by-transaction basis -- PVAs focus on not only Customs compliance, but also on the importer's entire import system, from purchase order through to supplier payment. In addition, the audit team will interview staff to determine what procedures are in place and whether or not they are being used. This translates into lengthy audits, which can last 18 months or more.

Typically, the audit is based on pre-test results of 25 transactions, and a follow-up test of up to 200 transactions.

PREPARING FOR A PVA

Here are just a few of the steps you should take to prepare for a PVA:

- *Ensure links exist between purchasing, receiving, accounts payable and customs systems and reports can be created for each;
- *Establish internal system identifiers to differentiate foreign trade from domestic trade and controls over embargoed goods;
- *Ensure records are maintained for full time period as required by law, 6 years plus current;

- *Develop procedure to check quantities and values declared to Customs versus accounts payable and receiving reports (overages/ shortages etc.); provide discrepancy reports to your customs broker to file adjustments to Customs where applicable;
- *Maintain a foreign vendor list complete with trade/shipping terms, product and tariff information;
- *Retain completed NAFTA Certificates of Origin for those goods claiming NAFTA preferential treatment;
- *To ensure proper tariff classification, provide your customs broker with literature on new products and have them obtain National Customs Rulings as required;
- *Properly present your company to Customs. Create an audit team with representation from purchasing, receiving, accounts payable, customs/traffic, inventory control and information systems;
- *Conduct a walkthrough of your systems showing movement of goods and supporting records - use real examples and document your findings.

Ultimately, timely and successful completion of the audit process requires everyone to work together. But it's well worth the effort because the process may reveal areas and processes within your company that can be changed for the better. You should also know many of Canada's larger importers have already experienced a P.V. Audit. Now Customs is turning its attention on medium and smaller-sized companies...*Are you Ready?*

WIN A GIFT BASKET IN OUR QUIZ CHALLENGE



Put your Customs expertise to the test by answering the following multiple-choice questions. The first five clients to submit the correct answers win a gift basket. Everyone else who gets all three questions right wins a Universal Logistics mouse pad. Don't wait. Fax your answers to 905-882-2250 today.

1. On November 1, 1999, what did Revenue Canada Customs & Excise change its name to?
 - a) Canadian Revenue Collection Service
 - b) Canada Customs and Revenue Agency
 - c) Canada Customs Service
 - d) Pocket Pickers of Canada

2. How many digits in a 10-digit H.S. Tariff Classification number are recognized internationally?
 - a) First 4
 - b) First 8
 - c) First 6
 - d) All 12
3. The maximum validity for a Canadian Blanket NAFTA Certificate of Origin is:
 - a) 2 years
 - b) 6 months
 - c) 1 year
 - d) 3 weeks next Thursday

Name: _____

Company: _____

Telephone: _____

Fax your submission to: 905-882-2250.
(PS: Is that your final answer?)

WHAT'S IN A NAME? MORE SERVICES FOR OUR CLIENTS

Our company name, Universal Logistics, is new and our services are expanding - but we're still the same family-owned company you've come to know and trust.

We made the change in late 1999 because the name Universal Logistics better represents the wide range of services we offer: customs brokerage, international transportation, trucking and distribution. All are delivered with the unique, personal touch that has set our company apart from corporate competitors.

All correspondence will feature our new name and you will no longer see any reference to our old divisions: Universal Customs Brokers, Universal Transportation and Universal Distribution. Watch future issues of *Route* for updates on our new services.

AT YOUR SERVICE



Suresh Persaud, Manager, Truck Services

Call Suresh when you have northbound and southbound freight or domestic moves (coast-to-coast within

Canada and the United States). Suresh's effectiveness is underlined by the rapid growth of Truck Services, our fastest growing area over the last five years. Suresh reminds all clients that it is not necessary to deal directly with multiple truck carriers serving different freight routes. "You can save time and money by making Universal Logistics your single contact for all domestic and transborder needs," explains Suresh. "One call does it all."



Route is produced quarterly for the clients of Universal Logistics. Reader comment and story ideas are welcome. Comments of general interest to all *Route* readers will, with the permission of the writer, be published. For more information on the company's services, contact:

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