

Take the right *Route*

News and Views for the clients of Universal Logistics • Summer 2000

Heavy penalties for administrative errors

Can you imagine paying \$25,000 - or more - for a simple clerical error? That is a very real possibility after April 1, 2001,

the target date for implementation of Canada Customs' AMPS (Administrative Monetary Penalty System).

Under the AMPS program, monetary penalties will be issued against errors, including simple errors with no intent to defraud. The penalty list contains 122 items and the penalties escalate if the number of infractions increases.

At a minimum, all importers and exporters should take the following steps to avoid penalty:

- Ensure that a valid Certificate of Origin is in your possession when claiming benefits of NAFTA.
- If you believe a declaration is incorrect, make the necessary corrections within 90 days.
- Importers should ensure their suppliers are preparing documentation correctly. To promote supplier adherence, include a compliance statement on all purchase orders.

It's also important to remember (as reported in the Spring issue of *Route*) that your level of compliance will be reviewed, sooner or later, through a *Periodic Verification Audit* that covers your entire import system from purchase order through to supplier payment.

Watch future issues of *Route* for additional guidance on AMPS, which will be provided as details become available.



Congratulations to Chris Millar of Colgate-Palmolive Canada Inc., the first winner of our Quiz Challenge.

Quiz Challenge winners

Chris Millar, Senior Cost Analyst at Colgate - Palmolive Canada Inc., was the first to correctly answer all three questions in the Quiz Challenge published in our last issue. The next four winners were: Jocelyn Baynes, Rad/Comm Systems; Sandra Shaw, Wabco Freight Car Products; Dianne Dunford, HHB Communications Canada; and Maurice King, Fairmount Books.

If you didn't win - and are wondering why - here are the correct answers:

1. B) Canada Customs and Revenue Agency;
2. C) First 6;
3. C) 1 year.



CASE STUDY

Reduced transit time and significant savings were the result when Universal Logistics was given responsibility for the transportation and customs clearance of a 9500-square-foot architectural canopy erected over the York Mills Gardens retail shopping centre at York Mills and Leslie in north Toronto.

Handling the big cover up

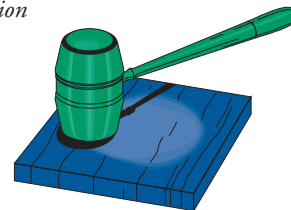
What's the best way to import a 9500-square-foot architectural canopy from the U.S. to Canada? That was the challenge Universal Logistics received earlier this year from developer Robert Brown, who had the covering custom made for his new shopping centre in north Toronto.

The job began with extensive research on key issues such as the proper Customs Tariff classification and NAFTA eligibility for not just the covering, but also the associated steel masts and outriggers. The results confirmed - much to the delight of the client - that the \$600,000 canopy qualified for duty-free entry.

Another key issue was the trucking plan, which had to meet the strict

time frame for the opening of the mall. The plan initially called for the supplier to arrange transportation. But the terms of sale were not competitive with what Universal Logistics could offer. As a result, the client gave Universal Logistics responsibility for both customs clearance and transportation - a step that led to reduced transit times and significant financial savings. Equally important, the shipment arrived on time and in good condition for the June 2000 opening.

"We have employed a lot of consultants on this project and the guys at Universal Logistics represent the best," says Mr. Brown.



Which Glionna is which?

As you might expect in a family-owned company established in 1949 by Frank Glionna, there are four Glionna brothers in the executive group. Your challenge is to identify which Glionna is which. On the far left, is that Mark, Vice President - Client Relations, or David, Vice President - Finance? Or perhaps it's Michael, President, or Paul, General Manager - Transportation.

The first person to submit the correct answers wins a Universal

Logistics golf shirt and a

dozen golf balls. The next five winners will win a sleeve of balls. All of the balls will feature the Universal Logistics logo and our positioning line, *Take the right route*, but we can't guarantee that your drives and putts will take the right route...



Check out the next issue of *Route*, scheduled for this Fall, to see the list of winners and correct answers.



Far left

Second from left

Second from right

Far right

Name:

Company:

Telephone:

Fax your submission to: 905-882-2250.

At Your Service

When you have a tough or unusual question on customs issues, such as NAFTA eligibility, PVAs or the AMPS program, Brian Rowe, Manager - Consulting Services, has the answers. For example, in recent months he has handled issues relating to shipments of everything from seaweed ice cream to parts for a nuclear submarine. That would be enough for most people, but Brian has also found time to take on a new responsibility: Editor of *Route*.



Brian Rowe, Manager, Consulting Services

Company Corner

Speak Up - Looking for a speaker on logistics issues? Just call Mark Glionna, Vice President - Client Relations, to arrange the time, place and topic. Most recently we made a presentation to members of the Book and Periodical Council on customs procedures, incoming U.S. shipments, international ocean and airfreight services and new ways to expedite international shipments. The Council says it received "very positive feedback on Universal's terrific presentation"...**Pet Set** - Sincere thanks to our growing number of clients in the pet food and pet supplies sector...**Staff News** - Two appointments have been made at our Airport Branch: **Gerson Ruiz** is the new Supervisor of the Branch and **Grace Barnard** is now responsible for Client Relations...**Coming soon** - Watch for our new web site this fall.

Route

Route is produced quarterly for the clients of Universal Logistics. Reader comments and story ideas are welcome. Comments of general interest to all *Route* readers will, with the permission of the writer, be published. Copyright©2000 by Universal Logistics Inc. All rights reserved. Reproduction for any commercial use is strictly prohibited. Editor: Brian Rowe (Email: browe@universalllogistics.ca)

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For more information on the company's services, contact:

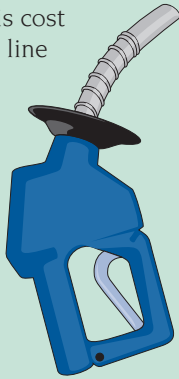
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Industry Roundup

Fuel surcharges

Inflated fuel prices have prompted ocean, air and trucking carriers to implement fuel surcharges. The form of the surcharge - and the amount - varies from carrier to carrier. In most cases, this cost will appear as a separate line item on invoices.

How long the surcharges last will depend almost exclusively on the price of fuel, one of the largest variable costs for carriers.



Provide full details on import invoices

Canada Customs has launched Phase III of the ACROSS (electronic release) system by bringing on-line various Other Government Departments (OGDs).

If you import OGD goods and want to take advantage of electronic release, additional information is now required prior to clearance. That, in turn, means we must receive from our clients

import invoices with complete product information and specifications, including the H.S. classification number, which determines whether OGD info is required.

For example, an import invoice for an electric motor must include the manufacturer's name, serial number, horsepower, etc. — even if the motor is part of a larger unit, such as a motor inside a dishwasher.

At present, four OGDs are participating with Customs: Canadian Food Inspection Agency (CFIA); Natural Resources Canada (NRCAN); Transport Canada (TC); and Industry Canada.

All other OGDs will come on line over the next four years. For more information, call Brian Rowe (905-882-4880).

PARS update

Canada Customs has set a new date (January 8, 2001) for implementation of the program where trucking carriers must present their unique 4-digit code (previously generic "2ITN" codes were acceptable). The codes will be necessary under PARS to expedite release for shipments clearing the Canada/U.S. border.

