



**Chicago Customs Brokers
& Forwarders Association**

We are dedicated to insuring that The Chicago Customs Brokers and Forwarders Association maintains a high level of professionalism, provides educational seminars for our members to the best of our ability and furthers the relationships we have developed with Customs and Border Protection, and the outside agencies locally and on a national level.

From the President's Desk

JOHN MORGAN

Good Morning, Everyone!

“Could it be, yes it could, something special, something good”. What can it be? **SPRING** seems to have finally arrived! I can hardly wait for my gas bill to go down from not using the furnace so much. I think we can agree we just experienced a rather brutal winter and despite the grip of the dreaded Polar Vortex(es) that passed through we have endured to fight on another day.

The NCBFAA annual conference was held in April and your representatives in attendance agreed that this was a good conference with many interesting topics discussed in a panel format followed also by good “Q&A” sessions. This also gave us the opportunity to sit in on the NCBFAA Board meeting as well as the Transportation and Customs Committee meetings. The newly appointed Commissioner of Customs, Mr. Gil Kerlikowske, was able to attend on Tuesday, April 8th, and gave the keynote address at the luncheon that day. He comes from a background heavy in law enforcement, where he has served as Seattle Police Department Commissioner as well as Director, National Drug Control Policy. Kerlikowske openly admits that he has much to learn about International Trade. We look forward to the opportunity to work with him and give a different perspective to his learning.

I hope you were able to attend our Town Hall Meeting on May 7th discussing the growing concerns of the current broker permit regulations and how they could be impacted by the November 2015 deadline announced by CBP for ALL entries, of any type, to be filed in ACE as the ACS system will be shut down at that point. Under current regulations all any broker would need, regardless of size, would be a national permit to file in any port via RLF. A national permit currently only requires a single licensed broker to qualify. I strongly encourage you to send your comments, or copies of any letter(s) you may send to the commissioner, congressional representatives or any others to the NCBFAA, who is attempting to gather a cross-section of opinions to develop the stance of the brokers nationally to take with customs and the congress. Please send them to permits@ncbfaa.org. For those of you that attended our annual dinner meeting on May 15th, you may have

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FROM THE PRESIDENT'S DESK

had the opportunity to meet one or all of our recipients of this year's scholarship awards. The committee had a very difficult time in choosing as we received many viable applications and we regret that we are unable to give to all. The awardees for this year were:

Jonathan Fiorante – Illinois State University
Leanne Gadow – Tisch School of Arts at New York University
Dana Lindquist – University of Illinois
Lisa Rizzo – Olivet Nazarene University

Please join me in extending a hearty "CONGRATULATIONS!" to all of our recipients. For those that did not receive an award, please apply again next year as it is open to all at the undergraduate level.

In addition to the \$ 5 per reservation we ticket for the scholarship fund, we also held a split-the-pot raffle to benefit the fund. Through the raffle we were able to generate an additional \$ 201 for the fund which then increased to \$ 402 when the winner of the raffle (me) graciously donated the winnings back to fund. WOW, that's even faster than my wife could have spent it!

Our Customs Committee has a meeting scheduled with customs on May 21, 2014, and will addressing topics of mutual concern to all with them. If you should ever have a concern for a topic you believe needs to be addressed with CBP, please contact one of the co-chairs of the committee, John Cizek or Lara Austrins with the details.

Now for the most important announcement:

SAVE THE DATE – JULY 10, 2014 – GOLF OUTING !

Respectfully Yours,
John P. Morgan
President – C.C.B.F.A.

CCBFA Scholarship Recipients
(Left to Right):
Dana Lindquist, Leanne Gadow,
Jonathan Fiorante and John
Morgan- CCBFA President. Not
pictured, Lisa Rizzo.





CCBFA TRIVIA

Hello, CCBFA Members!

Like some of us, are you running into a lot of wood inspections from APHIS on the West Coast that have required Immediate exportation of your shipments?

Thanks to Lisa Waller of BDG International, her company has been fortunate not to have a rejected shipment for a long time.

With the new regulations, Lisa had to figure out how to correctly declare to Census outgoing shipments remaining under Customs Authority.

Let us pose this Quiz question and the options! The answer will be found later in this edition of our Newsletter!

Scenario:

There is a shipment that arrives into USA territory; it is rejected and not allowed to enter the U.S. market. An Immediate Export is required and the cargo remains in bond or is placed back in bond in order to export the cargo.

What AES Exemption or Disclaimer is shown on the AWB/ Bill of lading (assuming there are no license requirements)?

Options:

1. NOEEI 30.37(a)
* value is under \$2500 per Schedule B number
2. you do not need to enter anything since it has not entered the USA
3. NO EEI 30.37 (e)
* air shipment where no EEI is required
4. NO EEI 30.2 (d) 1
* goods shipped under CBP Bond through the U.S....



U.S. Customs and
Border Protection

CUSTOMS COMMITTEE

THE FUTURE OF PERMITTING:

With implementation of a completed ACE computer system and full blown RLF, the National Permit scheme will take full effect. Under this scheme, the regulatory structure of how to maintain supervision and control of customs business will change.

Further to the CCBFA town hall meeting of May 7, we encourage all affected parties to make their opinions and ideas known through our National Association as soon as possible. Please send all ideas for permitting/responsible supervision and control of customs business under the new virtual environment being created through full implementation of ACE, the CEE's, and ITDS to permits@ncbfaa.org

ITEMS OF CONCERN FOR CBP CHICAGO

The Customs Committee of your association meets with CBP on a quarterly basis. Should you have any issues and/or ideas you would like brought before CBP during one of our quarterly meetings please forward these to your customs committee co-chairs John Cizek (john.cizek@weiss-rohlig.com) or Lara Austrins LAustrins@ClarkHill.com.

UPDATED CBP.GOV WEBSITE

As many of you may be aware, CBP has recently updated the structure of their web site. Navigation to information on the new web site has changed. As we become aware of routes to key points of information, we will share those with you through our association newsletter.

The majority of information relating to brokers, forwarders, and their clients is accessed thru the following path: 1) Select "Trade" tab from the CBP.gov home page, 2) Click on "For the Trade Community".

ACE Information:

With the quickly approaching mandatory transition from ACS to ACE we encourage all members to access and review ACE information provided to the trade community on CBP.GOV. This information can be accessed thru "ACE and Automated Systems", from the left hand side menu, once you have reached the "For the Trade Community" area of the web site.



LEGISLATIVE COMMITTEE

CCBFA – LEGISLATIVE COMMITTEE UPDATE

M. Jason Cunningham—Sonnenberg & Cunningham, Ltd.
May - 2014

Important trade legislation continues to languish before Congress. Despite calls from the importing community, the brokerage community and those who understand the importance of international trade, Congress continues its failure to enact Trade Promotion Authority (“TPA”) or to renew the Generalized System of Preferences (“GSP”).

Congress should enact TPA to give negotiating guidance and authority for the U.S. to enter talks for two large trade agreements, TPP and T-TIP. The Trans Atlantic Trade & Investment Partnership (T-TIP) would create a new Free Trade Agreement between the U.S. and the European Union. The Trans Pacific Partnership (TPP) would create a different FTA between the U.S., MX, and Canada on one side of the Pacific with countries like Japan, Australia, Malaysia, Singapore, Vietnam, and New Zealand on the other. Chile has also joined in this potential FTA.

GSP expired in July 2013. The USTR data indicates that between January and July 2013, \$11.1 billion of U.S. imports benefited from GSP treatment. While the program remains expired pending Congressional action, importers should pay the normal trade relations (column 1) duty rate but continue to flag GSP-eligible importations with the applicable SPI (“A” or “A+”) until further notice. If the program is renewed with a retroactive clause, use of the SPI will allow CBP to process automatic duty refunds. On May 16th, CBP issued a bulletin (CDMD #14-000286) advising the trade community that neither requests to extend liquidation under 19 CFR 159.12, nor protests under 19 CFR 174, should be used to stop the liquidation of entries with potential claims for a GSP duty reduction. The notice states, “If GSP were to be renewed, the legislation would specify an effective date of for the date of renewal. The renewal date, if GSP is reauthorized, might or might allow for retroactive claims.”

Finally, save the date for the NCBFAA General Affairs Conference between September 14 and 16 in Washington DC. The CCBFA has a strong voice in this conference thanks to the many efforts of a CCBFA member who has chaired the event and those who attend every year to speak with U.S. Representatives on important trade related issues. If you plan to attend, please contact Jason Cunningham so that we can include you the CCBFA delegation’s meeting schedule.

The CCBFA Legislative Committee appreciates any comments that you may be able to provide on proposed legislation. Please contact the CCBFA Legislative Director, Jason Cunningham – 312-899-1100 or via email at mjc@CustomsTradeLaw.com.

SEE A BROKER?

SAVE A BROKER!

Submitted by Donna Mullins of Mullins International

In accordance with our meeting topic on May 7th at Avalon Risk, please send comments to permits@ncbfaa.org.

May 19, 2014

Mr. Gil Kerlikowske, Commissioner
US Customs & Border Protection Service
1300 Pennsylvania Ave NW,
Washington, DC 20229

Dear Mr. Kerlikowske,

I am writing you today with a plea to save the licensed broker while embracing the integrity of the Customs Service, who by its own mission statement is called to steadfastly enforce the laws of the United States while fostering our nation's economic security through lawful international trade and travel while serving the American public with vigilance, integrity and professionalism.

I applaud CBP for recognizing the need to require licensed customs brokers to have continuing education in our profession to maintain compliance, safeguard the American consumer and enhance the security of our economy and country.

However, I question the growing and eventual reliance on a single national permit as the benchmark for responsible supervision and control that is intended in ACE. The ultimate expansion in ACE of remote location filing (RLF) to include all entry types at all ports of entry will necessarily undercut the current requirement for a licensed customs broker and permit to transact customs business in any given broker district.

As you well know, the Customs' historical mission was to assess and collect the proper duties on imported goods and interdict contraband. Now, after that horrific day in September 2001, CBP carries another, more momentous burden.

The national permit coupled with full blown RLF not only threatens our profession through lost jobs and core missions to protect the revenue and borders by reducing the ranks currently enlisted in this shared responsibility, it also devalues the individual license holder through declining demand. While the consequences of market forces resulting from diminished demand cannot be predicted with certainty, it does not seem likely to lead to enhanced professionalism, better compliance, improved security or a greater force multiplier, all things CBP espouses. Such a result would not serve the best interests of the profession of customs brokerage, the importing community, the government or the American consumer.

Up to that day, for many days following, and still today Customs has agreed that the broker was and is the Services "frontline", "partner" "co-collaborator", "co educator". And with these there is a sense of shared responsibility to ensure safe and legitimate trade, and more specifically to be an extension of the Department of Homeland Security by being licensed and having direct accountability. It is a proven fact that when police force personnel are reduced in a given area, crime increases. Commissioner, you being from a law background know this better than anyone.

While it is required by regulations that the authorized employees of a licensed broker, both companies and individuals, deliver the same quality of service as the license holder, it would be virtually impossible for one person to fulfill that requirement of “responsible supervision and control” for companies that have multiple dispersed offices doing customs business and/or transact a large volume of business.

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Permits are required by statute in part to ensure that a level of compliance is met. Without a License a permit cannot be obtained. Having an office that transacts customs business without a licensed and permitted qualifier, would be like having a city with no enforcement. It’s just not good business practice. Has Customs considered eliminating the Port Director? I would think not, therefore I bid to you not to consider eliminating the requirements of the district permit, which is qualified by an individual license holder.

Regardless of the size of the company, permits help to ensure that every entity, small or large, takes their supervisory responsibilities seriously. Relaxing this requirement will jeopardize compliance. I see the work that brokers do most akin to Import Specialists, and when we tear a page from the Customs’ own rule book why not adopt your own OPM model for the provision of responsible supervision and control? CBP has moved away from geographic boundaries, and OPM must have given CBP some guidance as the service stood up the CEEs in terms of how this supervision over Import Specialists was going to be accomplished in this new virtual concept.

Over the last century there have been numerous changes to help brokers facilitate their business. Although the Customs laws and regulations continued to restrict the right to make entry until the late nineteenth century, the basically unregulated business of a customhouse broker continued to grow as trade expanded. With a properly executed power of attorney, they could act as the importer’s agent and file entries in the importer’s name. The importer, of course, remained legally responsible, since the customhouse broker was an agent of the importer. Customhouse brokers filled a void and provided a much needed service.

Unfortunately, not every broker was honest, and several of the Treasury Decisions and Solicitor of the Treasury’s opinions of the time addressed integrity concerns. As a result, the necessity of government licensing and regulation of the industry became apparent. There was also recognition that unregulated “agents” should not be permitted to transact customs business.

Customs realized the “one permit” scheme was woefully inadequate. Do we really want to start all over and have the same results in the end? Every port should have a licensed individual that qualifies the entity to transact customs business under a permit.

Something needs to be done to avoid these consequences. I urge CBP to propose a regulatory change that will require customs brokerages to employ sufficient individually licensed customs brokers to assure adequate responsible supervision and control over those employees authorized by the brokerage to transact customs business.

There are few things I feel compelled to campaign for and this, Sir, is one of them. I am compelled to come to you asking that the value of the individual licensee be upheld to continue to ensure Customs has reliable partners that through licensing and responsible supervision and control will take their part of the import and clearance process with the seriousness needed to support Customs in not only one, but all of your missions.

Respectfully submitted,

Name
Licensed Customs Broker
CHB# _____

CCBFA ANNUAL MEMBERSHIP MEETING

May 15, 2014

MAP-21

Approximately 84 members of CCBFA gathered last Thursday evening to enjoy dinner at Avalon Banquets along with our guest speaker, Ed Greenberg. Greenberg, partner at GKG Law and also General Counsel for the NCBFAA, joined us from Washington, DC and spoke on the hot topic of MAP-21.

Upon its introduction in 2012, MAP-21 legislation was intended to support the Federal Motor Carrier Safety Administration (FMCSA) in their efforts to reduce crashes, injuries and fatalities. The outcome of the legislation was expected to hold motor carriers and drivers to the highest safety standards as well as remove high risk drivers, vehicles and carriers from our roads.

Other impacts of the legislation were increased bond levels to \$75,000 as well as licensing under FMCSA.

Back in September, 2013, FMCSA issued guidance on the implementation of certain provisions of MAP-21 concerning brokers or freight forwarders. MAP-21 required anyone acting as a broker or a freight forwarder and subject to FMCSA jurisdiction, including motor carriers, to register and obtain broker or freight forwarder authority from FMCSA.

According to Greenberg, NCBFAA wanted to make sure that the legislation exempts international freight forwarder, who are moving cargo inland relative to an export or import transportation shipment. This was in part due to stiff penalties including personal liability to the broker and/or officers of the company.

In November, 2013, Greenberg authored a mini-brief asking for a formal response from FMSCA. A copy ncbfaa.org at this link:

<http://www.ncbfaa.org>. You will see the brief after you click the hyperlink called detailed memorandum”.

FMSCA responded three weeks ago, stating that brokers do need to comply with the new legislation including bonding and penalties.





Greenberg finished his talk by stating, “it is wise for a customs broker to become a property broker”, following appropriate licensing and bonding guidelines, in order to protect brokers from liabilities to the officers of the company for a delivery movement.

Once again, we appreciate Mr. Greenberg’s time and visit to Chicago to help us understand the risks and status of this legislation.





PUBLIC RELATIONS/ CHARITY COMMITTEE

FOOD DRIVE UPDATE

A sincere “thank you” to all the members who contributed to our first event food drive during the membership meeting on Thursday, May 15th at Avalon Banquets. You will be pleased to know that we collected over 400 lbs of foodstuffs for distribution to local food pantries, as well as cash donations from those of you (including myself) who forgot to stop at the Jewel on our way to work.

Because the results of this project were so successful, we may consider partnering future food drives with other upcoming CCBFA events, i.e., seminars, golf outing, holiday party. This is a positive way for our membership to become involved in giving back to the community in a concrete fashion. There is also information available from Northern Illinois Food Bank about volunteering at the pantries and food banks, at <http://solvehungertoday.org/GetInvolved/Volunteer.aspx>

Thank you once again, to all donors and volunteers, with special thanks to Mr. Buzz Naughton of Freight Direction for arranging pickup and drop-off of the donations....as usual, Buzz comes through again!

SEE YOU AGAIN AT THE GOLF OUTING!



CALENDAR OF EVENTS & SAVE THE DATES

THU/22
MAY

SEMINAR - INTERNATIONAL GEOGRAPHY FOR BROKERS

THU/5
JUNE

BOARD OF DIRECTORS MEETING

THU/19
JUNE

TRADE SYMPOSIUM ON ACE
9:00-11:00 AM - SCHAUMBURG CORPORATE CENTER

THU/3
JULY

BOARD OF DIRECTORS MEETING

THU/10
JULY

GOLF OUTING

THU/7
AUG

BOARD OF DIRECTORS MEETING

THU/18
SEPT

SEMINAR - BACK TO BASICS, PART 1 - TRAINING THE ENTRY WRITER

THU/16
OCT

SEMINAR - BACK TO BASICS, PART 2 - TBA

THU/20
NOV

SEMINAR - TBA

SAVE *the* DATE

ANNUAL GOLF OUTING

THURSDAY, JULY 10, 2014



CHECK BACK SOON FOR DETAILS!
If you have any immediate questions, contact
Robert Macher at rmacher@avalonrisk.com.

Here is the answer to our question from page 3 :

The answer is #4.

- The first option NOEEI 30.37 (a) only represents actual goods departing the U.S. market. These are goods that originate in the USA.
- The second option does not work since we have to provide some reason of not filing an AES / EEI transmission.
- The third option NO EEI 30.37(e) used to be the correct answer; however, it is no longer allowed by Census.

Thus this leads us with the fourth option NO EEI 30.2 (d) 1. This code is not considered an Exemption. It is considered an Exclusion code. The most important requirement is that the cargo has remained in bond while in the U.S. Territory and has not cleared Customs. While it may have more than one application in the case of rejected goods from USDA / FDA / CBP or one of the other Government Agencies and an I.E. is required, this will be the code to enter onto your bill of lading or air waybill in order to communicate to the carrier and Customs the cargo status.



2014 CCBFA BOARD MEMBERS

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Vice President	Jane Sorensen	jane.sorensen@cevalogistics.com
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2014 CCBFA BOARD MEMBERS

Special Events

Golf Outing

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Golf Co-Chair

John Morgan

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Holiday Party

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