

Customs Regulations Get Me to the Show on Time

BY MARGO MCCALL

If you're a freight forwarder or customs broker, CSI isn't a television show you watch on Thursday nights. Rather, it's an acronym you're very familiar with: the Container Security Initiative, one of a phalanx of federal regulations that must be waded through to get shipments to tradeshows on time.

Some of the rules, like CSI, were established in the wake of Sept. 11. Others are more stringent versions of regulations that have been on the books for years. Freight forwarders must not only know them backwards and forwards but must also keep exhibitors apprised of what is now a rapidly changing regulatory environment.

In an era of heightened security, failing to comply with the letter of the law can lead to shipments being subjected to very

close examination. And ultimately, that means delays.

"I always felt I had a responsibility to make sure the cargo is safe for transport," said Jay

Cease, director of operations for the Las Vegas-based TWI Group, "but it can be tiresome. It drains you sometimes."

TWI Group, which targets the tradeshow industry, has an entire division devoted to getting foreign exhibitors' goods into the United States. Some 80 percent of TWI's business is international. Typically, said Cease, foreign goods bound for U.S. shows are subjected to far more scrutiny than U.S. exhibitors' shipments re-entering the country.

Since the U.S. Customs Department became Customs and Border Protection, a branch of the Department of Homeland Security, its role has changed considerably, say those in the transportation business. "They're certainly more security-conscious," said Phil Hobson, president of Phoenix Logistics. "They have an additional role, and that is to protect the borders."

A big focus of the regulations now is getting freight to shipping areas in advance, giving CBP officials adequate time to check paperwork and examine the contents of containers and shipping boxes.

"They're much more diligent with checking their paperwork to make sure the documentation is correct. Sometimes it's causing delays, sometimes it's not," said Cease.

The CSI deploys customs officers to ports in countries that are deemed high security risks. Another 20 countries have volunteered to participate in the program, intended to prevent terrorists from using shipping containers by screening risky containers at the point of departure before they arrive in U.S. ports. According to CBP, about 90 percent of the world's freight is transported by container.

But so far, there's little uniformity among ports. "Some ports are very helpful; some ports are unbelievable. They make it very difficult to work efficiently," Cease said.

The government is also using voluntary programs to screen out low-risk freight transported by known shippers. The rationale is that such programs will let federal officials focus more closely on higher-risk shipments being transported by unknown individuals.

"We like to say we screen 100 percent of anything that is suspicious," said CBP spokesman Barry Morrissey. "We believe it is far better than it was prior to 9/11. We also understand that there is room for improvement."

To ensure that booths and products get to tradeshow destinations well in advance of opening day, freight forwarders recommend that exhibitors start the process sooner than they have been accustomed to in the past.

"Just ship it earlier," said Hobson. Phoenix even provides free storage for goods that arrive well in advance of their shipping dates.

Phoenix, which is frequently hired as a show's official logistics provider, sends exhibitors explicit instructions about how to arrange for tradeshow shipments in the current environment.

Even so, exhibitors don't always get it right. Language barriers and cultural differences also make things complicated.

"When they send the documents, they're not always correct," Hobson said. "We've got to go back and ask for it to be translated. Sometimes they refer to the product only by a code. Or there might be other questions. All of this takes up time, especially with the time differences."

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Exhibitors also must now be more careful about accounting fully and clearly for the contents of their tradeshow shipments. And freight forwarders must be certain to collect exhibitors' driver's license and passport information to make sure officials can track them down if necessary. Knowing the shipper's identity is important, since goods transported by unknown shippers can only travel on certain types of airplanes or ships.

Hobson recommends that foreign exhibitors have their shipments at the port in the destination city eight to 10 days before the start of the tradeshow. Airfreight typically takes three or four days, while sea freight can take two or three weeks.

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If government officials do decide an examination is warranted, there can be serious delays, especially if customs officials unload an entire shipping container to inspect an item inside that raised suspicion during an X-ray screening. That can add days, or even weeks, to the processing time. In addition, exhibitors pick up the tab, which can be as much as \$800.

Cease said exhibitors must be sure not to add anything to their shipment that could raise a red flag. For example, a U.S. exhibitor sending goods to a European show got his shipment to the show without incident. But on the way back into the United States, something labeled "cleaning fluid" was added to the shipment. It turned out to be a bottle of Windex, but the vague labeling nonethe-

less sparked enough suspicion to warrant an exam.

Cease said such examinations are more frequent than they used to be. "We've had quite a few containers pulled," he said. "If they don't like what they see during an X-ray, they might pull it aside. And containers can sit in the port for weeks."

Although Cease said it's rare for a TWI Group shipment not to make it to the show on time, there have been some close calls. He recalled one nerve-racking delay involving a container from China destined for a Las Vegas show. "We finally



The Rules

The following Customs and Border Protection regulations are now part of the vernacular of the companies whose job is to get exhibit booths and products to tradeshow on time:

- **24-hour Rule** – The customs department must receive detailed electronic information on all U.S.-bound sea cargo a day before the cargo is loaded at the foreign port.
- **AMS** – The Automated Manifest System is intended to reduce reliance on paper documents and speed up processing, leaving cargo remaining on the dock for less time. Carriers can be alerted more quickly when shipments are cleared or ordered to undergo examinations.
- **Bioterrorism Act** – Passed in 2002, this act, overseen by the U.S. Food and Drug Administration, requires advance notice of incoming food shipments.
- **CSI** – The Container Security Initiative lets customs agents

Making the Shipping World a Safer Place

Among the voluntary programs meant to speed things up for frequent shippers, FAST, short for Free and Secure Trade, allows carriers, drivers and importers traveling between Canada, Mexico and the United States expedited border processing. After filling out an application and submitting a security profile, the program provides dedicated lanes and even priority processing during times when the national threat level is elevated.

There's one catch: To participate in FAST, carriers must be involved in another voluntary program, C-TPAT, short for Customs-Trade Partnership Against Terrorism. The C-TPAT program, launched in November 2001 with a handful of importers, now includes more than 9,000 players in the global supply chain. To receive a C-TPAT designation, companies

and vendors they deal with must meet certain minimum-security guidelines.

The guidelines call for everything from employee background checks and accurate manifesting procedures to parking restrictions and computer password protection. High-security seals must be placed on all containers bound

for the United States. In addition, C-TPAT criteria stipulate exactly how containers should be inspected and stored.

The TWI Group already has its C-TPAT designation. Phoenix Logistics President Phil Hobson said his company is applying in the hope that a C-TPAT designation will cut down on the number of shipments being subjected to time-consuming examinations. "With the new customs examinations procedures being enforced, we're seeing an increase in exams. What this will do is make our procedures more secure," he said.

Barry Morrissey, a CBP spokesman, called C-TPAT "the most successful public-private partnership in dealing with the potential of global terrorism." But he also pointed out that the companies themselves benefit from adopting the more stringent security procedures.

Another program, called the Automated Manifest System, requires that outgoing freight be manifested 48 hours before the vessel departs, and air freight at least four hours before the aircraft's departure.

"It creates a lot more paperwork," said Jay Cease, director of operations for TWI Group. "Airfreight was always meant for last minute. They've taken the last minute out of it."
—Margo McCall

got the container released the morning the show opened, got it into Las Vegas and got it opened," he said, adding that in those cases, there is "not a whole lot of happy exhibitors."

Examination delays can also wreak havoc with move-in schedules that must be heavily regimented, even under the best of circumstances. For instance, not much can be done when the roof of a multi-story booth arrives before the floor. "If something's late like that, it can mess up the whole assembly line," Hobson said.

As if that were not enough, there's also the problem of visas for foreign exhibitors. Every now and then the exhibit booth shows up, but the exhibit personnel do not. "As it's getting closer to the show opening, we'll notice the freight sitting there real quiet and ask, 'Where are the people?'" Hobson said. **TSW**

f the Game

work with foreign counterparts to target and screen containers before the container is loaded on ships destined for the United States. Customs agents have been posted at 25 overseas ports deemed to pose a terrorist threat, and 19 other countries have elected to participate in the program.

■ **C-TPAT** – Short for Customs-Trade Partnership Against Terrorism, this voluntary supply-chain security program passed in late 2001 can speed up the process for vendors who agree to meet certain security requirements, such as screening employees and partners.

■ **FAST** – The Free and Secure Trade program allows known low-risk carriers to receive expedited processing at the borders between Canada, Mexico and the United States, even during heightened national threat levels. Benefits include dedicated traffic lanes and a reduced number of examinations.

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Gina M. Punchak, Sr. Project Manager. With more than 12 years in the exhibit industry, Gina has joined our MC² Chicago Division. She will be managing accounts in one of the fastest growing markets in the MC² network. With a degree in architecture, Gina has a unique understanding of design, structure and the building process. She will now be at the forefront of some of the exciting new and existing projects handled in Chicago. Coming from a local competitor, we expect Gina to feel right at home.



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