

15 Components of World Class Import Programs (not in order of importance)

- **Aggressive Pricing**
Like any mode, regularly scheduled RFP's should be executed. The RFP's should be prepared in conjunction with the needs of the Customer. A standardized format for submitting Proposals should be subscribed to. This will enable simpler comparisons of rates and services.
- **Favorable Freight Terms**
A comprehensive understanding of INCO Terms is paramount to any successful Import Program. Terms can be confusing. It is vital to source offshore goods under the same INCO Terms whenever possible. INCO Terms should be an element of the Procurement Contract.
- **Velocity through Remote Filing**
Possess the ability to Port shop. This is beneficial when Ports become congested as a result of labor issues or natural disasters.
- **Superior Equipment Availability**
Ensure Ocean Carrier and /or Air Carrier has proper equipment to support the shipping patterns of the importer. This includes but is not limited to; Ocean Container Chassis, Ocean Containers, Warehouse Staging Space, Igloos, Pick-up and Delivery Equipment, etc.
- **Efficient Inland Transport Network**
Inland freight from the factory to the foreign Port and from the US Port to the consignee is often times not considered. INCO Terms dictate the burden of responsibility in this important segment.

● **ACH Duty Payments**

Duty Payments are the responsibility of the Importer of Record. Consequently, Duty should be paid directly from an ACH account. This helps eliminate any late payment penalties and eliminates Custom House Broker from having to float funds for Importer.

● **C-TPAT**

Customs Trade Partnership Against Terrorism. A joint initiative between US Customs & Border Protection and the shipping community. This certification program is designed primarily to give benefits to Importers that help the Government resist Terrorist threats with regard to the smuggling of WMD.

● **Collective Bargaining Leverage**

Ensure all business units or divisions within an organization are using their collective bargaining power to purchase Import Transportation services. This can be accomplished even if operating autonomy is preferred.

● **Duty Drawback**

Import Duty payments can be recovered under certain circumstances if a portion of the imported goods are exported. There are several types of Drawback Programs. A comprehensive understanding of these are critical.

● **ISA**

Importer Self Assessment Program is designed for Importers that have received C-TPAT Certification. This program allows Importers to “self police” their Import activities and make necessary improvements to enhance their Import Programs.

● **Close Ended Contracts**

Like all contracts, Import contracts should be free of ambiguity. All key lane segments, operational requirements, and possible scenarios should be clearly defined.

● **Binding Rulings**

Smart companies never assume they know all answers with regard to classifications of entries. Binding Rulings protect Importers from Mis-classifications and ultimately, payment penalties.

● **Minimization of Examinations**

Customs' examinations are costly to an Importer. They cause disruptions to supply chains and often times are expensive. Examinations can be minimized by ensuring all carton markings are exact. The documents that accompany the import must also be exact.

● **Customized Landed Cost Reporting**

Understanding total cost of ownership is critical to product cost management. Depending on INCO Terms, the components of Landed Cost Reporting are: Invoice Value, Inland Freight (foreign), Port Fees (foreign), Ocean Freight, Air Freight, Port and Destination fees (US), Duty, Brokerage Fees, Inland Freight (US).

● **Compliant with US Governmental Regulations**

Customs Compliance must be taken seriously by the senior executives of Importers. There are many programs involved in the process. For large Importers, having a Customs Compliance Officer has many benefits. US CBP considers Importers with employees dedicated to the safe and proper movement of imported goods favorably.