



# World Trader

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## 2007 Tariff Updates – Practical Tips for Keeping Up with the Changes

*by Mari McClafferty, MGTA Board Member*

Countries using the Harmonized System nomenclature, including the United States, are implementing significant changes to their tariff schedules that began January 1, 2007. Importers and exporters are not yet in a state of panic because there is a grace period to bring their procedures into compliance with these changes.

Here are some tips to help you get a handle on your 2007 classification data updates:

- Use the US HTS Tariff (Import Tariff) for both export and imports. AES states that you can do this provided you know the exceptions. You save half the time because there is only one database to make updates for all materials.
- Have your IT download all exported/imported items for the past two years to an Excel spreadsheet by part number, description, and current HS code to filter, sort and cleanse.
- Use the 2007 change info on the TIC website to flag those chapters that your products fall under so you can research and update. Dig in to the process!
- Be careful not to self blind. Not all exporters are classification experts. Assemble a team to get the job done. This is not a one-time shot; there will be changes again next year! Classification is an ongoing process.
- Update your company classification training. Exporters/importers should know the process. Use worksheets to show who and/or what was consulted—engineers, developers, product specs, brochures, intranet—to help classify to determine what your product is, what it is used for, and what function it has. Descriptions are often not what the product really is.
- Purchase a hard copy of the 2007 Tariff from the U.S. Government printing office.
- Take advantage of free versions of the 2007 Tariff located online, such as at [www.usitc.gov/tata/hts/](http://www.usitc.gov/tata/hts/).
- Read classifications details—especially the chapter notes. This is important!
- Buy the explanatory notes (available from [orders@mcmullinpublishers.com](mailto:orders@mcmullinpublishers.com)).
- Be proactive: initiate a process up front to classify new products instead of waiting until your products arrive on the shipping dock.

- Create a table of classifications for commonly shipped miscellaneous non-product items.
- Benchmark other binding rulings similar to your products using CROSS or tools like Customs Info to confirm that you are in the correct chapter and on the right track with your compliance.
- Make sure your documents contain the HS classification by line item so Customs does not have to guess what the items are in this heightened era of security. Again, enhance your descriptions to clarify what the item really is!
- Share updates with your broker, freight forwarder, and carriers to avoid delays.
- Use a Shipper's Letter of Instruction Form (SLI). This is always a good communication tool to provide clear and accurate information.
- Determine which rates of duty have increased or decreased by export/import lane.

**Key deadlines as of February 21, 2007:**

Feb. 3, 2007      World Customs Organization Updates  
 Feb. 3-20, 2007    Import: CBP's grace period; duties and fees still due within 10 days!  
 Mar. 5, 2007      Export: AES accepting only 2007 Tariff

**Note:** Online and print HTS Chapter 99 has not been updated for WCO changes. NAFTA has not been released for 2007.

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## A Successful Annual Meeting

The 2007 Annual Meeting was a success, with a crowd of 235 members on hand to enjoy an evening of networking, great food, and live entertainment. The Metropolitan location allowed for more room to mingle and reconnect with members. A bonus of the new location was the stage area that allowed for an exciting performance by the Mu Daiko drum ensemble. The ensemble played numerous pieces for 45 minutes in a dramatic fashion that focused on precision drum beats and precision choreography.

As required by charter, financial information for the 2006 year was provided to members, along with remarks from incoming President John Novak of Bremer Bank. Outgoing board members were acknowledged for their service and new board members were welcomed. A special note of thanks was made to Sandy Taylor, who coordinated the event.

The evening would not have been complete without our traditional drawing of door prizes. MGTA would like to thank all of the sponsors and door prize contributors who made the night an enjoyable and memorable event for the membership. Congratulations to Kari Basa of Phoenix International, winner of the grand prize (a pressure washer donated by Northern Tool)!

**A special thanks to all our sponsors:**

American President Lines	Midwest Consolidators Import, Corp.
Associated Bank Minnesota N.A.	MOL America
BarOle Trucking, Inc.	Neville, Peterson LLC
Bremer Bank N.A.	Nippon Express USA, Inc.
C.H. Robinson Worldwide, Inc.	NNR Global Logistics USA Inc.
Cargill, Inc.	Norman G. Jensen, Inc.
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Evergreen America	Polaris Industries, Inc.
Expeditors	Roanoke Trade Services, Inc.
Global Transportation Services, Inc.	Schenker
Griffin & Company Logistics	US Bank
Hyundai Merchant Marine	Virginia Port Authority
Maersk	Zepol Corporation
Medtronic, Inc.	

**Wonderful door prizes were given by:**

BarOle Trucking, Inc.  
Best Buy Co., Inc.  
Bremer Bank N.A.  
Department 56, Inc.  
DHL Danzas Air and Ocean  
Evergreen America  
FedEx  
Freightmasters  
Global Transportation Services, Inc.  
Griffin & Company Logistics  
Hapag Lloyd America, Inc.  
Hyundai Merchant Marine  
K-Line America  
Manhattan Toy Company  
Medtronic, Inc.

Neville, Peterson LLC  
Norman G. Jensen, Inc.  
North Star World Trade Service, Inc.  
Northern Tool & Equipment  
Northwest Airlines  
NYK Line (North America)  
Panalpina, Inc.  
Polaroid Consumer Electronics, LLC  
Port of Seattle  
Port of Tacoma  
Superior Freight  
Schenker  
Trade Acceptance Group, Ltd  
US Bank

Special thanks again to Northern Tool & Equipment and Polaroid Consumer Electronics, LLC, for the pressure washer, LCD television and wine coolers, which were our grand finale prizes of the evening. Special thanks also to Manhattan Toy Company for supplying tabletop door prizes.

Next year's Annual Meeting is being planned for the same location.

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## From the President

MGTA and I welcome you to the new year! I trust that those of you who were at our annual meeting at the Metropolitan had a very enjoyable time. On behalf of the Board, I would like to thank and extend our appreciation to those who sponsored and/or donated gifts for the event.

At the annual meeting, you should have seen on your table an overview of last year, along with our goals for 2007. I am looking forward to serving out my last year on the board as MGTA's President. MGTA has grown since its inception through the hard work of the volunteers and Board members, and I foresee the same as we move forward. The Board is continuing its commitment to our members to offer networking events, well-rounded educational seminars, and listen to members' needs.

I wish to personally recognize and thank our outgoing president, Mike Miklas, and our outgoing board members, Bonnie Anderson and Jason Ickert, for their efforts and dedication to MGTA. Adding to our existing board, I welcome our newest members, Tom Habermann and Beth Pickering. I also welcome our returning board members, Mari McClafferty and Sandy Taylor.

The MGTA Board is looking forward to a very productive year for education and networking. April will bring to you a very timely and informative program on the Uniform Customs and Practice for Documentary Credits – UCP 600 and, in August, we will hold our annual golf outing at Rush Creek Golf Club. I will be working very closely throughout the year with Lisa Larson, our Director of Client Services at the MGTA administrative office, to ensure a smooth-flowing and well-run association. Our mission this year will remain basically as it was last year:

- Continue to excel in providing relevant education programs.
- Continue to develop networking opportunities for our membership.
- Enhance communication and services through a job board and updated newsletter.
- Empower individual committees to grow MGTA through their contributions to our mission.

On a final note, we want to continue to hear from you about what MGTA can do to provide the maximum value of your membership. We also want to remind you that this association exists based upon its volunteers. Please let the MGTA office or me know if you have any interest in volunteering a small amount of your time.

I would like to thank all of the members of the Board of Directors and committees that are busy working to make 2007 a year of continued excellence for MGTA.

Sincerely,  
John Novak, President

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## Welcome, New Members!

The following individuals have joined MGTA since January 1, 2007. Welcome!

**Kevin Akerlind**  
*Export/Import Trade Compliance Manager*  
Goodrich Sensor Systems

**JoAnn Kartak**  
*Transportation Coordinator*  
Gopher Sport

**Jennifer Alcock**  
*Customer Service Lead*  
EV3 Endovascular Company

**Jim Larson**  
*Attorney*  
Hamre, Schumann, Mueller & Larson, P.C.

**Howard Babcock**  
*Corporate Transportation Manager*  
Hearth & Home Technologies

**Rafael Lozada**  
*Logistic Coordinator/Materials Manager*  
Suttle

**Marc Ballbach**  
*Manager Customer Service*  
EV3 Endovascular Company

**Terrijo Mikulich**  
*Canadian Sales Support*  
EV3 Endovascular Company

**Dan Bliven**  
*Air Export Manager*  
North Star World Trade Service, Inc.

**Shannon Olson**  
*Import Specialist*  
North Star World Trade Service, Inc.

**Shelley Bruno**  
*Import Manager*  
North Star World Trade Service, Inc.

**Darla Peterson**  
*Purchasing Manager*  
Cray, Inc.

**Amy Burkholder**  
*Import Freight Manager*  
North Star World Trade Service, Inc.

**Todd Peterson**  
*Export Logistic Coordinator*  
Viracon

**Jean Carlson**  
*International Trade Compliance Specialist*  
Goodrich Sensor Systems

**Cassandra Putt**  
*International Account Manager*  
Katolight Corporation

**Rodrigo Cintra**  
*Trade Commissioner*  
Consulate General of Canada

**Linda Quinn**  
*Import Supervisor*  
North Star World Trade Service, Inc.

**Reginald Derks**  
*Senior Partner*  
VAT plus GmbH

**Jennifer Russell**  
*Account Executive*  
Hamburg Sud North America

**Gina Fischer**  
*Warehouse Supervisor*  
Suttle

**Kate Saba**  
*Trade Commissioner*  
Consulate General of Canada

**Diane Fourre**  
MTS Systems Corporation

**Kathy Shrif**  
*Ocean Export Coordinator*  
North Star World Trade Service, Inc.

**Connie Frey**  
*International Trade Compliance Specialist*  
Goodrich Sensor Systems

**Daniel Steinbeisser**  
*Import/Export Specialist*  
EV3 Endovascular Company

**Murray Hardie**

*Commercial Consultant Delegate*  
Consulate General of Canada

**Erik Hinkie**  
*VP, Information Services*  
Holmes Corporation

**Paul Johnson**  
*International Trade Compliance Specialist*  
Goodrich Sensor Systems

**Beth Stocker**  
*Export/Import Compliance Analyst*  
Bobcat Company

**Arun Subbiah**  
Polaris Industries, Inc.

**Mark Wilson**  
*International Trade Compliance Specialist*  
Goodrich Sensor Systems

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## MGTA Calendar of Events

### March

Tuesday, March 13, 2007  
**Free Trade Agreements & Preferential Programs**  
7:30am–12:00pm  
Doubletree Park Place Hotel, St. Louis Park  
[More information & registration](#)

### April

Tuesday, April 10, 2007  
**UCP 600 for Americans (A national seminar series organized by USCIB)**  
*Co-sponsored by US Council for International Business*  
8:30am–4:30pm  
Doubletree Park Place Hotel, St. Louis Park

### May

Tuesday, May 8, 2007  
Export Management System  
7:30am–4:00pm  
Doubletree Park Place Hotel, St. Louis Park

Tuesday, May 22, 2007  
Import Management System  
7:30am–4:00pm  
Doubletree Park Place Hotel, St. Louis Park

Learn more about these and other upcoming events at [www.mgta.org](http://www.mgta.org).

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### About *World Trader*

*World Trader* is a quarterly publication of the Midwest Global Trade Association. Content is gathered via our membership and volunteers through news and media sources. While we make every attempt to insure the accuracy of materials, we provide no warranty or guarantee of accuracy. Specific information relating to trade and trade regulations offered is for informational purposes only and is not intended to replace the professional advice of an attorney, Licensed Customs Broker or other trade professional.

Articles submitted by our membership do not express the views of MGTA or the Board of Directors.

If you would like to submit an article for publication in the *World Trader*, please contact the MGTA office at [office@mgta.org](mailto:office@mgta.org). Articles should not be of the nature of a commercial solicitation of products or services; rather, they should be informative on topics of interest to MGTA membership at large.

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