



SCARBROUGH

A faint, light blue world map is centered in the background of the slide.

U.S. CUSTOMS
EXAMS EXPLAINED

www.scarbrough-intl.com

3 Decades Of Growth

Continually expanding our services to exceed expectations



SCARBROUGH

Freight Forwarding &
U.S. Customs Brokerage



1984

NVOCC Operations &
Consolidation Services



2003

Freight Forwarding &
Mexico Customs Brokerage



2015

Warehouse Distribution &
Fulfillment Services



2019

1988



Regional Asset-Based Trucks

2014



North American Truck Brokerage

2018



U.S. Customs & Supply Chain Consulting

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SCARBROUGH CONTACTS

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WHAT IS THE PURPOSE OF U.S. CUSTOMS EXAMS

To PROTECT:

- Our nation's security, sovereignty and prosperity
- Intellectual property and trademarked material
- U.S. environment
- Partner Government Agency (USDA, FDA, etc.)
- CBP makes its mission to combine customs, immigration, border security, and agricultural protection into one coordinated and supportive activity.



POSSIBLE REASONS FOR EXAM

- CBP Agent
- Destination port
- Origin country
- Specific commodities
- Commodities related to FDA, USDA/APHIS, TSCA, ATF...etc.
- Change in tariff number
- Random checks
- New importer
- Quota/Statistical products



FACTORS TO CONSIDER WITH EXAMS

- Type of hold or exam
- Time it takes
- Actual exam Fees
- Fees for Transfer, Chassis, Demurrage, Documentation Fees, Unloading/Re-loading, Staging for Exam
- Customs Exam Sites (CES)
- U.S. Customs bonded warehouses
- Relationships with U.S. Customs



COMMON TYPES OF HOLDS OR EXAMS

HOLDS

- Manifest Hold (MET Hold)
- Commercial Enforcement Hold
- Contraband Enforcement Team (A-TCET Hold)
- Statistical Validation Hold
- PGA Hold (USDA/APHIS, Fish & Wildlife, FDA, CPCS etc.)

EXAMS

- Vehicle and Cargo Inspection System (VACIS Exam)
- Tailgate Exam
- Intensive Exam
- PGA Exam (USDA/APHIS, Fish & Wildlife, FDA, CPCS, etc.)



TARGETING SYSTEM DATA

- Each shipment is scored
- The score will trigger a release, hold or exam
- Data is collected & submitted to U.S. Customs:
 - *prior to **departure** to the USA:*
 - [air and ocean]*
 - **Automated Manifest System (AMS)** prior to departure to the U.S.
 - [ocean only]*
 - **Importer Security Filing (ISF)**
 - [air only]*
 - **Air Cargo Advance Screening (ACAS)**
 - *prior to or at **arrival** into USA:*
 - U.S. Customs Entry



VACIS EXAM



Photo Source: Mango World Magazine

- First level of exam
- Non-intrusive inspection (NII) via X-ray
- Container inspected at port terminal
- How long it takes: 2-4 days depends on port
- **Exam only** - Fees range from: \$250-\$500



TAILGATE EXAM



- Second level of exam
- Completed at port
- Break the seal of the container and look inside
- How long it takes: 2-4 days depends on port
- **Exam only** - Fees range from: \$250-\$600
Depends on port



INTENSIVE EXAM



- Last level of exam
- Very intrusive exam
- Completed at a Customs Exam Site (CES)
- CES/Warehouse makes your actual product available for a U.S. Customs agent to inspect or take samples
- How long it takes: 1-2 weeks depends on the port
- **Exam only** - Fees range from: \$600 - \$2000



USDA EXAM



- Exam to protect environment
- How intrusive is this exam:
anywhere from a document review/Hold to Intensive Exam
- How long exam takes: 1 day to 3-4 weeks depending on type
(Samples could take longer)
- **Exam only** - Fees range:
depends on location and what type of hold or exam is
completed



FDA EXAM

A large, stylized, white 'FDA' logo on a dark blue rectangular background. The letters are bold and blocky, with a slight shadow effect.

- Exam to protect the people
- How intrusive is this exam:
anywhere from a document review/Hold to Intensive Exam
- How long it takes: 1 day to 4-8 weeks depending on type
(Samples could take longer)
- **Exam only** - Fees range:
depends on location and what type of hold or exam is
completed



EXAMS AT THE NORTH AMERICAN BORDER

CANADA

- Tailgate & Intensive Exam
- Completed at a location “during” the crossing point on the border
- How long it takes:
depends on what they find
- Charges rarely occur

MEXICO

- Tailgate & Intensive Exam
- Red light, green light
- Completed at a location “during” the crossing point on the border
- How long it takes:
depends on what they find
- Brokers usually have a stevedore



HOW TO AVOID EXAMS

- **Have reliable partners** in place prior to completing the purchase (i.e. shipper, freight forwarder, US Customs broker)
- If you plan to import more than one time, purchase a **continuous bond**
- Speak with your partner and **send documents prior to completing the purchase**
- File **ISF accurately and on time**
- Ensure your **HTS number is correct**
- Detailed **commodity description** is a must
- Ensure your **valuation is correct**
- Avoid importing from **high-risk countries**
- Find out required licensing or certificates from **partner government agencies** that may be involved
- Become **CTPAT Certified**



CTPAT

CUSTOMS TRADE PARTNERSHIP AGAINST TERRORISM



Some CTPAT Benefits

- Reduced number of CBP examinations
- Front of the line inspections
- Possible exemption from Stratified Exams
- Shorter wait times at the border
- Assignment of a Supply Chain Security Specialist to the company
- Access to the Free and Secure Trade (FAST) Lanes at the land borders
- Access to the CTPAT web-based Portal system and a library of training materials
- Possibility of enjoying additional benefits by being recognized as a trusted trade Partner by foreign Customs administrations that have signed Mutual Recognition with the United States
- Business resumption priority following a natural disaster or terrorist attack
- Importer eligibility to participate in the Importer Self-Assessment Program (ISA)
- Priority consideration at CBP's industry-focused Centers of Excellence and Expertise



WHAT TO WATCH OUT FOR

- Increased exams if a strategized exam finds an issue
- Flagged for exam if classification changes on previously imported item
- Flagged for exam if new/different items are imported from same shipper

- Increased exams if switching ports (mainly for those who predominantly use only one port)
- Mistakenly moving goods from the port that are under FDA Hold Intact message
- Being too vague on documents



Q&A: U.S. CUSTOMS EXAMS EXPLAINED

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