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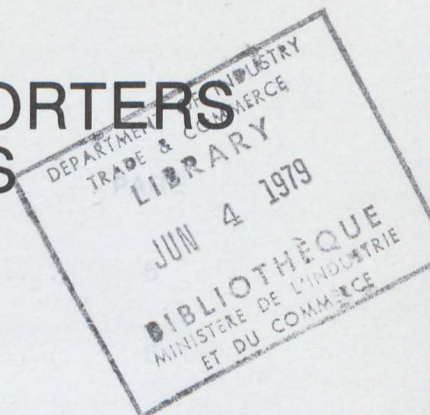
markets
for canadian
exporters

UNITED STATES

SOUTHWESTERN STATES



MARKETS FOR CANADIAN EXPORTERS SOUTHWESTERN STATES



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TRADE OFFICE RESPONSIBLE:

DALLAS

TOTAL TRADE TERRITORY:

States of Texas, Arkansas, Oklahoma, Kansas, Louisiana

FOR FURTHER INFORMATION:

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2001 Bryan Tower
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THE MARKET

Texas

Population: 12,636,500 (1977 estimate)

Total personal income: approximately \$69 billion (\$5,635 per capita)

Ranks first in the production of petroleum, natural gas, cotton, wool, livestock, and ranks eighth as a state in value added by manufacturing (\$17.7 billion). Ranks high in commercial fishing and electric power. Major agricultural area. Mineral production (1975) was \$16 billion. Total farm receipts (1975) was \$5.8 billion.

Leading industries include petroleum refining, chemical processing, oil field machinery and equipment, aircraft, electronics, primary metals, textiles and food products.

Between 1970 and December, 1976, 966,000 new non-farm jobs were created in Texas, the largest numerical gain in the country.

Major cities are Houston, Dallas, San Antonio, and Fort Worth. Austin is the state capital.

Oklahoma

Population: 2,760,000 (1977 estimate)

Total personal income: approximately \$13.8 billion (\$4,996 per capita)

Leading industries include petroleum refining, oil field machinery, fabricated metals, transportation equipment, and processing of foods and related products.

Major source of income is manufacturing based on processing of Oklahoma's farm and mineral products, followed by livestock and livestock products, and then by agriculture. Value added by manufacturing is \$2.6 billion. Mineral production was \$2.3 billion (1975). Total farm receipts were \$1.8 billion (1975).

Tulsa now has an inland port, Port of Catousa, on the Arkansas River.

Major cities of Oklahoma are Tulsa, an important centre for oil activity, and Oklahoma City, the state capital.

Kansas

Population: 2,268,100 (1977 estimate)

Total personal income: approximately \$13.5 billion (\$5,968 per capita)

Leads all states in production of wheat and flour.

Manufacturing has increased to the point where it almost matches agriculture as a major source of income, with production of transportation machinery the leading industrial activity. Kansas produces considerably more than half the nation's general aircraft. It also produces railroad cars. Value added by manufacturing is \$3.3 billion per year. Total farm receipts (1975) were \$3.7 billion. Total mineral production was \$1 billion (1975).

Major industries are aerospace, business aircraft, food processing, chemicals and related products including ordnances, soap, vegetable and animal oils. Kansas is a major beef producing and processing area.

Kansas' largest city is Wichita. Topeka is the state capital.

Arkansas

Population: 2,132,500 (1975 estimate)

Total personal income: approximately \$9.3 billion (\$4,383 per capita)

Major resources include petroleum, bauxite, antimony, cotton, and forest products. Arkansas is the only diamond producing state in the U.S. Mineral production was 0.4 billion (1975). Total farm receipts were \$2.2 billion and value added by manufacturing was \$3.2 billion (1975).

Leading industries include food processing, lumber, paper, and furniture. Manufacturing began to expand in the late 50's and is growing at a rapid rate.

Arkansas' largest city is Little Rock, the capital.

Louisiana

Population: 3,847,000 (1977 estimate)

Total personal income: approximately \$18.2 billion (\$4,729 per capita)

Louisiana is one of the nation's leading states in production of oil and natural gas, salt, sulphur, commercial fishing, fur trapping, rice, sugarcane, and sweet potatoes. Value added by manufacturing is more than \$4.8 billion annually. Total mineral production was \$8.8 billion (1975) and total farm receipts were \$1.3 billion (1975).

New Orleans, the principal city of Louisiana and second largest seaport in the U.S., handled 144 million tons during 1974. Baton Rouge is the state capital.

I GENERAL

Area and Geography

The Commercial Division of the Canadian Consulate in Dallas has commercial responsibility for the states of Texas (678,924 km²/262,134 sq. mi.), Kansas (211,827 km²/81,787 sq. mi.), Oklahoma (178,144 km²/68,782 sq. mi.), Arkansas (134,537 km²/51,945 sq. mi.), and Louisiana (131,623 km²/50,820 sq. mi.).

The topography of the Southwest varies from the rolling wooded hills and the Ozark Mountains of Arkansas and eastern Oklahoma to the flat prairies in Kansas, central and western Texas. Parts of southwest Texas are mountainous. Louisiana has the lowest average elevation of any state in the U.S. (30.48 m/ 100 ft.).

Climate

In general, the climate of the Southwest is hotter and drier than in any part of Canada. Winters are much less severe, although snow is not uncommon in Kansas, Oklahoma and the Texas panhandle. Summers are hot and dry, with the exception of southeast Texas (the Houston area) and Louisiana, which are quite humid. Summer temperatures in Dallas often exceed 37.8°C (100°F) daily for a period of several weeks.

Local Time

Central Standard Time is observed, with the exception of far west Texas, which observes Mountain Time. Central Standard Time is one hour behind the time in Toronto and Montreal. During summer months Daylight Saving Time is in effect.

Population

As of January 1, 1977 (source: Standard Rate & Data Service, Inc.)

	Total State	Principal Cities — City	Metro Area	
Texas	12,636,500	Houston	1,442,400	2,490,500
		Dallas	910,700)	2,594,700
		Forth Worth	406,700)	
		San Antonio	814,300	1,000,200
		Austin	329,200	410,400
		El Paso	374,300	432,300
Oklahoma	2,760,000	Oklahoma City	397,000	771,300
		Tulsa	356,800	599,400
Arkansas	2,132,500	Little Rock	177,600	378,900
Louisiana	3,847,000	New Orleans	544,600	1,110,500
		Baton Rouge	200,100	424,500
		Shreveport	197,300	350,200
Kansas	2,368,100	Wichita	266,000	379,700
			<u>23,644,100</u>	

Weights and Measures

U.S. measures that differ from those used in Canada are:

1 U.S. pint	— 16 fluid ounces	— 454.6 millilitres
1 U.S. quart	— 32 fluid ounces	— 909.2 millilitres
1 U.S. gallon	— 128 fluid ounces	— 3,636.7 millilitres
1 Imperial proof gallon	— 1.36 U.S. proof gallons	— 5.148 litres

Conversion to the metric system will eventually standardize measurements in both countries.

Public Holidays

Most firms observe the following public holidays:

New Year's Day	—	January 1
Good Friday	—	
Easter	—	
Memorial Day	—	May 30
Independence Day	—	July 4
Labour Day	—	First Monday in September
Thanksgiving	—	Fourth Thursday in November (businesses are generally closed the Friday immediately following as well)
Christmas	—	December 25

In addition, most banks and some businesses in Texas (especially San Antonio and Houston) observe San Jacinto Day on April 21.

The Canadian Consulate in Dallas observes the above-mentioned holidays, together with Canada Day (July 1) and Boxing Day (December 26).

In practice, business slows during the Christmas/ New Year and July/ August periods.

II ECONOMY AND INDUSTRY

Agriculture

Texas

Texas usually ranks third in total crop and livestock cash receipts and is a leading producer of livestock, cotton, grain, sorghum, rice and citrus fruits. In livestock, Texas leads in beef cattle, sheep and wool, goats and mohair. In 1976, there were 205,000 farms in the state with a total of 23,000,000 hectares (141,800,000 acres.)

While cotton has usually been this state's most valuable crop, other important crops include oilseeds, feed grains including sorghum, corn, rice, and wheat, hay, silage and forage. Truck crops from the Lower Rio Grande Valley include onions, carrots and cantaloupes and, of course, the citrus crops of lemons, grapefruits and oranges.

Beef cattle dominate the livestock industry in Texas, and the state also ranks high in dairying, hog production, poultry, eggs, turkeys, bees and honey.

Oklahoma

Oklahoma's leading crop is wheat and it is particularly important in the northern section. Other major crops include cotton, sorghum, corn, oats and barley. Livestock and livestock products make up a great proportion of the agricultural income in Oklahoma, which in 1976 had 86,000 farms, a total of 1,500,000 hectares (36,800,000 acres).

Kansas

Kansas is the nation's largest wheat producer, and also a large producer of sorghum for grain. Other crops are hay, corn, soybeans, and barley. About two-thirds of Kansas farm income is derived from wheat and cattle. In 1976, there were 79,000 farms, consisting of a total of 20,200,000 hectares (49,900,000 acres.)

Arkansas

Arkansas ranks first among the states in the production of rice (1975) and fourth in cotton, however the most important crop in terms of cash receipts is soybeans. The state ranks third in the production of chickens and sixth in turkeys, and is also a major egg producer.

Louisiana

Louisiana is an agricultural state with cotton the main crop. It is also the nation's third ranking producer of both sugarcane and rice.

Natural Resources

Texas

Texas' mineral production ranked first in the United States (1975) and provided \$16 billion worth of minerals. The most important minerals produced include petroleum, natural gas, natural gas liquids and cement. In 1975, Texas produced 1.2 billion barrels of crude petroleum, or about one-third of the U.S. total. Natural gas production in 1975 amounted to 0.212 trillion m³ (7.5 trillion cu. ft.). Texas is a leading producer of asphalt and related bitumens, of helium, sulphur, iron, mercury, uranium and graphite, and also of magnesium compounds, common salt, sodium sulphate, stone vermiculite, clays, bromine and gypsum.

There is an estimated forested area of 10.72 million hectares (26.5 million acres) with most of the commercial timber in the state being produced in the East Texas pine-hardwood region. More than 40,000 people are employed in Texas saw-mills and wood-using plants.

Oklahoma

Oklahoma's major source of mineral income is from crude petroleum production. In 1975, the state produced 163 million barrels of crude petroleum. Natural gas production in 1973 amounted to 0.045 trillion m³ (1.6 trillion cu. ft.) Total mineral production in the state of Oklahoma in 1975 amounted to \$2.3 billion, ranking the state seventh in the U.S. The most important non-fuel mineral is stone. Coal, zinc, lead, sand, gravel and clay are also mined. Oklahoma has two million hectares (five million acres) of commercial forest land, most of it in the eastern part of the state.

Kansas

Kansas, like Oklahoma and Texas, relies on petroleum as its most important mineral resource. In 1975, it produced 59 million barrels of crude petroleum and 23.9 billion m³ (844 billion cu. ft.) of natural gas. Kansas is also a major producer of helium and portland cement, stone, and salt.

Arkansas

Arkansas produces almost the entire U.S. annual bauxite production, and petroleum and natural gas are also leading mineral resources. In 1975, 16 million barrels of crude petroleum were produced, and 3.28 billion m³ (116 billion cu. ft.) of natural gas. The state is also a leading producer of vanadium, barite, and bromine. Arkansas is a leading lumber producer in the Southwest, with about 8.7 million hectares (21.5 million acres) of commercial forest land.

Louisiana

Louisiana ranks second in the U.S. in mineral production, providing 14.8 per cent of the U.S. total. Major minerals include petroleum, natural gas, natural gas liquids, and sulphur. Louisiana produced 651 million barrels of crude petroleum in 1975, and 0.2 trillion m³ (7.1 trillion cu. ft.) of natural gas.

Transportation

Texas

In 1974, Texas Gulf Coast ports handled more than 225 million short tons of which 89 million were handled by the Port of Houston, the third largest port in the U.S. Other major ports on the Texas Gulf Coast include Beaumont, Corpus Christi, Port Arthur, and Texas City, each handling more than 20 million short tons during 1974. The ports of Galveston, Freeport, Brownsville, Madagorda Channel (Port Lavaca), Long Mott, and Victoria each handled over three million short tons during this period, while Orange and Chocolate Bayou each handled over a million short tons.

Texas has 32,187 km (20,000 mi.) of railroad track and a first class highway system, totalling more than 402,335 km (250,000 mi.) of municipal and rural roads. It also has more airports than any other state and ranks fifth (1973) in passenger enplanements and sixth in air cargo. The Dallas-Fort Worth metroplex also boasts the world's largest airport.

Oklahoma

Oklahoma has a total of 173,809 km (108,000 mi.) of municipal and rural roads, 19,312 km (12,000 mi.) of interstate and federal highways and 8,690 km (5,400 mi.) of railway track. The Arkansas River Waterway, which deepened the Arkansas and Verdigris Rivers to a depth of 2.7 m (9 ft.) from the mouth of the Mississippi to the Port of Catousa (Tulsa) will make this port one of the largest inland waterway ports in the nation, with tonnage expected to eventually reach 12 million per year.

Kansas

Kansas has 217,261 km (135,000 mi.) of municipal and rural roads and 12,714 km (7,900 mi.) of railroad track. Along the Missouri River, a tributary of the Mississippi, are private port facilities at Leavenworth, Atchison and Kansas City. Special tariff prices are granted to importers bargaining directly from New Orleans to these ports.

Louisiana

Louisiana has 86,904 km (54,000 mi.) of municipal and rural roads and 6,920 km (4,300 mi.) of railway track. The Port of New Orleans handled over 144 million short tons during 1974, the second largest tonnage of any U.S. port (New York being first). Other major ports in Louisiana include Baton Rouge and Lake Charles. In addition, a port capable of handling super tankers is being built off New Orleans.

Arkansas

Arkansas has 125,528 km (78,000 mi.) of municipal and rural roads, and 5,793 km (3,600 mi.) of railroad track. The Port of Helena is on the Arkansas River.

III SELLING TO THE SOUTHWEST

Market Characteristics

The five southwestern states covered by the Canadian Consulate in Dallas have a combined population of 23,644,100, with a personal income of \$63.5 billion. The Southwest is one of the fastest growing areas of the United States, and its population increase has been accompanied by an expanding awareness and sophistication on the part of buyers. Dallas-Fort Worth, for example, now ranks as one of the top three fashion centres in the U.S. and is also the home of five major aircraft and electronics manufacturers. Southwesterners are well disposed toward Canadians, and commodities ranging from cattle to aviation equipment have found acceptance in the area. The friendly, folksy hospitality extended by southwestern buyers accompanies a keen business sense, and a manufacturer with a quality product at a good competitive price will get a fair hearing. Canadian businessmen should bear in mind, however, that there are definite regional characteristics in this market resulting from different cultural and historical influences and a warmer climate.

The Canadian Image

Many American businessmen are not aware of the high level of development of Canadian industry and have misconceptions about Canadian design and quality capabilities. U.S. firms often do not regard Canada as "foreign," and Canadian merchandise consequently is bought and invoiced through domestic purchasing departments. This can work to your advantage. Proximity to Canada and personal and corporate connections result in receptivity as well as a willingness to buy on the same basis as from domestic sources. Nevertheless, the Southwesterner retains a large measure of local pride and loyalty and it would generally be a mistake to emphasize the "foreign" nature of Canadian products in the belief that "imported" products possess a special appeal in this market.

Positive Sales Psychology

Canadian exporters may face a double challenge: to sell as an American vendor does, and to overcome misconceptions about Canadian capabilities. The buyer must be assured that there is nothing risky about doing business with Canada — or with a new supplier.

Before selling in the United States, Canadian companies should commit themselves to:

- 1) Going after business on a continuing basis
- 2) Making the first impression a positive one, to a degree they might not consider in Canada
- 3) Quoting, delivering and following up aggressively in competition with U.S. suppliers and on the same terms, i.e., c.i.f.d.

Price Quotations

Submit quotations both on a laid-down basis buyer's warehouse or factory, and an f.o.b. Canadian plant basis, exclusive of Canadian sales and excise taxes. The purchasing decision will be based on the c.i.f.d. price but some buyers want to see the f.o.b. plant costs broken out. Always quote in U.S. funds unless specifically requested to do otherwise. The landed price should include transportation charges, U.S. customs duties, if applicable, brokerage fees and insurance. This is solely the responsibility of the Canadian exporter and a "cost" of international business.

Canadian exporters may not be granted the same opportunities for renegotiating initial quotations as they have been accustomed to in Canada. This is because U.S. buyers must often work to tighter purchasing deadlines and to target prices. Hence, they may have to accept the first bid as final.

The Manufacturers' Representative

The commission agent or salesman is more commonly used as a sales technique in the U.S. than in Canada. The better reps are highly qualified by education, training and experience. They know their customers and call regularly — not only at the buying level but also on engineering, design and quality control officers. The advantages of the rep can include economy, closer business and social contacts with buyers, and being on the scene immediately when problems arise. Reps are also more in tune with the local nuances of doing business in the Southwest and reduce the "foreign" aspect of buying from a Canadian firm. The Dallas office maintains information on a large number of manufacturers' representatives operating in its market territory and can often make suitable suggestions for Canadian manufacturers. There are other levels of distribution depending on the nature of the product being marketed, and commissions, customers, number of salesmen and territories can vary considerably.

Delivery

Delivery, of course, must be exactly to rigid delivery schedules as agreed to. Many U.S. plants work on inventories as short as one or two days and could be shut down by a delay of a few hours. Failure to adhere to rigid delivery schedules is one of the surest ways of not being asked to quote again. Even if you cannot meet requested delivery schedules, quote and give your best delivery time and if successful adhere strictly to the schedule finally arrived at by agreement.

IV SERVICES FOR EXPORTERS

Banking

The following Canadian banks have resident representatives in Texas:

Canadian Imperial Bank of Commerce
2750 One Main Place
Dallas, TX 75250
(214) 748-5187

Bank of Nova Scotia
2130 Two Shell Plaza
Houston, TX 77002
(713) 224-5624

Royal Bank of Canada
Republic National Bank Tower
Dallas, TX 75201
(214) 741-1169

Toronto Dominion Bank
1115 Houston Club Building
Houston, TX 77002
(713) 227-6181

Bank of Montreal
1021 Main Street, Suite 1000
Houston, TX 77002
(713) 652-2027

Royal Bank of Canada
Two Allen Centre
Houston, TX 77002
(713) 654-7194

These representatives maintain contact with their correspondent banks throughout the Southwest, but do not carry on day-to-day banking functions. They can be helpful, however, in providing market information, contacts, credit information and letters of introduction.

Banks in Canada, of course, have international departments to assist exporters.

Please refer to Part VII of this booklet (Useful Addresses) for a list of prominent southwestern banks and customs brokers serving this market territory.

Patents, Copyrights and Trademarks

An informative booklet entitled "General Information Concerning Patents," is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20302, at a cost of 20 cents.

Patents

All business with the Patent Office should be transacted in writing and all letters addressed to the Commissioner of Patents, Washington, DC 20231.

The patent laws of the U.S. make no discrimination with respect to the citizenship of the inventor. However, an application for patent in the U.S. must be made by the inventor, and the inventor must sign the papers (with certain exceptions).

Most inventors employ the services of persons known as patent attorneys or patent agents. The Patent Office cannot recommend any particular attorney or agent. The Patent Office does, however, publish a list arranged by states, cities and foreign countries, of all registered patent attorneys and agents who have indicated their willingness to accept new clients.

Trademarks

A trademark relates to the name or symbol used in trade with goods to indicate the source of origin of the goods. Trademark rights will prevent others from making the same goods without using the trademark.

The procedure relating to the registration of trademarks and some general information is given in a pamphlet called "General Information Concerning Trademarks" which may be obtained from the Patent Office on request.

Copyright

Copyright protects the writings of an author against copying. Literary, dramatic, musical and artistic works are included within the protection of the copyright law which in some instances also confers performing and recording rights. The copyright goes to the form of expression rather than the subject matter of writing. Note that copyrights are registered in the Copyright Office of the Library of Congress and that the Patent Office has nothing whatever to do with copyrights. Information concerning copyrights may be obtained by addressing Register of Copyrights, Library of Congress, Washington DC 20540.

Licensing and Joint Ventures

If you wish to market a patented invention or product in the U.S., either under a joint licensing agreement or some other arrangement, there are a number of firms specializing in patent and marketing services. The Canadian Consulate in Dallas would be pleased to recommend such firms.

The Canadian-American Commercial Arbitration Commission

Reference to the above commission is often made in standard commercial contracts between Canadian and American companies. In the event of disputes, the Canadian firm simply refers to the Canadian Chamber of Commerce, 1080 Beaver Hall Hill, Room 712, Montréal, (Québec) H2Z 1T2, and the American firm refers to the American Arbitration Commission, 140 West 51st Street, New York, NY 10020.

V. CUSTOMS REGULATIONS AND DOCUMENTATION

U.S. Exports to Canada

Enquiries concerning the importation of U.S. products into Canada should be referred to the United States Embassy, 100 Wellington Street, Ottawa or the U.S. Consulate or Consulate-General in Vancouver, Calgary, Winnipeg, Toronto, Montreal, Quebec, Saint John, Halifax or St. John's.

Canadian Export Documents

All Canadian exports to the United States, even when accompanying returned American merchandise, must be accompanied by Canada customs export form B-13. Canada customs requires three copies at the same time of exportation, but it is wise to prepare at least five. Two numbered copies will then be returned to the exporter unless otherwise specified on the B-13. By

doing this, the exporter avoids having to submit a form C-6 for additional certified copies of the B-13 should the goods be returned to Canada for any reason. Two numbered copies of the B-13 must always accompany the Canada customs entry as proof of export. B-13 forms may be obtained from Canada customs.

U.S. Customs and Market Access Information

To enjoy success in the United States market, a Canadian exporter requires market access information which falls into two basic categories: customs and non-customs. The former covers subjects such as documentation, tariff classification, value for duty and rates of duty, while the latter relates to the many other U.S. laws affecting imports such as food and drugs, consumer product safety, environmental protection and so on. Exporters are strongly urged to obtain all market access information on new products to be marketed in the U.S. from the U.S. Division of the Department of Industry, Trade and Commerce, in Ottawa. The Division is constantly liaising with U.S. customs and other agencies on behalf of Canadian exporters, and over the years has developed an in-depth knowledge of the interpretation and implementation of regulations governing access for imports into the U.S. market.

The address is:

United States Division
Western Hemisphere Bureau
Department of Industry, Trade and Commerce
235 Queen Street
Ottawa, Ontario
K1A 0H5
Tel: (613) 996-5471

U.S. Customs Regulations and Documentation Tariff Classification and Value for Duty

Request for Prospective Rulings

The U.S. Division can obtain a PROSPECTIVE CUSTOMS RULING from Washington on behalf of a Canadian exporter for articles which have not yet been exported and are not at present under consideration by the U.S. Customs Service, provided that the following information is supplied. Failure to supply all of this information will only result in delays and confusion for the exporter.

General

- a) We require a written request signed by a person who has a direct and demonstrable interest in the question, also indicating that the merchandise or subject of the request has not previously, or is not now, under consideration by any U.S. Customs Service field office.
- b) Also, include a statement of all facts relating to the transaction such as names and addresses and other identifying information of all interested parties (if known), the probable port of arrival in the United States and a description of the transaction appropriate in detail to the ruling requested.

Tariff Classification Ruling

In addition to A and B above, the following information is required for a tariff classification ruling:

- 1) A full and complete description of the article.
- 2) The chief use of the article in the United States.
- 3) The commercial, common or technical description.
- 4) Metal, wood and mineral objects and combinations thereof should include a statement of the

relative quantity (by weight and volume) and the value of each in order to determine the material in chief value and weight.

- 5) Textile materials and articles should be identified as in (4) and include the method of construction such as knit or woven, the fibres present in percentage by value and if wearing apparel, for whom it is designed to be worn.
- 6) Chemical products should be identified by their specifications and chemical analysis including a sample for U.S. customs use. Particular reference should be made if any part of the formula consists of a benzenoid chemical or its derivative stating the function of such chemical in the product.
- 7) Photographs, drawings or other pictorial representations of the articles should be submitted when samples are not sent.

Valuation Ruling

In addition to A and B above, the following information is required for a Valuation Ruling:

- 1) All information required on a U.S. special customs invoice form 5515.
- 2) The nature of the transaction, whether f.o.b./c.i.f., ex factory or some other arrangement.
- 3) Relationship of parties (if any), whether the transaction is at arms-length (i.e. between unrelated parties) and whether there have been other sales of the same or similar merchandise in the country of exportation, whether an agency situation exists and an explanation or copy of any agreement, contract or other relevant document.
- 4) A full description of the merchandise in order to determine if section 402 or 402(a) of the Tariff Act of 1930 applies and other relevant information required under the appropriate section.

Note: Privileged or confidential information should be clearly marked with an explanation as to why it is considered confidential.

Request for Internal Advice Rulings

Part 177.1(a)(2) of the Customs Regulations of the United States requires that questions arising in connection with current or completed transactions should be resolved by means of the INTERNAL ADVICE PROCEDURE at the port where entry was made. The request for an internal advice ruling can be filed by either the importer or his customs broker. The field office personnel will review the request and notify the importer of any points with which they do not agree.

The U.S. Division can provide valuable assistance and suggestions regarding points of law and previous customs practice which may support the importer's case.

Requests for advice from the U.S. Division should contain:

- 1) Copies of *all* documents related to the entry of the merchandise to which the request refers including those issued by U.S. customs.
- 2) A statement of *all* facts relative to the transaction from a commercial point of view such as domestic and foreign billing practices, price-list terms, end use of the goods, literature, drawings, pictures, method of shipment and all other pertinent facts.
- 3) A statement generally following the outline under "Request for Prospective Ruling". The U.S. Customs Service may, at its discretion refuse to consider a request for internal advice if, in its opinion, there is a clear and definitive precedent that supports its position. If the importer is not in agreement with this position, he may request a "Protest Review Decision".

Request for Protest Review

When an importer does not agree with a decision of the U.S. Customs Service, he may request a PROTEST REVIEW within 90 days from the date of liquidation. The U.S. Division can assist the importer and his broker by providing advice and suggestions on what information can be used to support the importer's case.

Entry at Customs

Goods may be "entered for consumption" at the port of arrival in the United States, whether at seaboard or on a land border, or the goods may be transported in bond to an inland port of entry and there entered for consumption.

For such transportation in bond to an interior port, an immediate transportation entry (I.T.) must be filled out at the port of arrival by either the consignee, the carrier, the U.S. customs broker or any other person having a sufficient interest in the goods for that purpose. In cases where the Canadian exporter assumes responsibility for entering the goods through U.S. customs, he may find that there are advantages in having shipments entered for consumption at the nearest or most convenient port of arrival. In this way he can remain in close touch with the broker and U.S. customs at that port of entry. However, where the U.S. purchaser intends making his own entries, it may be more convenient to have the goods transported in bond from the port of arrival to the interior port nearest the importer.

Who May Enter Goods

Goods may be entered by the consignee, his authorized employees or his agent. The only agents who can act for importers in customs matters are licensed U.S. customhouse brokers. They prepare and file the necessary customs entries, arrange for payments of duties and release of goods.

The railway express companies or other transport companies may be prepared in certain cases to enter packages through customs for the account of the exporter. If there is some difficulty or special problem connected with a shipment, the carriers may turn the matter over to a U.S. customs broker at the exporter's expense.

Goods may be entered by the consignee named on the bill of lading under which they are shipped or by the holder of the bill of lading duly endorsed by the consignee. When the goods are consigned "to order" they may be entered by the holder of the bill of lading duly endorsed by the consignor. In most instances entry is made by a person or firm certified by the carrier to be the owner of the goods for customs purposes. When goods are not imported by a common carrier, possession of the goods at the time of arrival in the United States is sufficient evidence of the right to make entry.

A non-resident of the United States may make entry of his own goods as may a non-resident partnership or a foreign corporation. But the surety on any customs bond required from a non-resident individual, partnership or corporation must be incorporated in the United States. When merchandise is entered in the name of a Canadian corporation, that corporation must have a resident agent in the state of entry who is authorized to accept service of process in the corporation's behalf.

In general, to facilitate clearance of customs it is advisable to contact a licensed U.S. customs broker who will outline the services he can provide, together with particulars on brokerage fees and other related matters.

Documentation

Normally the only documents required when shipping to the United States are a bill of lading as well as a special U.S. customs invoice 5515 and/or commercial invoice (preferably both). The use of a typewriter in preparing documents is preferred; in any case, they should be legible.

Note: Do not use red ink to fill out documents.

Bill of Lading

Normally a bill of lading for Canadian shipments is required by U.S. customs authorities. In lieu of the bill of lading the shipping receipt may be accepted if customs is satisfied that no bill of lading has been issued. Entry and release of merchandise may be permitted without the bill of lading if satisfactory bond is given in a sum equal to one and one-half times the invoice value of the merchandise. A carrier's certificate or duplicate bill of lading may, in certain circumstances, be acceptable.

Invoice

Shipments in excess of \$500 and subject to an ad valorem rate of duty, conditionally free of duty or subject to duty depending in some manner upon its value, should be accompanied at entry by a U.S. special customs invoice form 5515. However, copies of the commercial invoice are sufficient for shipments with an aggregate value of less than \$500, duty-free shipments or shipments of articles subject to specific rates of duty.

Completion of Form 5515

U.S. customs forms 5515 are available free of charge from U.S. consular offices in Canada or can be obtained from commercial stationers. While only one copy is required by U.S. customs, it is usual to forward three: one for the use of U.S. customs when the goods are examined, one to accompany the entry and one for the U.S. custom broker's file. District directors of U.S. customs are authorized to waive production of special and commercial invoices if satisfied that the importer, because of conditions beyond his control, cannot furnish a complete and accurate invoice; or that a classification, appraisalment and liquidation can properly be made without the production of such an invoice. In these cases, the importer must file the following with the entry:

- 1) any invoice received from the seller or shipper
- 2) a statement pointing out in exact detail any inaccuracies or omissions in such invoice
- 3) an executed pro forma invoice
- 4) any other information required for classification or appraisalment.

Special information with respect to certain classes of goods is sometimes required when either the customs or commercial invoice does not give sufficient information to permit classification and appraisal.

Packing List

U.S. customs authorities require three copies of a detailed packing list. This should indicate what is in each box, barrel or package in the shipment. If the shipment is uniformly packed, this can be stated on the invoice indicating how many items are in each container.

Payment of Duties

There is no provision for prepayment of duties in Canada before exportation to the United States but it is feasible for the Canadian exporter to arrange for payment by a U.S. customs broker or other agent and thus be able to offer his goods to U.S. buyers at a duty-paid price.

Liability for payment of duty usually becomes fixed at the time an entry (either for consumption or warehouse) is filed with U.S. customs. The liability is fixed, but not the amount of duty which is only estimated at the time of the original entry. When the entry is liquidated, the final rate and amount of duty is ascertained. Obligation for payment is upon the person or firm in whose name the entry is filed.

Temporary Free Importation

Certain articles not imported for sale may be admitted into the United States under bond without the payment of duty.

Such articles must in most cases be exported within one year of the date of importation. Upon application to the district director, this period may be extended for a period not to exceed a total of three years.

Such articles may include the following:

- articles for repair, alterations or processing (not manufacture)
- models of women's wearing apparel by manufacturers
- not for sale samples for order-taking (not to include photo-engraved printing plates for reproduction)
- motion picture advertising films
- articles for testing, experimental or review purposes (plans, blueprints, photographs for use in study or for experimental purposes may be included). In the case of such articles satisfactory proof of destruction as a result of the tests with the production of a proper affidavit of destruction will relieve the obligation of exportation
- containers for merchandise during transportation
- models imported by illustrators and photographers for use solely in illustrating
- professional equipment, tools of trade, repair components for equipment or tools admitted under this item and camping equipment; all the foregoing imported by or for non-residents sojourning temporarily in the United States and for use by such non-residents
- articles of special design for temporary use exclusively in the production of articles for export
- works of art, photographs, philosophical and scientific apparatus brought into the U.S. by professional artists, lecturers or scientists for use in exhibition and promotion of art, science and industry
- automobiles, automobile chassis, automobile bodies — finished, unfinished or cutaway when intended solely for show purposes. The temporary importation bond in the case of these articles is limited to six months with no right of extension.

Commercial Travellers — Samples

Samples accompanying a commercial traveller may be admitted and entered on the importer's baggage declaration. In such cases, an adequate descriptive list or a U.S. special customs invoice must be provided. The personal bond of the commercial traveller is usually accepted to guarantee the timely exportation of the samples under U.S. customs supervision. Penalty for failure to export the samples entails loss of the privilege on future trips.

U.S. Anti-Dumping and Countervail Statutes

Due to the complexity of these statutes, exporters are encouraged to contact the U.S. Division of the Department of Industry, Trade and Commerce for answers to any specific questions.

Anti-Dumping

If a U.S. company has reason to believe that a product is being sold in the U.S. at a price lower than the price at which it is sold in its home market, an anti-dumping complaint may be filed with the U.S. Treasury Department. The anti-dumping petition must contain information to support the dumping allegations along with evidence of injury suffered by the U.S. industry affected.

A U.S. anti-dumping investigation must be conducted within specified time frames:

1. Within 30 days of receipt of an anti-dumping petition, the Secretary of the Treasury must decide whether or not to initiate an investigation.
2. Within six months (nine months in complicated cases) of the initiation of an investigation, the Secretary of the Treasury must issue a preliminary determination on whether or not there are sales at less than fair value, i.e. dumped prices.
3. If sales were made at less than fair value, the matter would be referred to the U.S. International Trade Commission (ITC) for an injury determination which must be made within three months of the date of referral to the commission.
4. If the International Trade Commission (ITC) finds injury to a U.S. industry, an anti-dumping finding would be issued.

Countervail

Under the U.S. Countervailing Duty Statute, an additional duty may be imposed upon dutiable articles imported into the United States if any bounty or grant upon their manufacture production or export has been made. The U.S. Trade Act of 1974 enlarged the scope of the U.S. Countervailing Duty Statute to include duty-free goods. This amendment brings within the purview of the law the 70 per cent of Canadian exports to the U.S. which were previously exempt. Application of countervailing duty against free merchandise will in most cases be subject to an injury determination by the U.S. International Trade Commission.

Marking of Goods

Country of Origin Marking

All goods must be legibly and conspicuously marked in English to show country of origin.

The use of stickers or tags is permitted if used in such a manner as to be permanent, unless deliberately removed, until receipt by the final purchaser.

Certain small instruments and utensils must be marked by die-stamping or cast-in-the-mould lettering, engraving or by means of metal plates securely attached to this article.

The U.S. Customs Service may exempt certain articles from this marking. In such cases, the container must be suitably marked.

Composition Marking

Any product containing woollen fibre (except carpets, rugs, mats and upholsteries, or articles made more than 20 years before importation) must be clearly marked with the name of the manufacturer or the person marketing the product together with a statement of the fibre content of the product. If not suitably marked, an opportunity to mark under U.S. customs supervision is granted.

When the fabric contained in any product is imported, it is necessary to state the fabric's country of origin.

Fur products must be marked as to type (particular animal), country of origin and manufacturer's name; in addition they must be marked if they are used, bleached or artificially coloured, composed substantially of paws, tails, bellies or waste.

Food Labelling

All imported foods, drugs and cosmetics are subject to inspection by the Food and Drug Administration of the United States at the time of entry. The Food and Drug Administration is not authorized to pass upon the legality of specific consignments before they arrive and are offered for entry. However, the administration may offer comment on proposed labels or answer other enquiries from importers and exporters.

Advice on prospective food labels may also be obtained from the U.S. Division of the Department of Industry, Trade and Commerce in Ottawa.

Import Prohibitions and Restrictions

In addition to goods prohibited entry by most countries in the world, such as obscene or seditious literature, narcotics, counterfeit currency or coins, certain commercial goods are also prohibited or restricted. Moreover, various types of merchandise must conform to laws enforced by government agencies other than the United States Customs Service. Fur products are also subject to the Endangered Species Act and importation of certain fur skins would be prohibited.

Animals

Cattle, sheep, goats, swine and poultry should be accompanied by a certificate from a salaried veterinarian of the Canadian government to avoid delays in quarantine.

Wild animals and birds, or products thereof, are prohibited if captured, taken, shipped, possessed or exported contrary to laws of the country of origin. In addition, the purchase, sale or possession of such animals is prohibited if contrary to the laws of any part of the United States.

Plants and Plant Products

Permits issued by the Department of Agriculture are required.

Regulations may restrict or prohibit importation.

Shipments of agricultural and vegetable seeds and screenings are detained pending the drawing and testing of samples and are governed by the regulations of the U.S. Federal Seed Act.

Postal Shipments

Parcels of aggregate value not exceeding one dollar (U.S. value) may be entered free of duty.

Commercial shipments of more than one dollar value must include a commercial invoice and a customs declaration on the form provided by the Canadian Post Office and give an accurate description and value of the contents. The customs declaration must be securely attached to the package.

If the shipment comprises two or more packages the one containing the commercial invoice should be marked "Invoice Enclosed;" other packages of the same shipment may be marked as "No. 2 of 3, Invoice Enclosed in Package No. 1."

A shipment in excess of \$500 aggregate value must include a U.S. special customs invoice (form 5515) and any additional invoice information required. A shipment under \$250 aggregate value will be delivered to the addressee. Duties and delivery fees for each package are collected by the postman. Parcels containing bona fide gifts excluding alcoholic beverages, tobacco products and perfumes to persons in the United States will be passed free of duty provided the aggregate value received by one person on one day does not exceed \$10. No postal delivery fee will be charged. Such parcels should be marked as a gift and the value and contents indicated on the parcel.

American Goods Returned

U.S. products returned without any evidence of advanced value or improved condition may be entered duty free.

Articles exported from the United States for repair or alteration shall be subject to duty upon the value of the repairs or alterations. The term "repairs or alterations" means restoration, change, addition, renovation, cleaning or other treatment which does not destroy the identity of the article exported or create a new or different article. Any article of metal (except precious metal) manufactured in the United States and exported for processing and again returned to the United States for additional processing is subject to a duty upon the value of processing outside the United States provided the material which has been processed in Canada is returned to the original exporter for the further processing of the goods.

The cost or value of U.S. origin component parts used in the production of goods imported into the U.S. may be deducted from the value for duty provided the parts have not been subject to any change except operations incidental to the assembly process such as cleaning, lubricating and painting.

Special U.S. customs procedural requirements must be followed upon the exportation and return of American goods. Details may be obtained from United States Import Specialists at border points or from the U.S. Division, Western Hemisphere Bureau, Department of Industry, Trade and Commerce, Ottawa.

Duty on Containers

If used in shuttle service, the following types of containers may enter free of duty:

- 1) U.S. containers and holders including shooks and staves of U.S. production when returned as boxes or barrels containing merchandise
- 2) foreign containers previously imported and duty paid if any
- 3) containers of a type specified by the Secretary of the Treasury as instruments of international traffic.

One-trip containers are included in the dutiable value of goods.

VI YOUR BUSINESS VISIT TO THE SOUTHWESTERN U.S.

There is no substitute for the personal visit. Correspondence, while better than nothing, does not excite the sophisticated southwestern businessman. In a few words, *he wants to be shown*.

Services of the Trade Commissioner

The Commercial Division of the Canadian Consulate in Dallas is equipped to function as the liaison between Canadian and local U.S. business and industry. It actively seeks business opportunities for Canada in the post territory and relays these to firms thought to be interested and capable. Potential buyers and sellers are introduced with guidance provided to either as required. Market surveys of reasonable proportions are conducted on behalf of Canadian firms and agents, distributors or other outlets recommended. The reception room of the Consulate is available for product displays and in-office shows. Hours of the Consulate are 8:30 a.m. to 5:00 p.m. Monday through Friday.

Advise and Consult the Trade Commissioner

When planning your first business visit to the Southwest, advise the Commercial Section of the Consulate well in advance of your arrival. Inform the Section of the objective of your visit and include several copies of your product brochures. It is extremely helpful if you work out the c.i.f. prices on at least a part of your product range. You should also list any contacts you may already have made with the local business community.

With this information at their disposal, the commercial staff will be pleased to arrange a tentative itinerary and make appointments on your behalf which you can confirm on your arrival.

When to Go

The best time to visit Dallas is during the spring or fall. Avoid the Christmas/ New Year holiday period and the July/ August vacation period.

How to Get There

Airlines

Travelling from all points in Canada to the Southwest via a U.S. carrier requires a stopover, but there are plenty of flights available from all major cities. In addition, Air Canada offers daily direct service from Toronto to Houston with a stopover in Dallas.

One can travel from Vancouver to Dallas with only one stopover in either San Francisco, Portland, Seattle, or Los Angeles.

Approximately 15 daily flights connect Toronto to Dallas via Chicago, Detroit or Atlanta.

In travelling from Ottawa to Dallas via Pittsburgh, one can take any of four flights daily, or with Air Canada through Toronto.

There is daily direct service between Calgary and Dallas as well as Calgary and Houston.

There are numerous flights daily from Montreal to Dallas connecting in New York, Boston, Chicago, Atlanta or New Orleans, and a direct one-stop service through Chicago as well as a direct service from Montreal to Houston through New York.

Railways

Although rail service to Dallas is limited from Canada, it does exist from Montreal through the East Coast, from Windsor through Chicago, and from Vancouver through the West Coast.

Where to Stay

The Consulate will be pleased to make hotel reservations or recommend suitable hotels in its territory. Rates for a single room vary, from \$30 at the Holiday Inn to \$55 to \$75 per night at the Hyatt Regency Hotel in Dallas.

VII USEFUL ADDRESSES

Government Organizations

Canadian Consulate
2001 Bryan Tower, Suite 1600
Dallas, TX 75201
(214) 742-8031

Quebec Government Office
900 Adolphus Tower
1412 Main Street
Dallas, TX 75202
(214) 742-6095

Transportation Companies

Air Canada
8585 Stemmons Freeway
Dallas, TX 75247
(800) 621-6464
(214) 630-3221

District Manager, Freight Traffic
Canadian Pacific Railway
6065 Hillcroft, Suite 409
Houston, TX 77081
(713) 772-7725

General Agent
Canadian National Railways
6240 Hillcroft
Houston, TX 77002
(713) 771-5871

Emery Air Freight Corporation
P.O. Box 61328
D/ FW Regional Airport, TX 75261
(214) 574-6320

American Airlines Inc.
Freight System
P.O. Box 61047
D/ FW Regional Airport, TX 75261
(214) 574-3520

Roadway Express Inc.
200 North Beltline Road
Irving, TX 75061
(214) 253-3611

Braniff International
Air Freight
P.O. Box 61747
D/ FW Regional Airport, TX 75261
(214) 574-2511

First City Bank of Dallas
One Main Place
Dallas, TX 75201
(214) 655-8000

Principal Texas Banks

Republic National Bank of Dallas
Pacific and Ervay Streets
Dallas, TX 75201
(214) 653-5000

Texas Commerce Bank
712 Main Street
Houston, TX 77002
(713) 236-4865

First National Bank in Dallas
1401 Elm Street
Dallas, TX 75201
(214) 744-8000

First City National Bank of Houston
1001 Main Street
Houston, TX 77002
(713) 658-6011

Mercantile National Bank of Dallas
1704 Main Street
Dallas, TX 75201
(214) 741-4181

Bank of the Southwest
910 Travis
Houston, TX 77002
(713) 751-6100

National Bank of Commerce
1525 Elm Street
Dallas, TX 75201
(214) 658-6111

Customs Brokers

Intermodal Service
9545 Katy Freeway
Houston, TX 77024
(713) 464-6100

Darrell J. Sekin and Company
2710 Electronic Lane
Dallas, TX 75220
(214) 350-7661

Harper Robinson and Company
1121 Walker
Houston, TX 77002
(713) 224-5514

Arthur J. Fritz and Company
P.O. Box 19187
Oklahoma City, OK 73144
(405) 947-1516

Arthur J. Fritz & Company
Air Freight Division
P.O. Box 1749
Grand Prairie, TX 75051
(214) 641-0020

REGIONAL OFFICES

IF YOU HAVE NOT PREVIOUSLY MARKETED ABROAD, CONTACT ANY REGIONAL OFFICER OF THE DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE AT THE ADDRESSES LISTED BELOW.

NEWFOUNDLAND
LABRADOR

P.O. Box 6148
127 Water Street (2nd Floor)
St. John's, Newfoundland
A1C 5X8

Tel: (709) 737-5511
Telex: 016-4749

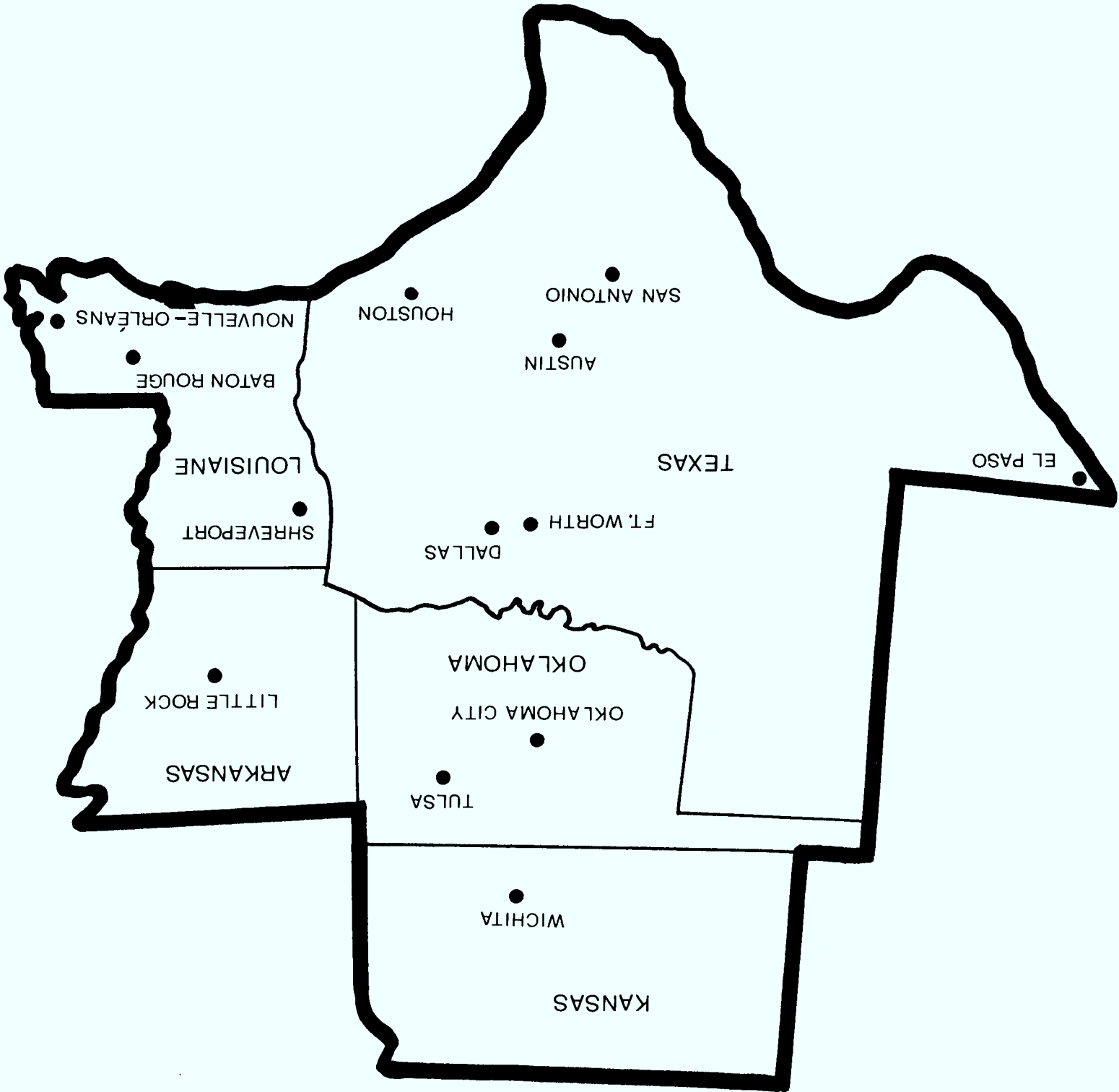
NOVA SCOTIA	Suite 1124, Duke Tower 5251 Duke Street, Scotia Square Halifax, Nova Scotia B3J 1N9	Tel: (902) 426-7540 Telex: 019-21829
NEW BRUNSWICK	Suite 642, 440 King Street Fredericton, New Brunswick E3B 5H8	Tel: (506) 452-3190 Telex: 014-46140
PRINCE EDWARD ISLAND	P.O. Box 2289 Dominion Building 97 Queen Street Charlottetown Prince Edward Island C1A 8C1	Tel: (902) 892-1211 Telex: 014-44129
QUEBEC	C.P. 1270, Station B Suite 600 685, rue Cathcart Montréal (Québec) H3B 3K9	Tél: (514) 283-6254 Télex: 012-0280
	Suite 620, 2, Place Québec Québec (Québec) G1R 2B5	Tél: (418) 694-4726 Télex: 051-3312
ONTARIO	Commerce Court West 51st Floor P.O. Box 325 Toronto, Ontario M5L 1G1	Tel: (416) 369-3711 Telex: 065-24378
MANITOBA	507 Manulife House 386 Broadway Avenue Winnipeg, Manitoba R3C 3R6	Tel: (204) 949-2381 Telex: 075-7624
SASKATCHEWAN	Room 980 2002 Victoria Avenue Regina, Saskatchewan S4P 0R7	Tel: (306) 569-5020 Telex: 071-2745
ALBERTA NORTHWEST TERRITORIES	500 Macdonald Place 9939 Jasper Avenue Edmonton, Alberta T5J 2W8	Tel: (403) 425-6330 Telex: 037-2762
BRITISH COLUMBIA YUKON	P.O. Box 49178 Suite 2743 Bentall Centre, Tower III 595 Burrard Street Vancouver, British Columbia V7X 1K8	Tel: (604) 666-1434 Telex: 04-51191



Gouvernement
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Industry, Trade
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