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markets
for canadian
exporters

UNITED STATES

SOUTHEASTERN STATES



Government
of Canada

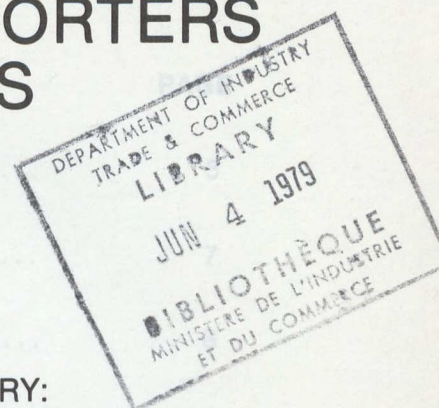
Gouvernement
du Canada

Industry, Trade
and Commerce

Industrie
et Commerce



MARKETS FOR CANADIAN EXPORTERS SOUTHEASTERN STATES



THE MARKET
I GENERAL
II ECONOMY AND INDUSTRY
III SELLING TO THE ATLANTA TERRITORY
IV SERVICES FOR EXPORTERS
V CUSTOMS REGULATIONS AND DOCUMENTATION
VI YOUR BUSINESS VISIT TO ATLANTA
VII USEFUL ADDRESSES

TRADE OFFICE RESPONSIBLE:

ATLANTA

TOTAL TRADE TERRITORY:

Alabama, Florida, Georgia, Mississippi, North and South Carolina, Tennessee, Puerto Rico, British and U.S. Virgin Islands

FOR FURTHER INFORMATION:

Commercial Division
Canadian Consulate General
900 Coastal States Building
260 Peachtree Street
Atlanta, GA 30303
Tel: (404) 577-6810
Telex: 005-42676 (DOMCAN ATL)

United States Division
Western Hemisphere Bureau
Department of Industry, Trade and Commerce
C. D. Howe Building
235 Queen Street
Ottawa, Ontario K1A 0H5
Tel: (613) 992-4638
Telex: 053-4124

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THE MARKET

Alabama

Area: 133,667 km² (51,609 sq. mi.) (29th)

Population: 3,690,000 (1977)

Per Capita Income: \$5,105 (1976)

Capital: Montgomery

Main Commercial Centres: Birmingham, Mobile, Montgomery

Leading Industries: Primary and fabricated metals machinery, textiles, pulp and paper, chemicals, lumber and wood products, steel

Major Agricultural Production: Broilers, eggs and cotton

Florida

Area: 151,670 km² (58,560 sq. mi.) (22nd)

Population: 8,452,000 (1977)

Per Capita Income: \$6,108 (1976)

Capital: Tallahassee

Main Commercial Centres: Jacksonville, Miami, Orlando, St. Petersburg, Tampa

Leading Industries: Tourism, aircraft, electronics, research and engineering

Major Agricultural Production: Citrus fruits, tobacco and eggs, tomatoes, lettuce and sugar

Georgia

Area: 152,488 km² (58,876 sq. mi.) (21st)

Population: 5,048,000 (1977)

Per Capita Income: \$5,571

Capital: Atlanta

Main Commercial Centres: Atlanta, Macon, Savannah

Leading Industries: Textiles, apparel, transportation equipment, pulp and paper products

Major Agricultural Production: Broilers, eggs, cotton and tobacco

Mississippi

Area: 123,584 km² (47,716 sq. mi.) (32nd)

Population: 2,389,000

Per Capita Income: \$4,575

Capital: Jackson

Main Commercial Centre: Jackson

Leading Industries: Shipyards, oil refining, chemicals, pharmaceuticals, pulp and paper, transportation equipment

Major Agricultural Production: Cotton, soybeans, eggs and broilers

North Carolina

Area: 136,197 km² (52,586 sq. mi.) (28th)

Population: 5,525,000 (1977)

Per Capita Income: \$5,409

Capital: Raleigh

Main Commercial Centres: Charlotte, Greensboro, Raleigh

Leading Industries: Furniture and textiles

Major Agricultural Production: Soybeans, broilers, eggs and corn

South Carolina

Area: 80,432 km² (31,055 sq. mi.) (40th)

Population: 2,876,000 (1977)

Per Capita Income: \$5,126

Capital: Columbia

Main Commercial Centres: Charleston, Columbia, Greenville, Spartanburg

Leading Industries: Apparel, paper, chemicals, furniture and machinery

Major Agricultural Production: Tobacco and cotton

Tennessee

Area: 109,411 km² (42,244 sq. mi.) (34th)

Population: 4,299,000 (1977)

Per Capita Income: \$5,432

Capital: Nashville

Main Commercial Centres: Knoxville, Memphis, Nashville

Leading Industries: Furniture, pulp and paper

Major Agricultural Production: Cotton and tobacco

I. GENERAL

Area and Geography

The Commercial Division of the Canadian Consulate in Atlanta covers the states of Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina and Tennessee. The area covers some 195,760 km² (331,800 sq. mi.) — almost 10 per cent of the U.S. — and roughly equals the size of France and West Germany combined.

Climate

The climate is varied and changeable but in general is hotter than any part of Canada. Winters are not severe although snow is not uncommon in parts of Tennessee and the Carolinas. The summer months tend to be quite hot and humid.

Local Time

Eastern Standard Time.

Weights and Measures, Electricity

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

1 U.S. pint = 16 fluid ounces = 473.12 millilitres

1 U.S. quart = 32 fluid ounces = 946.24 millilitres

1 U.S. gallon = 128 fluid ounces = 3,784.96 millilitres

1 Imperial proof gallon = 1.36 U.S. proof gallons = 5.15 litres

Electricity for domestic use is supplied at 115 volts, 60 cycles AC

Public Holidays

Most firms observe the following public holidays:

| | |
|--------------------------|--------------------|
| January 1 | — New Year's Day |
| | — Good Friday |
| May (last Monday) | — Memorial Day |
| July 4 | — Independence Day |
| September (first Monday) | — Labour Day |
| November (4th Thursday) | — Thanksgiving Day |
| December 25 | — Christmas Day |

The Canadian Consulate General also observes Canada Day and Boxing Day. In practice, business slows down during the Christmas/New Year and July/August periods.

Area Transportation

The following airlines provide daily services:

| | |
|------------------|----------------------------|
| Air Canada | — Toronto/Florida |
| Eastern Airlines | — Toronto/Atlanta/Florida |
| Delta Airlines | — Montreal/Atlanta/Florida |

II. ECONOMY AND INDUSTRY

Alabama

Alabama's reserve of natural resources is estimated to be 10 per cent of the nation's total. It is the only area in the world where the principal ingredients for the making of steel are found inside a 40 km (25-mi.) radius. The state ranks second in the South in production of pulp, due to its 8.9 million hectare (22 million acre) expanse of commercial forest land. It boasts eight billion tons of iron ore, and an annual production of crude oil, natural gas liquids and natural gas equalling almost \$20,000,000. On the shores of Alabama's Lake Wheeler, the Tennessee Valley Authority (TVA) is constructing a 3.5 million kilowatt nuclear plant which, when completed, will be the world's largest nuclear facility.

Since 1963, industry has invested some \$3.7 billion for new and expanded industries in Alabama. Major industrial classifications include primary and fabricated metals machinery, textiles, pulp and paper, chemicals and lumber and wood products. There are more than 4,900 manufacturers in the state, representing some 22 Standard Industrial Classification categories.

Florida

One of the strongest supporting factors in the state's economy is its wealth of natural resources. Recent oil and natural gas discoveries have been listed among the most significant new fields in the continental United States. Mining, while the smallest industry employment classification, contributes greatly to the state's economic development. Rich phosphate deposits account for Florida's national prominence in phosphate rock production — supplying 77 per cent of national needs and second only to Morocco in exporting to world markets. Commercial forest land covers approximately 6.6 million hectares (16.2 million acres), nearly 50 per cent of the total land area; the forest industry is a major contributor to the state's economy. With the longest coastline in the U.S. other than Alaska, Florida has a wealth of marine resources and an important food-fish industry.

Tourism is the state's greatest single source of income, pumping billions of dollars into Florida's economy every year. With a world reputation in the field of aerospace, Florida is known as a centre of the Space Age. Aircraft, electronics, research and engineering figure vitally in the state's industrial profile. Total manufacturing establishments number almost 8,000 and employee levels topped the six neighbouring Southeastern states in seven out of eight selected industries in 1973. Agri-business is also a major industry in the state with national prominence in fruit and vegetable growing.

Georgia

One of the largest industrial mineral producers in the U.S., Georgia leads the world in the mining of kaolin, kyanite and fuller's earth, is a leader in the quarrying of granite and marble, and second in the nation in the production of titanium and zircon concentrates. Sixty-six per cent of the land is forest area, products from which generate more than \$2 billion for the state's markets. The number one pulpwood producer in the nation, Georgia's production equalled more than 21,750,000 m³ (six million cords) in 1973. Historically an agricultural state, farming is still a major business owing, in part, to diverse soil types and to a growing season ranging from 179 days in the north of the state to 270 days in the south.

Typical of the New South, Georgia's value of factory products has surpassed the value of her farm products, and industrialization has become a keynote for the decade of the '70s. Georgia ranks first in apparel production and first in manufacture of transportation equipment. Eight northwestern counties produce most of the nation's tufted textiles. Chemical production is heavy along the coast and Savannah River. The northeast emphasizes poultry processing

while the major industry in the east central area of the state is mining. The southwest specializes in naval stores (resin, turpentine) — Georgia provides almost half the world supply. Her forest land has also given the state the raw materials necessary to lead the nation in the production of paper and paperboard.

Mississippi

Electricity and natural gas supply most of Mississippi's power and fuel requirements. The state is a producer of natural gas — ranking tenth in the nation — and ranks ninth in oil production. Heavy deposits of salt, sand and clay, iron ore and limestone are also present. Mississippi's abundant water supply includes the Mississippi River (1,135-1,890 billion litres — 300-500 billion gallons per day), an average annual rainfall of 134.6 cm (53 in.) and reservoirs, lakes, rivers and artesian wells throughout the state. Approximately 6.9 million hectares (17 million acres) — 56 per cent of the total land area — are classified as commercial forests.

Until the past decade, Mississippi has been one of the least industrialized states, with more than half its population making a living from the soil. A program of industrialization was initiated during the 1960s and now at least 2,760 manufacturing establishments have placed manufacturing solidly in the lead as largest employer and largest source of personal income. The state's famed shipyards, oil refineries, chemical plants and other factories produce such products as pharmaceuticals, pulp and paper products, transportation equipment, furniture and clothing. Lumbering is an important industry and agri-business yields large crops of cotton, corn, peanuts, oats, rice, sugar cane and soybeans.

North Carolina

North Carolina's natural resources include large forested tracts which support a sizeable pulp and paper industry and make the state the fifth largest lumber producer in the nation. A variety of minerals can be catalogued including clays, shales, phosphate, lithium, feldspar and mica. The state has extensive river resources — among these are five navigable rivers in the eastern region which form fresh water sounds that open into the Atlantic.

A major manufacturing state, North Carolina ranks twelfth in the nation in industrial output. Traditional industries such as tobacco processing, furniture making and textiles are being augmented by new developments in the areas of metalworking, electronics, chemicals, paper products and plastics. North Carolina leads the Southeast in workers engaged in manufacturing jobs, averaging 770,000 in 1973. Only eight other states in the nation have more employees on factory payrolls. Two-thirds of this force is engaged in the production of nondurable goods such as textiles, apparel and tobacco products.

South Carolina

The state lays claim to considerable areas of pine forests, commercial fishing and some mineral resources (kyanite, kaolin, mica, stone and granite). Diversity of soil types offers fertile land for agriculture which continues to be an important factor in the economy. Among farm products grown are peaches, cotton, corn, tobacco, soybeans, sweet potatoes, peanuts, pecans, grapes and truck vegetables.

The state's manufacturing activities date back to pre-Civil War days with the introduction of textile manufacture which continues to be a major industry. Diversification through the years has broadened the manufacturing base to include apparel, paper, chemicals, processed food, furniture and machinery. Tourism is a significant income producer for the state with annual visitor expenditures in excess of \$400 million.

Tennessee

A total of 29 major lakes and more than 3,200 km (2,000 mi.) of major streams, in addition to three major river systems, give Tennessee a priceless source of water and power for industrial,

municipal and recreational use. The Tennessee Valley Authority (TVA) generating electric power continues to be an important factor in attracting industry to the state. Mineral resources are abundant and include deposits of zinc, silver, copper, clay, coal, phosphate rock, sand and gravel. Tennessee is America's largest producer of ball clay, largest zinc producer, and the South's only major copper producer. Forests, principally hardwoods, cover 52 per cent of the total area of the state.

Forest-related industries, including sawmills, planing mills, furniture factories and pulp and paper mills, make up a substantial segment of the state's 5,000 manufacturing establishments. Tennessee is the largest printing centre in the South, a leading furniture manufacturing centre for the nation, and boasts the largest concentration of tool and die and heat treating firms in the South. Leading production lists, in addition, are chemicals, electrical machinery, textiles and apparel.

III. SELLING TO THE ATLANTA TERRITORY

The Untapped Market

The Southeast is probably the largest untapped U.S. market for Canadian products. The Southerners are becoming more and more aware of Canada as a reliable source for goods and services and now is an excellent time to investigate this market.

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. U.S. firms often do not regard Canada as "foreign" and Canadian merchandise consequently is bought and invoiced through domestic purchasing departments — which can work to your advantage. Proximity to Canada and personal and corporate connections result in receptivity and a willingness to buy on the same basis as from domestic U.S. sources.

Positive Sales Psychology

Canadian exporters may face a double challenge: to sell as an American vendor sells 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:

1. Go after business on a continuing basis;
2. Make the first impression a positive one, to a degree they might not consider important to Canada;
3. Quote, deliver and follow up aggressively in competition with U.S. suppliers.

The Initial Approach

The best introduction is by personal visit. Some type of representative or distributor may be appointed later but large volume buyers usually want to meet their prospective suppliers personally.

Appointments often are not necessary with individual buyers but as a matter of good form it is usually advisable to start with the director of purchasing or his equivalent and, through him, meet the proper buyers. An advance notification in this case is suggested.

A complete presentation on the first call is important. This should include literature, specifications, samples if possible and all the price, delivery and quality-control information a buyer needs to evaluate your capabilities against his current sources. Many buyers keep up-to-date records on their suppliers. A favourable impression is made if a resumé including the following can be supplied at the time of the first visit:

- vendor's name, address and telephone number
- name, address and telephone of local representative, if applicable
- date established
- size of plant
- number of employees
- principal products
- location of plant
- description of production facilities equipment
- description of quality-control facilities and procedures
- transportation facilities
- approximate yearly sales volume
- list of representative customers
- financial and credit rating

However, before visiting this territory we suggest that you write to the Canadian Consulate General, Commercial Division, 900 Coastal States Building, P.O. Box 56169, Peachtree Center Station, Atlanta, Georgia 30343, to obtain some preliminary information on opportunities existing there. Your letter should contain the following information:

1. A summary of your past experience in this market territory;
2. The channel of distribution you wish to pursue;
3. Prices f.o.b. factory but also c.i.f. Atlanta, including the U.S. customs duty;
4. Delivery time scheduling from date of receipt of order;
5. Warranty offered;
6. Rate of commission to manufacturer's representative or percentage discount structure for a distributor.

Reciprocal Visits

Many buying organizations survey new vendors' facilities personally before placing continuing business. If they do not come as a matter of course, it is good sales strategy to invite them.

Following Up the Initial Call

United States buyers expect to be called upon more frequently than their Canadian counterparts. This may be as often as every two weeks at some periods of the buying year. Although some Canadian companies may lack the sales force to accomplish this, the problem can be overcome by appointing a manufacturer's representative or selling through brokers, jobbers or distributors as the situation warrants.

Price Quotations

Quotations should be submitted 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. Always quote in U.S. funds unless specifically requested otherwise. The landed price should include transportation charges, U.S. customs duties if applicable, brokerage fees and insurance. The quotation should be comparable in format to quotations from United States sources. Buyers cannot be expected to understand or be sympathetic to customs duties or other matters peculiar to international transactions. 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 target prices. Thus they may have to accept the first bid as final.

The Manufacturer's Representative

The commission agent or manufacturer's representative 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 on the buying level, but on engineering, design and quality control offices as well. The advantages of the rep include economy, closer contacts with buyers — sometimes social — and closeness to the scene of possible problems. The Canadian Consulate in Atlanta maintains information on the majority of manufacturer's representatives operating in its market territory and can often make suitable suggestions for Canadian manufacturers.

Delivery

Delivery must be exactly to customers' specifications and these are as rigid as any in the world. 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.

IV. SERVICES FOR EXPORTERS

Banking

There are three Canadian banks operating in the Southeast:

1. The Bank of Nova Scotia in Georgia and Florida
2. The Imperial Bank of Commerce in Georgia
3. The Royal Trust Bank in Florida.

Representatives from the other Canadian banks visit the territory on a frequent basis, and the international departments are in a position to assist Canadian exporters.

Patents, Trademarks and Copyrights

General

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

Patents

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

U.S. patent laws make no discrimination with respect to the citizenship of the inventor. However, it is the inventor who must make application for patent and sign related papers (with certain exceptions).

Most inventors employ the services of patent attorneys or patent agents. The Patent Office cannot recommend any particular attorney or agent but does publish a list of all registered patent attorneys and agents who are willing to accept new clients and lists them by states, cities and foreign countries.

Trademarks

A trademark relates to the name or symbol used in trade to indicate the source or origin of goods. Trademark rights will prevent others from using the same trademark on identical goods but do not prevent others from making these goods without the trademark.

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

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.

Note: Copyrights are registered in the Copyright Office in the Library of Congress and the Patent Office has nothing whatever to do with copyrights. Information concerning copyrights may be obtained from 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 United States, 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 Atlanta can help in choosing 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, Montreal, Quebec 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, appraisement 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 appraisement.

Spécial 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 ATLANTA

When to Go

Any time of the year except the Christmas/New Year holiday period and the July/August vacation period.

How to Get There

Rail

There is no direct rail service to the South.

Buses

Buses operate between Toronto and Atlanta and Montreal and Atlanta.

Air

Atlanta is readily accessible by air from most North American points. Connecting flights to other major southeastern centres can be easily arranged.

VII. USEFUL ADDRESSES

Canadian Consulate General
900 Coastal States Building
P.O. Box 56169
Peachtree Center Station
Atlanta, GA 30343
Tel: (404) 577-6810

Government of Quebec
230 Peachtree Street Northwest
Atlanta, GA 30303
Tel: (404) 581-0488

The Bank of Nova Scotia
First National Bank Building
Suite 909
2 Peachtree Street
Atlanta, GA 30303
Tel: (404) 581-0807

Canadian Imperial Bank of Commerce
First National Bank Building
Suite 1400
2 Peachtree Street
Atlanta, GA 30303

Canadian Pacific Rail
151 Ellis Street Northeast
Atlanta, GA 30303
Tel: (404) 659-6972

Canadian National Rail
1750 Century Circle Northeast
Atlanta, GA 30345
Tel: (404) 633-6496

Banks with International Departments

First National Bank of Atlanta
First National Bank Building
2 Peachtree Street
Atlanta, GA 30303
Tel: (404) 588-5000

The Citizens & Southern National Bank
35 Broad Street Northwest
Atlanta, GA 30303
Tel: (404) 581-2121

Trust Company Bank
1 Park Place Northeast
Atlanta, GA 30303
Tel: (404) 588-7711

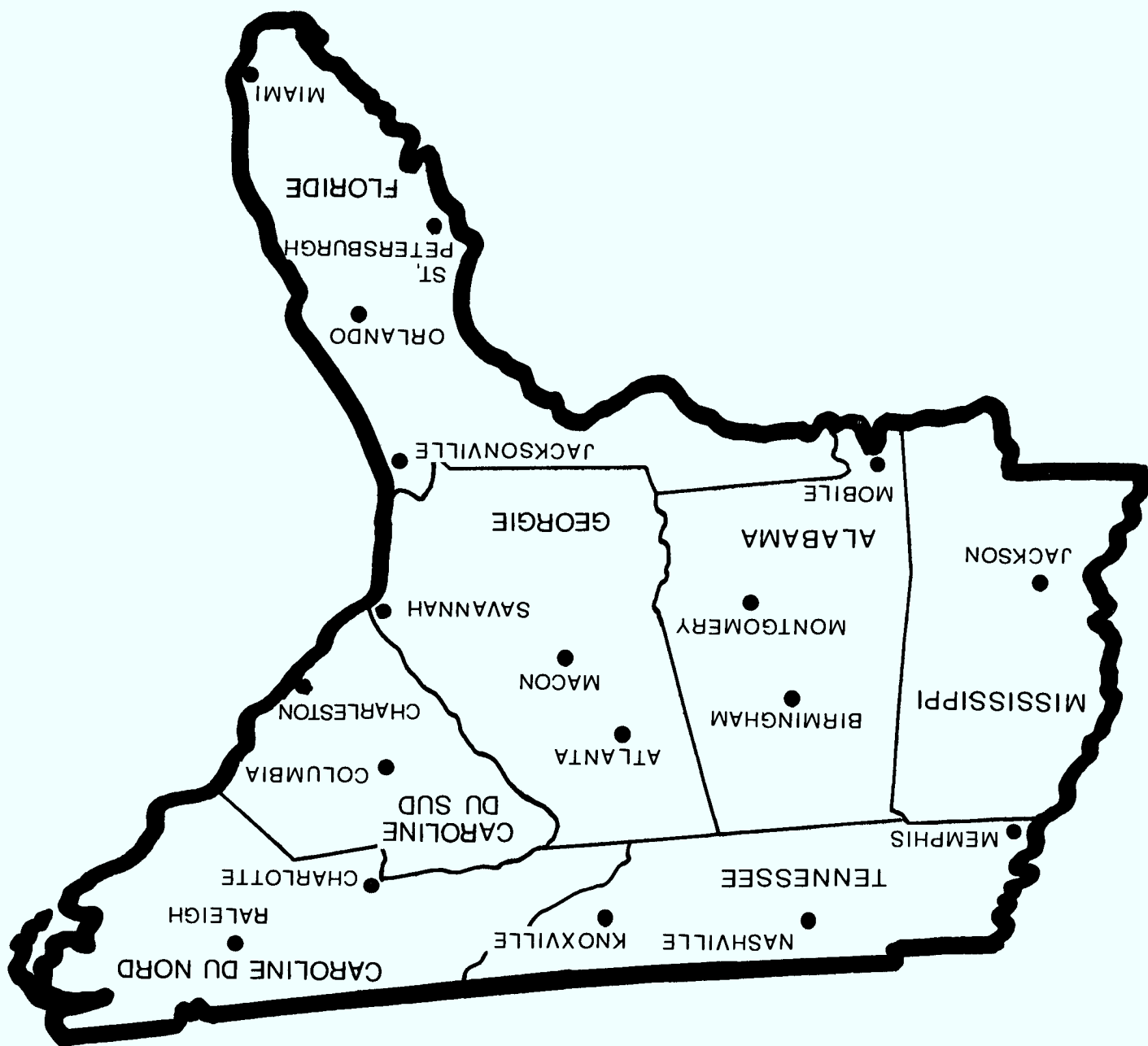
Fulton National Bank
55 Marietta Street Northwest
Atlanta, GA 30303
Tel: (404) 529-4111

REGIONAL OFFICES

IF YOU HAVE NOT PREVIOUSLY MARKETING ABROAD, CONTACT ANY REGIONAL OFFICER OF THE DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE IN THE OFFICES LISTED BELOW.

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|--------------------------|---|---|
| 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 |

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| 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 |



INDUSTRY CANADA / INDUSTRIE CANADA



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Gouvernement du Canada
Government of Canada
Industrie
Industry, Trade
and Commerce



