

The J-REPORT

Information and News from the World of Compliance and Logistics

John S. James Co.

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Export AES Enforcement Begins

OFFICE LOCATIONS

ATLANTA, GA
404-762-5556

CHARLESTON, SC
843-554-6400

CHARLOTTE, NC
704-357-6901

JACKSONVILLE, FL
904-356-9646

KNOXVILLE, TN
865-544-0530

SAVANNAH, GA
912-232-0211

As you may remember in previous newsletters, on June 2, 2008, the Department of Commerce (DOC) amended its provisions in title 15, part 30 of the Code of Federal Regulations (CFR) which made electronic filing of AES information mandatory, effective Oct. 1, 2008. Since no mitigation guidelines were published, no penalties had been issued. That's all about to change on February 1, 2009.



U.S. Customs and Border Protection (CBP) has coordinated with other offices in the Dept. of Homeland Security (DHS) and the Dept. of Commerce in drafting guidelines for the mitigation of penalties. Any penalties issued for non-compliance may be issued to U.S. Principle Parties in Interest (USPPI's), Foreign Principle Parties in Interest (FPPI's),

freight forwarders, authorized agents (including brokers and other parties to the export transaction, as appropriate), and carriers.

The notice in the Federal Register lists four areas where penalties would be incurred:

- Failure to file export information in AES
- Late filing of export information in AES
- Failure to file all necessary info or incorrect info in AES
- Failure of carrier to provide documents or info to CBP

Penalties may be issued in an amount up to \$10,000.00 per violation and may be assessed for a violation stemming from the same export transaction. With respect to late filings, however, penalties will be issued in an amount that reflects \$1,100.00 per each day late, up to a maximum of \$10,000.00.



In some instances the maximum amount may be mitigated depending on the number of infractions per violating party, or other abating factors. Conversely, penalties could also be increased to the maximum levels if there are multiple offenses or other aggravating circumstances.

First time offenders may see alternative action to the imposition of fines from CBP, this could come by way of educating and informing the parties involved in the export transaction of the applicable U.S. Export laws, or issuance of a warning letter.

The issuance by CBP of a penalty for violation of the aforementioned circumstances does not preclude CBP from issuing penalties for other violations that may exist with respect to the export transaction. In closing, we remind you that these measures go into effect on February 1, 2009 for any violations occurring on or after that date.



Imports 10+2 Seminars in Charleston & Savannah

CBP is hosting trade outreach events in various locations around the country to provide the trade community with an opportunity to learn more about the new Importer Security Filing and Additional Carrier

Requirements (a.k.a. ISF/"10+2") interim final rule. These events are intended to give the importing and filing community a basic understanding of how to fulfill the new requirements. Space is limited so please

pre-register using the CBP on-line registration process.

Charleston (2 sessions):
Wednesday, January 28th
9:00 am — 11:00 am &
1:00 pm - 3:00 pm
https://apps.cbp.gov/ISF_Registration/index.asp?w=5

Savannah (2 sessions):
Thursday, January 29th
9:00 am — 11:00 am &
1:00 pm - 3:00 pm

https://apps.cbp.gov/ISF_Registration/index.asp?w=6

Please contact us if you have any questions related to these seminars or 10+2.

Transportation Global Airfreight Sees Downward Trend

The International Air Transport Association (IATA) announced results for November showing a 13.5% drop in international cargo, while international capacity dropped by 1%.

In North America alone, carriers saw international traffic

decline by 14.4%.



Double-digit negative numbers were experienced worldwide, with the exception of Africa, which

saw a marginal growth of 2.2%.

"With no end in sight for the worsening global economy, the 2008 gloom will carry over into the new year. Relief in the oil price has been outstripped by the falls in demand and capacity

cuts are not keeping pace.

The industry is back in intensive care. Improving efficiency everywhere will be theme for 2009," said Giovanni Bisignani, IATA's Director General and CEO.

Source: IATA Press Release

INTERMODAL Clean Trucks Program Faces Further Delays

Given the rapidly changing economic circumstances and the recent pronouncement that the Port of Los Angeles will reevaluate certain aspects of the Clean Truck Program (including elements that the Port Fee Services Agreement would implement) the requested information and documentary material is needed for the Federal Maritime

Commission (FMC) to accurately assess the likely competitive impact of the agreement on transportation costs and services. The FMC's request for this additional information delays this agreement until 45 days after the parties have submitted the requested information and documents. Accordingly, as the Port Fee Services Agreement is not yet effective, the Shipping Act prohibits the parties from

implementing any program pursuant to the authorities contained in the agreement. The FMC must continue to fulfill its statutory obligations to ensure that this agreement will not unreasonably reduce the competition in Los Angeles/Long Beach. Such a reduction would raise prices at a time when the American consumer can least afford any added costs, and at a time

when Independent Owner Operators can least afford to be driven out of the port drayage market.



John S. James Co. Retirement Announcements

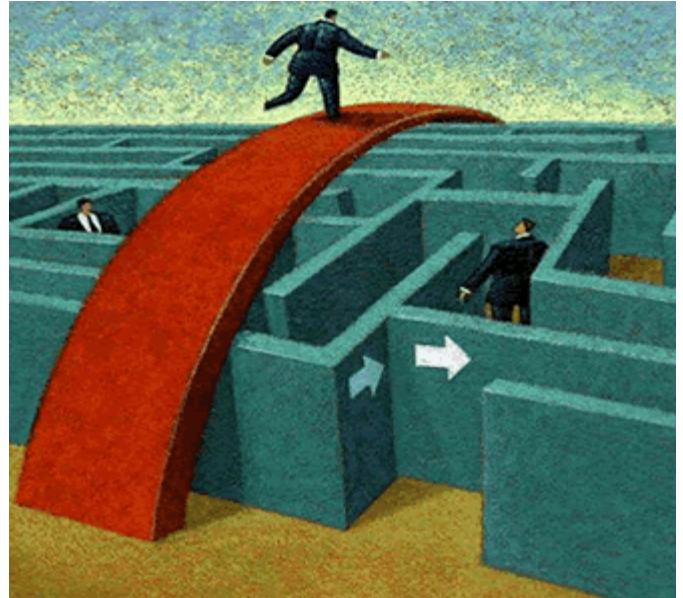
The John S. James Co. announces the retirement of President and Co-Owner, John Wm James.

Mr. James has enjoyed a distinguished career leading one of the most respected providers of international logistics and customs brokerage services. Mr. James joined the company full time in Savannah, Ga in 1961 after having worked with his father, John S. James since the age of 15. In 1967 he moved to Atlanta, Ga., establishing John S. James Co.'s Airfreight division *John S. James Inc. of Atlanta*, the first international air cargo agent to open in this now bustling freight hub. While residing in Atlanta, Mr. James became a licensed Customs Broker.

After remaining in Atlanta for twenty-one years, Mr. James returned to the Savannah office in 1988 at which time he assumed the position of President of John S. James Co.

His has been a valuable presence in many industry trade groups and committees, always working on behalf of the needs of the trade community. While we will miss Mr. James, he has worked very hard over these last many years and has definitely earned the opportunity to spend more time with his dear wife, Louise and their grandchildren.

Mr. James' official retirement is scheduled for January 31, 2009, at which time his brother, co-owner and Vice-President, Thomas C. James Sr. will become President and CEO of our organization.



Great beginnings are not as important as the way one finishes -Dr. James Dobson

John S. James Co. will continue to move forward as a leader in our industry, providing unmatched service to our clients and customers. Please join us in wishing Mr. John Wm. James a fond farewell and good luck in his retirement.

Also at this time we wish to announce the decision of Judy Winkler to retire from John S. James Co. She has served our organization for many years; first as our Charlotte office manager and then as our Salesperson. She will be sincerely missed. We wish her the very best in her years ahead.

John S. James Co. Employee Anniversaries

We would like to acknowledge the contributions of the following JSJ employees, wishing them a happy anniversary in January

Terri Bennett	27 yrs	David Bryant	6 yrs
Heather Tomlinson	15 yrs	Lenora Moore	4 yrs
Fred Baughn	12 yrs	Elizabeth Hopkins	2 yrs
Roger Byrd	12 yrs	Wyatt Cothran	2 yrs

At John S. James Co. we take pride in having such a wonderful, dedicated and knowledgeable staff. We thank all of you for your loyalty and hard work. We wish the following individuals a happy anniversary in January and look forward to a prosperous 2009.

