

Late Petitions More Costly to Importers

Effective April 19, 2002, Customs amended their guidelines for the cancellation of certain liquidated damage claims, initially set forth in TD 94-38 and subsequently amended several times. A comprehensive 267 page Informed Compliance Publication about Mitigation Guidelines can be found at <http://www.customs.gov/imp-expl/comply/icp069.pdf>.

One of these most recent changes is the formalization of how FP&F Officers will accept petitions that are filed late. Previous practice varied by port, but generally a late petition would be accepted by Customs and the mitigated amount would be calculated at \$100 or \$200 more than would have been provided under a timely petition. Now Customs has formalized the process, but it will cost importers a minimum of \$400 more.

Customs will continue to accept petitions, at their discretion, prior to the initiation of a sanction proceeding. If a petition is received untimely, Customs will first determine the amount of mitigation that would have been afforded in the case had the petition been filed timely ("The Base Amount"). Customs will then calculate an additional charge for being late, equal to .1% (.001) of the base amount for each day the petition is late, but subject to an overall minimum additional charge of \$400.

It is now more important than ever to pay attention to petition deadlines and minimize these unnecessary surcharges. The Management Alert Report from Roanoke Trade is a useful way for brokers and importers to monitor outstanding FP&F cases and deadlines. Please contact your local Roanoke Trade representative for more information about the Management Alert Report services.

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