

Managing U.S. FDA Requirements & Large Volume Customs Entry Declarations

A leading producer, distributor and marketer of seafood products was looking for a way to manage the documentation and compliance requirements for their customs entry declarations in the United States. Each time there was a new shipment, this company found it challenging and time-consuming to pull together all the necessary details to provide to their U.S. broker, Expeditors. By implementing the Tradeflow software system, the time it took to prepare the proper documentation was drastically reduced, leaving more room for oversight and compliance checks.



CHALLENGES

This company routinely had high volume ocean container imports, typically around 200-250 ocean containers at a time. Across the couple hundred containers were around two dozen bills of lading and corresponding commercial invoices. Traditionally, the importer used manual templates (Excel, PDF, etc.) to type out the commercial invoices and packing lists for each bill of lading. It was a very manual and cumbersome process. Compounding the issue was the fact that all the information necessary to create the required documentation was not available until a few days before the shipments arrived.

In addition, because the commodities were seafood products, they were all subject to several different Food & Drug Administration (FDA) data element reporting requirements. Between the FDA Product Code, the product dimensions and the supplier registration numbers, there was a myriad of data elements to pull together. As a result of all the required data, the volume of the shipments and the lack of lead time, it was a customary procedure for the responsible parties to spend several days, including long evenings, finalizing all documentation and reports for the U.S. broker to file the import declarations. Faced with potential demurrage fees, delays to their customers and even the potential of spoiled seafood, this company needed to improve the way in which it handled these large volume seafood shipments.

OUR SOLUTION

Expeditors worked with the importer to implement Tradeflow as a system to manage the process. The first step was to build a product database that contained not only the Harmonized Tariff Schedules (HTS) code, product description and country of origin, but also all the FDA data elements. Often, products were sourced from multiple suppliers so Tradeflow Product Management Centre (PMC) was setup to include the respective FDA details for each supplier.

The next step involved setting up the Shipment Management Centre (SMC) to handle the creation of bookings, with the ability to generate the required documents (primarily a Commercial

Invoice and Packing List). Working with technical resources from the customer and on the Tradeflow side, the two parties were able to map the data made available to the customer, to create an upload file for Tradeflow. The upload file (XML) allowed the customer to create a booking for each bill of lading in the SMC without having to manually enter all the details. The upload into Tradeflow pulled in the product information previously setup in the PMC, along with all address details needed for documents, from the Trade Partner Centre, to create bookings that could then be reviewed and finalized. The customer could generate a commercial invoice and packing list with a few button clicks on screen, make any necessary adjustments to quantities and prices, then finalize the bookings.

The last step involved an automated integration setup from Tradeflow SMC to Expeditors as the U.S. broker. Once a booking was finalized, an extract (XML) was triggered from Tradeflow that was sent to the destination Expeditors branch who filed the customs import declaration. An EDI translation was built to load the electronic invoice details from Tradeflow into the Expeditors local system for processing the declaration. All the quantities, prices, product descriptions and other details were automatically created for the local entry writer to review and then finalize a submission to U.S. Customs.

RESULTS

The use of Tradeflow drastically reduced the time it took to prepare the documentation and reporting requirements. Whereas it routinely took several days to finalize these materials, with Tradeflow it could now be accomplished in a matter of hours. Furthermore, by automating the exchange of electronic invoice details from Tradeflow to their broker, the importer reduced the risk of data entry error for the entry writer and also the time it took for the broker to file the declaration. Overall, it's estimated that the entire process now takes about one quarter of the time it used to take. The extra time allows the customer to spend more time on other trade compliance activities, and feel secure that their shipments have a low risk of incurring delays and fees, such as demurrage.