

Softwood Lumber Importer Declaration Program: Questions and Answers

This is a follow-up to our August 5, 2008 *NGJ International Trade Update* (available at <http://www.ngjensen.com/itu.php>) to remind importers that imports of certain lumber products into the United States will be subject to the requirements of the softwood lumber "Importer Declaration Program" (IDP). The IDP arises out of the Softwood Lumber Act of 2008, which recently was passed by the U.S. Congress as part of what is referred to as the "Farm Bill."

What are the IDP requirements? Each entry of covered softwood lumber products must provide: (1) the export price of the softwood lumber products; (2) the estimated export charge, if any, of the softwood lumber products; and (3) importer declarations discussed further below.

When do the IDP requirements take effect? The IDP requirements take effect for shipments imported into the United States on and after Monday, August 18, 2008.

What products are covered by the IDP requirements? The softwood lumber IDP requirements apply to covered softwood lumber products imported from all countries, not just Canada.

"Covered" softwood lumber products are described in the Softwood Lumber Act of 2008. A copy of the applicable legislation is available at <http://www.ngjensen.com/news/SWLACT2008.pdf>. Refer to Section 804, "Scope of Softwood Lumber Importer Declaration Program" for a listing of covered products and exempted products.

What declarations must be submitted? U.S. Customs and Border Protection intends to publish interim regulations governing the IDP, and we anticipate the precise declaration language will be provided in those interim regulations. The following summarizes the declaration information set forth in the Softwood Lumber Act of 2008:

The importer must declare that:

1. To the best of the importer's knowledge:

(a) the export price declared on the entry is consistent with the export price on the export permit (if any) and is consistent with export price information that will be published on the website of the U.S. Department of Commerce, International Trade Administration (ITA) website (<http://trade.gov/index.asp>), and

(b) the exporter has paid, or committed to pay, all export charges due on the lumber; and

2. The importer has made an appropriate inquiry with respect to the export price and export charge information, including seeking appropriate documentation from the exporter and consulting the information available on the ITA website.

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Who must make the declarations? The declarations must be made by the importer of record for the merchandise.

How is the IDP-required information provided to CBP? The information required for the IDP (export price, estimated export charge, if any, and importer declarations) is to be provided to CBP on the entry summary.

How can I provide NGJ the IDP-required information so that it can be reported to CBP on the entry summary? For parties who act as U.S. importer of record for entries of Canadian softwood lumber products and who use NGJ's lumber Permit Application screen or supply NGJ their lumber export permit application electronically, the information can be supplied through the permit application process. NGJ's Permit Application program will capture the export price that is entered into the program for permit application purposes. The program will be enhanced to allow importers of record to provide the export charge, if applicable, and to make the required declarations. This information will be included in the importer of record's entry that we file with CBP.

Importers of record for softwood lumber products from countries other than Canada, and importers of record of Canadian softwood lumber products who use a system other than NGJ's Permit Application program or similar electronic program, will need to supply NGJ the required information on the invoice presented for CBP clearance or on documentation included with the invoice for each entry.

Fees charged by NGJ for handling the information required by the IDP will depend on whether the information is provided to NGJ in electronic or hard-copy format. We anticipate the lowest available fees for this service will apply to parties who use NGJ's lumber Permit Application screen or otherwise supply their permit application information electronically to NGJ.

Where can I get more information regarding the softwood lumber IDP? CBP has indicated it plans to issue its interim regulations covering the IDP in the near future. We will issue an *NGJ International Trade Update* when those regulations are available.

A copy of the Softwood Lumber Act of 2008 as reflected in the enacted legislation is available at <http://www.ngjensen.com/news/SWLACT2008.pdf>.