

# Tour gives insights into trade with Canada

## INTERNATIONAL TRADE

By Jack Kenny

Blue skies and bright, warm sunshine accompanied about two dozen New Hampshire businesspeople, one immigration lawyer and staff from the state's Department of Resources and Economic Development and the International Trade Resource Center on an air-conditioned bus ride to Colebrook and then on to the U.S. Customs office at the Canadian border in Beecher's Falls, Vt.

The only thing wrong was the color: The "orange" national security alert status meant there would be no crossing to the other side of the border.

"I was disappointed we couldn't go into Canada," said Beverly Burke, international export specialist at Markem Corp. in Keene. Still, she thought it was worthwhile to meet with U.S. Customs officials and learn about border-crossing procedures.

So did David Wells, director of government relations at AssureTec Inc. in Manchester. The young company, a producer of identification technology for security purposes, is not yet selling internationally, but hopes to be exporting soon, he said.

"I learned there is a lot of regulation to exporting in this day and age," Wells said at the end of the trip. "There is a way to get it done with the regulatory help of the Trade Resource Center. We are fortunate in New Hampshire to have that help."

Travelers met at DRED headquarters on Pembroke Road in Concord at 8:30 a.m. May 20 for the long ride up to the border. Along the way, Paula Newton, market research and information specialist with the state's Office of International Commerce, talked about some of the issues affecting trade with Canada and the assistance provided by the trade center.

Attorney John Wilson of Goff & Wilson in Concord spoke about immigration laws,

visas for temporary and permanent workers and other issues related to importing workers with or without "green cards" (which aren't green, he noted).

### Complex tariff code

The first stop was Colebrook, where Benoit Lamontagne of the town's all-volunteer Colebrook Development Corp. greeted the travelers and led the way to Le Rendez Vous, a French bakery on Main Street. From there it was on to Beecher's Falls and the Customs station where Port Supervisor Fred Chenevert described how the 1993 North American Free Trade Agreement among the United States, Canada and Mexico that permits the import and export of most goods among the three countries duty-free, though the transactions are still subject to internal domestic taxes (sales or excise taxes) in the country of origin.

The port supervisor also pointed out that the purchase of a product in Canada that was manufactured in a non-NAFTA country is subject to tariff fees.

At one point, Chenevert held up a book, "U.S. Harmonized Tariff Fees Schedule, 2003." The tome, which he estimated at 5,000 pages, was obviously heavy.

"Come on!" the Customs official hollered, urging a photographer to hurry as he obligingly held up the book for a picture.

The use of tariffs to protect a nation's manufactured goods from foreign competition goes back to the ancient Phoenicians, he said, and despite recent "free-trade agreements," the practice shows no sign of falling into disuse anytime soon.

The complexity of the codes reflects the diversity of goods, services and even packaging. A gallon of a maple syrup in a glass jar, for example, is subject to a different tariff fee than the same product in a metal container.

Products coming into each country are subject to regulation by various agencies admin-

istering health, safety and environmental laws. And, especially since September 11, 2001, national security concerns can delay the transport into the United States of a wide range of products.

"Ten years ago, if someone was hauling 5 million castor beans, I wouldn't think twice about it," said Chenevert.

Castor beans, he explained, can be used to produce resins for a variety of manufacturing purposes. But they also can be used to produce chemical weapons, he said. If such a shipment were bound for a U.S. manufacturing plant, it would appear to be OK. But it would surely be held up and its purpose closely questioned "if it's going to an apartment in Manchester," Chenevert said.

The port supervisor was asked how the officials determine if a potentially dangerous product is truly bound for the destination cited in the shipping documents.

"Hey, we're the government," he laughed. "We can't tell you all our secrets."

The complexity and sheer volume of the tariff fees schedule (it is added to several times a year, the visitors were told) is one reason exporting and importing companies hire licensed brokers for their international transactions.

One such broker, Debby Rancourt of Norman G. Jensen Inc. in Norton, Vt., spoke of the importance of having expert help in navigating goods across borders and through regulatory bureaucracies.

She offered a number of tips in choosing and dealing with a broker. "Make sure your broker offers a newsletter to keep you up to date" on shipping and other requirements, she said. She also recommended finding out what percentage of the company's office staff is licensed for import and export brokering. At Jensen Company, a national firm with more than two dozen locations at or near the U.S.-Canadian border, licensed brokers are about 30 percent of the staff, she said.

## Expert export help

From there, the group visited the Ethan Allen manufacturing plant in Beecher's Falls — the largest Ethan Allen plant in the Northeast.

"We're 70 years old and we're way up here in the Northeast so we've got to be good," said Walter Noyes, finishing supervisor at the plant. Noyes attributed the success of the plant, which has an annual payroll of more than \$16 million, to "lean manufacturing" with low inventories and "just-in-time" deliveries. Heavy investment in plant efficiencies and an adaptable, team-oriented work force also have been key factors, he said.

"I'll be honest with you," he told the visi-

tors. "We got a little lackadaisical a while back. Heads rolled, attitudes changed and everybody got on board."

Then it was back to Colebrook for a quick tour of the town's industrial park and a stop on the way back at New Hampshire Central Railroad in North Strafford, where Ed Jeffery spoke about business by rail between New Hampshire and Canada.

Rail traffic is usually an early indicator of economic trends, Jeffrey said, and the indications over the past several months show that "traffic has been climbing steadily," he said. "Traffic is starting to move in different commodities."

"It was worthwhile to meet with the Customs people and know how they work

and what they do and how they can help you with problems down the road," said Kim Pritula, with Sturm Ruger, a gun manufacturer in Newport.

The trip, said the Office of International Commerce's Newton, also helped inform the businesspeople of the assistance available from the International Trade Resource Center, an international trade specialist from the U.S. Department of Commerce and the New Hampshire Small Business Development Center's Portsmouth office — all located at Pease International Tradeport.

"I believe we're the only state with all the entities involved in international trade under one roof," she said. "Helping with exporting needs is something we can all do." **NER**