



World Exchange, Inc.

The Cost of Importing into the US

June 15, 2016

The following provides general definitions of costs associated with the importation of merchandise into the United States. These are basic costs and will vary by type of product and the vendor used. You, the importer, must contact the specific vendor you will be using for more specific information on duties, fees and charges associated with the importation of your product.

Duty: Based on a percentage of the commercial value of a shipment. For example, if a product is valued at \$1000 and the duty rate is 10%, then the duty will be \$100.00

Merchandise Processing Fee (MPF): The fee is based on the commercial value times 0.3464%. This fee is charged against almost all shipments. There is a minimum of \$25.00 and a maximum of \$485.00

Harbor Maintenance Fee (HMF): The fee is based on the commercial value times 0.125%. This fee is charged against almost all ocean shipments. There is no minimum or maximum.

Customs Bonds: The Customs bond is CBP's guarantee that duty will be paid and a bond must be issued by a surety company for every shipment. An importer can have either a single transaction bond or a continuous bond good for one calendar year. The cost for a single transaction bond is usually starts around \$4.50 per thousand of the commercial value with a minimum usually around \$45.00. The continuous bond usually starts around \$450 per calendar year.

Customs Broker Fee: This fee is determined on a per transaction basis that does not cover other agencies costs or fees, such as FDA, DOT, Agriculture, EPA, etc. This rate is usually negotiable with any broker. Please request a rate sheet of currently established services and the corresponding rates.

Airline documentation fee: This is the airline handling fee which is usually paid by the Broker or Freight Forwarder on behalf of the importer. The fee has dramatically increased over the past several years to averaging about \$75.00 per house bill.

Freight Forwarder Fees: This is sometimes called a hand-over fee and is sometimes charged by the forwarder to a Broker and ranges from about \$50 to over several hundreds of dollars.

Container Freight Station (CFS) Fees: Whether your shipment is sent by ocean or air and is less than a container load, then your shipment will be deconsolidated along with all the other shippers loaded into the container at a CFS. There will be a charge for their services which will depend on the number of packages, weight and type of product. This fee will be in conjunction with the Fork Lift Fee (see below).

Fork Lift Fee: Warehouses have created the fork lift charge. Some Bonded Warehouses and Container Freight Stations charge a flat fee, while others charge a fee based on the weight of the shipment with a minimum which varies by the facility.

Local Delivery: Usually the minimum charge for a delivery is around \$50. The fees have remained fairly, stable, however trucking companies have begun charging a fuel surcharge fee in the last few years. This fee is somewhat inconsistent and is usually based on a weight factor and the local price of fuel. Currently the fuel surcharge ranges "between" \$1.00 to \$1.75 per kilo weight of your freight. Please note this surcharge is on top of the normal delivery charge. Always get a quote on the cost of delivery. There are ways to save on this, including picking up the freight yourself.

Customs Examinations (LAX): Currently there are no direct costs associated with an examination at the airport, however the delays caused by the exam can be considered as additional costs. There may be costs added if the importer requests an overtime exam, but this only applies to agriculture exams.

Customs Examinations (LA/LB Harbor): The cost for an examination at the harbor is high. Depending on the type of examination and how the container is loaded, the cost can range from a few hundred dollars to several thousands of dollars. The delays for a container examination are much longer than for an exam at LAX. If you have loose freight the cost will be less than a full container.

If there are any delays in getting your shipment released from Customs either at the airport or harbor you may incur storage/demurrage charges. The airlines and steamship companies do not want your freight in their warehouse and will charge you substantially extra if they have to hold the shipment beyond a few days. If the shipment is not picked up within 10 days after arrival, the shipment may be sent to a government warehouse, thus incurring additional charges.

This is a brief summary of costs associated with importing products into the United States. Some of the fees are typical and I've tried to provide a range, but the costs are variable depending on the type of shipment, the service provider, the city where you are importing and of course the government agencies involved.

Please do not hesitate to contact World Exchange, Inc. for additional or more detailed information.

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CHB # 15326

11205 S. La Cienega Blvd – Los Angeles, CA 90045

National Permit

Tel: 310-670-5800 Fax: 310-670-5847

99-00435