



CUSTOMS & QUARANTINE AGENCY, GUAHAN

Guahan's First Line of Defense • Protecting Our Island, Our People, Our Resources

Director's Office

*Acting Director – Raffaele M.J. Sgambelluri
Acting Chief of Customs – Maj. Vincent S.N. Perez*

MEMORANDUM

June 17, 2011

To: GENERAL PUBLIC & ALL STAKEHOLDERS

**From: ACTING DIRECTOR,
CUSTOMS & QUARANTINE AGENCY**

Subject: NOTICE OF EXTENSION

**Re: Customs, Agriculture & Quarantine Inspection Service Charge &
Exemption Amendments**

Buenas Yan Hafa Adai!!

Please be advised that an extension has been made to the original date of implementation for the amendments and exemptions of Article 5, §2506.b.2 and §2507 (a) thru (h), contained in the Customs, Agriculture & Quarantine Inspection Service Charge rules and regulations. The new date of implementation of these new amendments to the service charge will now take effect at midnight on October 1, 2011.

Rates and exemptions for the Customs, Agriculture & Quarantine Inspection Service Charge for cargo clearance at the Guam International Air Terminal/Guam Integrated Air Cargo Facility, the Commercial Port of Guam and other locations as deemed appropriate by the Director of Customs will remain status quo until October 1, 2011.

Should you have any questions or concerns regarding this notice, please contact my office at 475-6202.


COLONEL RAFFAELE M.J. SGAMBELLURI

cc: Governor's Office

Mailing Address: 770 East Sunset Boulevard, Suite 240 Tiyan, Guahan 96913
Executive Office: Suite C-270, A.B. Won Pat International Air Terminal, Tamuning, Guam 96913
(671) 475-6202 • (671) 475-6227 Fax • www.cqa.guam.gov

MAY = \$ SDD. OD

(CUSTOMS APPEALS)



(~~STATE~~ FISCAL YEAR)

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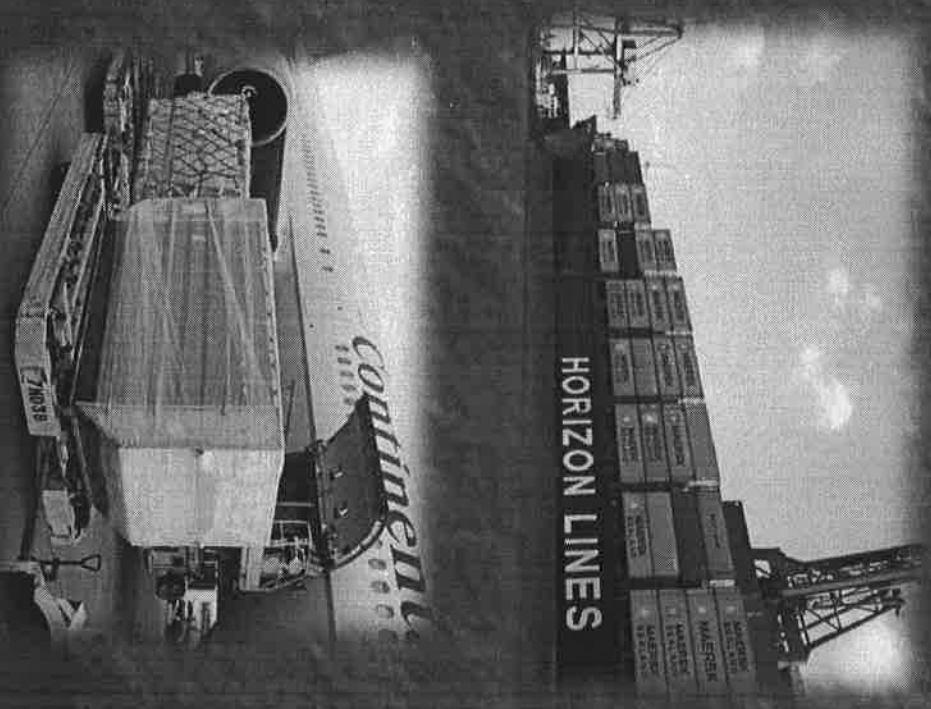
PROPOSED FEE SCHEDULE

OCEAN FREIGHT

- 4,000 lbs @ \$5.00
- \$.0012 Every lb thereafter

AIR FREIGHT

- 100 lbs @ \$5.00
- \$.0012 Every lb thereafter



MODERNIZED FEE

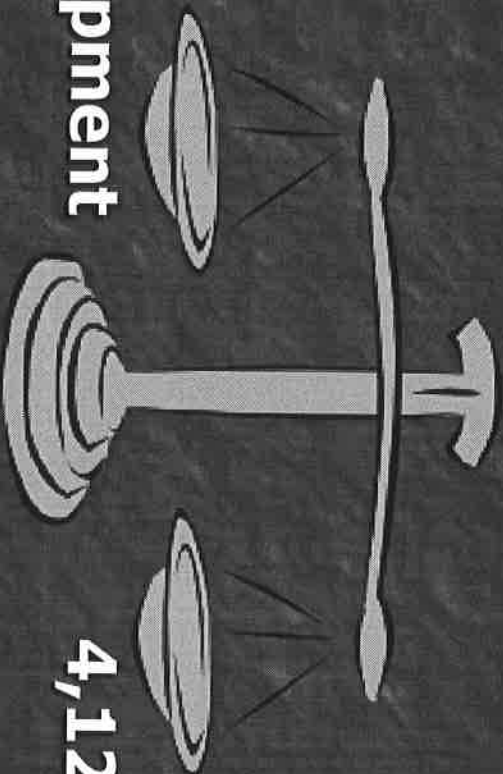
Sea Freight

28,000 lbs Shipment

4,000 lbs @ \$5.00

+24,000lbs x \$.0012

= \$33.80



Air Freight

4,127 lbs Shipment

100 lbs @ \$5.00

+ 4027lbs x \$.0012

= \$9.83

For Non-containerized Shipments of sea cargo arriving at the Commercial Port of Guam or other location designated by the Director:

- a. Five (5) U.S. dollars for the first 4000 pounds (shipping weight) or less of non-exempt cargo, whether consolidated or not, that is entered per carrier bill of lading; and
- b. .0012 U.S. dollars for every pound (shipping weight) of non-exempt cargo thereafter not to exceed a total charge of \$500 U.S. Dollars per carrier bill of lading.
- c. The total service charge per carrier bill of lading will be rounded to the nearest U.S. cent.

7.1.4 Revenue Forecast

For the purposes of establishing a baseline of cargo volume projected for the upcoming year, the Department utilized the average weight of cargo imported over the past several years based upon the yearly tonnage reports published by the Guam International Airport Authority and the Port Authority of Guam. Based upon these cargo reports, the average weight of cargo projected for next year is approximately 2,404,399,268 pounds of cargo. In applying this averaged cargo volume against the proposed rate established under subsection 7.1.3 above, the revenue forecast of recovery during the course of the upcoming year is approximately \$2,885,279.12.

7.2 Proposed Rate Setting Methodology

The Director will review service charges at least annually and make such periodic adjustments as may be necessary in accordance with established program rules and regulations. Each year the Agency will prepare and submit an annual budget to the Legislature showing the projected costs associated with providing, maintaining and operating the service charge facilities which relate to sea passenger and cargo operations. If, for any reason, the Legislature fails to approve the Agency's budget for providing, maintaining, and operating the service charge facilities before the end of the current fiscal year, the service charge in effect shall continue in full force and effect until a budget is adopted and approved by the Legislature, unless a periodic adjustment has been made as authorized by established program rule and regulation.

annual activity reports on cargo arrivals maintained by the GIAT and Port Authority of Guam.

Upon review and pursuant to the proposed methodology, the Director has determined that such total annualized costs of providing, maintaining, and operating the service charge facilities as they relate to cargo operations is approximately \$2,828,545.31. Thus, the monthly charge attributable to all importers is \$235,712.11 for which each importer will be responsible for remitting to the Agency its service charge as determined under the program rules and regulations. The proposed monthly charge will be converted to a cost per pound for the purposes of the apportionment methodology by dividing the monthly charge by the average monthly arriving cargo volume during the preceding year.

7.1.3 Proposed Fee Structure

In accordance with the proposed fee determination methodology outlined under subsection 7.1.2 above, the proposed fee structure for cargo imported into Guam is:

For air cargo arriving at the GIAT or other location designated by the Director:

- a. Five (5) U.S. dollars for the first 100 pounds (shipping weight) or less of non-exempt cargo, whether consolidated or not, that is entered per carrier bill of lading; and
- b. .0012 U.S. dollars for every pound (shipping weight) of non-exempt cargo thereafter.
- c. The total service charge per carrier bill of lading will be rounded to the nearest U.S. cent.

For Containerized Shipments of sea cargo arriving at the Commercial Port of Guam or other location designated by the Director:

- a. Five (5) U.S. dollars for the first 4000 pounds (shipping weight) or less of non-exempt cargo, whether consolidated or not, entered per carrier bill of lading; and
- b. .0012 U.S. dollars for every pound (shipping weight) of non-exempt cargo respectively thereafter.
- c. The total service charge per carrier bill of lading will be rounded to the nearest U.S. cent.