



GKN Freight Services Information Bulletin

U.S. Imports – New Regulations

U.S. Customs and Border Protection (CBP) has published on January 2, 2008 a Notice of Proposed Rulemaking (NPRM) requiring importers and carriers to electronically submit additional information on cargo before it is brought into the United States by vessel. The Security Filing, also known as "10+2," is another step in the Department of Homeland Security's (DHS) strategy to better assess and identify high-risk shipments to prevent terrorist weapons and materials from entering the United States.

The proposed regulation will require carriers to submit "10+2" additional pieces of information to enhance the security of the maritime environment. The proposed regulation requires importers to submit an "Importer Security Filing" containing the following 10 data elements:

- Manufacturer (or supplier) name and address
- Seller (or owner) name and address
- Buyer (or owner) name and address
- Ship-to name and address
- Container stuffing location
- Consolidator (stuffer) name and address
- Importer of record number/foreign trade zone applicant identification number
- Consignee number(s)
- Country of origin, and
- Commodity Harmonized Tariff Schedule number

Currently, CBP relies primarily on carrier manifest information to perform advance targeting prior to vessel loading. Internal and external reviews have concluded that more complete advance shipment data would produce more accurate and effective cargo risk assessments. This way resource can be focused on true threats and legitimate cargo can speed through the system as quickly as possible. The proposed regulation is intended to satisfy provisions outlined in the Security and Accountability for Every Port Act of 2006, which require the submission of additional data elements for improved high-risk targeting.

The Importer of Record is responsible for implementing and managing this process. The proposed liabilities for the Importer of Record associated with non-compliance of this regulation are significant. The NPRM lists fines for any level of non-compliance to be equal to the value of the imported goods. In addition to the tangible fines, cargo will not be permitted to load on the vessel at the port of exit until all requirements have been met potentially resulting in transit delays if compliance is not achieved.

It has been suggested that the proposed regulation will be published in the Federal Register as an official requirement during September 2008.

GKN Freight Services is prepared to provide compliance support for US Import customers. Additional information will be provided once the regulation has been published. However, if there are any questions we can answer in the meantime, please feel free to contact us.

14th August 2008