

# U.S. Customs and Border Protection (CBP)

January 2, 2008

## **CBP Issues Proposed Rule on “10+2” Cargo Security Filing**

U.S. Customs and Border Protection is seeking comments by March 3 on a proposed rule that would establish 12 additional data elements that CBP wants importers and ocean carriers to submit before ocean borne cargo is brought into the U.S. This Security Filing proposal is focused on data elements that further identify the entities involved in the supply chain and their locations or provide a corroborating and potentially more precise description of the commodities shipped.

CBP indicates that it needs this additional information to ensure that its cargo security programs continue to operate effectively. The Container Security Initiative, the 24-Hour Rule and the Customs-Trade Partnership Against Terrorism are all cornerstones of CBP's comprehensive strategy for enhancing national security while protecting the economic vitality of the U.S.. Additionally, CBP has developed cargo risk assessment capabilities in its Automated Targeting System to screen all maritime containers bound for the U.S. before they are loaded aboard vessels in foreign ports. Each of these initiatives is dependent on data supplied by trade entities, including carriers, non-vessel-operating common carriers, customs brokers, importers and their agents. But the data elements currently supplied by these entities are the same ones originally established by the 24-Hour Rule, which for the most part come from the carrier's or NVOCC's cargo declaration. CBP states that while this was a sound initial approach to take, internal and external government reviews have concluded that more complete advance shipment data would produce even more effective and more vigorous cargo risk assessments.

### Importers

CBP is proposing to require importers or their agents to transmit an Importer Security Filing to CBP, for cargo other than foreign cargo remaining on board, no later than 24 hours before cargo is laden aboard a vessel destined to the U.S. Because FROB is frequently laden based on a last-minute decision by the carrier, the Importer Security Filing for FROB could be filed any time prior to lading.

For purposes of this proposed rule, “importer” means the party causing goods to arrive within the limits of a port in the United States. For FROB, the importer is construed as the carrier. For immediate exportation and transportation and exportation in-bond shipments, and goods to be delivered to a foreign-trade zone, the importer is construed as the party filing the IE, T&E or FTZ documentation with CBP.

For shipments other than those consisting entirely of FROB or goods intended to be transported in-bond as an IE or T&E, the following 10 additional data elements would have to be provided, unless specifically exempted. The manufacturer (or supplier) name and address, country of origin and commodity HTSUS number would have to be linked to one another at the line item level.

- The name and address of the entity that last manufactures, assembles produces or grows the imported commodity, or the name and address of the supplier of the finished goods in the country from which the goods are leaving; in the alternative, the name and address of the manufacturer (or supplier) that is currently required by U.S. import laws, rules and regulations (this is the information that is used to create the existing

manufacturer identification number for entry purposes).

- The name and address of the last known entity by whom the goods are sold or agreed to be sold, or, if the goods are to be imported otherwise than pursuant to a purchase, the name and address of the owner of the goods.
- The name and address of the last known entity to whom the goods are sold or agreed to be sold, or, if the goods are to be imported otherwise than pursuant to a purchase, the name and address of the owner of the goods.
- The name and address of the first deliver-to party scheduled to physically receive the goods after they have been released from customs custody.
- The name and address(es) of the physical location(s) where the goods were stuffed into the container, or, for break-bulk shipments, the name and address(es) of the physical location(s) where the goods were made “ship ready.”
- The name and address of the party who stuffed or arranged for the stuffing of the container, or, for break-bulk shipments, the name and address of the party who made or arranged to make the goods “ship ready.”
- The Internal Revenue Service number, Employer Identification Number, Social Security Number or CBP-assigned number of the entity liable for payment of all duties and responsible for meeting all statutory and regulatory requirements incurred as a result of importation; for goods intended to be delivered to an FTZ, the IRS number, EIN, SSN or CBP-assigned number of the party filing the FTZ documentation with CBP.
- The IRS number, EIN, SSN or CBP-assigned number of the individual(s) or firm(s) in the U.S. on whose account the merchandise is shipped.
- The country of manufacture, production or growth of the article, based on U.S. import laws, rules and regulations.
- The duty/statistical reporting number under which the article is classified in the HTSUS (the HTSUS number is required to be provided to the six-digit level but may be provided up to the 10-digit level).

For shipments consisting entirely of FROB or goods intended to be transported in-bond as an IE or T&E, the following five additional data elements would have to be provided.

- The name and address of the party who is paying for the transportation of the goods.
  - The port code for the foreign port of unloading at the intended final destination.
  - The city code for the place of delivery.
- The name and address of the first deliver-to party scheduled to physically receive the goods after they have been released from customs custody.
- The duty/statistical reporting number under which the article is classified in the HTSUS.

## Carriers

CBP is proposing to require carriers to submit the following information.

- **Vessel Stow Plan** – A vessel stow plan is used to transmit information about the physical location of cargo loaded aboard a vessel. CBP would have to receive the stow plan for vessels transporting containers and/or break-bulk cargo no later than 48 hours after departure from the last foreign port. For voyages less than 48 hours in duration, the stow plan would have to be received prior to the vessel's arrival at the first port in the U.S. Bulk carriers would be exempt from this requirement for vessels exclusively carrying bulk cargo.

The vessel stow plan would have to include standard information relating to the vessel and each container and unit of break-bulk cargo laden on the vessel. Vessel information would have to include vessel name (including International Maritime Organization number), vessel operator and voyage number. With regard to each container or unit of break-bulk cargo, the information would have to include the container operator and equipment number, size and type, if the cargo is containerized; stow position; Hazmat-UN code; port of lading; and port of discharge.

- **Container Status Messages** – Carriers would be required to submit container status messages daily for certain events relating to all containers laden with cargo that are destined to arrive within the limits of a port in the U.S. by vessel. Specifically, carriers would have to submit a CSM when any of the following events occurs, provided the carrier creates or collects a CSM in its equipment tracking system reporting that event.

- the booking relating to the container is confirmed
- the container undergoes a terminal gate inspection
  - the container arrives or departs a facility
- the container is loaded on or unloaded from a conveyance
  - the container departs from or arrives at a port
- the container undergoes an intra-terminal movement
  - the container is ordered stuffed or stripped
  - the container is confirmed stuffed or stripped
  - the container is shipped for heavy repair

Each CSM submitted would have to include the event code being reported, the container number, the date and time of the event being reported, the status of the container (empty or full), the location where the event took place and the vessel identification associated with the message.

Because it may be cost beneficial for some carriers to transmit all CSMs, rather than those relating only to containers destined to the U.S. or only to the required events, CBP is proposing to allow carriers to transmit such "global" CSM messages. However, carriers who transmit CSMs other than those required by the proposed rule would be authorizing CBP to access and use the data they include.