



USA 24-Hour Rule Circular to Customers No. 3



- **USA 24-Hour Rule**
- **Submission of shipping instructions by customers**
- **HS Code**
- **Crossborder Cargo into US via Canada**
- **Enforcement of U.S. customs service 24-hrs rule**

16th January 2003

Dear Customer,

In our previous circulars we have informed you about the new U.S. customs rule and required details which have to be submitted to U.S. customs minimum 24-hrs before cargo will be loaded on a vessel. The 60-days grace period is almost over and we would like to give you an overall view in regard of transmission status / quality, changes and news.

Submission of shipping instructions by customers

Up to know not all shipping instructions are provided in due time as per distributed Doc closings (please see closing attached). Instructions without container respectively without seal number can not be processed and transmitted to customs. As of February 2nd, 2003 (please see list of relevant vessel attached) we can not load any container for which we have not sent the manifest to U.S. customs as per 24-hrs rule. Container with missing instructions or incomplete documents will be not be loaded and must be rolled to the next available vessel.

HS Code

Please note that U.S. customs (as per AMS filing) requires the HS code for each cargo although C-TPAT stated precise cargo declaration and/or 6-digit detailed HS-code. We have already received the first REJECT messages by U.S. customs in regard of missing respectively , inaccurate HS code. HS codes as per local country register are not required by U.S. customs. Only the 6-digit HS code as per Harmonized Tariff Schedule of the United States (2003) respectively as per WCO World Customs Organization is required.

Crossborder Cargo into the US via Canada

As per latest information from Canadian Customs, they will adopt the U.S. customs 24-hrs rule (discussions are going on) but an implementation date is not yet available. Therefore Crossborder cargo does not fall under the 24-hrs rule and can be manifested as any other local Canadian cargo for the time being.



Enforcement of the U.S. customs service 24-hrs rule

As per statement of the World Shipping Council dated January 14th, 2003, Customs Service will begin enforcement of the new 24-hrs advanced cargo declaration filing requirements for vessel voyages beginning February 2nd. They also announced that Customs intend to use their authority to impose monetary penalties for non-compliance, to instruct carriers not to load noncompliant containers, and further, that they may use their authority to deny carriers' the ability to unload a noncompliant container when it arrives in a U.S. port. Please find attached the complete Statement.

NVOCC / Third Party and filing via Carrier

We will inform you per separate letter about procedures, liability and service options latest by mid of next week.

We will keep you closely advised of developments and appreciate your co-operation in jointly fulfilling the U.S. customs requirements.

Sincerely,

Hapag-Lloyd Container Line

Attachments:

1. Documentation closings
2. Vessels as of February 2nd, 2003
3. WSC statement dated January 14th, 2003



Attachment No. 1

Documentation closing:

Port of loading =	HAMBURG / BREMERHAVEN / ANTWERP / ROTTERDAM
Customer Shipping	ETA of vessel at pol
Instructions closing	
prior Wednesday 12 Hrs HH Time	Monday
prior Thursday 12 Hrs HH Time	Tuesday
prior Friday 12 Hrs HH Time	Wednesday
prior Monday 12 Hrs HH Time	Thursday
prior Tuesday 12 Hrs HH Time	Friday
prior Wednesday 12 Hrs HH Time	Saturday
prior Wednesday 12 Hrs HH Time	Sunday

Attachment No. 2

Vessel / voyages after Feb. 1st where strict enforcement is required

Service/loop	Vessel	Voy	1st Port	ETA Date
ATXS (ATX)	PO Marseille	041W	Hamburg	Feb 5
GAX	Lykes Discoverer	053W	Antwerp	Feb 01
ACL	Atlantic Conveyor	3230	Bremerhaven	Feb 1
GMX	TTMM Jalisco	018W	Antwerp	Feb 5
PAX	Düsseldorf Ex.	029W	Antwerp	Feb 2
ATXS (SGX)	PO Sydney	042S	Southampton	Feb 2
AEX	Shenzhen Bay	46E03	Gioia Tauro	Feb 1
MAS	Ponl Pinta	02w05	Gioia Tauro	Feb 3
AMX	Endurance	21w05	Alexandria	Feb 5
MGX	TMM Hermosillo	016	Gioia Tauro	Feb 6
AU/NZ Westabout	Marfret Provence	3406	Tilbury	Feb 6
AU/NZ Westabout	Contship Rome	3407	Tilbury	Feb 13
AU/NZ Westabout	PONL Hunter Valley	3408	Tilbury	Feb 20



Attachment No. 3



**Statement Regarding February 2 Enforcement of the
U.S. Customs Service's 24-Hour Advance Filing of Import Cargo Declarations**

January 14, 2003

Recent announcements by U.S. Customs Service officials, including Customs Commissioner Robert Bonner, make it very clear that the Customs Service will begin enforcement of the new 24-hour advance cargo declaration filing requirements for vessel voyages beginning February 2.

Customs officials have also announced that they intend to use their authority to impose monetary penalties for non-compliance, to instruct carriers not to load noncompliant containers, and further, that they may use their authority to deny carriers' the ability to unload a noncompliant container when it arrives in a U.S. port. The potential consequences for noncompliance with these new rules are obviously very substantial.

Accordingly, all affected carriers and their customers should plan for the regulations being enforced and for business practices to comply with the requirements on February 2.

The Customs Service is still working to address a number of issues involved in the implementation of these new rules. There are several areas that are very clear, however, and on which they have stated they will insist on immediate compliance:

- No FAK, "said to contain", or "consolidated shipment" cargo descriptions will be permitted
- All information items on the cargo declaration forms must be filled out accurately and completely
- Cargo declarations are to be filed 24 hours before vessel loading
- NVOCCs must file their cargo manifests either (1) by becoming Automated Manifest System (AMS) filers themselves and filing directly with Customs, (2) using an AMS third party service provider, or (3) asking the ocean carrier to file their cargo declarations.

Regarding AMS qualified NVOCCs, the Customs Service is keeping a list on its website of those NVOCCs that are certified to be AMS eligible. This should provide ocean carriers with a way to confirm whether an NVOCC is eligible to file its own manifest.



NVOCCs and shippers should check in advance with the ocean carriers they use regarding what operational and information requirements the ocean carrier has established to ensure that it can file the information as required and that the containers tendered are compliant and do not encounter penalty actions.

Notwithstanding the fact that concerns about the ability to comply with the new regulations are expected to be expressed by various parties in the coming weeks, we strongly recommend that all carriers, shippers and marine terminals handling U.S. destination cargo operate with full recognition of the clear statements by the U.S. Customs Service that there will be no extension of time beyond February 2 for enforcement of the new requirements, and that penalties for noncompliance can be substantial.

The World Shipping Council, together with other trade interests, will continue to work with the Customs Service to seek greater clarity and guidance on certain issues involved in the implementation of the new rules, and has urged Customs not to penalize parties who are trying in good faith to comply with the new rules for violations of requirements that deserve further guidance from the agency – such as clearer guidance regarding acceptable cargo descriptions, and manifest amendments. Customs has expressed a desire and willingness to work with the industry in this regard. This does not imply, however, that carriers and shippers should not plan on full compliance on February 2.