

U.S. Customs 24 Hour Advance Manifest Rule

1. What is this new rule?

- U.S. Customs Service has implemented a new Advance Manifest Rule, fully effective February 2, 2002, that will require significant changes to the shipment documentation process for all cargo on vessels calling the United States. The purpose of the new rule is to screen cargo before it is loaded, so U.S. Customs can decide on its loading/no loading status in advance.
- The rule went into effect December 2nd, and included a 60-day grace period for the trade community to comply.
- The regulations apply to all vessels that will call at a U.S. port.
- The regulations apply regardless of whether the loading port is a CSI (Container Security Initiative) port.
- The regulations apply to all cargo being loaded aboard the vessel, whether US or foreign destination cargo.
- The regulations do not apply to bulk shipments, as defined in the regulations. Breakbulk shipments may be exempted if an exemption application is submitted and approved.
- The regulations do not apply to feeder or transshipment vessels that are not calling the U.S., but the advance manifest requirements will apply before the cargo is loaded on the vessel that will actually call the U.S.
- U.S. Customs penalties for noncompliance (except fraud) will not be imposed until February 1, 2003.

2. What is Yellow Global doing to comply with this new rule?

- Regulatory personnel are regularly meeting with U.S. Customs to seek clarification on this rule.
- Overseas partners are working within the regulation's guidelines to provide the information to customs.
Note: Cutoffs for the physical delivery of cargo may be affected.
- In the United States, we are urging an integrated, cohesive, long-term approach to legislation and regulations. Yellow Global fully supports safeguarding commerce and the infrastructure, which we believe is best accomplished through consistent approaches from various agencies.

3. How can clients best manage their new responsibilities?

- Overseas suppliers will need to be sensitive to the new regulation, since they are required to provide Customs 14 pieces of manifest data (outlined below), 24 hours before cargo is laden on board the vessel. You or your suppliers are not required to complete any forms or electronically transmit anything to Customs. The burden is on the carriers (steamship lines) or NVOCC's. Nevertheless, you will need to provide the basic information to the carrier(s) and/or NVOCC/Forwarder(s).
- Clients need to make certain their supplier/vendors are informed of the new regulations, and ensure sufficient time is built in to the supply chain to permit them to supply the necessary information to the carrier, forwarder, or NVOCC.
- If you haven't already signed up for the U.S. Customs C-TPAT program we encourage you to do so. U.S. Customs has indicated C-TPAT membership will be given favorable consideration in the targeting process.

4. What is the effective date?

- December 2, 2002. U.S. Customs penalties for noncompliance (except fraud) will not be imposed until February 1, 2003.

5. What data is required by U.S. Customs?

14 items are required:

1. The last foreign port before the vessel departs for the United States.
 2. The carrier SCAC code (the unique Standard Carrier Alpha Code assigned for each carrier (including each NVOCC)).
 3. The carrier-assigned voyage number.
 4. The date the vessel is scheduled to arrive at the first U.S. port in U.S. Customs territory.
 5. The numbers and quantities from the carrier's ocean bills of lading based on the cargo description provided by shipper, either master or house, as applicable (this means that the carrier must transmit the quantity of the lowest external packaging unit; containers and pallets are not acceptable manifested quantities; for example, a container containing 10 pallets with 200 cartons should be manifested as 200 cartons);
 6. The first foreign port where the carrier takes possession of the cargo destined to the United States. We have requested more details from U.S. Customs.
 7. A precise description (or the Harmonized Tariff Schedule (HTS) numbers to the 6-digit level under which the cargo is classified if that information is received from the shipper), and weight of the cargo or, for a sealed container, the shipper's declared description and weight of the cargo. Generic descriptions, specifically those such as "FAK" ("freight of all kinds"), "general cargo", and "STC" ("said to contain") are not acceptable. We have requested more details from U.S. Customs.
 8. The shipper's complete name and address, or identification number, from all bills of lading. (The identification number will be a unique number assigned by U.S. Customs upon the implementation of the Automated Commercial Environment).
 9. The complete name and address of the consignee or the owner or owner's representative, or identification number, from all bills of lading, based on the information provided by the shipper. (The identification number will be a unique number assigned by U.S. Customs upon implementation of the Automated Commercial Environment).
 10. The vessel name, country of documentation, and official vessel number. (The vessel number is the International Maritime Organization number assigned to the vessel);
 11. The foreign port where the cargo is laden (on board).
 12. Internationally recognized hazardous material code when such materials are being shipped.
 13. Container numbers.
 14. The seal numbers for all seals affixed to containers.
6. What procedures should clients be focusing on now?
- Ensure your overseas shippers communicate all required information (see section above) to us at least 48 hours before the vessel cargo cutoff.
 - Be as specific as possible with the cargo description on all documentation.
7. Can U.S. Customs ask for additional information even if all cargo details are correct?
- Yes.
8. Can the shipping instructions/bill of lading details be changed after vessel departure?
- The current rules allow for some changes and U.S. Customs has agreed to initiate more specific rules.
9. If U.S. Customs decides to hold my shipment for inspection and or additional information how will I be notified and when?
- Details are still being worked out with U.S. Customs.

10. Who is liable for errors in cargo information?
- U.S. Customs will initiate penalty actions against the entity providing the information (“transmitting party”).
11. What is the policy towards cargo entering the United States from Canada and Mexico?
- If cargo is arriving via water, then the same procedures discussed above apply. U.S. Customs will clarify what their policy is towards cargo trucked in from Mexico and Canada.
12. What happens if I have ten containers on one B/L and U.S. Customs decides to hold one container – will the other nine load?
- Yes, all containers that have been cleared for loading will be loaded.
13. Where can I find additional information on the rule?
- U.S. Customs www.uscustoms.treas.gov
14. What is the rule’s impact to NVOCC’s?
- Currently, the regulations provide NVOCCs’ cargo descriptions and house bill of lading to be filed electronically in AMS. NVOCC’s can comply with the regulations a variety of ways:
 1. By obtaining a bond and employing an automated system,
 2. By filing through the ocean carrier AMS system to file the cargo declaration and house bill of lading information,
 3. By using an automated (Neutral) NVOCC to file the information for it, or
 4. By using an automated third party filing service.
15. How will the U.S. Customs Automated Manifest System (AMS) handle acknowledgements/holds:
- U.S. Customs stated that it will continue the current practice of notifying filing carriers with an acceptance message that confirms receipt of the manifest data, quantity of B/L’s accepted, and quantity of B/L’s rejected.
16. Will U.S. Customs be staffed 24/7 including holidays to handle this new process?
- U.S. Customs recognizes this as an issue and will decide on their future staffing policy.
17. Are shipments from Asia to Europe affected?
- No. The rulemaking is only applies to cargo movements to the United States or for cargo remaining on board vessels passing through U.S. ports.

Should you have questions or require any assistance with this change, please contact your Novo Express Sales Representative or **Novo Express Customer Service at 1-415-468-8880.**