



INTERNATIONAL TRADE NEWSLETTER

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New Export Control Directives Announced

President Bush recently signed directives that will ensure the United States' dual-use export control policies and practices support the National Security Strategy of 2006, while facilitating the U.S. economic and technological leadership. These new directives will advance a more efficient and transparent export licensing process and enhance dispute resolution mechanisms. They will also help ensure proper levels of control for continued U.S. economic competitiveness and innovation while protecting national security. For more information on the President's dual use export-control initiative, please visit:

https://www.bis.doc.gov/pdf/nspd_fact_sheet_1-16-2008.pdf

Cargo Security Programs

7,500 tons of air cargo are loaded onto passenger planes every day. TSA worked with Congress to significantly strengthen security of air cargo through the 9/11 Bill signed into law Aug. 3.

The Air Cargo Division in TSA's Office of Transportation Sector Network Management works to prevent terrorists from turning passenger planes laden with cargo into weapons. That's a heavy mandate given that 50,000 tons of air cargo are transported every day - 7,500 tons of it on passenger planes.

To achieve its mission, the division searches the entire air cargo network - including 10,000 facilities used by 3,800 freight forwarders - for strategic points to thwart terrorists. It has four offices that develop strategies and programs that collaboratively strengthen the agency's layered approach to aviation security.

"The main thrust of cargo security programs now comes from the 9/11 law," said Air Cargo Division General Manager Ed Kelly. "The law requires 100 percent screening of air cargo on passenger planes by 2010."

Screening 100 percent of cargo at airports would create enormous delays in the shipment of goods today. A fifth program office, the

Certified Cargo Screening Program (CCSP) office, is being developed to meet mandates of the new law and prevent delays. The CCSP will strengthen the screening system by allowing the aviation and cargo industries to assume direct responsibility for screening, which could be done at warehouses and factories. TSA will begin phase one of the program in 2008.

How BDG International assists companies on compliance.

As a Foreign Importer of record you must think as a company being governed by the U.S. government and comply with all the regulations.

BDG International, Inc. is a U.S. Customs Broker, which watches out for the importer of record and works not only to ensure cargo is cleared through customs timely, but also reduce customs delays, demurrage and prepare you for possible customs inspections and audits.

ADMINISTRATIVE SET UP:

- Foreign Power of Attorney
 - Customs Continuous Bond processing
 - Foreign of importer record set up & auditing
 - Htsus confirmation, compliance & auditing
- Maintain a HTSUS list under your company by code / type

CUSTOMS CLEARANCE PROCESSING:

- **Clearance time:**
 - prior to 3 days to the arrival into a USA ocean port / lcl terminal
 - prior to 5 days to the arrival into a USA inland (CY) ramp or terminal
 - prior to 8 hours in advance of arrival into the final dest airport

- **Clearance REMOTE filing:**
(Customs clearance can now be done from one location for the entire nation)
 - All major USA port, terminals, and airports
 - BDG will assist carrier on
 - the best port of entry for the best results with customs and other government agencies
- **Remote file entries in minutes**, while

standard processing can take 24-48 hours or more.

- **Each port in the USA functions based on Port practices.** Since the commencement of remote filing, port practices no longer prevent timely clearances
- **Documentation:**
 - Audit commercial documents prior to arrival of the cargo – preventing delays due to questions that could have been asked in transit.
 - Maintain all long term back up documents under importer name, In order to have on file for auditing or inspection. Including license papers, textile data, brochures of product etc.
 - Provide other government agency documents and samples w/ instructions in case a document is missing.
 - **Documents required:**
 - Commercial invoice (USD, English, must be detailed)
 - Packing List
 - Certificate of origin (optional)
 - Place the manufacturer and country of origin on the commercial invoice
 - Bill of lading

Banned DG Freight into Shanghai during the Olympics

Chinese Government is banning certain DG freight via and into Shanghai during the Olympics. Qingdao has not issued a list but asked carriers "not to accept higher DG cargoes". Other Chinese Ports including Hong Kong

do not appear to be affected. Special Note: This includes

import, export and freight trans shipping via Shanghai.

1. Shanghai: Effective, **July 18 through Aug 25, 2008**
(Cargo Status: import /export / transship / intransit)

Shanghai's Official
Prohibited DG cargo list:
[May be subject to change]

Explosives (including fireworks)---	All substance of Class 1
Organic peroxide ---	Class 5.2
Virulent materials ---	All substance of Class 6.1 and 6.2.
Radioactive isotopes ---	All substance of Class 7
Peroxide ---	Class 5.1 UN 1511; Class 5.1 UN2015
Acetone —	Class 3 UN1090; Class 3 UN1091
Sulfuric acid ---	Class 8 UN1830; Class 8 UN1831; Class 8 UN 1832; Class 8 UN2796
Nitric acid ---	Class 8 UN2031; Class 8 UN2032
Hydrochloric acid ---	Class 8 UN1789
Ammonium nitrate including fertilizer ---	Class 5.1 UN1942; Class 5.1 UN2067; Class 5.1 UN2426; Class 5.1 UN3375; Class 9 UN2071

***Shanghai Maritime Safety Bureau will send official detail of prohibited DG list within the end of this month.

U.S Customs & Border Protection Publishes 10+2 Security Rule

January 22, 2008 -- On January 2, 2008, Customs proposed a new rule for Importer Security Filing and Additional Carrier Requirements (aka 10+2) for all cargo coming to the U.S. via vessel.

This new regulation will require importers to submit 10 additional data elements about their cargo sailing to the U.S. This must be completed 24 hours prior to the carrier loading the cargo onboard the vessel at the foreign port.

The 10 additional data elements include:

- Manufacturer (or supplier) name & address
- Seller name & address
- Buyer name & address
- Ship to name & address
- Container stuffing location
- Consolidator name & address
- Importer of record identification number (IRS, EIN, SSN, or CBP assigned number)
- Consignee number (IRS, EIN, SSN, or CBP assigned number)
- Country of origin
- Commodity HTSUS number – will accept 6 instead of 10 digits

The data elements must be submitted by one of the following ways:

- Electronically either via the Automated Broker Interface (ABI) or Automated Manifest System (AMS)
- Importers using a broker will be able to have them submit the data via the ABI system.
- Importers not using brokers will need to apply for access to ABI or they can designate an agent to do the filing. Whoever submits the data will need to be bonded with Customs.

The purpose of this rule is for Customs to further improve their ability to identify high-risk shipments so they can ensure cargo safety and security.

Please note that this is a proposed rule.

U.S Customs & Border Protection Publishes 10+2 Security Rule,

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Importers, customs brokers, and other international traders have expressed concerns about the rule, which was mandated by the SAFE Port Act of 2006. Among other things, they've questioned whether the security filing falls under the definition of "customs business" and therefore must be transacted by a licensed customs broker (it does not, but many people think it should); whether filings could be amended for goods that are sold in transit (they can); and whether CBP might use information obtained in security filings for commercial enforcement purposes (the agency says it will not). That's just a tiny sampling of the issues that have been raised; CBP's Commercial Operations Advisory Committee alone recommended more than three dozen changes. Only about one-third of them made it into the proposed rule.

Now a rebellion against 10+2 appears to be brewing. According to a trade compliance expert who's active in several industry groups, a movement to ask Congress or President Bush to intervene is picking up momentum.

Among the complaints: Some importers believe the rule goes beyond the legislation's intent by placing legal liability on the importer to obtain complete, accurate information from overseas sources, even though it may be impossible to obtain or verify that information by the pre-sailing deadline. Furthermore, compliance will be costly: The federal Office of Management and Budget has estimated that the 10+2 rule could cost industry between \$350 million and \$600 million annually. Critics say that estimate is too low, in part because it doesn't take into account the cost of the inevitable delays and longer cycle times.