



## January 2004 International Trade Newsletter

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### OPEN LETTER FROM LUFTHANSA REGARDING DG REGULATIONS

Dear Customer,

The Safety and security of your consignment is of utmost importance to Lufthansa Cargo. Recently we have experienced events, which have made it necessary for us to implement a change to our Dangerous Goods acceptance guidelines. With effect from January 1<sup>st</sup>, 2004 guideline LH11 came into effect which states:

LH-11: Single packagings containing dangerous liquids are not acceptable for carriage unless overpacked and supported by a suitable base, for example, a suitably sized wooden pallet, to protect the base of the packaging (see all Packing Instructions for single packagings of liquids).

We have a grace period from January 1<sup>st</sup> until April 1<sup>st</sup>, 2004 to allow time for you and your shippers packing processes to be amended. Please note that as of April 1<sup>st</sup>, 2004 any Dangerous Goods Liquid that is delivered without the required overpack and suitable base will be refused. The shipment must be repacked to include the overpack and the suitable base before acceptance by Lufthansa Cargo.

This new guideline is valid throughout the Lufthansa Cargo route network. Please communicate this update with your dangerous goods shippers to ensure a smooth transition.

In regards to security: the TSA are constantly updating emergency amendments to enhance the safety of the air transportation industry. As an airline we will continue to abide by their amendments and continue to evolve our own security procedures to protect you, your freight and our company. As the name clearly dictates, security procedures must not be communicated in order to remain effective. You have our utmost assurance that we will do all we can to continue to provide safe, secure, reliable transportation and timely delivery now and in the future but we will not communicate the intricacies of our security procedures to anyone.

With your timely delivery of shipments to our origin stations we will endeavour to expedite the transportation process and continue to offer you services to over 500 destinations around the world.

Thank you and kind regards,

Jürgen Siebenrock  
Vice President, Sales – The Americas  
Lufthansa Cargo AG.

### **Air Eligibility Label No Longer Required**

We have just learned that the Air Eligibility Label is not going to be required for use in 2004. We will keep you updated on any further changes to this requirement.

### **ACH ANNUAL NOTIFICATION**

Under the requirements of Section 111.29 of the Customs Regulations, it is BDG's responsibility to notify our import clients on an annual basis of the payment options to customs.

"If you are the importer of record, payment to the broker will not relieve you of liability for Customs charges (duties, taxes, or other debts owed Customs) in the event the charges are not paid by the broker. Therefore, if you pay by check, Customs charges may be paid with a separate check payable to the "U.S. Customs Service" which shall be delivered to Customs by the broker."

BDG International, Inc. can help set up credit on your behalf with U.S. Customs Automated Clearing House Program. The ACH program will withdraw the duty

payment directly out of your account and send it to Customs. We recommend ACH for importers who have duties that exceed \$5,000.00 per entry.

Duties are required to be paid by the tenth working day, counted from the date of the entry. If the payment is made after the tenth day, penalties will be levied by customs. We are proud to say, BDG has never had to pay penalties for a late payment. If you choose the ACH to be processed from your account, there are very easy steps to ensure that late payment will not be made. If you are interested, please let us know.

For those of you who choose BDG to make payment of duties for you. BDG is very automated in making payment of duties. Each week we send payment of all duties owed for that week via the Automated Clearing House program on the behalf of our import clients. We receive a confirmation from customs that they have received the payment and paperwork required. Our accounting department then receives the final confirmation from the bank confirming that the payment had been withdrawn properly. All import entries require the payment process to be followed. Even if the amount owed is "Zero" due to no duties or taxes required, the broker is still required to go through the motions of making a "Zero" duty payment.

If you have questions please contact Lisa V. Waller  
(Tel: 800-327-6392 or email: [lisaw@bdginternational.com](mailto:lisaw@bdginternational.com))

## **REVISED HTS AND SCHEDULE B CLASSIFICATIONS AVAILABLE**

The 2004 HTS has already been published by ITC and is available to the trade for viewing and reference on the ITC website at <http://dataweb.usitc.gov/SCRIPTS/tariff/toc.html>

The 2004 Schedule B is available for browsing at <http://www.census.gov/foreign-trade/schedules/b/2004/browse-html.html>

The 2004 Schedule B and HTS are available for downloading at <http://www.census.gov/foreign-trade/schedules/b/#download>  
Click on ZIP ASCII file Schedule B/HSTUS (1.0 MB) and follow the instructions for downloading the text file.

The updated list of current HTS Numbers that are invalid for use in AES are available at <http://www.census.gov/foreign-trade/aes/hts-not-for-aes.txt>

The 2003 Schedule B numbers that are now obsolete are available for downloading at <http://www.census.gov/foreign-trade/schedules/b/#obsolete>  
Under the heading Year 2004, choose either the ASCII file or the

compressed file.

All the necessary changes have been made to AES so that companies can now begin using the 2004 Schedule B and HTS numbers.

The 2003 obsolete numbers have been assigned an end-date of 12/31/2003 in AES. However, Census allows companies a one-month grace period to report the 2003 obsolete numbers in AES. Thus companies may use the 2003 obsolete numbers for shipment transactions in which the date of exportation reported is on or before January 31, 2004.

Using the 2003 obsolete numbers during January 2004 will only generate a verify message 351 VERIFY - OUTDATED HS OR SCHED B NUMBER. Reporting the 2003 obsolete number on shipment transactions with dates of exportation in February 2004 and beyond, the filer will get a fatal error 136 FATAL ERR - OUTDATED HS OR SCHED B NUMBER.

Obsolete 2003 numbers may only be reported beyond January 31, 2004 if the filer is changing data in a shipment transaction with the date of exportation prior to January 2004.

This year's changes include several changes to the units of measures for some B Numbers. If the unit of measure has changed, you must begin using that new unit of measure for shipment transactions with dates of exportation on January 1, 2004. Census does not give a grace period on units of measure changes.

Failure to use the correct unit of measure will generate 343 WARN ERR - MISS NET 1ST UNIT OF MEASURE, 344 WARN ERR - INVAL NET 1ST UNIT OF MEASURE, 345 WARN ERR - MISS NET 2ND UNIT OF MEASURE, 346 WARN ERR - INVAL NET 2ND UNIT OF MEASURE or 347 WARN ERR - QTY UNITS DO NOT MATCH HS REQ

### **DO NOT USE EXPORT INFORMATION CODE "MS" WHEN FILING STATE DEPARTMENT LICENSED SHIPMENTS**

When filing State Department Licensed Shipments DO NOT USE Export Information Code "MS." Although you will receive confirmation (ITN) that your shipment has been accepted, this code will cause your license NOT to be decremented and your commodity data to be suppressed in AES. Customs will seize and fine for this mistake.

The correct Export Information Codes to use for shipments subject to State licensing authority are as follows:

License Codes	Use Export Information Code
SAG, SCA, S00, S05, S61, S73, S85	OS
S94	FS or FI

4) PAPER COPY OF THE AES TRANSMISSION OR SED STILL REQUIRED FOR DSP-61s, 73s, 85s and DSP-94s

Although effective December 18, 2003 the ITAR no longer requires submission of a paper copy of the AES document, Customs and Border Protection (CBP) still requires a paper copy of the AES transmission or SED with either the XTN and/or ITN for the DSP-61s, 73s, 85s and DSP-94s. For further questions on this requirement contact the CBP Office of Field Operations at 202-927-6060.

BDG International is an International Freight Forwarder, NVOCC, Custom House Broker, and Duty Drawback Specialist. We provide international transportation worldwide via air or ocean. Our services include complete export/import documentation support.

We invite you to contact our offices with any questions you may have.

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