



Customer Advisory #114 – 2008

REMINDER **Export Documentation** **New Mandatory U.S. Census Bureau Regulations**

Dear Valued Customer,

In July, CMA CGM (America) LLC published a Customer Advisory (#101) regarding the new mandatory U.S. Census Bureau regulations that mandate the use of Automated Export System (AES) filing. As a follow-up reminder, please be advised that under these new regulations, CMA CGM will be prohibited from loading cargo if an AES filing has not occurred at least 24 hours prior to vessel loading. CMA CGM will accept the following types of proof of filing on completed shipping instructions (SI):

- The Internal Transaction Number (ITN)
- An authorized exemption legend (e.g. cargo valued under \$2500)
- A post-departure filing citation (Option 4)

Proof of filing must be listed in a prominent location – in a large, bold font - and submitted on a completed shipping instruction prior to our documentation cutoff for each vessel. The shipping instruction must be sent to our documentation imaging system prior to the documentation cutoff for the vessel. The SI can be sent to either of the following:

- Fax 1-866-333-4222
- Email usa.exportsi@cma-cgm.com

The documentation cutoff will be 24 hours (1 business day) prior to the cargo (port) cutoff. For example, if a cargo (port) cutoff is Friday at 1600, the documentation cutoff will be Thursday at 1600. For a Monday 1600 cargo (port) cutoff, the documentation cutoff will be Friday at 1600.

CMA CGM (America) LLC

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The Census Bureau has advised that full enforcement of the new regulations will begin on September 30, 2008. CMA CGM (America) LLC will fully comply with the new regulations. Any fines or costs for non-compliance (including rolled cargo fees, handling charges, and demurrage), will be applied to the cargo's account.

We appreciate your continuing support and understanding as these new regulations take effect. Should you have any questions or concerns regarding this change, please consult the attached document, or contact your local CMA CGM (America) LLC sales representative. For current schedule activity please visit our Web site at www.cma-cgm.com.

Best regards,

Don Woods
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U.S. Census Bureau Regulations Automated Export System (AES)

CMA CGM (America) LLC Export Documentation – FAQ's

What is the new regulation?

Effective July 2, 2008, the Census Bureau is requiring mandatory filing of export information through the Automated Export System (AES) for all shipments where a Shipper's Export Declaration (SED) is required. An additional 90 days is being given to implement these new requirements. After the 90-day implementation period, which ends September 30, 2008, all shippers must file export information electronically through the AES 24 hours prior to cargo loading the vessel at the U.S. port.

How does this affect me?

These new regulations do not substantially change the filing requirements for export customers. Exporters who have been required to file a Shipper's Export Declaration (SED) will remain obligated to do so. However, the use of paper SEDs is now prohibited, and exporters are required to file export data electronically in the AES system. The obligation to file export data falls on the U.S. Principal Party in Interest (USPPI), which is generally the export cargo account holder. For more information about these requirements, please visit:

Foreign Trade Division: <http://www.census.gov/foreign-trade/www/>

The USPPI will be required to provide CMA CGM with proof that the filing has been made (or a statement that the cargo is exempt from the filing requirement) at least 24 hours prior to loading of the cargo on the vessel at the U.S. port. Under the regulations, CMA CGM will be prohibited from loading cargo for which it has not received one of the following, prior to scheduled vessel loading:

- 1) An Internal Transaction Number (ITN), which is generated by the AES system and serves as proof that the USPPI has properly filed its export information;
- 2) An authorized exemption legend for cargo not subject to the export filing requirements (e.g., Canadian destination cargo and shipments valued at less than \$2,500); or
- 3) A post-departure filing citation, if the USPPI is an authorized post-departure filer (previously known as "Option 4").

Customers must display proof of AES filing on each completed Shipping Instruction (SI) by listing their ITN in a prominent location in a large, bold font. Separate documents will not be accepted. Shipping Instructions with a valid ITN, must be received by CMA CGM before the documentation cutoff, which is 24 hours in advance of the cargo (port) cutoff. Failure to meet the documentation deadline will result in cargo rolling to the next available vessel.

The documentation cutoff will be 24 hours (1 business day) prior to the cargo (port) cutoff. For example, if a cargo (port) cutoff is Friday at 1600, the documentation cutoff will be Thursday at 1600. For a Monday 1600 cargo (port) cutoff, the documentation cutoff will be Friday at 1600.

It is important that you understand these new requirements so that you can avoid increased penalties, delayed cargo, or the seizure of your commodities.

How do I submit proof of filing with the AES to CMA CGM?

Proof of filing must be listed in a prominent location – in a large, bold font - and submitted on a completed shipping instruction prior to our documentation cutoff for each vessel. The shipping instruction must be sent to our documentation imaging system prior to the documentation cutoff for the vessel. The SI can be sent to either of the following:

Fax 1-866-333-4222
Email usa.exportsi@cma-cgm.com

What are the possible penalties and fees for non-compliance?

These new regulations have tougher penalty provisions that affect everyone in the export process. Penalties may be imposed for the delayed filing, failure to file, false filing of export information, and/or using the AES to further any illegal activity.

The Census Bureau has advised full enforcement will begin as of September 30, 2008, with failure to comply resulting in a \$10,000 penalty by the U.S. Government. All costs associated with non compliance, including but not limited to roll fees (i.e. \$135 per container), demurrage (i.e. up to \$400 per container per day) and any additional handling charges (potentially over \$500 per container) will be billed to the shipper's account.

What is an Internal Transaction Number (ITN)?

The ITN is an AES generated number assigned to a shipment confirming that the electronic transaction was accepted and is on file in the Automated Export System (AES). This number should be placed on all loading documents so that U.S. Customs and Border Protection is able to retrieve the shipment if needed.

What happens if my cargo does not meet the deadline for filing?

CMA CGM's Cargo Flow team will send a revised booking confirmation to customers that miss the filing deadline. It will clearly state the reason that the cargo has rolled, and remind the customer to re-apply with Customs. All fees associated with the rolled cargo will be applied to the shipper's account.

Where can I go for more information?

The Census Bureau can assist you in understanding the new regulations for filing export information electronically through the AES. You may call 1-800-549-0595 with any questions. To find out more, please visit www.census.gov/trade. Additionally, AESDirect, is a free Internet-based application for companies that register on-line at www.aesdirect.gov.