

- **US Dept of Homeland Security (DHS) announces new reporting requirement for maritime cargo, known as the “10+2” Initiative. Circular to Customers No.1**

November 26th, 2008

Dear Customer,

On November 25, US Customs and Border Protection (CBP) published their much anticipated Final Interim Rule covering the ‘Importer Security Filing and Additional Carrier Requirements’ otherwise known as ‘10+2’. DHS/CBP believes the new information will enhance their Automated Targeting System (ATS) for cargo screening in addition to the existing US “24 Hour rule” information. The detail of this regulation responds to questions made by trade industries earlier this year to the notice of proposed rulemaking (NPRM) and identifies the new direction requiring shipping customers and maritime cargo carriers to submit additional advance data before cargo and vessels are permitted entry into the country.

We wish to alert you to these new regulations which will impact your cargo shipments to the US, and encourage you to become involved, allowing your cargo to move as quickly and efficiently as possible. We summarize some of the high level items and provide web links for more detailed understanding

INFORMATIONAL REQUIREMENTS

The Importers or their agency designates

are responsible for the 10 additional data elements: 8 of them are required to be submitted at least 24 hours prior vessel loading which includes:

- Seller
- Buyer
- Importer of record number / foreign trade zone applicant identification number
- Consignee number(s)
- Manufacturer (or supplier)
- Ship to party
- Country of origin
- Commodity Harmonized Tariff Schedule (HTS-US) number

The remaining 2 elements for the ISF will also need to include following two data elements that must be submitted as early as possible, but no later than 24 hours prior

to the vessel's arrival at US port:

- Container stuffing location
- Consolidator

The full regulation outlines more detailed definitions and certain flexibilities that may be allowed.

The Carriers

will need to submit 2 additional data sets which are:

- Vessel Stowage Plans (or BAPLIE), and
- Container Status Messages (location movements).

The carrier will also need to ensure a special ISF-5 is filed for any cargoes transiting over the US to other country destinations

EFFECTIVE DATES

Common for many US regulation rulings, they are generally effective within 60 days of issuance, hence this regulation is effective Jan 26, 2009. However the regulation allows for a phased-in compliance period of up to one year, whereby CBP will work with parties to achieve needed compliance levels. Additionally, the regulation indicates a written comment period is allowed until June 1, 2009, regarding any flexibility for certain data elements.

Additional information can be found on www.cbp.gov and questions may be sent to Security_Filing_General@cbp.dhs.gov . We additionally attach the CBP frequently asked questions (FAQ)

We hope this assists you, and we intend to provide upcoming updates as additional news develops. We will be pleased to assist with your questions where we able to provide guidance or direction to the appropriate elements.

Kind regards,
Hapag-Lloyd AG