U.S. Customs - Cargo Declaration Required 24 Hours Before Foreign Loading

With effect from 2 December 2002 U.S. bound cargo vessels will be required to provide cargo manifest information to U.S. Customs 24 hours prior to lading at foreign ports.

Regulations to be enforced from 4 March 2004 require this information to be submitted electronically.

Carriers of bulk cargo are exempted from this requirement. Carriers of break bulk cargo may apply for an exemption.

Cargo Declaration

The Cargo Declaration (Customs Form 1302 or a Customs-approved electronic equivalent) must list all the inward foreign cargo on board the vessel regardless of the U.S. port of discharge. In addition, the Cargo Declaration, either on Customs Form 1302, or on a separate sheet or Customs-approved electronic equivalent, must state the following:

(i) The last foreign port before the vessel departs for the United States;
(ii) The carrier SCAC code (the unique Standard Carrier Alpha Code assigned for each carrier);
(iii) The carrier-assigned voyage number;
(iv) The date the vessel is scheduled to arrive at the first U.S. port in Customs territory;
(v) The numbers and quantities from the carrier's ocean bills of lading, 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);
(vi) The first foreign port where the carrier takes possession of the cargo destined to the United States;
(vii) 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;
(viii) 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 implementation of the Automated Commercial Environment);
(ix) The complete name and address of the consignee or the owner or owner's representative, or identification number, from all bills of lading. (The identification number will be a unique number assigned by U.S. Customs upon implementation of the Automated Commercial Environment);
(x) The vessel name, country of documentation, and official vessel number. (The vessel number is the International Maritime Organization number assigned to the vessel);
(xi) The foreign port where the cargo is laden on board;
(xii) Internationally recognized hazardous material code when such materials are being shipped;
(xiii) Container numbers (for containerized shipments); and
(xiv) The seal numbers for all seals affixed to containers.

Bulk Cargo

While bulk cargo carriers are exempted from the 24 hour advance manifest requirement, they must still submit their cargo declaration information to U.S. Customs 24 hours prior to arrival in the U.S. If they are participants in the Automated Manifest System (AMS) program, or upon arrival if they are non-automated carriers.

*Break Bulk Cargo

Carriers of break bulk cargo (i.e. cargo that is not containerized, but which is otherwise packaged or bundled) may apply for an exemption from the 24 hour rule. U.S. Customs will evaluate each application on a case by case basis. Until an application for an exemption is granted, the carrier must comply with the 24 hour advance manifest requirement.

To apply for an exemption, the carrier must submit a written request for exemption to: U.S. Customs Service, National Targeting Center, 1300 Pennsylvania Ave., NW., Washington, DC 20229.

The written request for exemption must clearly set out information such that U.S. Customs may assess whether any security concerns exist, such as:

- The carrier's IRS number;
- the source, identity and means of the packaging or bundling of the commodities being shipped;
- the ports of call, both foreign and domestic;
- the number of vessels the carrier uses to transport break bulk cargo, along with the names of these vessels and their International Maritime Organization numbers;
- and the list of the carrier's importers and shippers, identifying any who are members of C-TPAT (The Customs-Trade Partnership Against Terrorism).
If an exemption is given, it will be applicable only under the circumstances clearly set forth in the application for exemption. If circumstances set forth in the approved application change, it will be necessary to submit a new application. U.S. Customs may rescind an exemption granted to a carrier at any time.

Companies receiving exemptions must submit their cargo declaration information to U.S. Customs 24 hours prior to arrival in the U.S. if they are participants in the vessel Automated Manifest System (AMS) program, or upon arrival if they are non-automated carriers.

Foreign Cargo Remaining On Board

The Cargo Declaration must separately list any other foreign cargo remaining on board ("FROB"). "FROB" means cargo which is laden in a foreign port, is intended for discharge in a foreign port, and remains aboard a vessel during either direct or indirect stops at one or more intervening United States ports.

The Customs - Trade Partnership Against Terrorism (C-TPAT)

While C-TPAT participants will not be excluded from the advance reporting requirements, their participation will be taken into account during the targeting process.

Enforcement And Penalties

U.S. Customs can delay issuing a permit to unlade until such time as the required information is provided.

Failure to submit the required information at the correct time is unlawful. It is also unlawful to present or transmit, electronically or otherwise, any forged, altered or false document, paper, data or manifest to the U.S. Customs Service. The master of a vessel who commits any such violation is liable for a civil penalty of $5,000 for the first violation and $10,000 for each subsequent violation and the vessel may be subject to seizure and forfeiture.

Criminal sanctions may also apply, including imprisonment.

Although the new rule comes into force on 2 December 2002, U.S. Customs has announced that it will not be enforced until 1 February 2003.

The final rule for the new requirements was published in the U.S. Federal Register on 31 October 2002. Click here to view the Federal Register entry.

Further information is given in a U.S. Customs Service Press Release of 30 October 2002.

U.S. Customs Frequently Asked Questions document on the 24 hour rule.