

COMMON TERMINOLOGY

Supply Chain Logistics and Trade Compliance

Government Sponsored Security/Compliance Programs & Initiatives

<p>10+2 <i>Importer Security Filing</i></p>	<p>A regulation intended to satisfy provisions outlined in the Security and Accountability for Every (SAFE) Port Act of 2006, which requires the submission of additional data elements for improved high-risk targeting. Importers are required to electronically submit 10 data elements 24 hours prior to loading; carriers are required to electronically submit 2 data elements. ISF data will be used to better assess and identify high-risk shipments to prevent terrorist weapons and materials from entering the United States.</p>
<p>24 Hour Manifest Rule</p>	<p>This term refers to a CBP regulation which requires all ocean carriers, including NVOCCs, to submit detailed cargo manifest information to CBP at least 24 hours prior to loading of all intermodal containers and breakbulk cargo onto a vessel at a foreign port destined to a U.S. port. The 2002 24 Hour Rule has been incorporated into an expanded set of Advance Electronic Information requirements, published in final rule form in December 2003, applicable to all U.S. import as well as export cargo via all transportation modes. Under the initial as well as the subsequent rules, the 24 hour advanced notice to CBP applies both to cargo that will be unloaded at a U.S. port, including in-transit cargo, as well as cargo destined to non-U.S. ports remaining on-board the vessel during U.S. port calls (FROB cargo).</p>
<p>ACSI</p>	<p>(Americas Counter Smuggling Initiative) ACSI builds upon the CIP and BASC programs by expanding anti-narcotics security programs with industry and government throughout Central and South America. Customs officers are detailed in ACSI target countries to assist exporters, carriers, manufacturers in developing and implementing security programs to safeguard legitimate trade from being used to smuggle drugs. The program also includes training of counterpart foreign Customs officials.</p>
<p>BASC</p>	<p>(Business Anti-Smuggling Coalition) BASC is a business-led alliance to combat narcotics smuggling, and complement and enhance CIP by examining the entire process of manufacturing and shipping merchandise from foreign countries to the U.S. It emphasizes the creation of a more security-conscious environment at the foreign manufacturing plants to reduce or even eliminate product vulnerability to drug smuggling. This is a business led program supported by Customs with their expertise and training. Membership includes over 4500 companies in Central & South America.</p>
<p>CIP</p>	<p>(Carrier Initiative Program) This is a program by CBP to encourage commercial transportation carriers to assist in detecting and preventing the flow of illicit drugs, and to provide carriers with the incentive to improve their security and their drug smuggling awareness. As part of the program, CBP provides training to carrier personnel in search techniques, risk assessments, concealment techniques, document review, physical and procedural security, personnel hiring, drug source countries, drug characteristics, and internal smuggling conspiracies. Over 4,100 carriers have signed Carrier Initiative Agreements with CBP.</p>

<i>CSI</i>	(Container Security Initiative) A security program introduced by U.S. Customs in 2002 and coordinated through the World Customs Organization (WCO) to screen and selectively inspect cargo loaded into intermodal containers prior to loading on board vessels. CBP enters into an agreement with the host country authorities to station U.S. Customs inspectors at the origin port and receive cooperation from the local Customs authorities.
<i>C-TPAT</i>	(Customs-Trade Partnership Against Terrorism) The Customs-Trade Partnership Against Terrorism program is a voluntary initiative designed by U.S. Customs and Border Protection (CBP) that focuses on the development of cooperative relationships between Customs and the business community. The goal of this program is to strengthen the security of our borders as well as the security of the overall supply chain while facilitating the flow of legitimate trade. C-TPAT members undertake specified security measures in return for more favorable treatment with respect to security-based inspection of their imported cargo shipments, particularly containerized cargo. The program is open to U.S. importers and the transportation carriers and others providing supply chain services, such as Customs brokers, ocean transportation intermediaries, air freight consolidators, NVOCCs, and cargo terminal operators.
<i>Focused Assessment</i>	The Focused Assessment Program is the risk-based method used by Customs Regulatory Audit division to conduct compliance assessments and audits for verification of the correctness of import entries and declarations. This allows Customs to identify weaknesses that indicate a potential risk of non-compliance. If system controls are adequate, the review ends there. If however, controls are inadequate, Customs will conduct sufficient tests of transactions to quantify the risk.
<i>ISA</i>	(Importer Self Assessment) Under ISA, an importer assumes responsibility for proactively monitoring their compliance with Customs laws and regulations. Membership in the ISA program requires application to CBP by an importer, and requires and complements an importer's participation in the Customs-Trade Partnership Against Terrorism.
<i>SCIP</i>	(Super Carrier Initiative Program) This is a more intensive version of CBP's Carrier Initiative Program (CIP) for those carriers at highest risk of being used for illicit drug (primarily cocaine) smuggling.

Customs Information Systems

ABI	(Automated Broker Interface) ABI is a component of CBP's Automated Commercial System that permits qualified participants to electronically file required import data with Customs. ABI is a voluntary program available to brokers, importers, carriers, port authorities, and independent service centers. Currently, over 96% of all entries filed with Customs are filed through ABI.
ACE	(Automated Commercial Environment) ACE is the modernized U.S. trade processing system designed to consolidate and automate border processing to significantly enhance border security and foster our nation's economic security through lawful international trade and travel. The current import system, ACS, was designed in 1984 and eventually will be replaced by ACE as part of a multi-year CBP modernization effort.
ACH	(Automated Clearing House) The payment (or collection) of outstanding invoices using electronic funds transfer (EFT) via a central clearing house bank between the bank account of a payer and the bank account of a payee. ACH replaces use of paper checks, and is generally better, faster and cheaper for all parties (payer, payee and the banks. Importers may set up their own ACH account with Customs by completing a simple application.). If you are the importer of record, payment to the broker will not relieve you of liability for Customs charges in the event the charges are not paid by the broker.
ACS	(Customs Automated Commercial System) The collective automation systems presently used by CBP to process cargo-related transactions, including Customs entry of merchandise, collection of Customs duty and tax, control of merchandise (Customs manifest processing), and selection of both import and export cargo for physical inspection.
AES	(Automated Export System) AES is the electronic method for filing Electronic Export Information (EEI) directly with CBP and the Census Bureau. AES has replaced paper Shipper's Export Declarations (SEDs) so that export information is collected electronically and edited immediately.
AII	(Automated Invoice Interface) This is an ABI sub-system that enables an ABI filer to transmit to CBP the data contained on a foreign shipper's commercial invoice or pro-forma invoice, together with the tariff classification of the goods listed on the invoice, shipping charges, and adjustments to value to arrive at Net Entered Value.
AMS	(Automated Manifest System) A CBP automated system to receive and control inbound and outbound cargo on international carriers. The AMS system is now in wide use with ocean as well as air carriers, rail carriers, and NVOCCs. The primary initial function of AMS was to facilitate the control of inbound cargo to assure that every consignment remained under Customs control until it was released or transferred under a proper Customs entry or in-bond procedure, beginning with inbound ocean cargo, and then with air cargo. Automated manifest information enabled more efficient screening and targeting of suspect cargo for Customs inspection. Outbound AMS is used to facilitate the processing of carrier export manifests for integration with AES, and for more effective targeting of possible export violations under the Operation Exodus program.

Government Agencies

<i>APHIS</i>	(Animal and Plant Health Inspection Service) A major division of the USDA charged with inspecting animal and plant products. APHIS, consists of sub-organizations, including Plant Protection and Quarantine (PPQ), which inspects shipments of plants, plant products and a very few animal based products, and issues phytosanitary inspection certificates, and Veterinary Services, which examines live animals and issues health certificates. This agency is also responsible for inspection of all imported goods within the above categories. AHPIS administers the wood packing material program.
<i>BATF</i>	(U.S. Bureau of Alcohol, Tobacco and Firearms) This is a US Government agency, commonly referred to as BATF (or sometimes ATF), under the U.S. Department of the Treasury, and is responsible for implementing, administering and enforcing U.S. federal laws and regulations which govern and tax the manufacturer for commerce in and use of alcoholic beverages and other products which contain taxable alcohol, such as perfume and distilled alcohol used for fortifying wine and other beverages; tobacco products, including cigarette papers and tubes; firearms, ammunition, destructive devices and all items on the U.S. Munitions List (USML).
<i>CBP</i>	(U.S. Customs and Border Protection) This agency under the U.S. Department of Homeland Security (DHS) commenced operation as of March 1, 2003. This Bureau is responsible for enforcing all U.S. laws relating to importation, exportation and immigration as they affect people, conveyances and cargo crossing U.S. borders and ports and airports of entry/exit, and for the collection of duties and taxes due upon importation. Formerly known as the U.S. Customs Service.
<i>DHS</i>	(U.S. Department of Homeland Security) Created on March 1, 2003 from 22 legacy agencies, DHS has three primary missions: Prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage from potential attacks and natural disasters.
<i>DOC</i>	(U.S. Department of Commerce) A cabinet-level department of the executive branch of government. Several DOC functions are of importance to the U.S. international trade community. The Bureau of the Census gathers and reports export and import trade statistics through the Foreign Trade Statistics Regulations (FTSR), and the U.S. International Trade Administration (ITA) promotes and administers most U.S. exports. The U.S. Bureau of Industry and Security (BIS), under the ITA, administers the Export Administration Act (EAA) through the Export Administration Regulations (EAR). The DOC also protects U.S. industry through the investigation of unfair foreign trade practices and issuing antidumping and countervailing duty orders.

<i>DOS</i>	(U.S. Department of State) The DOS is responsible for export of defense articles - license defense services and defense (munitions) articles. Export of defense articles (i.e., all items listed in the U.S. Munitions List) from the U.S. requires an export license from the DOS Office of Defense Trade Controls. Importation of defense articles into the U.S. requires an import license from the DOS Office of Defense Trade Controls.
<i>DOT</i>	(U.S. Department of Transportation) The cabinet level agency of the U.S. government responsible for regulating, among other things, the shipment of hazardous materials (HAZMAT) via all modes of transportation within the U.S. and U.S.-international trade. DOT also regulates the importation of motor vehicles and vehicle equipment.
<i>EPA</i>	(U.S. Environmental Protection Agency) This is the independent US government agency responsible for wide-ranging environmental protection, research and educational functions, including a variety of rules and regulations which affect the transportation of environmental pollutants, engine emissions by transportation conveyances, and certain chemical products moving in international trade.
<i>F&W</i>	(U.S. Fish and Wildlife Service) The U.S. Fish and Wildlife Service is a bureau within the U.S. Department of Interior. The Service is responsible for the protection, conservation, and enhancement of fish and wildlife and their habitats. Assisted by the CBP, the Fish and Wildlife Service regulates imports into the United States that fall within its jurisdiction, including products manufactured using materials derived from protected species. They also manage the enforcement of the U.S. Endangered Species Act, and the international CITES (Convention on International Trade in Endangered Species of Wild Flora and Fauna) convention for protection of endangered species.
<i>FCC</i>	(U.S. Federal Communications Commission) The FCC is an independent U.S. government agency, directly responsible to Congress. The FCC was established by the Communications Act of 1934 and is charged with regulating interstate and international communications by radio, television, wire, satellite and cable. The FCC's jurisdiction covers the 50 states, the District of Columbia, and U.S. possessions. The FCC also regulates the importation of radio frequency devices.
<i>FDA</i>	(U.S. Food and Drug Administration) The U.S. government agency responsible for regulating pharmaceuticals, cosmetics, medical devices, tobacco products, and food. FDA has export jurisdiction and export license authority over certain drugs, biologics and medical devices. FDA monitors the importation of pharmaceuticals, cosmetics, medical devices, foodstuffs, ceramic dishware (and other items used to serve and store food), televisions and computer monitors for radiation emission, and many other products via the CBP Customs entry process.

<i>FMC</i>	(U.S. Federal Maritime Commission) The independent U.S. agency created by Congress to commercially regulate foreign and inter-coastal ocean commerce. The FMC licenses ocean freight forwarders, and requires comprehensive tariff filing by Vessel Operating Common Carriers (VOCC) and Non-Vessel Operating Common Carriers (NVOCC), ocean and inter-coastal carriers, shipping conferences and ocean terminals.
<i>IATA</i>	(International Air Transport Association) The commercial association representing numerous (but not all) international air carriers. IATA establishes HAZMAT regulations for air carriage, promulgates rules on interline agreements and accounting clearing procedures, and has at various times exerted influence over rates and service among its members. IATA also acts as a representative of its airline members in screening and appointing air cargo agents, and offers training and airway bill (AWB) clearing house services to the international airfreight forwarder industry.
<i>OFAC</i>	(Office of Foreign Assets Control) OFAC, part of the U.S. Department of the Treasury, is responsible for country-oriented controls. OFAC administers and enforces economic and trade sanctions against targeted foreign countries, terrorism sponsoring organizations, and international narcotics traffickers. The OFAC website provides information on these sanctions as well as the complete list of Specially Designated Nationals and Blocked Persons (the "SDN list").
<i>OGA</i>	Other Government Agencies. This refers to agencies other than U.S. Customs and Border Protection. CBP is responsible for enforcing the laws and regulations of over 40 OGAs.
<i>U.S. Census Bureau</i>	A sub-agency of the Department of Commerce. Among many other functions, Census collects, tabulates and publishes U.S. trade statistics.
<i>USDA</i>	(United States Department of Agriculture) The agency of the federal government charged with regulating agricultural (plant and animal) products. As our national agricultural agency, the USDA must oversee the export and import of agriculture products, and issue animal health certificates, plant phytosanitary inspection certificates, and sanitary inspection certificates on products within its jurisdiction, as required by foreign governments for products exported from the U.S.

Customs Entry

<i>ADD</i>	(Antidumping Duty) Dumping is the sale of goods to the United States at less than fair market value, usually when less than comparable goods are sold in the domestic market of the exporter, and there is injury or a threat of injury to U.S. industry. Antidumping duty is assessed when a foreign manufacturer sells to the United States at less than a fair value AND there is an injury or threat of injury to U.S. industry. The antidumping margin (or AD duty rate) is set to represent the difference between the fair market value of the merchandise and the exporter's sale price. ADD margins may be specified by manufacturer.
<i>Bonded Warehouse</i>	A bonded facility used exclusively for the storage of imported merchandise. An importer may store goods in a Customs bonded warehouse and defer payment of Customs duty until the goods are withdrawn for consumption from the bonded warehouse using a Customs warehouse withdrawal. A warehouse entry secures the release of imported goods and permits their deposit in a bonded warehouse. A warehouse withdrawal may be for consumption, for transfer to another warehouse, for transportation to another port, or for export.
<i>Carnet</i>	Carnet is the French word for ticket. When used in international trade, this term most commonly refers to an ATA carnet, which covers goods entering and exiting through Customs of participating countries, or else to a TIR carnet, which covers the passage of transport conveyances through participating countries. A carnet serves as both the Customs entry and the bond. Customs authorities in participating countries accept carnets as a guarantee that all Customs duties and taxes will be paid if any of the items covered by the carnet are not re-exported within the time period allowed.
<i>Customs Form 28</i>	(Customs Request for Information) A form used by CBP to request additional information on a Customs entry, or to request a sample or documentation. The request is generally to assist Customs in determining admissibility, HTSUS classification, or Customs value. The form includes all necessary references and instructions, including the timeframe for response and procedure for extension. Failure to respond may result in duty increases, cargo examinations, compliance assessment, or other Customs actions.
<i>Customs Form 29</i>	(Customs Notice of Action) A form used by CBP to advise an importer of record that a change affecting the tariff classification, Customs duty rate, or Customs value has been taken or is proposed. If the action has been taken, Customs entry liquidation will reflect the change. If the action is proposed, the importer may submit additional information according to the instructions on the form. If the importer does not respond within the stated time frame, the action will be taken by Customs.

<i>Customs Form 4647</i>	The Customs Form 4647 Notice to Mark and/or Notice to Redeliver as the name implies, is a dual purpose form. In most cases, the notice is generated because the subject imported merchandise is not legally marked with the country of origin. The importer must mark the goods and certify he has done so to Customs. The goods may not be sold or distributed until Customs has concurred with the marking. The alternate use, as a notice for redelivery, is usually a more serious matter, and will often lead to liquidated damages. A redelivery notice is a demand by Customs for a return to Customs custody of merchandise which, subsequent to its release, is determined by Customs not to be entitled to enter the commerce of the United States.
<i>Customs Form 7501</i>	(Entry Summary) The entry summary is filed on a CF7501 and is used for the payment of duties, taxes, and fees to CBP. The CF7501 contains all shipment data including merchandise description, the tariff number under which the merchandise is classified, and the value. The entry summary is used for most entry types, but not for transportation entries. For consumption entries, the CF7501 is to be filed with estimated duties attached within 10 working days of the shipment release.
<i>CES</i>	(Centralized Examination Station) This term refers to a commercial bonded facility designated by CBP as an official cargo examination site.
<i>CFR</i>	(U.S. Code of Federal Regulations) This is a publication by the National Archives and Records Administration of all US Government (federal) rules and regulations. This publication collectively documents the detailed requirements, rules, organization and procedures which the many executive branch and independent agencies have developed to implement and enforce the numerous laws passed by Congress which are currently in effect (i.e., collectively referred to as the United States Code, or USC). The CFR has the force of law, and enforcement provisions, provided for in the enabling/ underlying USC section. The CFR is divided into 50 titles which represent broad areas subject to Federal regulation.
<i>CFS</i>	(Container Freight Station) A cargo transfer terminal/facility engaged in the receipt of loose or unitized breakbulk cargo, organizing such cargo into container loads, and loading ("stuffing") such loads into outgoing intermodal containers or airfreight containers. A CFS is also a bonded area to hold cargo pending the filing of an entry and release from Customs.
<i>CO, C/O</i>	(Certificate of Origin) A document certifying goods described therein were manufactured, produced or grown in the jurisdiction or location stated on the certificate. CO or C/O may also stand for Country of Origin.

<i>Commodity Classification</i>	A term used to describe the category or line item which a product or commodity falls under within a tariff or other commodity listing. For example, commodity classifications are used to determine applicable transportation rates, Customs duties, trade statistics, and whether an export license is required. The most common commodity classification now in use is the harmonized tariff system (HTS).
<i>Customs Bond</i>	A Customs bond is a contract which is given to ensure the performance of an obligation imposed by a law or regulation. The parties involved in the bond contract are the principal (importer, transportation carrier, CFS or bonded warehouse operation), surety company, and obligee (Customs). A Customs entry bond is required for the entry of imported merchandise into the U.S. A Customs entry bond acts as a security for compliance with U.S. law and ensures payment of duties, taxes, and fees due U.S. Customs & Border Protection. The bond is intended to protect the U.S. government in the event the importer cannot or will not fulfill their obligation to pay monies due. The bond also serves as an agreement for examination of merchandise, agreement to redeliver merchandise, and an agreement to produce documents, among other things. A continuous bond differs from a single transaction bond in that it remains in effect until either cancelled by the issuing surety or by the principal (i.e., importer, carrier, CFS, warehouse, etc.).
<i>CVD</i>	(Countervailing Duty) CVD is assessed when a foreign country pays grants or subsidies to the manufacturer, producer, or exporter of goods in order to encourage exportation or to help the exporter compete in the U.S., AND there is injury or threat of injury to U.S. industry. The payment can be direct or indirect and be in any form.
<i>Denied Persons List</i>	Per 15 CFR 772.1, "A list, referenced in Supplement No. 2 to part 764 of the EAR, of specific persons that have been denied export privileges, in whole or in part. The full text of each order denying export privileges is published in the Federal Register." In addition to the Denied Persons List (BIS), there is also the Entity List (BIS), Specially Designated Nationals and Blocked Persons List (OFAC), the Unverified List (BIS), and Defense Trade Controls List of Debarred Parties. Certain individuals and organizations are prohibited from receiving U.S. exports and others may only receive goods if they have been licensed, even for items that do not normally require a license. Each list must be checked by the exporter for all export transactions.
<i>Drawback</i>	When referring to taxation or international trade, this term refers to the refund of Customs duty or other tax which has been paid upon goods by reason that such goods have been exported or destroyed under qualifying conditions, or perhaps transferred to another party which is exempt from payment of the subject duty or tax. In general, when drawback is permitted, it can be claimed by the party who paid it or the right to claim drawback can be transferred to another party.

<i>Entry</i>	The act of entering merchandise consists of the filing of paper or electronic documents with the Customs and Border Protection (CBP) containing sufficient information to enable CBP to determine whether imported merchandise may be released from CBP custody. It also includes the filing with CBP of the declared value, classification and rate of duty applicable to the merchandise, and such other information as is necessary to enable CBP to properly assess duties, collect accurate statistics, and determine whether other applicable requirements of law have been met. As a general rule, all merchandise imported into the United States is required to be entered, unless specifically excepted.
<i>Export Declaration</i>	Declaration made to the government of the country in which an export shipment is planned notifying the government of the intended export, and providing a variety of specific information concerning what is to be shipped, to whom and other particulars of the transaction. In the U.S., this is the AES data transmission, also known as the Electronic Export Information.
<i>FP&F</i>	(Fines, Penalties, and Forfeitures) The division of Customs and Border Protection that deals with seizure, penalties, and liquidated damages. Petitions for relief from these actions must be filed with the FP&F officer designated in the notice of claim.
<i>FTZ</i>	(Foreign Trade Zone) A Foreign Trade Zone is a secure area located in or near a U.S. Customs port of entry, but is legally considered to be outside the Customs territory for the purpose of tariff laws and Customs entry procedures. Merchandise admitted into a FTZ may be stored, exhibited, repacked, assembled, distributed, sorted, graded, cleaned, processed, tested, labeled, repaired, mixed with foreign or domestic merchandise otherwise manipulated, destroyed, or manufactured. Duties are paid only when the goods are entered into the Customs territory. FTZs were established under the FTZ Act of 1934 to create and maintain employment and investment in the U.S.
<i>GSP</i>	(Generalized System of Preferences) GSP is a program designed to promote economic growth in developing countries. It provides preferential duty-free treatment for 3,400 products from nearly 140 designated beneficiary countries and territories.
<i>HMF</i>	(Harbor Maintenance Fee) Pursuant to the Water Resources Development Act of 1986, CBP collects this fee for the U.S. Army Corp of Engineers for the improvement and maintenance of U.S. ports and harbors. Most commercial cargo unloaded from a commercial vessel is subject to the Harbor Maintenance Fee fee of 0.125 percent (.00125) of its value.

<i>HTSUS</i>	(Harmonized Tariff Schedule of the United States) The HTSUS is used to classify cargo imported into the U.S., and assess duty thereon, and provides the requirements for reporting statistical data of such importations. The Harmonized Tariff System (HTS) is used by over 120 countries. The HTSUS is published in the United States by the U.S. International Trade Commission and contains over 19,000 article descriptions in 99 chapters in 22 sections.
<i>Informal Customs Entry</i>	This is a simplified type of consumption entry procedure that can be used for low value commercial shipments and non-commercial shipments such as personal effects or gifts. An informal entry is considered self-liquidating (i.e., there is no entry liquidation process following release of the cargo) and the importer does not have to provide CBP with a Customs bond (as long as the entry is presented as a “live” entry). An informal entry is defined as the documentation required (either electronic or paper) to secure the release of imported merchandise that is either valued less than \$2000, or if valued in excess of \$2000, would otherwise be released on an informal entry (e.g., personal effects and household goods).
<i>Informed Compliance</i>	Informed compliance is a basic tenet of the U.S. Customs Modernization Act. Informed Compliance is a shared responsibility wherein “the importer is responsible for declaring the value, classification and rate of duty applicable to entered merchandise and Customs is responsible for informing the importer of his rights and responsibilities under the law.” In accordance with this concept, CBP must make information readily available, and importers and their agents are expected to familiarize themselves with the information and have knowledge of the regulations, rulings, interpretations and publications as well as the statutes, tariff schedules and judicial decisions which affect their import transactions. This represents a significant shift in legal responsibility to the importer of record for ensuring the accuracy of Customs entry declarations.
<i>IOR Number</i>	The Importer of Record number, also commonly referred to as an importer identification number, which CBP uses to uniquely identify importers and other parties who file Customs entries and other information with CBP. For U.S. importers, the importer ID will be the IRS number or federal tax ID, or Social Security number for an individual. Non-resident importers will receive a Customs assigned importer ID.
<i>Liquidated Damages</i>	Liquidated damages are a fine imposed by Customs for failure to meet the conditions of any bond on file with Customs, such as late payment of duties, or failure to export or destroy merchandise entered under a TIB. Both the importer and the surety who issued the Customs bond will be notified of a claim for liquidated damages.

<i>Liquidation</i>	Liquidation is the final computation or ascertainment, performed by the CBP, of the Customs duty due on a Customs entry or duty drawback due on a drawback claim. Every formal entry covering imported merchandise, except for entry under a temporary import bond (TIB) or a transportation entry, requires liquidation by the CBP. If not liquidated within one year from the Customs entry date or within one year of the final withdrawal of all merchandise covered by a Customs warehouse entry, a deemed liquidation occurs at the Customs duty rate, Customs value and duty deposit asserted by the importer at the time of filing the Customs entry summary or Customs warehouse withdrawal. The statutory period may be extended for up to three one-year periods when further information is needed or when a U.S. Countervailing Duty Order or a U.S. Antidumping Duty Order is pending, or when requested by an importer.
<i>Live Entry</i>	An entry filed with CBP with the entry summary and payment of duties attached.
<i>MPF</i>	(Merchandise Processing Fee) Pursuant to the 1985 Consolidated Omnibus Reconciliation Act (COBRA), Customs may collect user fees for passenger and conveyance services. The merchandise processing fee is an ad valorem rate of .3464% of the value of cargo (minimum \$25, maximum \$485 per formal entry; \$2 per informal entry) collected as part of the Customs entry process.
<i>NAFTA</i>	(North American Free Trade Agreement) A comprehensive trilateral trade agreement that went into effect January 1, 1994. Creating the world's largest free trade area, a main objective of the agreement is liberalization of trade between Canada, Mexico, and the United States to stimulate economic growth and give the NAFTA countries equal access to each other's markets.
<i>Paperless Entry</i>	This is a CBP procedural option for Customs release and Customs entry filing with CBP of paper documents by the importer or Customs broker. Paperless entry and entry summary operates via the ABI system. CBP will opt for a paperless entry under the following circumstances: Full entry data has been filed via ABI; import carrier is using the AMS system and cargo control is via AMS; The ACS Entry Summary Selectivity sub-system or Border Selectivity sub-system reviews entry summary data and matches it against national and local selectivity criteria to assess risk by importer, tariff number, country of origin, manufacturer, and value. If certain criteria are met, and the shipment does not require examination (i.e., is judged to be low risk) the import carrier (via AMS) and entry filer (via ABI) are notified electronically that the shipment has been released by CBP. The entry filer receives a "paperless" entry status.

<i>PEA</i>	(Post Entry Amendment) The purpose of a PEA is to request correction to the entry summary prior to liquidation. A PEA may cover clerical, classification and valuation errors. A PEA can be used to request a refund as well as for the submission of additional monies owed prior to liquidation. The PEA replaced the SIL (Supplemental Information Letter).
<i>POA</i>	(Power of Attorney) A Customs power of attorney is a legal instrument by which a principal (importer) grants certain powers and authority in favor of an agent (Customs broker). The Customs power of attorney empowers the broker to act on behalf of its clients in transacting their Customs business. That includes those activities involving transactions with Customs concerning the entry and admissibility of merchandise, its classification and valuation, and the payment of duties, taxes, or other charges collected by Customs. Some powers of attorney include language appointing freight forwarders as agents in order to complete exports on the grantor's behalf.
<i>Protest</i>	This term describes a formal legal process of declaring an objection to an error in the tariff classification of goods, or the assessment of duty, or the application of Customs law or regulations, and requesting correction or redress, as set forth in 19 CFR 174. In order to use this process, a protest must be filed in proper form on Customs Form 19 within 180 days of Customs entry liquidation. If a protest is denied, the protesting party may, under certain circumstances, apply for further review.
<i>PSC</i>	(Post Summary Correction) The PSC is the means to correct entries in ACE prior to liquidation. PSC is replacing the PEA. The PSC is filed electronically. The PSC may cover clerical, classification and valuation errors. The PSC can be used to request a refund as well as for the submission of additional monies owed prior to liquidation.
<i>Reasonable Care</i>	Reasonable Care is a legal concept that requires importers to act knowledgeably and responsibly with respect to the entry, classification, valuation, and admissibility of their imported goods. Reasonable Care is a legal term meaning "such degree of care, precaution or diligence as may be fairly and properly expected or required having regard to the circumstances surrounding the transaction." The importer is legally responsible for using reasonable care to enter, classify and value imported merchandise, and provide any other information necessary to enable Customs to properly assess duties, collect accurate statistics, and determine whether any other applicable legal requirement is met.

RLF	(Remote Location Filing) An optional method for electronic transmission of U.S. Customs entry declarations created as a provision of the Customs Modernization Act. RLF allows Customs brokers to file an electronic entry from a location other than the port of arrival. A Customs broker may prepare, review, and transmit entry declarations from a single location for Customs clearance at designated Customs ports. A Customs broker must have a national permit in order to file RLF entries.
TIB	(Temporary Importation Bond) Under certain conditions, merchandise may be entered into the U.S. temporarily free of duty by posting a bond. Goods admitted under TIB must be exported or destroyed under Customs supervision within one year from the date of importation, unless the bond is extended. Upon approval by the port director, a temporary importation bond may be extended only twice, each extension for not more than one year. If the goods are not exported or destroyed within the specified time, the importer must pay liquidated damages, which could be twice the normal duty. The goods may not be sold or put to any other use during the bond period.
TSCA	(Toxic Substances Control Act) TSCA was enacted by Congress to protect human health and the environment by requiring testing and necessary use restrictions on certain chemical substances. Importers of such substances must certify either that the chemical shipment is subject to TSCA and complies with all applicable rules and orders thereunder, or that the chemical shipment is not subject to TSCA, by signing and filing with Customs a written statement.
WPM	(Wood Packing Material) Wood packing material includes dunnage, crating, pallets, packing blocks, drums, cases and skids. WPM excludes pieces of wood less than 6 mm (0.24 inches) in any dimension; manufactured wood, e.g., plywood, veneer, fiberboard, particle board, corrugated board, oriented strand board; loose wood materials, e.g., shavings, excelsior; whisky and wine barrels; paper products. WPM must be marked in a visible location, preferably on at least 2 opposite sides of the article. The mark must be approved by IPPC (International Plant Protection Convention) and be legible and permanent.

Transportation

B/L	(Bill of Lading) A contract of carriage, used by ocean, inland waterway, rail and truck common carriers and typically contract carriers. The term literally means "document (bill) of lading (lading---that which constitutes a load of freight)." A bill of lading serves 3-5 basic functions: standardized contract of carriage (vs. a charter party for a negotiated contract of carriage); cargo receipt; consignment instructions (i.e., it directs the carrier to who to deliver the cargo); evidence of shipment (in the case of an on-board bill of lading, but not a receipt-for-carriage bill of lading); title document (in the case of a negotiable bill of lading).
BAF	(Bunker Adjustment Factor) A surcharge added to an ocean shipping rate to compensate the carrier for increases in fuel (bunker oil) costs since the subject rate was originally tariff filed and/or negotiated. In practice, this term is alternately used by carriers to describe the same type of charge as bunker surcharge (BSC) and/or fuel adjustment factor (FAF). BAFs are typically temporary in duration and reviewed on a quarterly basis.
CAF	(Currency Adjustment Factor) An accessorial charge consisting of an additional percentage rate added to the normal commodity or other rate by an ocean carrier multimodal carrier to compensate for changes in operating costs due to changes in currency parities between that of the shipping rate, U.S. Dollars in the U.S., and that of destination and third countries in which the carrier sustains costs. This type of charge is usually filed on a country-by-country basis.
CSC	(Container Service Charge) A container terminal charge usually charged at destination in the local currency. For U.S. outbound cargo, the origin terminal charge for a container is typically referred to as the terminal handling charge (THC).
Delivery Order	This term has various usages. In general, it is a document issued by a carrier, carrier's agent, or breakbulk agent authorizing or ordering its terminal or another carrier or terminal operator to release cargo to a named party, or another agent or carrier on behalf of the named party. Delivery orders are typically issued only after the consignee named on the delivery order has surrendered a properly endorsed B/L (when required, and/or has been verified to be the correct party to receive the cargo, and has paid any charges due the carrier or carrier's agent.) In the U.S., a delivery order document, when properly annotated, may also be used for Customs purposes as a carrier's release order.

<i>Dimensional Weight</i>	This term, which is largely synonymous with volume weight, is the cubic measurement of an item of cargo, or of an entire shipment, divided by some factor to determine whether the chargeable weight will be based on the actual weight or else the cubic size (i.e., dimensional weight) of a consignment. In general, transportation carriers will assess the basic transportation rate, and other weight or measure charges, on the higher of actual weight vs. dimensional weight (i.e., whichever rate basis yields the higher revenue). When transportation charges are based on a class rate, the applicable class rating of a particular product or commodity is at least in part based on its density as shipped.
<i>FAF</i>	(Fuel Adjustment Factor) A type of rate surcharge imposed transportation carriers to cover increases in fuel costs. The term is used by all carriers operating in all transportation modes. When used by ocean carriers, this has the same general purpose and meaning as bunker surcharge (BSC) or bunker adjustment factor (BAF).
<i>FCL</i>	(Full Container Load) A consignment of cargo that sufficient to fill a container to an economical shipping unit under a carrier's tariff, and therefore shipped on a FCL basis.
<i>FEU</i>	(Forty-Foot Equivalent Unit) This is a unit of measurement used to describe the volume of containerized traffic. This literally means forty-foot equivalent unit and is used to express the equivalent external cargo unit size of a standard 40 foot dry cargo container (40 feet (12.19m) long, 8 feet (2.438m) high and wide).
<i>Force Majeure</i>	Any "major" circumstance which is totally beyond a party's control and prevents them from fulfilling part or all of their obligations under a contract. Such circumstances as a natural disaster, riot, terrorist act or war could create a force majeure to the extent that it interfered with the performance of one's contract. The force majeure clause is to excuse a carrier from breach of contract for failing to deliver cargo or otherwise perform the contract; all resulting charges for damages are for the account of the shipper.
<i>GRI</i>	(General Rate Increase) A general term to describe an increase in transportation rates by all or most carriers serving a general trade route or market segment.
<i>In-Bond</i>	Also expressed as bonded or under bond. When used in transportation, this most commonly means that a shipment is under Customs custody---that is, the transportation carrier who has physical custody of the goods may not release or transfer them without Customs approval, known as a Customs permit.

<u><i>Incoterms</i></u>	Incoterms, promulgated by the International Chamber of Commerce, is an acronym for "International commercial terms," and provide a standard set of definitions for trade terms (also known as delivery terms and terms of sale) for use in international trade. The eleven terms are: EXW, FCA, FAS, FOB, CPT, CFR, CIF, CIP, DAT, DAP, and DDP. Incoterms facilitate international commerce by promoting common and precise understanding between a seller and buyer of their respective operational obligations, costs and passage of risk of cargo loss or damage under various specified delivery arrangements.
<i>LCL</i>	(Less than Container Load) A consignment of cargo that is insufficient to fill a container to an economical shipping unit under a carrier's tariff, and therefore not shipped on a FCL basis.
<i>LTL</i>	(Less than Truckload) A term used to describe a transportation rate applicable to consignments which do not require the full space or capacity of a truck. Domestic LTL cargo is typically assessed a class rate based on mileage, with either the class rating or the class rate adjusted downward based on weight break points, the highest such break being for TL or FTL sized consignments. An FTL rate break point may be as low as 20,000 lbs. for lower density cargo.
<i>MAWB</i>	(Master Airway Bill) An airwaybill used by an indirect air carrier (typically, though not always, acting as an air cargo consolidator) to subcontract with a direct air carrier to physically transport air cargo for which the IAC has, in turn, issued its house airwaybills to the actual shippers (i.e., cargo owners) and/or sub-consolidators.
<i>MLB</i>	(Mini-Land Bridge) An informal term describing the overland movement of cargo, typically via rail, or a combination of rail and truck, by an ocean carrier to provide through transportation under a single through rate, between an ocean terminal where the vessel loads (or unloads), and the origin (or delivery) point, typically an inland container yard or another carrier port facility, though the delivery/origin point may also be the shipper/consignee's door.
<i>NVOCC or NVO</i>	(Non-Vessel Operating Common Carrier) This term was created by the U.S. FMC to categorize an ocean common carrier which is an indirect carrier - that is, one which does not operate vessels, but instead accomplishes carriage via subcontract with vessel operating carriers. Per FMC Regulations, 46 CFR 515.2, "Non-vessel-operating Common Carrier means a common carrier that does not operate the vessels by which the ocean transportation is provided, and is a shipper in its relationship with an ocean common carrier."
<i>PierPASS</i>	This is an "incentive" program at the Ports of Long Beach and Los Angeles to relieve traffic congestion and reduce air pollution caused by trucks on the freeways and service roads serving the ports, while also reducing truck waiting times at the terminals. This is also the name of the non-profit organization created by the participating marine terminals to operate the "OffPEAK" program, which seems to be used synonymously by the trade. All major marine cargo terminals in the Ports of Long Beach and Los Angeles are participating in the program.

<i>POD</i>	(Proof of Delivery) A general term meaning a confirmation, usually in writing, that a particular consignment was, in fact, delivered, with the date, exact location and name of the party receipting the cargo. A POD may consist of a copy of the actual cargo delivery receipt, with the recipient's signature and date, but if this is what is needed, it should be specifically requested as such.
<i>SCAC</i>	(Standard Carrier Alpha Code) A U.S. standard carrier identification code consisting of two to four alpha characters. Any direct carrier or indirect carrier wishing to do business with the U.S. government, and get paid, must have a SCAC [code].
<i>TEU</i>	(Twenty-Foot Equivalent Unit) This is a unit of measurement used to describe the volume of containerized traffic. This literally means twenty-foot equivalent unit and is used to express the equivalent external cargo unit size of a standard 20 foot dry cargo container (20 feet (6.096m) long, 8 feet (2.438m) high and wide).
<i>THC</i>	(Terminal Handling Charge) This charge combines wharfage charge and handling charge (as defined by the FMC) into a single charge, typically assessed on the same rate basis as the basic transportation rate. In general, this charge covers the carrier's terminal facility, CFS, stevedore contractor and wharfage costs. There are typically separate THC charges assessed at origin and destination, unless the origin and/or destination THC is already included in the basic transportation rate, as it is in certain trades, or included in a lump-sum rate or all-inclusive rate. THC must be filed in an ocean carrier's FMC tariff, typically in the tariff rules section.
<i>Transshipment</i>	This is the movement of cargo from one country, through port(s), airport(s) and/or border crossing points in another country, en-route to a third country. Although transshipped cargo does not enter the commerce of the transshipment country, because it physically enters its Customs territory it comes under the Customs jurisdiction of the transshipment country.
<i>Wharfage Charge</i>	A charge traditionally collected by ocean carriers in the U.S. to cover the fee(s) charged by the wharf and/or port authority. Per FMC Regulations, 46 CFR 525.1(c), "Wharfage means a charge assessed against the cargo or vessel on all cargo passing or conveyed over, onto, or under wharves or between vessels and (to or from barge, lighter, or water), when berthed at wharf or moored in slip adjacent to wharf. Wharfage is solely the charge for use of wharf and does not include charges for any other service."

ABOUT SHAPIRO

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