

**U.S. CUSTOMS AND BORDER PROTECTION**  
**FIELD OPERATIONS, NEW YORK**  
**PORT OF NEW YORK/NEWARK**

**INFORMATIONAL PIPELINE NO. 13-027-NWK**

**TO:** All Importers, Carriers, Terminal Operators, CES Operators, Brokers and Others Concerned

**SUBJECT:** Updated Importer Security Filing (ISF) Enforcement Strategy

**DATE:** JUL 19 2013

**References:** Public Law 109-347- October 13, 2006 Sec 203: Security and Accountability for Every (SAFE) Port Act of 2006. Public Law 107-210 Trade Act of 2002: Section 343 Mandatory advanced electronic information for cargo and other improved Customs reporting procedures, and 343(a) Secure systems of transportation; 19 CFR 4.7 (c) Vessel Stow Plan and 4.7 (d) Container Status Messages. Federal Register/ Vol. 73, No. 228/ November 25, 2008. CBP- Importer Security Filing and Additional Carrier Requirements.

**PURPOSE:**

The purpose of this pipeline is to inform the trade community of augmented enforcement measures in an effort to support and increase filing compliance of the aforementioned regulations. As part of the updated enforcement strategy liquidated damage claims may be assessed for failure to comply with reporting requirements. CBP may also withhold the release or transfer of cargo until all ISF reporting requirements have been satisfied.

**BACKGROUND:**

The Importer Security Filing and Additional Carrier Requirements are part of a layered enforcement strategy and are vital to CBP's effort to maintain the highest level of security and safety for our nation. The information provided through these filings enhances CBP's objective to make earlier and more informed targeting decisions while improving the agency's ability to target high-risk U.S.-bound containerized marine cargo prior to its arrival in the U.S.

In an effort to continually facilitate legitimate trade and achieve maximum compliance CBP employed a measured and informed compliance approach to enforcement. CBP initiated a flexible reporting period, which ended January 2010, and utilized Non-Intrusive Inspection (NII) exams as tools to encourage compliance since January 2009.

Currently CBP is in the process of moving to the next phase of the enforcement process, which includes the issuance of liquidated damages.

## **ACTION:**

### **Liquidated Damage Claims:**

CBP was authorized to begin the liquidated damages phase of ISF enforcement on July 9, 2013, adding to the use of manifest holds and non-intrusive inspections to enforce ISF compliance.

In addition to NII examinations, the Port is authorized to initiate liquidated damages per violation for the submission of an inaccurate, incomplete, or untimely filing or for failure to file. Liquidated damages refer to a penalty secured by a bond. For carrier violations of the vessel stow plan requirement, CBP may also refuse to grant a permit to unlade for the merchandise in addition to liquidated damage penalties.

The liquidated damage amounts are as follows:

#### **Importer Security Filing Filer Violations**

- \$5,000 per non filed or late Importer Security Filing (ISF)
- \$5,000 per inaccurate ISF
- \$5,000 per inaccurate ISF update

Liquidated damage claims will be limited to \$10,000 per ISF.

#### **Liquidated Damage Claims: Carrier violations**

- \$50,000 per Failure to File a Vessel Stow Plan
- \$50,000 per Late Filing of a Vessel Stow Plan
- \$50,000 per Inaccurate and/or Incomplete Vessel Stow Plan
  
- \$5,000 per Failure to File a Container Status Message (CSM)
- \$5,000 per Late Filing of a CSM
- \$5,000 per Inaccurate and/or Incomplete CSM

Liquidated damage claims for vessel stow plan violations may be assessed in the amount of \$50,000 per vessel arrival. Liquidated damages claims for CSM violations are limited to \$100,000 per vessel arrival.

### **Manifest Holds:**

#### **ISF Transaction Codes:**

Effective immediately upon issuance of this pipeline the transaction codes listed below will be utilized to place non-compliant shipments on hold. Carriers, Terminal Operators and Centralized Examination Stations (CES) are responsible to hold shipments until the appropriate release is posted. This includes preventing the movement of cargo in-bond via 1W (Within Port Transfers to a CFS) and 1J (In-bond Authorized Movements to In-land Ports). Unauthorized release or transfers will result in liquidated damage claims against the responsible entity.

<b>ISF Not on File (ISF-NFL):</b>	<b>Hold- 2O</b>	<b>Release- 4O</b>
<b>ISF Compliance Issue (ISF-DCP):</b>	<b>Hold- 2P</b>	<b>Release- 4P</b>

However, shipments designated for CBP examination within the Port will be transferred to the CES designated by the firm's code in the 1X PTT transaction. Bills of lading with an ISF hold posting of 2O or 2P along with a 7H, 1H, 2H, 1A, etc. and a 1X should be transferred to the appropriate CES and staged for exam. After completion of CBP examination the shipment is to be held at the CES until the 4O or 4P is posted; even if all exam holds are released.

If you require further information, you may contact Deputy Chief CBP Officer Herbert Herter at 201-443-0548 or email [HERBERT.H.HERTER@CBP.DHS.GOV](mailto:HERBERT.H.HERTER@CBP.DHS.GOV)



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