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

INFORMATIONAL PIPELINE NO. 14-024-NWK

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

SUBJECT: Updated Importer Security Filing Enforcement Strategy

DATE: AUG X 4 2014

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. On line reference information can be found on CBP.GOV at: http://cbp.gov/xp/cgov/newsroom/news_releases/national/06072013_6.xml

PURPOSE:

The purpose of this pipeline is to inform the trade community of procedural changes with regard to augmented enforcement measures that were implemented in July 2013 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. Details on liquidated damage assessments may be found in Informational Pipeline No. 13-027-NWK.

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 commonsense 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. In July

2013, CBP moved to the next phase of the enforcement process, which includes liquidated damages.

ENFORCEMENT ACTIONS:

CBP began the liquidated damages phase of ISF enforcement on July 9, 2013, which is in addition to the use of manifest holds and non-intrusive inspections to enforce ISF compliance.

The Port is authorized to initiate liquidated damages per violation for failure to file or the submission of an inaccurate, incomplete, or untimely filing, including the failure to update information. Liquidated damages refer to a penalty secured by a bond. If goods for which an ISF has not been filed arrive in the U.S., CBP may also withhold the release or transfer of the cargo until reporting requirements have been satisfied. 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.

INITIATION OF ENFORCEMENT ACTIONS:

Commencing immediately, CBP will use a "three-strike" approach to ISF enforcement that allows for three warnings to an importer before issuance of a liquidated damages claim. CBP will use an internal database to keep track of the violations. The database is visible nationwide, so officers will be able to see actions taken in all ports against specific importers.

In addition, outreach to the violator will be provided at each occurrence of non-compliance. Outreach will be provided by the Newark Problem Resolution Unit.

The Port Director retains the discretion to enforce ISF by using the cargo holds that were introduced on July 9, 2013. However, a decision has been made with regard to the movement of consolidated containers that is intended to encourage compliance with ISF requirements without placing an undue burden on compliant importers. Upon completion of a negative NII examination for a non-compliant consolidated container, the container will be permitted to make a controlled movement to a Container Freight Station (CFS) where it may be de-consolidated. The non-compliant portion of the container will be returned to the Centralized Examination Site to be held until all ISF requirements are satisfied. The remaining compliant portion of the consolidated container will be released from the CFS.

If you require further information, you may contact Deputy Chief CBP Officer Joseph Mannucci at 201-443-0548 or email JOSEPH.L.MANNUCCI@CBP.DHS.GOV.

Roderick Hudson
Acting Port Director
New York/Newark