



The American Companies

"NEWS-UPDATE"

August 8, 2008

MANDATORY CONTAINER SEAL REQUIREMENT FOR MARITIME CONTAINERS - EFFECTIVE 10-15-08

According to several sources, U.S. Customs and Border Protection (CBP) has announced that, pursuant to 6 U.S.C. § 644, all loaded containers, including foreign cargo remaining on board, arriving by vessel at a port of entry in the U.S. on or after Oct. 15 are required to be sealed with a seal meeting the ISO/PAS 17712 standard.

Tanks, non-standard containers (such as open top containers) or containers that simply cannot accommodate a seal meeting the ISO/PAS 17712 standard (such as custom built containers) are exempt from the requirement.

CBP may assess penalties for violation of the requirement if the maritime container arrives on or after October 15, 2008 without a seal, or if the seal fails to meet the ISO/PAS 17712 standard. According to CBP, the penalty would be predicated on an attempted introduction contrary to law pursuant to 19 U.S.C. §1595a(b). Such penalties are ordinarily assessed at the value of the article or articles introduced or attempted to be introduced. CBP has indicated that the agency will phase-in penalty assessments for violation of the container sealing requirement.

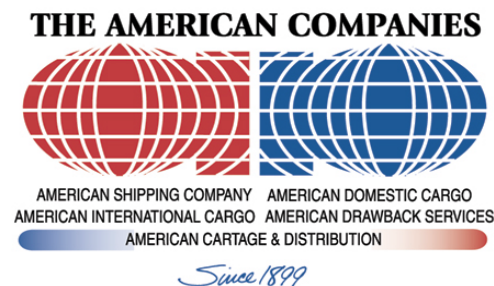
While the requirement initially applies to ocean cargo, it is expected that the mandate will be extended to land transport containers in the near future.

Lastly, in the Federal Register Notice (73 F.R. 46029) announcing the container seal requirement, CBP reminded carriers of the requirement that all seal numbers must be reported to the agency via the Automated Manifest System (AMS) at least 24 hours before U.S. bound cargo is laden aboard the vessel at the foreign port.

If you have further questions or require additional information, please feel free to contact your account executive or local handling office.

Sincerely,

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