

Importer Security Filing Sees 80% Compliance

By Marleah Blades

In mid-October, the Government Accountability Office reported that importers have achieved an 80-percent rate of compliance with Customs & Border Patrol's Importer Security Filing, otherwise known as the 10+2 rule. The rule went into effect in January 2009, and CBP began full enforcement in January 2010.

10+2 requires importers and carriers to provide an electronic Importer Security Filing (ISF) for every ocean import at least 24 hours in advance of lading. The purpose of the rule is to provide standard, detailed information that will enable security inspectors to better target high-risk containers.

The 10 data elements the importer is required to provide include:

- Manufacturer (or supplier) name and address
- Seller (or owner) name and address
- Buyer (or owner) name and address
- Ship-to name and address
- Container consolidation location
- Consolidator name and address
- Importer of record number/foreign trade zone applicant identification number
- Consignee number(s)
- Country of origin
- Commodity Harmonized Tariff Code

The carrier must provide two additional data elements:

- Vessel stow plan
- Container status messages

CBP began the year by enforcing in phases, issuing warnings and minor punitive measures such as delay-causing non-intrusive inspections as carriers and importers continued to adjust to the rule. However, as months pass, the agency is beginning to levy more serious measures, which could include liquidated damages (up to \$5,000 per late ISF, \$5,000 per inaccurate ISF, and \$5,000 for the first inaccurate ISF update) and do not load (DNL) holds. For C-TPAT companies that remain non-compliant, CBP has said it will consider suspending, reducing and even revoking their C-TPAT status.

Many importers have been challenged by the 10+2 rule because the data required does not always reside in a single place, and new software and systems are necessary to bring the data together and to ensure it is submitted accurately. CBP's program update presentation, released in March, provides some best practices to assist in compliance:

- Know what you are importing before you import it
- Identify the proper HTS numbers earlier in the process
- Consider a pre-classification system
- Decide who will transmit the ISF and how
- Consider using the Unified Entry Option
- Know your supply chain partners
- The Shipper has access to important information
- Require that the new "10+2" data be collected and provided earlier in the process
- Add data to existing forms (e.g., purchase orders, advance shipping notices, commercial invoices, etc.)

Importers and carriers still working on compliance can visit a CBP page dedicated to 10+2 on which many resources are aggregated: http://www.cbp.gov/xp/cgov/trade/cargo_security/carriers/security_filing/. ■

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