

**FREQUENTLY ASKED QUESTIONS**  
**Instruments of International Traffic Imported into the United States with Residue**  
**February 8, 2011**

<b>1. What is the definition of an Instrument of International Traffic?.....</b>	<b>2</b>
<b>2. How is an IIT, arriving from foreign with residue, manifested and entered?.....</b>	<b>2</b>
<b>3. Who will make entry (exporter, carrier)?.....</b>	<b>3</b>
<b>4. Importer Scenarios.....</b>	<b>4</b>
<b>5. How will estimates for residual cargo be determined?.....</b>	<b>6</b>
<b>6. Current industry practice and measurement techniques have not been designed to measure “heel” residue remaining in a tank after loading and, therefore, may be less than accurate when attempting to gauge such small quantities. How will CBP determine its enforcement posture when reviewing these transactions?.....</b>	<b>7</b>
<b>7. How does the importer determine value?.....</b>	<b>8</b>
<b>8. What is the process for manifesting and entering IITs containing residual cargo valued less that \$200 under Sec. 321 (19 U.S.C. 1321)? .....</b>	<b>8</b>
<b>9. How is an IIT that is completely devoid of any residue manifested and entered?.....</b>	<b>9</b>
<b>10. If the container is cleaned prior to return to the United States will CBP demand proof of the cleaning as a condition of release for an Instrument of International Traffic?....</b>	<b>10</b>
<b>11. In reading the ruling (HQ H026715), the impression is that this ruling focused on bulk and intermediate bulk containers (IBC), but does CBP intend to enforce on any container with residue, box, barrel, drum, pail, jerrican, can, bag, etc.? Can you please clarify if this ruling applies to all or bulk and IBC only?.....</b>	<b>10</b>
<b>12. Who is considered the “shipper” and the “importer” for IIT arriving with residue?....</b>	<b>10</b>
<b>13. When will CBP begin enforcing HQ Ruling H026715?.....</b>	<b>11</b>
<b>Publicly Available Resource and Reference Material.....</b>	<b>12</b>

**FREQUENTLY ASKED QUESTIONS**  
**Instruments of International Traffic Imported into the United States with Residue**  
**February 8, 2011**

U.S. Customs and Border Protection (CBP) has received numerous questions concerning the importation of instruments of international traffic with residue of bulk products. CBP prepared this document to assist the trade community in understanding the obligations for transporting carriers concerning the advance electronic cargo information and importers for entry requirements. Please continue to monitor this document for changes and updates.

The material in this document is provided for general information purposes only and does not supersede existing ruling letters issued by CBP. Because many complicated factors can be involved in customs issues, an importer may wish to obtain a ruling under part 177 of the CBP regulations (19 CFR Part 177), or to obtain advice from an expert who specializes in customs matters, for example, a licensed customs broker, attorney or consultant.

**1. What is the definition of an Instrument of International Traffic?**

Section 322(a), Tariff Act of 1930, as amended (19 U.S.C. 1322(a)), provides that "[v]ehicles and other instruments of international traffic (IIT), of any class specified by the Secretary of the Treasury, shall be granted the customary exceptions from the application of the customs laws to the extent and subject to such terms and conditions as may be prescribed in regulations or instructions of the Secretary of the Treasury."

To qualify as an IIT within the meaning of section 322(a), Tariff Act of 1930, as amended (19 U.S.C. 1322(a)), and the implementing regulations, section 10.41a of the CBP regulations (19 CFR 10.41a et seq.), an article must be substantial, suitable for and capable of repeated use, and used in significant numbers in international traffic. Paragraph (a)(1) of section 10.41a designates as IIT lift vans, cargo vans, shipping tanks and certain other named articles and states that other articles may be designated as IIT by the Commissioner of Customs in decisions to be published in the weekly Customs Bulletin and are available in the Customs Rulings Online Search System (CROSS) at <http://rulings.cbp.gov/>.

Articles qualifying for treatment as IIT are considered to be used in international traffic when they arrive containing merchandise and when they arrive empty to be filled with merchandise to be exported foreign.

**2. How is an IIT, arriving from foreign with residue, manifested and entered?**

An IIT arriving from a foreign port or place with residue may not be manifested or entered as an empty container. The residue must be manifested, classified, and entered in accordance with statutes and regulations enforced by CBP.

**FREQUENTLY ASKED QUESTIONS**  
**Instruments of International Traffic Imported into the United States with Residue**  
**February 8, 2011**

<b>Value of Residue</b>	<b>Proof of Value Required</b>	<b>Release Type*</b>	<b>Type 3A Bond Required</b>	<b>Type 1 Bond Required</b>
≥ \$2,000.00	Y	Formal Entry	Y	Y
< \$2,000.00	Y	Informal Entry	Y	N
<200.00	Y	19 U.S.C. 1321	Y	N

\*May be subject to other Federal agency license, permit, and/or restriction (e.g., DOT, EPA TSCA, FDA PN)

Commodities imported as residue may be subject to other Federal agency license, permit, and/or restriction (e.g., Department of Transportation, Environmental Protection Agency Toxic Substances Control Act, Food and Drug Administration Prior Notice). Nothing in this document is intended to waive other Federal, state, or local agency requirements for the importation or transportation of residue cargo.

A CBP bond type 3A in the name of the entity requesting release is required for all instruments of international traffic (19 CFR 113.66). The residual cargo may be entered as an informal entry type 11 or under 19 U.S.C. § 1321 for administrative exemptions, which would eliminate the Type 1 Importer or broker bond requirement for the residue. For informal and formal entry types, two lines are required - one using the 9801.00.10 or 9803.00.50 HTS for the IIT and the other using the correct classification of the chemicals with the correct value.

Pursuant to the CBP regulations at 19 CFR 143.22, the port director may require a formal consumption or appraisalment entry for any merchandise if deemed necessary for import admissibility enforcement purposes, revenue protection, or the efficient conduct of Customs business.

The following information is required for merchandise that qualifies for release without entry (19 U.S.C. § 1321; 19 CFR 143.23). In addition to this information, a valid type 3A bond in the name of the entity requesting release is required for IIT containing residue.

- Country of origin of the merchandise;
- Shipper name, address and country;
- Ultimate consignee name and address;
- Specific description of the merchandise;
- Quantity;
- Shipping weight; and
- Value.

**3. Who will make the entry (exporter, carrier)?**

When a shipment reaches the United States, the importer of record (i.e., the owner, purchaser, or licensed customs broker designated by the owner, purchaser, or consignee) will file entry documents for the goods with the port director at the goods' port of entry. Imported goods are not legally entered until after the shipment has arrived within the port of entry, and

**FREQUENTLY ASKED QUESTIONS**  
**Instruments of International Traffic Imported into the United States with Residue**  
**February 8, 2011**

delivery of the merchandise has been authorized by CBP. It is the importer of record's responsibility to arrange for examination and release of the goods. 19 U.S.C. 1484 provides:

(a) Requirement and time

- (1) Except as provided in sections 1490, 1498, 1552, and 1553 of this title, one of the parties qualifying as “importer of record” under paragraph (2)(B), either in person or by an agent authorized by the party in writing, shall, using reasonable care—
  - (A) make entry therefor by filing with the Bureau of Customs and Border Protection such documentation or, pursuant to an authorized electronic data interchange system, such information as is necessary to enable the Bureau of Customs and Border Protection to determine whether the merchandise may be released from custody of the Bureau of Customs and Border Protection;
  - (B) complete the entry, or substitute 1 or more reconfigured entries on an import activity summary statement, by filing with the Customs Service the declared value, classification and rate of duty applicable to the merchandise, and such other documentation or, pursuant to an electronic data interchange system, such other information as is necessary to enable the Customs Service to—
    - (i) properly assess duties on the merchandise,
    - (ii) collect accurate statistics with respect to the merchandise, and
    - (iii) determine whether any other applicable requirement of law (other than a requirement relating to release from customs custody) is met.

Thus, any party that can meet the definition cited above for importer of record may make entry on the residue within a container.

#### **4. Importer Scenarios**

Under the following scenarios who is the party that should be filing the CBP entry – Is it the non-resident exporter who owns the product that was not discharged; is it the U.S. producer/exporter, who may not have any right to make entry based on the terms of the original sale, and who may not be able to verify that the residue is in fact, originally theirs; or is it the carrier who owns the tank/container?

Scenario 1 – A U.S. company exports bulk product in its own tank truck or rail to a customer in Canada or Mexico as part of ongoing repetitive transactions. The product is pumped from the conveyance for delivery to the customer; residue “tank heel” remains and the conveyance is returned in each instance to the U.S. company for refilling. How can the U.S. company be the importer of record for the remaining tank heel even though the U.S. company does not own the returning goods (i.e., the company does not have a financial interest in the goods).

Scenario 2 – Same scenario as Scenario 1 except the tank container is leased by the U.S. company from a third party. Who is the importer of record?

Scenario 3 – Same scenario as Scenario 1 except there is no repetitive transactions just a one-time export. After the product is delivered to the customer, residue remains and the conveyance returns to the U.S. for cleaning and use by another U.S.

**FREQUENTLY ASKED QUESTIONS**  
**Instruments of International Traffic Imported into the United States with Residue**  
**February 8, 2011**

company either for export or domestic transaction. Who is the importer of record?

Scenario 4 – Who is the importer of record when the consignee is in a foreign country but the customer is in the U.S.?

Scenario 5 – A U.S. company exports goods via tank truck or rail to a customer in Canada or Mexico. There are repeat transactions. The product is delivered to the customer and the container is washed in Canada or Mexico.

In situations where the interest is only in the return of the conveyance with residue and contract of carriage is structured to reflect the carrier as the consignee, and the consignee declares himself to be the owner of the residue, then the carrier may be considered the importer or record. If the ownership of the residue does not vest with the carrier then as the consignee the carrier may appoint a broker to act as importer of record .

CBP expects the parties to the transaction to determine who will be responsible for entering the residue product when the IIT is returned to the United States. CBP has delayed enforcing existing statutes and regulations in order for parties structuring purchase and transportation contracts for international shipments to include provisions establishing ownership of residue and identifying the party responsible for filing entry as required by CBP regulations at 19 CFR 141.2.

Therefore, while CBP will attempt to address the particulars of the scenarios described above, the answers provided are for general guidance only as the potential variations on these scenarios are numerous and often complex:

**Scenario 1 – A U.S. company exports bulk product in its own tank truck or rail to a customer in Canada or Mexico as part of ongoing repetitive transactions. The product is pumped from the conveyance for delivery to the customer; residue “tank heel” remains and the conveyance is returned in each instance to the U.S. company for refilling. How can the U.S. company be the importer of record for the remaining tank heel even though the U.S. company does not own the returning goods (i.e., the company does not have a financial interest in the goods).**

Given the situation described, the U.S. company should, as part of its established contractual transportation arrangements for its tank truck or rail car, provide CBP with the requisite information on the estimated amount of residue “tank heel” remaining. If internal controls do not exist to determine the amount of product delivered to the customer or potentially returned as “tank heel,” the trade should utilize this delayed enforcement period to establish those systems to ensure adherence to all applicable entry and other agency safety requirements. Additionally, the US company should have added a clause to its sales contract setting forth the ownership of the expected “tank heel.”

**Scenario 2 – Same scenario as Scenario 1 except the tank container is leased by the U.S. company from a third party. Who is the importer of record?**

**FREQUENTLY ASKED QUESTIONS**  
**Instruments of International Traffic Imported into the United States with Residue**  
**February 8, 2011**

With the exception of the 3<sup>rd</sup> party lessor, there is no difference in the contractual transportation arrangements, so the U.S. company should, as part of the conveyance return process for its tank truck or rail car, provide CBP with the requisite information on the estimated amount of residue “tank heel” remaining. If internal controls do not exist to determine the amount of product delivered to the customer or potentially returned as “tank heel”, the trade should utilize this delayed enforcement period to establish those systems to ensure adherence to all applicable entry and other agency safety requirements.

**Scenario 3 – Same scenario as Scenario 1 except there is no repetitive transactions just a one-time export. After the product is delivered to the customer, residue remains and the conveyance returns to the U.S. for cleaning and use by another U.S. company either for export or domestic transaction. Who is the importer of record?**

As noted above, the company arranging for the return of the conveyance should ensure that all parties to the transaction understand the requirements for reporting residue to CBP as the conveyance return is dependent upon the accurate reporting of the residue.

**Scenario 4 – Who is the importer of record when the consignee is in a foreign country but the customer is in the U.S.?**

This scenario requires clarification in terms of how and where the conveyance may be moving.

**Scenario 5 – A U.S. company exports goods via tank truck or rail to a customer in Canada or Mexico. There are repeat transactions. The product is delivered to the customer and the container is washed in Canada or Mexico.**

Assuming that the conveyance is to be returned to the U.S. and that the washing process has removed the residue, then the IIT process is operative.

**5. How will estimates for residual cargo be determined?**

Since the exact amount of the residual goods may not be known at the time the advance cargo information is required to be transmitted, the importer may estimate the amount when providing that information to the carrier for transmission to CBP. Mathematical calculations, volume and weight readings, and historical data may all be tools used in estimating the amount of residue within a container. Additionally, the same estimated amount should be used at the time of entry of the goods. If a more precise amount is obtained after arrival then manifested quantity must be amended by the carrier and the entry must be amended by the filer. Under existing statutes and regulations, the transporting carrier is responsible for corrections to manifested quantities and the entry filer is responsible for corrections to the entry. Failure to effect corrections within time limits prescribed by the existing statutes and regulations may result in the initiation of an enforcement action by the CBP port director.

**FREQUENTLY ASKED QUESTIONS**  
**Instruments of International Traffic Imported into the United States with Residue**  
**February 8, 2011**

The statutory language at 19 U.S.C. § 1494 reads, “In all cases in which the invoice or entry does not state the weight, quantity, or measure of the merchandise, the expense of ascertaining the same shall be collected from the importer of record before its release from customs custody.”

CBP will allow carriers to declare estimated quantities consistent with industry standards that identify residual amounts not greater than 3% of the maximum capacity for IIT transported by truck and 7% of the maximum capacity for IIT transported by rail as acceptable based on the established transportation tariff rates. The estimated quantity must be calculated based on the maximum capacity for the IIT. For example, a rail tank car may have a maximum capacity of 30,000 gallons. 7% of 30,000 gallons is 2,100 gallons. Therefore, the rail tank car could have 2,100 gallons of residual cargo, and it would fall within CBP’s threshold of residual cargo that should be manifested, classified, and entered in accordance with statutes and regulations enforced by CBP.

In instances where a shortage or overage of the manifested amount is detected, CBP will not initiate enforcement actions against the carrier when the verified quantity is less than the threshold amount of 3% (truck) and 7% (rail) unless the Port Director has identified other circumstances warranting enforcement action.

In instances where an overage of the manifested amount is detected, CBP will initiate enforcement actions against the carrier when the verified quantity is more than the threshold amount of 3% (truck) or 7% (rail) (such as when the IIT is manifested as empty but in fact has residue, or when any other regulation or ruling has been violated).

Nothing in this policy supersedes existing CBP rulings that have been issued to either the importer or entry filer covering imported commodities. The value must be provided and must be based on existing statutes and regulations as discussed in FAQ 7 of this document. Once the value has been determined as discussed in FAQ 7, a determination should be made as to which release should be sought from CBP as discussed in FAQ 2.

**6. Current industry practice and measurement techniques have not been designed to measure “heel” residue remaining in a tank after unloading and, therefore, may be less than accurate when attempting to gauge such small quantities. How will CBP determine its enforcement posture when reviewing these transactions?**

CBP has provided additional time to the statutory implementation date (pursuant to 19 U.S.C. § 1625) for the ruling of September 16, 2009 in order for industry to readjust and modify its practices and procedures. CBP is aware that industry, in order to accurately track product movement and order fulfillment, utilizes such tools as mechanical displacement meter provers to calibrate the accuracy and performance of meters that measure the quantity of product being pumped or transferred at facilities such as drilling locations, refineries, tank farms and loading racks. CBP believes that industry should utilize the readjustment time period to develop documented baseline measures for “heel” residue (in the respective modes

**FREQUENTLY ASKED QUESTIONS**  
**Instruments of International Traffic Imported into the United States with Residue**  
**February 8, 2011**

utilized) which can serve as “reasonable care” measures when declaring “heel” in returning tanks. CBP will conduct compliance checks by means of spot inspections and post entry audits. CBP will exercise restraint when reviewing the declared “heel” amounts for accuracy and compliance with the 1% manifest discrepancy rule.

**7. How does the importer determine value?**

Under 19 U.S.C. 1484(a)(1)(B), the importer of record is required, using reasonable care, to complete the entry by filing with CBP the declared value, classification and rate of duty applicable to the merchandise. The importer of record must use the value as determined in accordance with section 402, Tariff Act of 1930 (19 U.S.C. 1401a), as amended by the Trade Agreements Act of 1979 (TAA). Transaction value would not apply, because presumably the residue would not have been “sold for exportation to the United States.” As transaction value has been eliminated as the basis of appraisement, the customs value will be determined by applying the next available appraisement method. The remaining methods, in order, are transaction value of identical or similar merchandise, deductive value, computed value, and the fallback method. Basically, if a method seems to be reasonable, it will be allowed. For example, CBP ruled in H019073, dated November 2, 2007, that the cost of disposal of imported contaminated soil was the customs value under the fallback method. This might be helpful in situations in which the residue is removed from the container after importation for disposal. In 548247, dated March 10, 2003, CBP appraised imported scrap metal under the fallback method on the basis of the market price for identical or similar scrap metal. There is no “one-size-fits-all” answer as to how returning residue should be valued. But based on the above, there are a number of options, depending on the scenario.

**8. CBP will allow IITs containing residual cargo valued less than \$200 to be manifested and entered as a Sec. 321 (19 U.S.C. 1321). What is the process for entering these shipments and notifying the CBP Port of Entry?**

Currently, CBP’s Rail Automated Manifest System (AMS) is unable to process and release Sec. 321 entries automatically, therefore CBP will not be able to identify which Bills of Lading covering the IIT with residual cargo are being entered for release under Sec. 321 without performing some research. CBP is exploring the feasibility of developing an automated process for these types of rail shipments, however until the process is automated, the importer of record and carriers are responsible for the following:

Carriers will submit the rail consist to CBP in adherence to the current standard practice and within the existing manifest timelines. When submitting the cargo description on the rail consist to CBP through AMS, carriers must follow these guidelines in the following order:

- A statement identifying the shipment as Sec. 321;
- A precise commodity description stating “Residual cargo last contained...” or the cargo’s HTSUSA number to the 6-digit level (minimum);
- The carrier’s 3A bond number; and

**FREQUENTLY ASKED QUESTIONS**  
**Instruments of International Traffic Imported into the United States with Residue**  
**February 8, 2011**

- The quantity, which could be an estimated and be stated as “less than 1,000 gallons” in the remarks section (Please note that this quantity should be less than 3% (for truck) and 7% (for rail) of the total capacity of the IIT).

The following are examples of acceptable cargo descriptions the carrier must provide when inputting the cargo description into AMS for Sec. 321 shipments:

- “ Sec. 321, residue last contained crude oil, 2709.00, (insert 3A Bond #), less than 700 gallons”
- “ Sec. 321, residue last contained crude oil, (insert 3A Bond #), less than 700 gallons
- “Sec. 321, residue last contained invert molasses, 1702.90.35, (insert 3A Bond #), less than 2,100 gallons” or
- “Sec. 321, residue last contained crushed stone, 2515.25.17, (insert 3A Bond #), less than 15,715 lbs”.

The carriers or the importer of record are responsible for providing notification to the CBP rail port of arrival identifying each bill of lading on the rail consist that is for an IIT containing residual cargo being entered for release under Sec. 321. Since hours of operation and rail volume differ significantly among rail ports of entry, each CBP port will be responsible for developing a process for the carrier in order to provide notification that IITs containing residual cargo are being entered as Sec. 321 entries.

Below are possible examples of how the CBP ports may require the trade to provide notification:

- Require the carrier or importer of record to email a list of bill of lading numbers covering IITs with residual cargo being entered as Sec. 321 to a dedicated team within the CBP port for release; or
- Require the carrier or importer of record to fax a list of bill of lading numbers covering IITs with residual cargo being entered as Sec. 321 to a dedicated team within the CBP port for release.

The trade community is encourage to contact the CBP port to obtain the local procedures for providing notification regarding the entry and release of IITs containing residual cargo entered under Sec. 321.

**9. How is an IIT that is completely devoid of any residue manifested and entered?**

IIT arriving empty may be released without entry or the payment of duty, subject to the provisions of section 10.41a (19 CFR 10.41a). Under the provisions of section 10.41a(c) of the CBP Regulations, an IIT will be released only after a bond has been filed on CBP Form 301 containing the bond conditions required under section 113.66 of the CBP (19 CFR 113.66). The principal on the IIT (Type 3A) bond must be the applicant for release of the holder or container designated as an IIT.

**FREQUENTLY ASKED QUESTIONS**  
**Instruments of International Traffic Imported into the United States with Residue**  
**February 8, 2011**

**10. If the container is cleaned prior to return to the United States will CBP demand proof of the cleaning as a condition of release for an Instrument of International Traffic?**

As the entity requesting release is required to post a bond under 19 CFR 10.41a(c) and 19 CFR 113.66 for the movement of the IIT, CBP will not require proof of container cleaning as a condition of release for an IIT.

**11. In reading the ruling (HQ H026715), the impression is that this ruling focused on bulk and intermediate bulk containers (IBC), but does CBP intend to enforce on any container with residue, box, barrel, drum, pail, jerrican, can, bag, etc.? Can you please clarify if this ruling applies to all or bulk and IBC only?**

To the extent that the original ruling (HQ 113129 dated July 12, 1994) applied to Dow Corning, and those containers at issue within the ruling, all other entities should have been transmitting advance electronic cargo information and properly entering the merchandise and containers that have been transported into the United States.

The CBP regulations (available online at <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1>) 19 CFR 177.9(c) provide:

(c) Reliance on ruling letters by others. Except when public notice and comment procedures apply under Sec. 177.12, a ruling letter is subject to modification or revocation by CBP without notice to any person other than the person to whom the ruling letter was addressed. Accordingly, **no other person should rely on the ruling letter or assume that the principles of that ruling will be applied in connection with any transaction other than the one described in the letter.** However, any person eligible to request a ruling under Sec. 177.1(c) may request information as to whether a previously-issued ruling letter has been modified or revoked by writing the Commissioner of Customs and Border Protection, Attention: Regulations and Rulings, Office of International Trade, Washington, DC 20229, and either enclosing a copy of the ruling letter or furnishing other information sufficient to permit the ruling letter in question to be identified.

Section 141.4, Customs Regulations (19 CFR 141.4), provides that entry as required by title 19, United States Code, section 1484(a) {19 U.S.C. 1484(a)}, shall be made of every importation whether free or dutiable and regardless of value, except for intangibles and articles specifically exempted by law or regulations from the requirements for entry.

**12. Who is considered the “shipper” and the “importer” for IIT arriving with residue?**

The Required Advance Electronic Presentation of Cargo Information Final Rule was published in the Federal Register on December 5, 2003. Pursuant to section 343(a)(1) of the Trade Act of 2002 (as amended by section 108 of the Maritime Transportation Security Act of 2002), cargo information must be transmitted to CBP by means of a CBP-approved electronic data interchange system for all modes of transportation prior to import into or

**FREQUENTLY ASKED QUESTIONS**  
**Instruments of International Traffic Imported into the United States with Residue**  
**February 8, 2011**

export from the United States. The shipper data element is identified in the Trade Act regulations for each mode of transportation as follows:

- Vessel regulations, 19 CFR 4.7;
- Air regulations, 19 CFR 122.48a;
- Rail regulations, 19 CFR 123.91; and
- Truck regulations, 19 CFR 123.92.

On February 23, 2004, CBP published a press release regarding shipper requirements under the Trade Act of 2002 implementing regulations. This document is available on the CBP website at

[http://www.cbp.gov/xp/cgov/newsroom/news\\_releases/archives/2004\\_press\\_releases/022004/02232004.xml](http://www.cbp.gov/xp/cgov/newsroom/news_releases/archives/2004_press_releases/022004/02232004.xml). CBP has agreed to use the 24-Hour rule definition of shipper until the issue is resolved. Under the 24-Hour rule, the party that contracts for carriage of the cargo is acceptable in the shipper field. However, a CBP officer may place the shipment on hold or issue a Do Not Load until s/he can identify additional, specific information regarding the parties involved.

When a formal entry of merchandise is made under the provisions of 19 U.S.C. 1484, the required documentation or information is required to be filed or electronically transmitted by the importer of record. Under the statute, the importer of record is either the owner or purchaser of the merchandise or, when appropriately designated by the owner, purchaser, or consignee of the merchandise, a person holding a valid license as a customs broker. As part of the entry process, goods must be classified (determined where in the U.S. tariff system they fall) and their value must be determined.

Pursuant to the Customs Modernization Act, it is the responsibility of the importer of record to use reasonable care to enter, classify, and value the goods, and provide any other information necessary to enable CBP to properly assess duties, collect accurate statistics, and determine whether all other applicable legal requirements are met. These requirements can be complex. In order to assist importers in meeting their responsibilities, importers may employ experts within their organizations or seek advice or services from outside experts such as customs brokers, attorneys who specialize in customs matters or consultants. Of these outside experts, only customs brokers may actually prepare and file entry documentation, because the preparation and filing of entry documentation constitutes “customs business” which, by statute, may be performed on behalf of others only by a licensed customs broker.

**13. When will CBP begin enforcing HQ Ruling H026715?**

CBP has identified July 17, 2011 to begin enforcing HQ Ruling H026715. The July 17, 2011 enforcement date will have allowed the trade community 24 months from the date the ruling was published to make any necessary changes to business practices and operating to comply with the ruling. The following is a breakdown of the requirements CBP will enforce:

- Instruments of international traffic containing residual chemicals, cargo, goods, etc., must be manifested and entered in compliance with customs laws; and

**FREQUENTLY ASKED QUESTIONS**  
**Instruments of International Traffic Imported into the United States with Residue**  
**February 8, 2011**

- If qualified, shipments containing residual goods can be entered as American Goods Returned (AGR).

Carriers will be responsible for the following:

- Transmitting advance electronic cargo information for the residual cargo to CBP in advance of arrival in the U.S. (19 U.S.C. 2071 note);
- Providing CBP with a precise cargo description of the residue (e.g., “Residual cargo rail tank car/hopper car, etc. last contained...”) or the cargo’s Harmonized Tariff Schedule of the United States (HTSUSA) number to the 6-digit level in compliance with the Trade Act of 2002 implementing regulations;
- Providing CBP with an estimated quantity of the residual cargo. Since the exact amount of the residual goods may not be known at the time the advance cargo information is required to be transmitted, the importer may estimate the amount when providing that information to the carrier for transmission to CBP. Mathematical calculations, volume and weight readings, and historical data may all be tools used in estimating the amount of residue within a container.
- Adhering to applicable regulations and requirements (EPA, DOT, FDA, or state/local); and
- Providing updates for the estimated quantity amounts to CBP if a more precise amount is determined.

When a shipment (including IIT with residue) reaches the United States, the importer of record (i.e., the owner, purchaser, or licensed customs broker designated by the owner, purchaser, or consignee) will be responsible for:

- Filing entry documents for the goods with the port director at the goods' port of entry. 19 CFR 141.4 provides that entry as required by 19 U.S.C. § 1484(a) shall be made of every importation whether free or dutiable and regardless of value, except for intangibles and articles specifically exempted by law or regulations from the requirements for entry. Imported goods are not legally entered until after the shipment has arrived within the port of entry, and delivery of the merchandise has been authorized by CBP. Pursuant to the CBP regulations at 19 CFR 143.22, the port director may require a formal consumption or appraisal entry for any merchandise if deemed necessary for import admissibility enforcement purposes, revenue protection, or the efficient conduct of Customs business;
- Maintaining a valid CBP bond type 3A in the name of the entity requesting release for all instruments of international traffic (19 CFR 113.66); and
- Retaining documentation establishing the basis for determining the value provided for the residual commodity. A value must be declared and phrases such as “no commercial value” will not be accepted.

**Publicly Available Resource and Reference Material**

Environmental Protection Agency Toxic Substances Control Act (TSCA) Importing and Exporting Requirements

- <http://www.epa.gov/oppt/import-export/>

**FREQUENTLY ASKED QUESTIONS**  
**Instruments of International Traffic Imported into the United States with Residue**  
**February 8, 2011**

Food Drug Administration Prior Notice of Imported Foods under the Bioterrorism Act of 2002

- <http://www.fda.gov/Food/FoodDefense/Bioterrorism/PriorNotice/default.htm>

Customs and Border Protection

Basic Importing and Exporting

- [http://www.cbp.gov/xp/cgov/trade/basic\\_trade/](http://www.cbp.gov/xp/cgov/trade/basic_trade/)
  - Importing into the United States

Informed Compliance Publications

- [http://www.cbp.gov/xp/cgov/trade/legal/informed\\_compliance\\_pubs/](http://www.cbp.gov/xp/cgov/trade/legal/informed_compliance_pubs/)
  - Bona Fide Sales and Sales for Exportation to the United States
  - Customs Administrative Enforcement Process: Fines, Penalties, Forfeitures, and Liquidated Damages
  - Customs Brokers
  - Customs Value

CROSS – Customs Ruling Online Search System

- <http://rulings.cbp.gov/>

Ruling Request – 19 CFR Part 177

- [http://www.cbp.gov/xp/cgov/trade/legal/rulings/ruling\\_letters.xml](http://www.cbp.gov/xp/cgov/trade/legal/rulings/ruling_letters.xml)

CBP Bulletins and Decisions

- [http://www.cbp.gov/xp/cgov/trade/legal/bulletins\\_decisions/](http://www.cbp.gov/xp/cgov/trade/legal/bulletins_decisions/)

Trade Act of 2002 – Advance Electronic Cargo Information Requirements

- [http://www.cbp.gov/xp/cgov/trade/trade\\_outreach/advance\\_info/](http://www.cbp.gov/xp/cgov/trade/trade_outreach/advance_info/)

ACE Truck e-Manifest

- [http://www.cbp.gov/xp/cgov/trade/automated/modernization/carrier\\_info/electronic\\_truck\\_manifest\\_info/](http://www.cbp.gov/xp/cgov/trade/automated/modernization/carrier_info/electronic_truck_manifest_info/)