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Farber and Company • FOREIGN FREIGHT FORWARDERS • FMC No. 4420
A California Corporation

To our valued import clients:

Customs and Border Protection (CBP) will begin implementation of the ISF/10+2 Ruling as a result of the Congressional passing of the SAFE port Act of 2006 (to protect against terrorist smuggling of weapons or materiel). This ruling goes into effect on January 26, 2009. There will be a 12-month period of "Structured Review", in which CBP has agreed to delay any penalty phase of enforcement provided that "importers are making satisfactory progress toward compliance and are making a good faith effort to comply with the rule to the extent of their current ability". The penalty/fine amount, when in effect, may be as much as \$5,000.00 per violation of non-compliance.

As part of the ruling, there are 10 elements (the "10" of the 10+2) as listed below that the importer will now be required to furnish to CBP. The first 8 elements must be filed no later than 24 hours prior to the cargo loading on the vessel at origin. The 9th and 10th elements must be filed no later than 24 hours prior to the vessel arrival at the first U.S. port.

1. Seller (name/address)
2. Buyer (name/address)
3. Import of record number
4. Consignee number (Tax ID / EIN)
5. Manufacturer or Supplier (name/address)
6. Ship to party (name/address)
7. Country of origin
8. Harmonized Tariff Schedule Number (first 6 digits)
9. Container stuffing location (can be filed upto 24 hours prior to arrival)
10. Consolidator/stuffing party (can be filed upto 24 hours prior to arrival)

The shipping line will be responsible for the filing of 2 data elements (the "2" of the 10+2). Those are the Vessel Stow Plan and the Container Status Message. These elements are not the responsibility of the importer.

The ISF filing can only be done via the CBP Automated Broker Interface (ABI) or Automated Manifest System (AMS). The importer may choose an agent to do the ISF filing on their behalf or the importer may file themselves. CBP requires that a chosen filer have power of attorney from the importer. Due to the potential penalty of \$5,000.00 for violations, the ISF filing will need to be covered by a customs bond. Importers without a continuous customs bond and those currently using a single entry bond for each shipment may find it necessary to obtain an additional bond to cover the ISF filing. The final formulation of the bond process is still to be determined.

In consideration of the time and expenses involved, there will be a nominal fee. We recommend that you begin contacting your suppliers and advise them of these ten data element requirements. The most key ISF elements that they will need to provide to you will be (1) Seller, (7) Country of origin, (9) Container stuffing location, and (10) Consolidator/stuffing party. Your suppliers will need to set up their own pre-advice system to you. You, in turn, will then advise your broker the ISF elements so we can have the filing transmitted on your behalf to CBP. We suggest that you gather these details at least five days before the vessel loads in order for you to be able to provide the data in time for a timely filing.

There will be more information being disseminated / released in the weeks ahead. You can access the final ruling via the government website at: <http://edocket.access.gpo.gov/2008/pdf/E8-27048.pdf>

Kindly contact us for any questions that you may have.

Sincerely,

Farber and Company