

# Risk and Sustainable Strategies for Surface Transportation Security

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# Instruments of International Traffic (IIT) with Residual Cargo

## Background

- On July 17, 2009, the Office of International Trade (OT), Office of Regulations and Rulings (ORR) published HQ 026715 with an effective date as Sept. 16, 2009
  - HQ Ruling provided notice of a modification to a Headquarters ruling (HQ 113129 dated July 12, 1994) which allowed Dow Corning to enter containers containing residual chemicals as empty containers
- Truck and rail carriers, other than Dow Corning, have been misapplying the 1994 HQ 113129 ruling letter and declaring IIT containing residue as empty contrary to CBP Regulations
- CBP has held several meetings with the trade community (include the American Chemistry Council (ACC)), to develop an implementation plan that will result in the least disruption to the affected entities



# Manifesting Residual Shipments

- An IIT arriving from foreign 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
- 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
- In FY2010, there were 1,205,154 U.S. importations of empty IIT by rail. The American Association of Railroads estimates that approximately 400,000 of those railroad cars contained residual cargo



# Enforcement of HQ Ruling

- Many sectors of the trade community requested that CBP delay the enforcement of the HQ Ruling until an automated process can be developed for filing those IITs containing residual cargo which qualify under Sec. 321
- Currently, electronically filing of Sec.321 entries exists only in the truck environment
- With an anticipated deployment of the ACE M1 Vessel and Rail Manifest release in early 2012, the filing of electronic Section 321 entries will be possible for all modes of transport.
- An enforcement date for HQ Ruling H026715 has not yet been set. CBP continues to work with the trade community towards identifying electronic means to facilitate compliance with this ruling
- CBP anticipates establishing an enforcement date for all modes once the requisite information technology issues are resolved. The trade community will be notified well in advance of the enforcement date once it is established

