



June 18, 2008

Dear Valued Customer,

RE: U.S. Census Bureau's Foreign Trade Regulations

In follow up to our [letter](#) dated March 19, 2008;

The U.S. Census Bureau has published the new Foreign Trade Regulations (FTR) in the federal register on June 2, 2008. The FTR will replace the existing Foreign Trade Statistics Regulations (15 CFR Part 30) effective July 2, 2008 with full implementation and enforcement scheduled for September 30, 2008.

The FTR will bring significant changes to the filing requirements of U.S. export information through the Automated Export System (AES) which will impact all parties involved in the exportation of goods from the U.S.

Please [click here](#) for UTi's summary of important changes and clarifications that are described in the new regulations.

All UTi clients are encouraged to visit: <http://www.census.gov/foreign-trade/www/> to review the new regulations, related FAQ's and other important information published by the agency.

UTi clients who are domiciled outside the U.S. and routing export shipments from the U.S. are strongly encouraged to begin notifying your U.S. vendors and suppliers of the new regulations to ensure that they are aware of and are meeting their FTR responsibilities.

Please be assured that UTi is committed to meeting all requirements of the FTR and we will continue to prepare our operations to be fully aligned with the new regulations before the implementation date. As a long standing AES participant, UTi is presently filing export information electronically through AES and we have already begun implementing programming and procedural changes to accommodate many of the new requirements.

While we move forward with achieving our goal of full FTR compliance, we must emphasize that we will only be successful in this endeavor if all parties are meeting their obligations and responsibilities as described and clarified by the FTR and detailed in item 5 of the UTi summary of changes and clarifications. Only with the mutual commitment from all parties will we be successful.

If you have any questions regarding the new regulations or concerns with how your U.S. export operations may be impacted, please contact your local UTi representative.

UTi is looking forward to working with you to meet the challenges posed by these new regulations and to continue a smooth and uninterrupted flow of the supply chain.

Sincerely,

UTi, United States, Inc.



Important FTR changes and clarifications

1. The filing of all Shippers Export Declarations through the Automated Export System (AES) will be mandatory. The paper SED (U.S. form 7525-V) will become obsolete.
2. The word "Statistics" was removed from the title of the regulations to reflect that these laws are not only used for the compiling of trade statistics but also have other export control uses that play a vital role in U.S. National Security and Foreign Policy interests.
3. The FTR includes substantially increased penalties for violations (FTR 30.71).
 - Violations have been clarified and defined as the failure by any party to meet any of the requirements of the FTR for each shipment.
 - Penalties can be assessed to Shippers (USPPI's), U.S. Forwarding Agents and Carriers.
 - Of most significance are monetary penalties for late filings of \$1,100 per day late with a maximum of \$10,000 per filing, \$10,000 for other violations such as filing false information and criminal penalties for "knowingly" violating any requirements of the FTR.
 - An increased number of inspections on export cargo may result from these new penalty provisions.
4. The term SED or Shippers Export Declaration will be replaced by EEI or Electronic Export Information.
5. The responsibilities of parties in an export transaction have been clarified as detailed below (FTR 30.3).

Routed Export Transactions, where clients domiciled outside the U.S. select UTi as their U.S. forwarding agent:

- Clients at destination (FPPI's) must provide UTi with a one-time written authorization to file EEI on their behalf. UTi will continue to request and obtain EEI authorization using the UTi FPPI Written Authorization Form.
- U.S. Shippers (USPPI's) must provide UTi with all required data elements that are necessary for accurate EEI filings. UTi will continue to collect the EEI data elements from Shippers in accordance with the UTi No SLI / No Load policy
- Shippers who are AES participants cannot file EEI unless they obtain separate Written Authorization from the client at destination.

Standard (non-routed) Export Transactions, where clients located within the U.S. select UTi as their U.S. forwarding agent:

- U.S. Shippers (USPPI's) must provide UTi with authorization to file EEI on their behalf. UTi will continue to request and obtain authorization to file EEI using the UTi USPPI Export POA.



- U.S. Shippers (USPPI's) must provide UTi with required data elements that are necessary for accurate EEI filings. UTi will continue to collect the EEI data elements from Shippers in accordance with the UTi No SLI / No Load policy.
 - Shippers who are AES participants may continue to file EEI and provide UTi with only the AES Internal Transaction Number (ITN) in lieu of providing UTi with authorization or the EEI data elements.
6. The FTR contains new EEI filing deadlines as detailed below (FTR 30.4).
- EEI must be filed and filing citations or EEI exemption legends presented to:
- **Ocean** Carriers no later than 24 hours prior to loading cargo on the vessel.
 - **Air** Carriers no later than 2 hours prior to departure of the aircraft.
 - **Rail** Carriers no later than 2 hours prior to a rail arriving at the border to go foreign.
 - **Truck** Carriers no later than 1 hour prior to a truck arriving at the border to go foreign.
7. New miscellaneous EEI filing exemptions have been added for shipments exporting under a Carnet and the re-export of goods that entered the U.S. under a Temporary Import Bond such as exhibition goods (FTR 30.37).
8. The FTR contains Voluntary Self Disclosure procedures for the purpose of mitigating penalties (FTR 30.74).
9. The filing options will only be referred to as "pre departure" and "post departure". There will be no more reference to Option 2 or Option 4 filing (FTR 30.4).
10. The August 2003 moratorium on Post Departure filer applications remains in place until further notice. While the Census Bureau is not accepting new post departure filing applications, all Shippers who are currently approved may continue to file EEI using the post departure option.
11. The party filing AES is responsible for accuracy of all filings and must transmit EEI changes or corrections as soon as known (FTR 30.3).
12. EEI will need to be cancelled for any goods not exported or goods that did not clear customs at destination and returned to the U.S. (FTR 30.27).
13. The statement "product replaced under warranty, value for EEI purposes" will need to appear on documentation when exporting goods under warranty at no charge (FTR 30.29).
14. In concurrence with the implementation of the FTR, U.S. Customs and Border Protection will begin enforcement of its requirements described in 19 CFR 192.14 and the Trade Act of 2002 for the mandatory, pre-departure electronic filing of export information through AES.