



Chapter 7

19 CFR Part 18

Transportation in Bond

Table of Contents

Overview	7-2
General Provisions	7-4
Immediate transportation without appraisement.....	7-7
Merchandise in transit to foreign countries	7-9



Overview

Reading Assignment

- This chapter and,
 - Read 19 CFR Part 18, Transportation in Bond
-

Concept

Circumstances exist where the merchandise will not be entered at the port of entry but be sent to another port for entry or export. Because there has been no entry filed for the merchandise, a bonded carrier is needed to move the cargo. Part 18 covers the transportation of material that has entered the Customs Territory of the United States but is being transported to another port for either entry or exportation.

Entry	Used For
Immediate Transportation (IT)	Moving merchandise between two ports of entry within the Customs Territory of the United States for entry in the port of destination
Transportation and Export (T & E)	Moving merchandise between two ports of entry within the Customs Territory of the United States for export out of the port of destination
Immediate Export (IE)	Moving merchandise between two shipping companies within a port of entry for export.

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Overview, Continued

Objectives

You should learn

- What transportation to use with Transportation in Bond entries
 - Special security measures that can be used
 - Diversion of, and changes to, Transportation in Bond entries
 - Incomplete deliveries, CBP rules, and carrier's responsibilities
 - What Transportation in Bond entries there are
 - Time frame for
 - Transportation between ports
 - Surrender paperwork upon arrival at port of destination
 - Make entry at port of destination
 - Rules for Direct Exportation
-

Test question workbook

After

- reading this chapter,
- reading 19 CFR Part 18, and
- answering the review questions for comprehension,

please go to the Test Question workbook and do the actual test questions in the section for Part 18. This will serve to reinforce what you have been studying while it is still fresh in your memory.



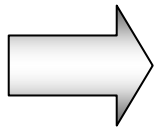
General Provisions

Carrier must be bonded

Merchandise to be transported from one port to another in the United States in bond must be delivered to a

- common carrier (railroad, steamship, pipeline, truck, airline or other transportation line),
- contract carrier,
- freight forwarder, or
- private carrier

that is bonded for that purpose.



Only vessels that are entitled to engage in the coastal trade (CR 4.80) can carry merchandise under this entry.

Receipt by the carrier

When merchandise is being moved from CBP custody at the importing carrier, the forwarding bonded carrier must take receipt of the merchandise within five (5) working days of the validation of the transportation entry, if no other entry is filed.

If the merchandise is not picked up within the five (5) working days, the entry will be considered cancelled.

Merchandise must be loaded under CBP supervision, unless

- The vehicle or container will not be sealed by CBP
 - CBP accepts the check made by the carrier
-

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General Provisions, Continued

Duration of trip Goods shipped under bond must be delivered at the port of destination

- Within 30 days after receipt if by land
- Within 60 days after receipt if by vessel

Arrival at port of destination The delivering carrier must deliver the in-bond manifest to the port director at the port of destination no more than 2 working days after the receipt of any part of the in-bond shipment.

Sealing conveyances Conveyances or compartments in which carload lots of bonded material is shipped must be sealed with

- commercial shipper seals,
- customs red in-bond seals, or
- other accepted seals.

After going over the in-bond entry, high-security CBP seals will be needed if the CBP officer decides they are needed to protect the revenue and prevent violations of Customs laws.

Diversion At the choice of the

- consignee or
- agent

any merchandise under any transportation entry may be diverted to any port other than the port named in the entry. Prior application or approval is not needed.

Merchandise can be entered at the diversion port of destination for consumption, warehouse, exportation, and further transportation or under any terms of the tariff law.

After merchandise has been delivered to the original or diversion port if it is to be forwarded again, a new entry is needed.

The merchandise can be split at the port of destination. Part can be entered for consumption or warehouse and the balance forwarded on. Filing of a new transportation entry will be needed.

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General Provisions, Continued

- Short shipment** When there is
- shortage of one or more packages,
 - non-delivery of an entire shipment, or
 - delivery to consignee without Custom's permission

the port director may demand the return of the merchandise to CBP custody. The demand must be made no later than 30 days after discovery and will be made upon the bonded carrier named in the transportation entry. The bonded carrier on the transportation entry is responsible for delivering the merchandise intact.

- Entry to file** The following entries and withdrawals may be made for transportation in bond:
- Entry for immediate transportation without appraisalment
 - Warehouse or rewarehouse withdrawal for transportation
 - Warehouse or rewarehouse withdrawal for exportation or for transportation and exportation
 - Entry for transportation and exportation
 - Entry for exportation

The copy of each entry or withdrawal made in any of the classes is retained in the office of the forwarding port director and must be signed by the party making the entry or withdrawal.

Before shipping merchandise in bond, the shipper should determine whether warehouse facilities are available at the intended port of destination.



Immediate transportation without appraisalment

Type of merchandise

Entry may be made for any merchandise EXCEPT

- explosives or
- prohibited material

upon its arrival at a port of entry

or

merchandise in general-order warehouse at any time within 6 months from date of importation.

Entry made by

A transportation entry may be made by anyone with interest in the shipment:

- Importer
- Freight Forwarder
- Customs broker
- Carrier

Neither a power of attorney nor a bond needed at time of filing the transportation entry.

Other Government agencies

If the merchandise is subject to detention by any other government agency, the entry must contain a sufficient description to allow a representative of that agency to learn the contents of the shipment.

Some shipments, such as those governed by Fish and Wildlife, are considered entered if only physically present in the Customs Territory of the United States even if an "entry" is not filed. To sum up, permission of these agencies is needed ahead of processing transportation in bond entry.

Quantities of entries

An imported shipment may be split between consumption, warehouse and transportation. The lowest unit of measure to be split is the smallest unit of measure on the bill of lading (e.g., one carton or package). All the merchandise needs to be entered at the same time.

Several importations for the same consignee can be consolidated under one transportation entry at the port of first arrival.

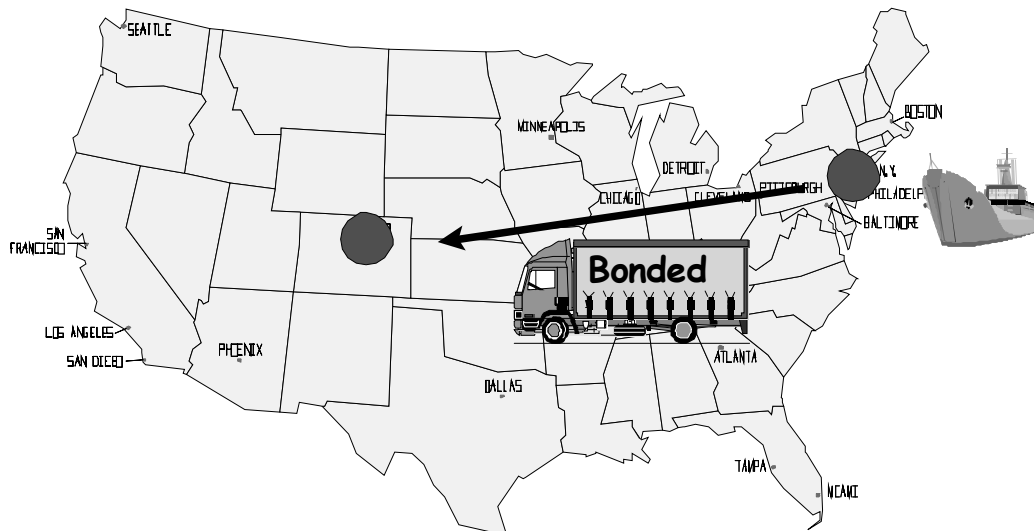
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Immediate transportation without appraisalment, Continued

Entry at port of destination Merchandise received under an immediate transportation without appraisalment entry may be entered under any form of entry and will be under all the rules about merchandise entered at a port of first arrival if less than 6 months have passed from the date of original importation. If more than 6 months have passed, only an entry for consumption will be accepted. Such entry must show the name of the port of first arrival, the transporting carrier, and the number of the immediate transportation entry.

Time frame for entry Entry has to be made within 15 calendar days after delivery at the port of destination.



When the shipment arrives in the port of New York but importer is in Denver, an IT (CF7512) is entered and the shipment is moved on a bonded truck to Denver.

Duty rate = IT acceptance at origin (NY)

Time of Entry = Release at final destination (Denver)



Merchandise in transit to foreign countries

Entry and transportation

Copies of a bill of lading or air waybill covering the merchandise must go with the entry.
Merchandise must be forwarded in the same manner as that on an immediate transportation entry (i.e., bonded carrier and the rest).

Restricted and prohibited material

Subject to examination:

Merchandise subject upon importation to examination, disinfection, or further treatment under quarantines and Quarantine Division, Agricultural Research Service, Department of Agriculture, will be released for transportation or exportation only upon written permission.

Narcotics:

Narcotics and other articles prohibited from admission into the commerce of the United States must not be entered for transportation and exportation, and any such merchandise offered for entry for that purpose shall be seized, except that exportation or transportation and exportation may be allowed upon written authority from the proper governmental agency and/or compliance with the rules of such agency.

Explosives

Explosives must not be entered for transportation and/or exportation under a transportation and exportation entry, or an immediate transportation entry unless the importer has first received a license or permit from the proper governmental agency. This includes ammunition and the like that would be in transit through the United States.

Change of destination or entry

The parties in interest, upon notice to the director of the port of exit, may change the foreign destination. The director of the port of exit, at his discretion, may report the application for a change of foreign destination to the director of the port of entry.

The merchandise, upon arrival at the port of exit, may be entered for consumption or warehouse or under any other form of entry rather than being exported.

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Merchandise in transit to foreign countries, Continued

Retention of goods on dock

Upon

- written application of a party in interest and
- the written consent of the owner of the dock,

the port director may allow in-transit merchandise to remain on the dock under the supervision of a CBP officer without extra expense to the Government for a period not exceeding 90 days. Upon further application, other extensions of 90 days or less, but not to exceed 1 year from the date of importation, may also be given by the port director. The port director may take possession of the merchandise at any time.

Splitting of shipments

The splitting up of a shipment for exportation will be allowed when exportation in its entirety is impossible because of

- the different destinations to which portions of the shipment are destined,
 - the exporting vessel's inability to properly accommodate the entire quantity, or
 - similar circumstances.
-

Direct exportation

Direct exportation is needed

- when no entry has been made or finished for merchandise in CBP custody,
- when the merchandise is covered by an unliquidated consumption entry, or
- when merchandise, which has been entered in good faith, is prohibited under any law of the United States.

And, such merchandise is to be exported directly without transportation to another port. In such case, four (4) copies of the CBP 7512 must be filed. If the merchandise is covered by either an ATA or TIR carnet, the carnet will be cancelled or discharged, as suitable.

A basic custodial bond on CBP Form 301 will be needed.

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Merchandise in transit to foreign countries, Continued

Direct exportation *Continued*

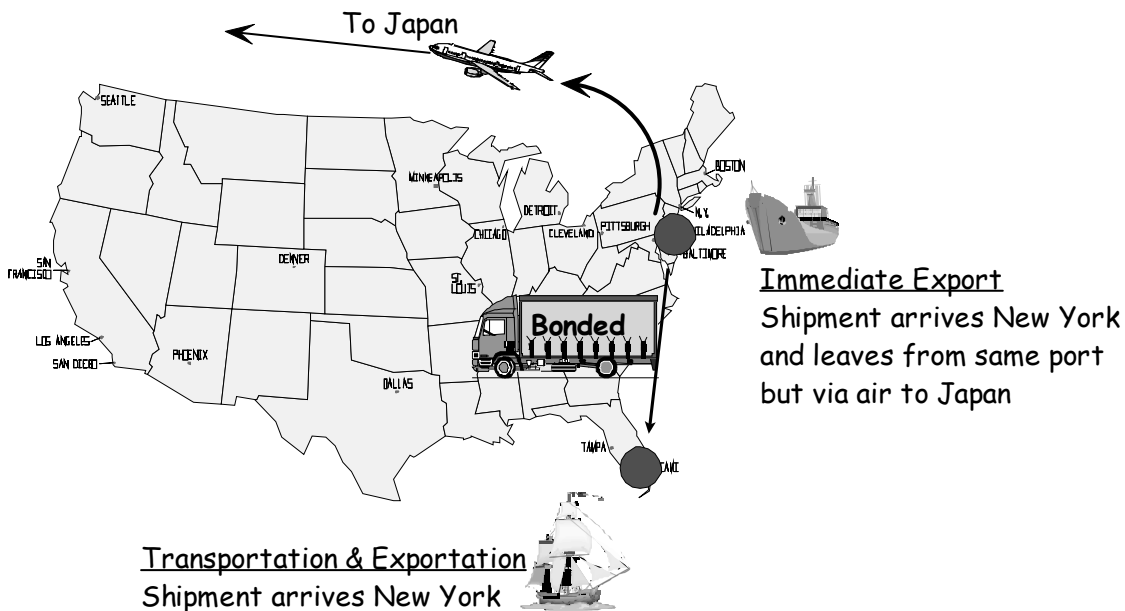
If the merchandise has been landed or is moved from one vessel to another and has not been entered for consumption or for goods entered for consumption and rejected, an export declaration must be filed.

If the merchandise is exported in the importing vessel without landing, a representative of the exporting carrier who knows the facts must certify that the merchandise entered for exportation was not discharged during the vessel's stay in port. A charge will be made against the continuous International Carrier bond on CBP Form 301 if on file, or if a continuous bond is not on file, a single entry International Carrier bond shall be needed for residue cargo for foreign ports.

The principal on any bond filed to guarantee direct exportation should cause the merchandise to be exported and provide such evidence of exportation as needed by the port director within 30 days of exportation.

Gunpowder and other explosive substances, the deposit of which in any public store or bonded warehouse is prohibited by law, may be entered on arrival from a foreign port for immediate exportation in bond by sea, but must be moved directly from the importing to the exporting vessel.

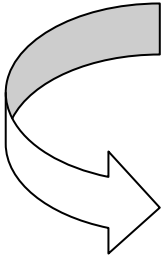
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Transportation & Exportation
Shipment arrives New York
and is sent to Miami to be
loaded on a vessel for South
America.



Merchandise in transit to foreign countries, Continued



Now go to either the workbook or the review quiz
in your Students Corner and complete the questions
for this chapter.
