

Carnet Services Update

RE: ATA Carnet Validation at Port of Re-Export in the USA
(referred to by US CBP as the Port of 'Export')

Canadian exporters have long-awaited this news and the day has finally arrived! This does not resolve all issues. We are nonetheless delighted with the progress made.

Please be informed that US Customs and Border Protection has issued the following "muster" which was sent to all field offices on October 17th, 2011. It is represented in its entirety below.

Week of Muster: October 17, 2011
Topic: ATA Carnet Validation at Port of Export
Headquarters POC: Program Manager
Office: Cargo and Conveyance Security/Cargo Release Branch

Message:

The purpose of this muster is to provide clarification and guidance in reference to validation of foreign carnets at the port of export. In accordance with the provisions in 19 CFR 10.38(d), "Articles entered under a carnet shall not be examined elsewhere than at the port from which they are to be exported." Foreign carnet holders are incurring regularization fees (\$50 per incident) for failing to have the re-exportation voucher validated upon export. Some holders have incurred up to \$800 in regularization fees, depending on the frequency of trips. ATA Carnets are valid for one year and can be used for multiple entries within this timeframe.

For example, a Canadian company participates at a trade show entering their goods at a certain U.S. port under an ATA carnet. When departing this port, the foreign carnet holder surrenders possession of the goods to the air carrier. The holder has a connection in another U.S. port prior to arriving back in Canada. For an officer to require the holder to retrieve goods that have already been checked, screened by the Transportation Security Administration, and tagged to their foreign destination from the airline in the middle of the journey solely for the purpose of validating a carnet is unreasonable, costly and an extreme inconvenience to the carnet holder and the air carrier.

Under these circumstances, the "last port of export" would be where the holder last had physical control of the goods and is not reasonably able to come into contact or alter the goods until they have arrived at the final foreign destination.

Effective immediately, when a foreign carnet (and its goods) is presented at an intermediate port where the goods will be surrendered to the air carrier, and proof established that the holder will not have access to the goods covered by the carnet in another U.S. port before departing foreign, the carnet shall be validated.

This policy decision was made in consultation with and in full support by the Office of Regulations and Rulings. Validation procedures for the ATA Carnet as outlined in CBP Directive No. 3280-013B remain the same.