



# United States Council for International Business

ATA Carnet and Customs Department

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April 14, 2005

Info: DIR  
T. Casey

Director  
U.S. Census Bureau  
Room 2049  
Federal Building 3  
Washington, D.C. 20233

Re: Mandatory electronic filing of Shipper's Export Declarations, 15 CFR Part 30

Dear Sir or Madam:

We are writing on behalf of the United States Council for International Business (USCIB) to request that U.S. Census clarify that temporary exports under ATA Carnet are exempt from SED or EEI filing.

Our comments on the notice of proposed rulemaking (NPR) relate to:

- Clarifying the rules and procedures that govern Carnets for Customs and Border Protection and Census Bureau purposes.
- Identifying the necessary adjustments to the FTR as currently proposed.

### Background

A Carnet, an internationally recognized customs document, was created for the purpose of facilitating temporary importation of goods. The ATA Carnet is administered by the World Customs Organization and its "Customs Convention on the ATA Carnet for the temporary admission of goods."

In 1968, the United States acceded to the ATA convention. The United States Associates of the International Chamber of Commerce, now known as USCIB, was appointed by the Treasury Department and its Customs Service to serve as the sole national guaranteeing and issuing organization (NGA) for ATA Carnets entering or exiting the customs territory of the United States. As a condition of its appointment, USCIB entered into an undertaking whereby it acts as surety and is the organization responsible for payment of all Carnet claims to Customs and Border Protection. The United States is one of 61 contracting parties to the ATA Convention.

In 1997, a Protocol was signed wherein USCIB was also appointed as guaranteeing and issuing association for all Teco/AIT Carnets. Teco/AIT Carnets are governed by the same rules as ATA Carnets but are used exclusively for goods moving between the U.S. and Taiwan.

### Summary of Carnet Rules and Procedures Relating to CBP and Census

For purposes of commentary on the NPR, this discussion is focused on the Carnet rules and procedures as they relate to temporary exportation under U.S.-issued Carnets, not importation

under foreign-issued Carnets. However, it should be noted that all carnets, whether U.S. or foreign are governed internationally by the same operating procedures. In summary:

- U.S.-issued Carnets may be used for unlimited exits from the U.S. and unlimited entries into member foreign countries for the one-year period for which they are valid.
- Goods covered by Carnets include:
  - Commercial samples, professional equipment, and items for fairs and exhibitions.
  - Ordinary goods such as computers, tools, cameras and video equipment, industrial machinery, gems and jewelry, and wearing apparel.
  - Extraordinary items, e.g., fine art, Ringling Brothers tigers, Cessna jets, one-of-a-kind musical instruments, World Cup class yachts, satellites, and human skulls.

The current **CBP** procedures for exiting the U.S.-customs territory using U.S.-issued Carnets are as follows:

- The Carnet is presented to CBP at the time of exit from the U.S. The Carnet "General List" provides a detailed description of the goods.
- The CBP inspector uses the General List to verify the items that will leave the U.S. This satisfies the export control responsibilities of the agency and initiates the temporary exportation.
- U.S. CBP validation of the Carnet enables the temporary importation of the goods into another Carnet country without a formal "entry" or import bond.
- The Carnet fulfills the requirement to "register" the goods with CBP at the time of departure, but does not exempt the holder from export license requirements.

The current **Census** procedures are as follows:

- An SED or AES proof of filing citation must be presented with the Carnet to CBP at the time of exit from the U.S.
- The **data** on the SED is considered a "temporary exportation" by Census and is not included in export statistics.

Thus, it would seem that such temporary exports (in the case of U.S.-issued Carnets) or re-exports (in the case of foreign Carnets) should be made exempt from SED/AES filing. Not to do so would needlessly burden U.S. exporters and our trading partners.

#### Proposed Adjustment to the FTR

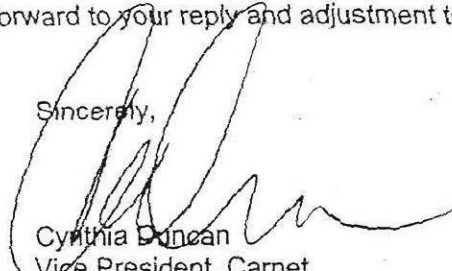
We submit that **because** goods moving under a Carnet must be returned to the United States within 12 months for which the Carnet is valid:

- They are "temporary exports" and should be exempt from filing SEDs or EEL.
- The exemption should be added to Sec. 30.37 "Miscellaneous Exemptions".
- We propose the following:

- o The exemption be added as item (r)
- o The exemption should read: "Temporary exports, whether shipped or hand-carried, which are returned to the United States no later than one year (12 months) from the date of export."

We thank you for this opportunity to comment and look forward to your reply and adjustment to the final rule.

Sincerely,



Cynthia Duncan  
Vice President, Carnet  
Operations

CC: Ms. Bylie Patterson, Office of International Affairs, CBP  
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