

Dear Colleagues:

The European Commission has been working on rewriting the EU's advance cargo data reporting requirements for quite a while, and is now in the final stages of finalizing its proposal as part of the implementation of the new so-called Union Customs Code (UCC).

The EU system varies from the U.S. system in a number of ways, and a major difference is the implementation by the 28 national Customs authorities in the EU, rather than a single customs authority like CBP. Nevertheless, the new rules will apply to all 28 EU member nations and will become effective when the necessary IT systems in Customs and with traders are in place. (Other changes to EU Customs rules as a result of the UCC will take effect beginning in mid-2016).

Of the many changes being proposed by the Commission, two stand out. One is the proposal to require NVOCCs to file their "ENS" data (similar to carrier manifest data in the U.S.) just as ocean carriers do. The Commission's failure to include NVOCCs in its "24 hour rule" in 2006 has always been an obvious shortcoming. We have no objection to the logical proposal to fix that. We do note, however, that it is unclear how the system will work, and we are seeking clarity as our attached comments note.

Second, we note that the EC is looking for a short-cut way to obtain the identity of the "buyer" and "seller" of imported goods. Instead of getting it from the European importer, like the U.S. ISF-10 does, the Commission's proposed regulation would require that this data be provided to the carrier/NVOCC – or in the alternative, to be filed by the consignee – as a condition of vessel loading. Based on our understanding and experience with U.S. shippers during the "10 plus 2" rulemaking, we have consistently advised the Commission that "buyer" and "seller" data may be business confidential, and that it is not appropriate to require its disclosure to ocean carriers/NVOCCs. (Note: In addition, carriers' current documentation systems have no data fields to capture this information.) We continue to believe and advocate this view, as our most recent comments to the Commission this month explain. We also continue to struggle to get the Commission to recognize that the carrier/NVOCC's consignee is not an appropriate fall-back for filing this information.

If this rule is implemented as proposed, U.S. exporters to the EU should recognize that they will be required to provide the identity of the buyers of their goods to their carrier or NVOCC (or to their consignees for their filing) prior to vessel loading, so that this information could be provided in the carrier's/NVOCC's ENS filing (or in ENS filings by their consignees). If exporters have a problem with this, they may wish to consider making their objections known.

The following link will provide you with the most recent comments that WSC has submitted to the Commission. <http://www.worldshipping.org/industry-issues/security/cargo-and-the-supply-chain/eu-programs-and-issues/eu-advance-cargo-shipment-data>