CERTIFIED EXPORT SPECIALIST (CES)

Case Study #004 – Exportation of a Vehicle

Study Material & Quiz
Introduction

The exportation of vehicles involves additional regulatory requirements, outside the standard export regulations. Two of the reasons that drive the additional regulatory requirements for vehicles are 1) to identify and recover stolen vehicles being illegally exported and 2) to target money laundering schemes. The additional requirements occur at different stages in the export process and are recommended to be followed in order to have a successful and compliant export transaction.

Before exporting a vehicle there are several questions to ask in order to know which regulations will apply.

- Is my transaction an export?
- Is this a self-propelled vehicle?
- Who is the owner of the vehicle?
- Is it considered “new” or “used” for the purpose of export?
- How is the vehicle titled or registered?
- What U.S. regulations apply to my transaction?
- Does the State have additional requirements?
- What are the destination country requirements?

This case study will focus on the requirements for exporting a self-propelled vehicle. Throughout this case study we will refer to the timing of the presentation of documents to Customs and Border Protection (CBP) to be 72 hours prior to export for used self-propelled vehicles. This subject will be addressed in detail later in the document.

Key Definitions: 19 CFR 192.1

Certified. "Certified" when used with reference to a copy, means a document issued by a government authority that includes on the certified copy - a signed statement by the authority that the copy is an authentic copy of the original.

Copy. “Copy” refers to a duplicate or photocopy of an original document. Where there is any writing on the backside of an original document, a “complete copy” means that both sides of the document are copied.
Export. "Export" refers to the transportation of merchandise out of the U.S. for the purpose of being entered into the commerce of a foreign country.

Self-Propelled Vehicle. "Self-propelled" vehicle includes any automobile, truck, tractor, bus, motorcycle, motor home, self-propelled agricultural machinery, self-propelled construction equipment, self-propelled special use equipment, and any other self-propelled vehicle used or designed for running on land but not rail.

Ultimate Purchaser. "Ultimate Purchaser" means the first person, other than a dealer purchasing in his capacity as a dealer, who in good faith purchases a self-propelled vehicle for purposes other than resale.

Used. "Used" refers to any self-propelled vehicle the equitable or legal title to which has been transferred by a manufacturer, distributor, or dealer to an ultimate purchaser.

Background Information: Is my transaction an export? What constitutes an export?

If the vehicle departs the U.S. territory for the purpose of entering the commerce of a foreign country, then it is an export. “What if I drive my car into Canada?” In this case, you are traveling to Canada by automobile, you are not selling the vehicle while in Canada, and it will remain in your possession. Due to the fact that it does not enter the commerce of Canada, this is not an export. If you plan to sell the vehicle while you are in Canada, now it is an export. If you did not properly register and report the vehicle upon departure from the USA, you will not be able to sell the vehicle until you have completed the export process. This process will include returning to the border, crossing into the USA, and completing the export paperwork procedures. After U.S. Customs and Border Protection (CBP) formalities are completed and approved, re-entry into Canada for the purpose to sell the vehicle is allowed.

Note: For purposes of this study, shipments in the U.S. under a Temporary Import Bond (to be re-exported in the same condition), or those being Temporarily Exported to be returned within 12 months of export, as well as those covered by CARNETS are not considered “exports”.

We will discuss the commercial sale of a vehicle from a U.S. company to a foreign company with the intent to export that vehicle.
Background Information: Is this a Self-Propelled Vehicle?

Next, you will need to determine if you are exporting a “self-propelled” vehicle (i.e. a vehicle that can move by its own power). If the vehicle is not able to move by its own power (i.e. requires to be connected to another self-propelled vehicle) then it is not “self-propelled”. A non – self-propelled vehicle is more likely a trailer of some type and will not be regulated by the same rules as a self-propelled vehicle.

Self-propelled vehicles are not limited to cars. A "self-propelled" vehicle is any automobile, truck, tractor, bus, motorcycle, motor home, self-propelled agricultural machinery, self-propelled construction equipment, self-propelled special use equipment, and any other self-propelled vehicle used or designed for running on land, but not rail.

Background Information: Who is the owner of the vehicle?

Please refer to Appendix U for a list of HTS/Schedule B numbers requiring “Used Vehicle” reporting.

The owner of the vehicle will be the company or person to which the vehicle is registered. Identifying the owner will direct us down the correct regulatory path for paperwork processing and export compliance. If you are unsure of the owner of the vehicle, then it is recommended that you confirm this data prior to moving forward with the export transaction.

What are the options of ownership? Here are some possible options, but like any business transaction there can be a myriad of ownership agreements.

a. A dealership sells a vehicle to a foreign dealership
b. An individual or company purchases a new vehicle from a dealership
c. A lease is written on the vehicle and there is a third party owner interest in the vehicle (provisional owner*)
d. There is a lien on the vehicle and thus the lien holder (e.g. a bank) owns the vehicle (provisional owner*)
e. The vehicle is owned by the U.S. government and will be exported for official business
f. The vehicle is foreign owned and is being exported
Background Information: Is this a “new” or “used” vehicle?

A used vehicle has a very specific CBP definition and should not be assumed. The question needs to be researched and verified. This factor will change the paperwork requirements.

As per the CBP regulation, 19 CFR 192.1, “used” refers to any self-propelled vehicle where the title (or equitable document) has been transferred from the manufacturer, distributor or dealer to an ultimate purchaser which may be a person or company. Even if the vehicle has not been driven, the transfer of this ownership to an ultimate purchaser will designate that it is used. Don’t they always say that when you drive a new car off the lot and it loses 20% of its value? Once that purchase has been made it is used. The mileage is not taken into consideration in determining whether or not a vehicle is used.

When is a vehicle considered to be “new” if it is sold and being exported overseas? In a case that a vehicle is considered new, the vehicle has not had a title transfer of ownership. A common scenario would be a U.S. car dealer selling to a foreign car dealer. This question is better answered below in “How is the Vehicle titled or registered?” with the DMV (Department of Motor Vehicles).

State Requirements for Vehicles for Exportation (Used/Titled)

Each state may have their own requirements for allowing a shipment to be exported.

For example: in California the owner must complete a Certification for Exportation in person at the local DMV office prior to initiating the export process.

Please see: https://www.dmv.ca.gov/portal/dmv/?1dmy&urile=wcm:path:/dmv_content_en/dmv/vr/export

Selecting an Agent

The paperwork process for a vehicle export can be handled by the individual owner of the vehicle or a designated and authorized agent. If the person who presents the export documentation to CBP is not identified as the ultimate purchaser or owner, he/she must
present proof of authorization to export the vehicle from the owner / purchaser. This requirement can be met with a notarized letter and photocopy of a government issued identification from the owner / purchaser identifying the person submitting the documents. Designated agents presenting the required documents and proof of authorization must also present appropriate photo identification. Please see:
http://www.census.gov/foreign-trade/regulations/forms/index.html#powerofattorney

The proof of authorization should also include the authority to transmit the Electronic Export Information. If the export is controlled by the foreign owner/company, the authorization will need to come from the foreign owner / company. Please see:
https://www.census.gov/foreign-trade/regulations/regs/flipper/index.html#routedexporttransaction

How is the vehicle titled or registered?

A vehicle can be titled in the USA, a foreign country or not at all. This is where it gets a bit complicated.

a. USA TITLED VEHICLES: The vehicle is issued a certificate of title by a jurisdiction in the U.S. This is the traditional title that we have become accustomed to when buying and selling our personal cars. You will notice that ATVs, motorcycles, cars, tractors, motor homes, etc. all have titles. Titles are used to officially register the vehicle in the State in which it will be owned. The titling process is managed on a state by state basis. Please note, that each state may have an export caveat that must be complied with prior to export. If the self-propelled vehicle is considered to be under “salvage” then the Salvage Title will take the place of the Certificate of Title.

b. FOREIGN COUNTRY TITLED VEHICLES: The vehicle is legally registered or titled in a foreign country. An original document that provides satisfactory evidence of proof of ownership of the vehicle will be used in place of the traditional “title”. If the document is not in English, then an English translation must accompany the proof of ownership.

c. U.S. UNTITLED NEW VEHICLES: The vehicle is issued a Manufacturer’s Statement of Origin (MSO) by the U.S. manufacturer, distributor or dealer and Certificate of Title is not issued. Upon export, the MSO is used in place of the title.

When there is no MSO and no title, a document on the owner’s letterhead proving ownership can be used as long as it has the necessary data describing the vehicle. The
letter must certify the purchase of the vehicle is legitimate and provide sufficient proof that the vehicle is not stolen.

d. U.S. VEHICLES CONSIDERED SCRAP OR JUNK: The Junk or Scrap Certificate issued by any jurisdiction in the USA can be provided to CBP.

e. U.S. USED VEHICLE with no title or MSO in force: A document proving ownership may be used as long as it has the necessary data describing the vehicle and it is on letterhead with a good explanation. An example of this document may be a Donation Certificate or a Certificate of Antiquity or Bill of Sale.

Where there is no MSO and no title, a document on the owner’s letterhead proving ownership can be used as long as it has the necessary data describing the vehicle. The letter must certify the purchase of the vehicle is legitimate and provide sufficient proof that the vehicle is not stolen and it is on letterhead with a good explanation. *

*NOTE - Vehicles owned by a Third Party: If there is a provisional owner due to a lien or lease agreement, meaning a third party holds the title or interest in the vehicle, a writing on letterhead by the third party owner must be included with one of above documents, and include all the vehicle information (VIN – Vehicle identification number, name of owner, or lien holder, telephone numbers, original signature of the third party, and date). This document must be notarized.

Let’s review the options:

• Certificate of Title
• Salvage Title
• Foreign proof of ownership registered in a foreign country letter
• Manufacturer Statement of Origin
• Other document proving ownership of a NEW vehicle on letterhead.
• Scrap or Junk Certificate
• Other document proving ownership of a USED vehicle on letterhead.
• Information from Lien / Lease holders

In all cases the chosen document must be an “Original” or “Certified Copy”, and presented with two “complete copies”.

Note: A Certified Copy is a copy of the original that has an originally signed statement by a government authority that it is an authentic copy of an original. A complete copy is a copy that includes both sides of the copied document.
Value of the Vehicle

A bill of sale, auction sales document, commercial invoice or document declaring the value of goods will be presented to CBP along with the shipping documents.

Are we ready to export yet?

Actually no, we are not. Sit tight; it’s a long road ahead of decision making, sourcing of data and presentation of documents.

Now that we identified what is to be exported, who owns the vehicle and whether it is or is not titled, we must consider the rules for import into the foreign country before we go any further.

Destination Import Requirements: To what country are we exporting?

Prior to shipping a vehicle to a foreign country, it is important to identify the foreign country’s requirements and restrictions. Each country will have different requirements based on the age, type, local environmental regulations, make of vehicle, and possible safety requirements. The consignee/importer (who is generally the purchaser) of the vehicle should not assume that they can import the vehicle. They should research all requirements prior to making the purchase. The foreign importer will also need to verify the requirements to be an importer of record and ensure they are properly set up in their country to import a shipment.

Some countries may require you to submit a copy of the vehicle or engine’s Certificate of Conformity and Certificate Summary Information (test data).

If the country is a lead fuel burning country you may have to request authorization from the U.S. Environmental Protection Agency (EPA) for approval to remove the catalytic converter or oxygen sensor prior to export. (Please note: if either one of these items are removed, the cargo will not be allowed back into the USA).

Here are some simple examples of destination country requirements for the import of vehicles. Each country may have different requirements.

- **China:** Only new* autos are allowed. The consignee must have the import license in order to import new automobiles into Shanghai. Tianjin, Dalian and Shanghai are the only ports in China authorized to accept imported vehicles.
*The definition of “New” or “Used” may vary per country. Be sure to confirm this definition prior to assuming a “Used” U.S. vehicle that is titled by a U.S. jurisdiction is actually considered “Used” or if it will be considered “New” based on having no or low mileage and is newly purchased.

If it is a “Newly” purchased vehicle straight from the dealer, study the fine print when purchasing the vehicle to ensure that you have proper authority to actually sell the product domestically as well as overseas.

- **Haiti:** Vehicles to be collected in Port au Prince must be in working condition and may not be dismantled. No trucks are allowed to be imported into Haiti. There will be a special fee at final destination.

  For vehicles imported into Haiti by a Non-Government Organization (NGO), the NGO must submit a letter to the Ministry of Planning (MPCE) to inform them about the vehicle shipment. Upon receipt of the letter, MPCE will forward the request to the Unit of Coordination of NGOs (UCAONG) for their action. At this point there will be additional paperwork to obtain approval.

- **Lebanon:** (Beirut) No autos over 8 years old are allowed entry into Lebanon. For pick-up trucks running on gasoline there are no restrictions; however, diesel engine pick-up trucks are subject to a 5 year age limit & payload should be at least 3.5 tons. The documents must be legalized by the Lebanese Consulate / Embassy in the USA.

- **UAE (Dubai):** There does not seem to be an age requirement on vehicles imported into Dubai, but there is an inspection process when the shipment arrives. The requirements for the inspection should be verified prior to export.

**What U.S. regulations apply to my transaction?**

**Transportation and Export Clearance Requirements**

Once a final destination is confirmed and we know the origin of the vehicle, the next steps are similar to any shipment. The mode of transportation must be selected: Air, Ocean, Rail and/or Road. For purposes of today’s discussion, we will discuss an ocean shipment.

The mode of ocean offers two methods: Roll-On /Roll-Off (Ro/Ro) and Containerized.
Ro/Ro service is a service offered by the ocean carrier in which they will drive the self-propelled vehicle onto and off of a specially equipped vessel. The vehicle will be secured to the vessel for transport. Ro/Ro service is offered for all types of vehicles. This service is used when moving oversized cargo (cargo that does not fit into a container), and may be a simpler method for shipping wheeled cargo. A vehicle can be affixed to a chassis with wheels if required. On board the vessel, no vehicle can contain more than ½ tank of gas (1/4 is recommended). The keys must accompany the vehicle (which must be in running condition, unless the vehicle is towable). The vehicle must not contain any additional items other than factory installed equipment.

Container service is a service offered by ocean carriers in which the vehicle is loaded into a container for transport and the carrier loads and secures the container on the vessel. There are loading, packing, and securing requirements set forth by each carrier. In general, one vehicle can be loaded per 20’ standard dry container and two vehicles per 40’ standard dry container (some carriers allow more vehicles). Each carrier that accepts containerized vehicles will be able to provide their container loading restriction. In some cases, the container may not have vehicles stacked, or suspended by wires. You may also see rules that state all four tires of the vehicle must remain on the floor of the container and be properly blocked and braced.

The battery of the vehicle must be disconnected, the battery terminal cables must be secured, all fuel must be drained and fumes must be purged from the gas tank. The keys should be removed from the vehicle. The vehicle may not contain any additional cargo other than its own essential parts and accessories.

**Hazardous Material Requirement**

Vehicles are considered hazardous materials under UN 3166, Class 9 or UN 3171, Class 9 unless they are exempted. Refer to IMDG Code Amendment 35-10.

**Working with the Ocean Line**

The exporter or its agent should obtain the routing for the transportation service based on the requirements of the vehicle. This is a good time for ocean line to provide their corporate procedures on how to ship a vehicle using their services. Though requirements are similar, there are small company differences that need to be accommodated. It is good to learn of these at the time of the routing analysis, versus at the time of booking. All data elements should be gathered prior to making the booking.
A shipper may also book the export of the vehicle through a licensed freight forwarder. A freight forwarder will assist to arrange the export of the shipment based on the needs of the client by providing routing and pricing options, preparing the export bill of lading and processing the export Customs requirements and Electronic Export Information (EEI).

Unless credit terms are established between the carrier and the exporter, full payment of ocean freight charges are payable prior to the vehicle being loaded.

**Booking with the Ocean Line**

At the time of booking, the ocean line will provide the estimated sailing schedule and document cut-off date and time. The document cut off for a vehicle shipment will be different than for a standard shipment. (A document cut off is the final date the bill of lading master and the Internal Transaction Number (ITN) are required to be sent to the ocean line prior to export. The ITN number is the CBP confirmation number of the Electronic Export Information (EEI). Many ocean lines will move up the document cut off in order to accommodate the additional export procedures. The carrier will also provide a cut-off date for the delivery of the cargo which may or may not coincide with the documentation cut-off date. It is important to pay special attention if the shipment is being transported to the port by rail. In this case, the rail billing will require 48 hours notice and the dock receipt and data elements will have to be presented for the rail billing at that time. Typically, the rail billing will be completed by the vessel carrier’s rail team. If you have arranged your own rail service, then you have to organize the rail billing accordingly.

**Electronic Export Information (EEI) via the Automated Export System (AES)**

Most vehicle shipments require “Export Clearance”: 1) The transmission of EEI to AES (72 hours prior to export) is required regardless of the value or destination, including exports to Canada (as noted in 19 CFR 192.2) for all used self-propelled vehicles (see FTR 15 CFR 30.2(a)(1)(iv)(H) and 15 CFR 30.4(b)(5)) and 2) presentation of required documentation to CBP. Note: These requirements may not apply to transactions of self-propelled vehicles under TIB’s Carnets or that qualify as temporary exports.

**Dock Receipt (at Origin)**

Regarding shipments transporting to the port by rail: Once the cargo is loaded into the container, a dock receipt should be created which will be presented to the rail billing ocean line.
and then presented to the terminal upon arrival into the export terminal. If the shipment is presented to the terminal at the port of export by truck, then the dock receipt is presented at that time to the terminal, if required. Dock receipts are not required at all ports. For example, the CBP local LA /Long Beach port requires a cover letter (see port references below). The Dock/Delivery Receipt should include the following data elements:

**USED Vehicles:**
- Company name and address for both the Shipper and Consignee
- Booking number
- Container number
- Seal number
- Weight (kgs or lbs – must be specified)
- Description of the vehicle including: year, make, model, VIN number
- Statement certifying the gas tank has been drained and batteries have been disconnected.
- Signature (signed and printed) and date must be near this statement
- The Dock Receipt may only be one page and have one container listed.

**NEW Vehicles:**
- A statement on shippers’ letterhead with the following information:
  - Statement that the vehicle is new
  - Statement certifying gas tank has been drained and battery is disconnected
  - Signature (signed and printed) and date must be near this statement
  - Booking number

**U.S. Export Foreign Trade Regulations (FTR)**

The revised FTR dated January 8, 2014, enforceable October 3, 2014, mandates that EEI must be filed through AES by 72 hours prior to export for all exports of used self-propelled vehicles, regardless of value and destination. All OFAC, BIS, DDTC, Census and CBP regulations must be followed accordingly. The type of vehicle, use of vehicle, end use, destination country and ultimate consignee will dictate which regulations apply. This includes but is not limited to export transactions that are licensable or require an Export Control Classification Number (ECCN). It is important to vet each scenario and to check against restricted party lists. US Export Control regulations must be satisfied prior to booking the vehicle.

The EEI will require the Vehicle Identification Number (VIN), make, and model as well as all other EEI data required by 15 CFR 30.6.
After the EEI is transmitted, an ITN number will be provided upon a successful and compliant acceptance. The ITN number must be listed on the shipping instruction and submitted to the ocean line by the document cut-off date/time. Remember - the document cut-off date will normally be earlier for a vehicle export versus other exports. If the shipment is coming from an inland point and moving on the rail to the port, the document cut-off date will be in accordance with the rail billing.

**Dock Receipt at Port of Export (When Required)**

Rail depot at the port of export: The rail depot at the port of export will receive the container and at the same time they need to receive a copy of the dock receipt. A work order will be created by the inbound operation team (normally working for the carrier) for the container to be offloaded from the rail and drayed to the terminal. The work order will notify the terminal that this is a vehicle shipment and the dock receipt will accompany the work order.

Terminal at the port of export: In ports that require a dock receipt, the terminal will require it in order to receive a truck delivery with the container. Note: Dock receipts are also required for RO/RO delivery, even in ports that do not traditionally require dock/delivery receipts. The operations team will issue a work order to dray the container delivered by truck (or coming in for Ro/Ro service). This work order will be accompanied by the dock receipt brought by the trucker (or individual delivering a vehicle).

At this point the vehicle is at the terminal and staged for loading. The carrier’s operations team is in charge of the load plan of the vessel. They will not include the vehicle in their stowage plan to load on the vessel until proof of validation is provided to the carrier’s operations team. Proof of release (validation) will be sent after CBP has validated the export. Each carrier has their own requirements such as receiving information at a specific email address or at the carrier’s documentation team. In either case, it is important to verify to whom to send the confirmation in order to prevent losing time in getting the information to the load planners.

The actual paperwork may not be filed with the export team at CBP until the vehicle shipment is confirmed to have arrived into the terminal where the cargo will be staged for loading onto the vessel.

On the day of arrival into the terminal, the owner or its agent is then allowed to present a full set of documents to the Export team at CBP in order to validate (approve) the vehicle for export. Note: No person will be allowed on port property without a TWIC card unless they are escorted by someone with a TWIC card and proper identification.
Time Frame in Which You Are Allowed to File the Documents for the Export of a Vehicle

The regulations vary based on region. Some state you must file the original request with the correct paperwork a minimum of 72 hours prior to laden on vessel and only after the vehicle is confirmed to be at the terminal of export or CFS. The 72 hours does not include weekends or holidays. Please note that 72 hours in some ports is counted prior to vessel arrival into the port versus from the actual laden date. The actual vessel arrival or laden day may not be included in the calculation of the 72 hours—based on local CBP determination in the port. In other words, you need three full business days for CBP processing time exclusive of the arrival or laden date depending on the port.

Document Submission to CBP

Documents must be presented to CBP at the port of export by the exporter or their designated agent. The port of export is the port at which the vehicle will exist the USA. This can be the loading port of the ocean line terminal. If the vehicle is loaded into a container at a CFS station the port location may be at an approved CBP bonded Container Freight Station (CFS). An inland rail port is not considered the port of export.

The carrier / terminal or CFS will complete a dock receipt, or similar document confirming the vehicle has arrived into the terminal and its location. The exporter/shipper or designated agent will provide this to the terminal, and then the terminal will return documents with confirmation that the cargo has arrived and is available.

The following list of documents must be presented to CBP in order to initiate the validation process:

1) Dock receipt or similar information (call the local CBP port of export for local requirements)
   a) Some ports allow a Letter of Intent (the same information that would be on the dock receipt would be on the Letter of Intent).
2) Original proof of ownership plus two complete copies
   a) Certificate of Title, Salvage, Junk, scrap, MSO or other document proving ownership
3) Vehicles export worksheet **
4) Authorization letter
   a) Letter of authorization for a designated agent
5) Vehicle Identification Number (VIN)
6) ITN (Internal Transaction Number)
** Each port may have a unique version of the Vehicle Export Worksheet. If you are striving to get the documents approved upon first submission it is advantageous to use the local customized port form. The data elements on the form are: VIN#, year, make, model, type, Title# and issuing state, name of carrier, intended vessel name & voyage, ETD, container# (if applicable), Booking# and ITN#. The name, address, and telephone number of the owner/exporter, shipping company, and consignee/responsible foreign party may also be required. Some versions require the location of the vehicle for inspection at the terminal.

**Where to File the Documents**

Each port will have a specific location and times available for filing documentation for the export of a vehicle. Contact the local port to find out their requirements.

**CBP Processing**

CBP will determine the authenticity of the documents once submitted. They will review the original proof of ownership document. The date and time stamped on the original proof of ownership document will dictate when the vehicle will be allowed to export after the allotted 72 hour period.

If an error is found on the paperwork the entire packet will be sent back to the originator. Once the paperwork is corrected, the 72 hour window will start over.

If validated (approved) the original paperwork will be stamped and sent back to the originator via mail or the messenger service provided by the owner or its agent. The cargo is now released and a complete copy of the validated documents should be sent to the ocean line’s contact as per their instructions.

When the export paperwork is validated by CBP, they will code the AES with a released notation.

**Examination of the Vehicle**

If an examination is required, CBP will notify the owner or its designated agent and may notify the carrier / terminal / CFS in possession of the vehicle that an exam is required. At that point, the Carrier’s Operation Team will remove the vehicle from the stowage plan and will roll the booking (postpone the booking to the next vessel). CBP may provide the carrier with
instructions to deliver the cargo to the local Centralized Exam Station (CES), warehouse facilities designated by CBP to handle cargo for exams. While at the CES, the cargo is under Customs Authority and must remain in bond. A CF 7512 must be completed using the Immediate Export (IE) if the vehicle must be moved outside of a bonded area. All costs attributed to the exam will be the responsibility of the owner to pay prior to pick up of the container / Ro/Ro shipment. The owner may assign the designated agent to make payment of these fees on their behalf.

It is the ultimate responsibility of the owner or the designated agent to notify the carrier if the cargo is required to be examined. There have been cases where the carrier or their operations team loaded a shipment on the ocean vessel without the confirmed CBP validation. In a case like this, CBP has issued a notice for the vehicle to be retuned on the next incoming vessel after arrival at the foreign port.

**Rolling of the Booking**

The carrier or terminal may charge a roll fee which will be in addition to any standard shipping costs. The carrier or terminal will be able to provide this information. If the vehicle is containerized there may also be a limitation on the number of days the container can be used for this one shipment. If the days are exceeded there may also be a “per diem” fee which is a daily usage rate for the container itself. It is important to update the EEI with the new sailing details prior to the original vessel due date. The new sailing data will be necessary for export enforcement oversight.

**Penalty Provisions**

The following is a list of penalties that can be issued for non-compliance of vehicle export regulations:

a) A $500 penalty will be assessed against an exporter attempting to export a vehicle without complying with the requirements and, the vehicle may be seized

b) A $500 penalty will be assessed against an exporter who has exported a vehicle without complying with the requirements. If the carrier is still in possession of the vehicle, redelivery may be demanded. Also, the vehicle may be seized. In addition, a carrier who fails to redeliver the vehicle may be liable for liquidated damages.

c) A penalty not to exceed $10,000 may be assessed against an importer or exporter who knowingly imports, exports, or attempts to import or export:

1) Any stolen self-propelled vehicle, vessel, aircraft, or part of a self-propelled vehicle, vessel, or aircraft; or
2) Any self-propelled vehicle or part of a self-propelled vehicle from which the identification number has been removed, obliterated, tampered with, or altered.

Completion of a Successful Vehicle Export

Once the Certificate of Title or Proof of Ownership has been validated by CBP the original will be sent back to the owner or its designated agent. At that time, a copy of the document will be sent to the operations department of the carrier, and thus the cargo will be planned to be loaded on the vessel. After sailing the bill of lading is issued and sent to the owner or its designated agent. The original or certified copy of the original validated set of documents is then sent to the consignee or its designated agent at the foreign destination for local customs clearance and vehicle processing.

Conclusion

As you have learned, there are many issues to consider when exporting a vehicle. It is important to go through each step methodically in order to experience a successful export transaction.

With the additional functionality, now available in the Automated Commercial Environment (ACE), CBP has better visibility and ability to communicate information regarding the oversight and compliance of the vehicle export. We are looking forward to continued advancement in automation to some of the manual processes.
1. What constitutes an export of a vehicle?
   o A) The vehicle departs the U.S. territory for the purpose of entering the commerce of a foreign country.
   o B) The vehicle is driven across the border to Canada to use as a mode of transportation for the driver.
   o C) The vehicle is sold to a buyer in Miami, Florida
   o D) The vehicle is shipped to Hawaii for the purpose of being sold in Hawaii for personal use
   o E) Both B & D

2. What Import Requirements should we consider in the destination country?
   a. Age of the vehicle (limits)
   b. Type of fuel available in the market
   c. Local environmental regulations
   d. Pre-inspection requirements
   e. All of the above

3. According to CBP, what is the definition of a “used” vehicle?
   o A) The vehicle is over 20 years old
   o B) The vehicle is over 5 years old
   o C) The vehicle has over 10,000 miles on the odometer
   o D) The vehicle has been issued a title. Age and mileage are not a factor.
   o E) Both B & C

4. How is a vehicle titled or registered?
   a. A vehicle is titled by Customs and Border Protection (CBP)
   b. A vehicle is titled by the Internal Revenue Service
   c. A vehicle is titled by the owner of the vehicle
   d. A vehicle is titled by the local Department of Motor Vehicles (DMV)
   e. A vehicle is titled by the County Commissioner
5. How can you prove the value of a vehicle?

   a. A) Bill of sale, or auction sales document
   b. B) Commercial invoice
   c. C) A document declaring the value of goods
   d. D) Proof of value is not required
   e. E) A, B, & C

6. What are the typical methods to ship a self–propelled vehicle by ocean?

   o A) Roll on Roll off – where the self-propelled vehicle is driven on and off of the vessel
   o B) Containerized – where the self-propelled vehicle is stowed inside a container
   o C) Self-propelled vehicles cannot be shipped via ocean freight
   o D) Self-propelled vehicles can only be shipped via Barge
   o E) Both A and B

7. What are the Hazardous Materials requirements for a vehicle export?

   a. Vehicles are considered hazardous materials under Class 9 (Miscellaneous Hazardous Materials) unless it is exempted
   b. Vehicles are considered hazardous materials under Class 3 (Flammable Liquid) due to the fuel residue
   c. Vehicles are considered hazardous materials under Class 8 (Corrosive) due to the battery in the vehicle
   d. There are no hazardous materials requirements
   e. Only the vehicle brochure

8. Which of the following shipments of used self-propelled vehicles do not require a transmission of Electronic Export Information (EEI) to the Automated Export System (AES)?

   a. Vehicles that were initially entered into the United stated under an in-bond procedure or that are shipping under a CARNET
   b. Vehicles that are valued at $2500 or less
   c. Vehicles being exported to Canada
   d. All of the above are exempt from filing EEI
   e. None of the above are exempt from filing EEI
9. If a dock receipt is required by Customs and Border Protection, who is responsible to complete the dock receipt sent to the receiving terminal?

   a. The Department of Motor Vehicles (DMV)
   b. The shipper or its designated agent
   c. The ocean line / carrier
   d. The receiving terminal
   e. Customs and Border Protection

10. If a dock receipt is required by Customs and Border Protection (CBP), what data elements are required on the dock receipt for a “new” vehicle?

    A statement on shipper’s letterhead with the following information:

    o Statement that the vehicle is new, statement certifying the gas tank has been drained and battery is disconnected with a signature and date near this statement
    o Statement that the vehicle is new, booking number, statement certifying the gas tank has been drained and battery is disconnected, with a signature and date near this statement
    o Statement that the vehicle is new, certification that the gas tank has been drained and battery disconnected, booking number, signature and date.
    o Booking number, statement certifying the gas tank has been drained and battery is disconnected with a signature and date near this statement
    o Booking number, origin and destination

11. What is the time frame allowed to file the documents with CBP for the export of a used self-propelled vehicle? No later than:

    a. 24 hours prior to being laden on board
    b. 48 hours prior to being laden on board
    c. 48 hours prior to sailing
    d. 72 hours prior to being laden on board
    e. 72 hours prior to sailing
12. If the shipper hires a freight forwarder or other agent, they are required to issue an official authorization to that agent.

   a. True, the shipper has to issue a letter of authorization
   b. False, the shipper does not have to issue a letter of authorization

13. What is the Vehicle Export Worksheet form number?

   a. There is not an official form number. The worksheet is a form created uniquely by each Customs port office.
   b. Customs Form 7548
   c. Customs Form 5106
   d. The ITN number
   e. The booking number

14. What is the CBP Port Address location to send the documents?

   a. Send the documents to the Ocean Line Terminal address where the cargo is located
   b. Send the documents to the Customs port address closest to the shipper
   c. Send the documents to the freight forwarder address
   d. Send the documents to the Port address specified by CBP at the port of export for vehicle exports
   e. Send the documents to the New York Customs Port address regardless of port of export

15. What time frame does CBP have to process the documents?

   Pending standard processing CBP has:

   a. 8 hours from the time they receive the documents to determine the authenticity of the documents
   b. 48 hours from the time they receive the documents to determine the authenticity of the documents excluding weekends
   c. 48 hours from the time they receive the documents to determine the authenticity of the documents including weekends
   d. 72 hours from the time they receive the documents to determine the authenticity of the documents excluding weekends
   e. 72 hours from the time they receive the documents to determine the authenticity of the documents including weekends

CES Case Study #004 – Exp. of a Vehicle

NCBFAA Educational Institute
Page 21 of 24
16. If a vehicle is examined at a CES and released by CBP prior to export, the shipment will be required to be placed in bond in order to move it back to the port. What document is required?

a. The Vehicle Worksheet
b. AES – Automated Export System / EEI – Electronic Export Invoice
c. CF7512
d. CF7552
e. CF5106

17. If a shipment is not authorized by CBP to export in time for the booked sailing what happens to the booking with many ocean lines?

a. A) The ocean line will be notified that the shipment remains under Customs control and the booking will “roll” to the next sailing
b. B) The booking will be cancelled completely, calling the ocean line will not help
c. C) The ocean line will not allow the cargo to go on the next vessel even if the vehicle is approved for export.
d. D) The vehicle will not be allowed to be exported on any vessel if it misses the first vessel
e. E) Both B & D

18. What are the potential penalties for attempting to export an unauthorized vehicle?

a. The vehicle may be seized
b. A $10,000 penalty will be assessed against an exporter attempting to export a vehicle without complying with the requirements, and the vehicle may be seized
c. A $500 penalty will be assessed against an exporter attempting to export a vehicle without complying with the requirements, and the vehicle may be seized
d. A $100 penalty will be assessed against an exporter attempting to export a vehicle without complying with the requirements, and the vehicle may be seized
e. A $5,000 penalty will be assessed against an exporter attempting to export a vehicle without complying with the requirements, and the vehicle may be seized
19. If a vehicle needs to be imported after exportation, what change to the vehicle will restrict the vehicle from re-entry?

a. If the radio has been removed, it must be re-installed prior to importation  
b. The vehicle can be imported at any time regardless of any changes  
c. If the catalytic converter has been removed, it must be re-installed prior to importation  
d. If the battery has been removed, it must be re-installed prior to importation  
e. If the tires have been removed, they must be re-installed prior to importation

20. What is a certified copy document?

a. A) Document issued by a government authority that includes on it a signed statement by the authority that the copy is an authentic copy of the original  
b. B) Document issued by Customs for the purpose of approving the export process  
c. C) Document signed by the owner of the vehicle with fiduciary responsibility  
d. D) Copy of the document that is a color photocopy of the original  
e. E) Both A & B

21. What is a complete copy of a document?

a. A copy of a document  
b. A notarized copy of a document  
c. A copy that is signed in blue ink  
d. A copy of a document front and back, including all pages  
e. A copy of a document on yellow paper

22. Some states may have state requirements which need to be completed prior to export of a vehicle.

a. True, there can be a state requirement. Contact your local DMV (Department of Motor Vehicles) to verify if there is a state requirement.  
b. False, there are no individual state concerns. You do not need to contact the local DMV to verify if there is a state requirement.
23. Who is the ultimate purchaser?

a. The freight forwarder  
b. CBP, who will ultimately allow the export of the shipment  
c. The person who manufactures the vehicle in the USA and who will sell to the foreign party  
d. The first person other than a dealer, purchasing in his capacity as a dealer, who in good faith purchases a self-propelled vehicle for the purpose other than resale

24. When processing the Electronic Export Information (EEI) via the Automated Export System (AES) the following information will be required for a self-propelled vehicle:

a. VIN (Vehicle Identification Number) and model, as well as all other EEI data required by 15 CFR 30.6  
b. VIN and make, as well as all other EEI data required by 15 CFR 30.6  
c. VIN and make and model, but no other data is required  
d. VIN and make and model, as well as all other EEI data required by 15 CFR 30.6  
e. An AES / EEI is not required for a self-propelled vehicle shipment