



# "Certified Export Specialist" Course & Exam

Estimated total study time: 126 hours 44 minutes

This consists of a single-assignment of CES Training Program, Blocks A through I, plus the CES certification exam. This course is structured to require completion of each block in sequence until all blocks are completed. At this point the CES exam automatically becomes available for use of the practice test. Administration of the CES certification exam requires pre-scheduling, and must be taken in the presence of an NCBFAA-authorized proctor.

For questions concerning the CES Program and use of this training, contact the NCBFAA office NCBFAA Educational Institute (ei@ncbfaa.org, (202) 466-0222). For technical support, contact GISTnet (staff@gistnet.com). 1-310-376-3888).

## 1. Export-Import Basics (CES)

(Estimated study time: 54 minutes)

- Introduction
- Trade Economics
- Buyers, Sellers and Physical Exchange of Goods
  - Cash and Carry
  - The Practical World of Commerce—Transportation Carriers, Intermediaries, Government
- Essential Facts for an Export-Import Transaction
- The Forwarder's Role in Export/Import Competition
  - Creating Value
  - Helping Shippers Compete for Business
  - Shipping Outcomes, Repeat Business

## 2. Incoterms (CES)

(Estimated study time: 2 hours 43 minutes)

- Introduction
- Why Incoterms?
- Summary of Incoterms
  - "E" Term (EXW)
  - "F" Terms
    - "FOB" Often Misused in North American Commerce
  - "C" (Cost Paid to) Terms
  - "D" (Delivered) Terms
  - Summary Chart of Respective Responsibilities Under Each Trade Term

- Seller and Buyer Responsibilities Common to All Incoterms
  - Seller's Responsibilities under All Incoterms
    - Sellers's Responsibilities Under All Incoterms (U.S.)
  - Buyer's Responsibilities under All Terms
- Changes Made in INCOTERMS 2010
- Transportation
  - More Information about Incoterms

### **3. Introduction to Export-Import Payment Terms (CES)**

(Estimated study time: 1 hour 7 minutes)

- Introduction
- Chart 1: Overview of Payment Options vs. Risk
  - Traditional Payment Options
  - Automated Payment Options
- Common Export Payment Terms/Options
  - 1. Payment in Advance with Order
  - 2. Full Payment Prior to Shipment
  - 3. Deposit with Order, Partial Payments Prior to Shipment
  - 4. Payment via Letter of Credit
  - 5. Carrier COD, Carrier Collect
  - 6. Collection via Bank Draft
  - 7. Open Account Credit
  - 8. Goods Shipped "On Consignment"
  - Relationship between Payment Terms and Delivery Terms
  - What Is a Bill of Exchange?
  - How a Draft Collection Works
  - Overview of Documentary Draft Process Steps

### **4. Documentary Draft Collection Process (CES)**

(Estimated study time: 1 hour 10 minutes)

- Introduction
- Preparation and Processing of a Documentary Draft—General
- Form of Consignment of Transportation Document
- Completing the Bill of Exchange ("Draft") Form—Basics
- Completing Bank Instructions and Document Transmittal Form
  - General—Why Banking Instructions are Needed
  - URC522 Required Information
- Electronic (On-Line) Documentary Draft Collection Procedures

### **5. Draft Collection Instructions (CES)**

(Estimated study time: 57 minutes)

- Introduction
- Bank Instruction and Document Transmittal Form (Paper Procedure)
- Sending Draft and Shipping Documents to the Remitting Bank

- Collections for Shipments with Short Sailing Times
- More Information About Bank Collection Procedures

## **6. Introduction to Letters of Credit (CES)**

(Estimated study time: 1 hour 16 minutes)

- Introduction
- What is a Letter of Credit?
- The UCP and National Rules Affecting Letters of Credit
- Parties to an L/C (the Players)
- Benefits to the Seller of Using an L/C
  - Significant Reduction of Buyer Payment Risk
  - Transaction Financing
  - Assignment of Proceeds
- Benefits to the Buyer of Using an L/C
- Letter of Credit Risks to Beneficiary (Seller); Confirmation
  - Legitimacy of the Letter of Credit
  - Risk of Failure of Issuing Bank
  - Destination Country Risks
  - L/C Confirmation
  - Why L/C Confirmation May Not be Available

## **7. Key L/C Information, Dates and Shipment Concerns (CES)**

(Estimated study time: 1 hour 17 minutes)

- Introduction
- Key L/C Information, Terms and Conditions
  - Parties and References
  - Amount
  - Currency
  - Tenor—Time of Payment Following Document Presentation
  - Shipment Date
  - L/C Expiration Date
- Critical L/C Dates
  - Latest Shipment Date
  - Latest Document Presentation Date; "Stale Documents"
  - Expiry Date
- Effect of a Letter of Credit on Shipment
  - General—Routing and Carrier Selection
  - L/Cs that Specify Freight Forwarder or NVOCC

## **8. Beneficiary L/C Process Steps: Scrutiny, Amendment Process, Document Presentation (CES)**

(Estimated study time: 1 hour 12 minutes)

- Introduction
- Preview of Letter of Credit Process (Process Chart)
- L/C Advice Letter
- Beneficiary Review/Acceptance
- Detailed Beneficiary L/C Checklist
- General; Authority to Amend
- Reasons for Amendment
- L/C Amendment Process Involves Time and Expense
- Shipment Pending Receipt of an L/C
- L/C Document Presentation
  - Who Prepares and Presents Documents under an L/C
  - Required Documents under an L/C
  - L/C Document Transmittal
  - Deadline for Document Presentation
  - Method of Document Delivery
  - Document Receipt

## **9. L/C "Negotiation"; Preparation of Shipping Documents for an L/C (CES)**

(Estimated study time: 1 hour 2 minutes)

- Introduction
- General—UCP Requirements
- Examination of Documents; Discrepancies
- Addressing L/C Discrepancies
- Completion of L/C Negotiation—Payment
- First Rule: Help the Banker Help You
  - Only the L/C Itself and the UCP Apply
  - Keep Documents Simple
  - "Consistency" Rules Applicable to All Documents
  - Commercial Invoice "Consistency" Rule
  - Consistency of Other Shipping Documents

## **10. Preparing Shipping Documents for Use with an L/C (CES)**

(Estimated study time: 1 hour 12 minutes)

- Introduction
- Key Commercial Invoice Requirements
- Itemization of Costs
- Description of the Goods; Other Information
- Basic L/C Requirements for a Packing List
- Transportation Documents
  - Key Transportation Document Requirements
  - Ocean/Through Intermodal Shipment
  - Airfreight Shipment
  - Other Transportation Modes
  - Transport Documents Issued by Freight Forwarders

- Packing List Created by L/C Presenter
- Other Shipping Documents an L/C May Require

## **11. L/C Document Transmittal and Presentation; Key Forwarder Concerns with Payment Terms (CES)**

(Estimated study time: 1 hour 4 minutes)

- Introduction
- General L/C Draft Requirements
- L/C Document Transmittal Letter
  - L/C Document Transmittal Letter Is Always Needed
  - References & Contact Party
  - Remittance Instruction
  - Bank-to-Bank Method of Document Transmittal
  - Format
- Scrutinize (Double Check) All Documents Before Presentation
- Key Forwarder Responsibilities
- Payment Terms Must be Communicated before Shipment
- Payment Terms Affect Forwarder Advice and Documentation
- "Block A" Almost Complete.

## **12. Intro to U.S. Export Regulation (CES)**

(Estimated study time: 1 hour 14 minutes)

- Introduction
- Commerce and National Sovereignty
- Our Goals Herein
- What this Course Will NOT Accomplish with Respect to U.S. Export Regulation
- Introduction—"USC" and "CFR"
- Why the USC and CFR are Important to You
- Key U.S. Publications Affecting Exports
- Five Basic Objectives
- Specific Reasons for Control (CCL)

## **13. Applicability of U.S. Export Controls (CES)**

(Estimated study time: 1 hour 13 minutes)

- Introduction
- Applicability of Export Controls
  - General
  - Is Your Export Subject to the EAR? (EAR Chart)
  - Technical Data (Technology and Software)
    - Scope of Control
    - Control Challenges with "Technical Data"
  - Foreign Origin, In-Transit Goods and Carnets
  - Re-export of U.S. Items Previously Exported
  - Activities of Individuals

- Within the U.S.
- Outside the U.S.
- Electronic Commerce & Software Downloads

## **14. U.S. Export Compliance Requirements (CES)**

(Estimated study time: 1 hour 10 minutes)

- Introduction
- General Export Compliance Requirements
  - Export Licenses for Controlled Exports
  - Export Clearance and Shipper's Export Declaration (EED)
  - Restrictive Trade Practices and Boycotts
  - Export Record Keeping
  - Responsibility of Forwarders and Other Agents

## **15. Enforcement of Export Law and Regulations; Intro to Export Licensing (CES)**

(Estimated study time: 46 minutes)

- Introduction
- General
- Civil and Criminal Sanctions for Violation of Export Laws and Regulations
  - General—Civil and Criminal Penalties Apply
  - Violation of the EAR (Export Controls and Anti-Boycott Provisions)
  - Violation of the ITAR (Defense Articles and Services)
  - Violation of the FTR (False, Late or Not Filed SEDs)
- Additional Information on U.S. Export Enforcement

## **16. Recognizing Exports that are Controlled vs. Not Controlled (CES)**

(Estimated study time: 1 hour 5 minutes)

- Introduction
- Recognizing Shipments that Are or May Be Controlled
  - Introduction
    - Will a Particular Export Require an Export License or Other Pre-authorization?
    - Challenges Faced by Agents Acting as Exporters on Behalf of Others
    - Challenges Faced by Freight Forwarders
  - General Prohibitions
  - Non-Controlled Exports
    - U.S. Territories and Possessions
    - Canada
    - Publicly Available Information/Technology

## **17. Export Control Information; Anti-Boycott Provisions; Export Prohibitions Based on Transaction Party (CES)**

(Estimated study time: 54 minutes)

- Introduction
- General—How Export Requirements are Communicated
- General—Party-based Restrictions Applicable to All U.S. Exports
- Restrictive Trade Practices
- Export Prohibition or Restriction by Party
  - Why Denied/Restricted Parties?
  - DOC-BIS Denied Persons List
    - Overview of the Denied Persons List
    - Effect of a Denial Order
    - Accessing BIS Denied Persons List and Details of the Violation
  - BIS Entity List and Unverified Parties List

## **18. Transaction Party Prohibitions, cont.; Destination Country Restrictions (CES)**

(Estimated study time: 1 hour 0 minutes)

- Introduction
- Debarment by U.S. Directorate of Defense Trade Controls
- OFAC Operates Multiple Sanction Programs
- Export Compliance Screening for Denied/Sanctioned Parties
  - The Challenge—Too Many Places and Lists to Check
  - The Solution—Commercial Export Screening Services
- Other Illegal Exports Based on Criminal Acts
- Restrictions Based on Destination Country
  - General
  - Unilateral Restrictions
  - U.N. & Multilateral Based Restrictions
  - Shipments in Support of Pre-Embargo Exports

## **19. Commodity-Based Export Controls; National Security & Foreign Policy Controls (CES)**

(Estimated study time: 57 minutes)

- Introduction
- Product-Based National Security Controls
  - Defense Articles (U.S. Munitions List)
  - Sophisticated Technology
  - Technical Data
- Foreign Policy Controls
  - General
  - Chemical, Biological Weapons Control
  - Nuclear Non-Proliferation

- Missile Technology
- Regional Stability
- Crime Control
- Anti-Terrorism
- U.N. Sanctions

## **20. Short Supply & Specialized Export Requirements; Steps in Using the EAR to Determine Export Requirements (CES)**

(Estimated study time: 56 minutes)

- Introduction
- Short Supply Controls
- Export Clearance of Goods Subject to a DEA Export Permit
- Additional U.S. Agencies with Export Jurisdictions—General
- Used Propelled Vehicles (U.S. CBP)
- Export Requirements for Specialized Products
- Determining Specific Export Requirements; Export Licenses
  - General—Using the Export Administration Regulations ("EAR")
    - Process Steps
  - The Ten General Prohibitions
    - Decision Tree (EAR Chart)

## **21. Operation of the Commerce Control List (CCL) (CES)**

(Estimated study time: 54 minutes)

- Introduction
- Product-Based Export Controls are Found in the Commerce Control List
- Key EAR Sections for Use in the CCL
- Locating an Applicable ECCN
  - Determining the CCL Category
  - Determining the Group within the Category
- ECCN Numbers Following the Group Letter
- Using the Commerce Country Chart
- CCL Not Always Conclusive
- CCL Interpretation Requires Technical Expertise

## **22. EAR License Exceptions; No License Required ("NLR") (CES)**

(Estimated study time: 1 hour 11 minutes)

- Introduction
  - What are License Exceptions?
  - Frequently Used License Exceptions
    - GBS
    - LVS
    - Additional Frequently Used License Exceptions



- Additional License Exceptions
- Effect of Wassenaar Arrangement
- Restrictions on Use of All License Exceptions
- No License Required (NLR)

## **23. License Applicant Responsibilities; Support Documents; Preliminary Application Concerns (CES)**

(Estimated study time: 1 hour 0 minutes)

- Introduction
- Applicant Responsibility and Qualifications
  - Responsibility for Determining and Fulfilling U.S. Export Requirements
  - Applicant Required to be Subject to Jurisdiction of United States
    - Application by U.S. Exporter
    - Application by U.S. Agent of Foreign Consignee
    - Application for Re-export of Licensable Items
  - License Application by an Agent/Freight Forwarder
  - Agencies that Require Export License Applicants to be Pre-Registered or Licensed
- Support Documents
- Preliminary Requirements, Procedures
  - Determining Requirements and Licensing Agency
  - License Applications Must Be for Actual Transactions
  - Obtaining Assistance and Advice from the BIS
    - General
    - Classification Requests
    - Advisory Opinions and EAR Applicability Determinations
  - Dual Use Items

## **24. Introduction to U.S. Export Clearance (CES)**

(Estimated study time: 1 hour 2 minutes)

- Introduction
- Introduction to Export Clearance
  - What is an "Export"?
  - Three Types of U.S. Export Declarations
  - USG Regulations Affecting U.S. Export Declaration
    - U.S. Foreign Trade Regulations (FTR)
    - Export Administration Regulations (EAR)
    - CBP (Customs) Regulations (CR)
    - International Traffic in Arms Regulations (ITAR)
  - Export Clearance Requirement by Export Carrier

## **25. SED (EEI) Basics—When Required and When Not (CES)**

(Estimated study time: 47 minutes)

- Introduction
- Shipper's Export Declaration (EEI) Basics
  - Base Criteria for EEI (AES Filing) Requirement
  - When EEI (AES Filing) is Always Required
- When EEI is Not Required; AES Exemption and Exclusion Legends
- When EEI Exemptions Do Not Apply

## **26. EEI Exemptions Based on Limited Value & Type of Shipment; Exemption & Exclusion Legends (CES)**

(Estimated study time: 54 minutes)

- Introduction
- EEI Exemption Based on Limited Value per Schedule B Number
  - General
  - Value-based EEI Filing Exemption Applicable per Conveyance, NOT per Transport Document
  - Challenges to Using Value-based EEI Exemption
    - The Frequent Shipper Challenge
    - Forwarder Providing Cargo Assembly Service
  - Split Movement of Single Shipments and Roll-overs by Export Carrier
  - Statement Required on Transport Document for Value-based EEI Exemption
- Other EEI Exceptions
- AES Exemption or Exclusion Legend when EEI is Not Required

## **27. Determining U.S. Export Requirements (CES)**

(Estimated study time: 43 minutes)

- Introduction
- Determining U.S. Export Requirements
  - General Rule—Export Authorization Always Required
  - Responsibility for Determining Export Authorization
    - General Requirement—USPPI Responsibility
    - The Exception—Routed Export Transaction
  - How to Determine if a Shipment is Subject to U.S. Export Control or Restriction (Overview)
    - Commerce Control List (CCL) & ECCNs
    - ECCN Classification & Challenges
  - ECCN Required for Each Shipment
  - Summary

## **28. Export Carrier Manifest Requirements; Confidentiality of EEI (CES)**

(Estimated study time: 43 minutes)

- Introduction
- Export Carrier Manifest Requires Export Authorization for Every Shipment

- Confidentiality of Exporter's EEI
  - Official Publication of Export Statistics
  - Confidentiality of EEI—A Major Competitive Concern
  - FTR (Census) Rules on Confidentiality
    - Basic Rule
    - Prohibition against Disclosure for "Non-official Purposes"; Civil Penalty
  - Publication of Ocean Cargo Manifest Data
    - Data Available from CBP
    - Option for Exporter to Request Confidentiality of Name and Address

## **29. Introduction to the Automated Export System (AES) (CES)**

(Estimated study time: 1 hour 6 minutes)

- Introduction
- AES is the "Shipper's Export Declaration" System
- AES Purpose & Functionality
- AES Interfaces and Specifications
- In-Transit Shipments
- Getting Started with AES
  - Who May File?
  - Using an AES Filing Agent
- AES Data Requirements & Validation
- Required Information
- Core Knowledge and Competency Required
- Additional Information on AES Filer Requirements and Options

## **30. SED (EEI) Filing Responsibilities (CES)**

(Estimated study time: 1 hour 10 minutes)

- Introduction
- "Exporter" vs. "Principal Party in Interest"
- AES Filer Must be in the U.S.
- Authority and Responsibility for Accuracy of EEI
  - General—USPPI Always Responsible for Providing Accurate Information
  - FPPI Responsibility in a Routed Export Transaction
  - Agent/Forwarder Responsibilities
- Exporter's Identification Number (EIN)
  - Typical Situation—USPPI as Exporter
  - FPPI as U.S. Exporter (USPPI)
    - FPPI in the U.S. When Goods Are Purchased or Procured for Export
    - Routed Export Transaction
    - Cargo Assembly of Routed Export Shipments
- Responsibility of USPPI to Provide Information to Agent (AES Filer)
  - General
  - USPPI Engages Agent (Forwarder)
  - FPPI Engages Agent (Forwarder, Routed Export Transaction)
- Responsibility of USPPI, AES Filer and Other Parties to Maintain and Produce Records

## **31. Needed EEI (SED) Information; Mandatory Data Fields (CES)**

(Estimated study time: 54 minutes)

- Introduction
- Preparing an SED (EEI) Requires Understanding of FTR and EAR
  - Mandatory AES Data Elements

## **32. Conditional and Optional AES Data Fields (CES)**

(Estimated study time: 24 minutes)

- Introduction
- Conditional AES Data Elements
- Optional AES Data Elements
- Exemption from Reporting Complete EEI for Personal Property

## **33. Gathering Needed AES (EEI) Information; Good Practices (CES)**

(Estimated study time: 38 minutes)

- Introduction
- Needed EEI Information Not on Commercial Documents
- Pre-Determination of Export Information by Product and Transaction Parties
- Communicating Needed Information to AES Filing Agent

## **34. Schedule B Commodity Classification; HTS GRIs (CES)**

(Estimated study time: 48 minutes)

- Introduction
- General
- The HTS Classification System
  - General—The System
  - Access to the Schedule B
- General Rules of Interpretation (GRIs)
  - General
  - Limitations and Errors in Using Schedule B On-Line Search Feature
  - Correct Classification Requires Both Understanding of Process and Attention to Detail

## **35. Commodity Description; HTSUS; Classification Process Steps (CES)**

(Estimated study time: 59 minutes)

- Introduction
- Description of Commodities
- Use of HTSUS (Import Tariff) for Export Classification
- Schedule B Classification Process STEPS
  - Step #1—Preliminary Questions about Item to be Classified
  - Step #2—Use of the Schedule B (or HTSUS) Commodity Index
  - Step #3, If Needed—Use Schedule B (or HTSUS) Table of Contents
  - An Example of Schedule B Classification
  - Classification by Use; Special Provisions

## **36. EEI Quantity and Value per Classification (CES)**

(Estimated study time: 50 minutes)

- Introduction
- Net Quantity (Schedule B Units)
  - General
  - Double Reporting Units
  - Statistical vs. Authorized Quantity under Export License or Other Export Authorization
- General—FTR Requirements for EEI Value
- Adjustments to EEI Value for Delivery Terms other than FAS, CPT Port of Export, or DAT or DAP, Land Border
- Practical Estimation of Commodity Values

## **37. Exports Clearance and Compliance Requirements for Exports under an Export License or Other USG Authorization (CES)**

(Estimated study time: 34 minutes)

- Introduction
- General
- Consistency of Information—General
  - Consistency among All Transaction Documents Always Important
  - Basic EAR Requirement
  - Distinction between "Exporter" and "USPPI"
- Much More to Know When Preparing EEI for Items under Export Licenses

## **38. EEI for Exports under License Exceptions; "EAR99" Exports (CES)**

(Estimated study time: 45 minutes)

- Introduction
- Exports under an EAR License Exception—EEI and Compliance Requirements
  - General
  - Use of License Exception for Shipments Exempt from Electronic Export Information (EEI) Filing

- SED Exemption vs. License Exception; When EEI IS Required
- When EEI is Not Required for Shipments Subject to a License Exception
- AES Exemption Legend for Shipments under License Exceptions
- EEI for Shipments Not Subject to an Export License or Other U.S. Export Controls (NLR & EAR99)
- Other EEI Requirements/Information Based on Situation

## **39. Time Limits for Filing EEI (CES)**

(Estimated study time: 1 hour 5 minutes)

- Introduction
- General—Full EEI Required Pre-Departure
- Time Limits by Transportation Mode
- General—Export Carrier Must Not Export Cargo without EEI or AES Exemption Legend
- Special EEI Filing Circumstances Export Carrier Responsibility
- Dealing with AES Error, Warning and Information Messages
  - Three Types of Messages
  - Interpreting & Responding to Particular Error Messages
- Additional Information on AES Procedures

## **40. Destination Control Statement; AES Error and Warning Messages (CES)**

(Estimated study time: 43 minutes)

- Introduction
- Destination Control Statement (DCS)
  - DCS for Items Subject to the EAR
    - Basic DCS Requirement
    - Statement Language May Vary
  - Destination Control Statement for Defense Articles
  - Forwarder's Responsibility for Adding DCS to Shipping Documents

## **41. AES Filer Authorization & Record Keeping (CES)**

(Estimated study time: 32 minutes)

- Introduction
- What Is Required and Why Is This Important?
  - Applicable Regulations
  - Suggested Language for Written Authorization or Power of Attorney
  - "Written Authority" vs. Power of Attorney Authority
- Record Keeping (Powers of Attorney, "Written Authorization")
- Much More to Learn About U.S. Export Clearance

## **42. General Destination Country Trade and Import Concerns (CES)**

(Estimated study time: 49 minutes)

- Introduction
- General
- Government Revenue (Duty/Taxes)
- Political and Domestic Policy Objectives
  - Internal Security
  - Public Health and Safety
  - Environmental Protection
  - Wealth Retention
  - Tax Law Enforcement
  - Culture and Lifestyle Objectives
- Foreign Policy Objectives
  - National Security
  - Treaty Implementation/Compliance
  - Restrictive Trade Policies/Boycotts/Sanctions
- Commercial Trade Control Objectives

### **43. Particular Import Concerns and Control Methods (CES)**

(Estimated study time: 1 hour 17 minutes)

- Introduction
- Multinational Agreements/Controls/Quotas
  - GATT
  - Multi-Lateral and Bi-Lateral Free Trade Agreements
    - General
    - NAFTA, as an Example
  - Endangered Species Protection
    - U.S. Information on Endangered Species
  - Nuclear/Chemical/Biological Weapons Non-Proliferation
  - Wassenaar Arrangement
  - Trade Verification Regimes
  - Quota Agreements
- Components of National Import Regulation
  - Laws & Customs Regulations — General
  - Importer Level Controls, Licensing
  - Transaction Level Controls; Import Licenses/Permits
  - Foreign Exchange Controls
- Import Verification Programs (Pre-Shipment Inspection)
  - Purpose—Proactive Verification of What is Shipped
  - Countries Using Import Verification Programs
  - Time and Place of Inspection
  - Inspection Certificate

### **44. Regulation of International Transportation Carriers (CES)**

(Estimated study time: 43 minutes)

- Introduction
- General
  - "Territorial Waters" and National Regulation of Vessels and Aircraft
  - In-Transit Cargo Regulated
  - Safety Regulations
    - Dangerous Goods
    - Maritime Operating Safety & Responsibility
  - Conventions Regulating Cargo Transportation
    - Ocean Shipping
    - Air Cargo
- En Route/Transit Customs Requirements

## **45. Import Controls/Enforcement Following Arrival Into Country (CES)**

(Estimated study time: 52 minutes)

- Introduction
- Import Controls/Enforcement Following Arrival Into Country
  - Quarantine
  - ISPM-15 Requirement for Wood Packing Material
  - Fumigation, Irradiation
  - Filth, Contamination, Minimum Legal Standards
  - Other Testing/Analysis Following Importation
  - Product Marking, Labeling, Packaging Requirements
  - Delivery Verification
    - Delivery Verification Specified on U.S. Export License
  - Denial of Customs Entry
  - Seizure/Forfeiture
    - General
    - Constructive Seizure
    - Seizure/Forfeiture NOT Generally an Insurable Loss

## **46. Typical Customs Entry Documentation Requirements (CES)**

(Estimated study time: 1 hour 10 minutes)

- Introduction
- The "Customs Entry" Process
  - Customs Entry/Release Procedures
  - Key Commercial Documents
  - Product-Based Documents
- Commercial Invoice
  - General
    - U.S. Requirements
  - Source Document for Commodity Description and Other Multi-Purpose Information
  - Commodity Description for HTS Classification Purposes
  - Import License/Import Permit



- Destination Country Information/Invoice Requirements
- Other Uses of the Commercial Invoice
- Packing List
  - General Requirement
  - Packing List Problems
    - "False Shipping Documents" May Also Violate U.S. Law

## **47. Typical Customs Entry Documentation Requirements, cont. (CES)**

(Estimated study time: 47 minutes)

- Introduction
- Pro-Forma Invoice
- Transport Document
- Dangerous Goods
- Other Products Requiring Special Documentation
  - "Free Sale Certificate"
    - Free Sale Certificate/FDA
  - Type-Approval/Product Testing Requirements
  - Gray Market Goods; Intellectual Property
  - Anticipating Requirements

## **48. Importation of Animals, Plants and Products Thereof — General (CES)**

(Estimated study time: 1 hour 15 minutes)

- Introduction
- General—Significant Requirements to Contain Serious Risks
  - U.S. Information on Export and Import of Plants, Animals and Products Made from Them
  - EXCERPT
  - Animals, Plants, Products Thereof—Arranging Inspections/Examinations
  - Obtaining the Needed USDA Certificate; Fees
- Live Animals
  - U.S. Health Certificates for Live Animals
- Meat, Dairy and other Minimally Processed Animal Products
  - U.S. Certificates Meat, Dairy Products
  - U.S. Certificate for Minimally Processed Animal Products
- Plants, Fruits, Vegetables, Seeds
  - General
    - U.S. Phytosanitary Certificate Inspection and Forms
  - Preparation for Inspection/Shipment
- Pre-Shipment Fumigation or Other Treatment of Certain Plant Products
- Non-Manufactured Wood Packing Materials (NMWP)

## **49. Country-Specific Documentation & Requirements (CES)**

(Estimated study time: 44 minutes)

- Introduction
- General
  - Variation in Requirements by Shipment Circumstances; Language
  - Freight Forwarder as Expert
  - Sources of Information/Assistance
- Language Requirements
- Customs/Consular Invoice
  - Function/Purpose
  - Specific Country Requirements
    - General
    - Reproducible Forms
    - Consular Forms/"Blanks"

## **50. Introduction to Certificates of Origin (CES)**

(Estimated study time: 54 minutes)

- Introduction
- Function/Purpose
- Country of Origin Determination
  - General C/O Determination
  - Complex Country of Origin Determination; Chief Value
  - Destination Country-of-Origin Criteria Vary
- Origin Country Criteria for Certificates of Origin
  - Specific Country Forms
  - Criteria for General Purpose Certificate of Origin Form
- Products of Multiple Origin Countries Shipped Together

## **51. Preparation of Certificates of Origin (CES)**

(Estimated study time: 45 minutes)

- Introduction
- Preparation of General Purpose Certificate of Origin
  - Format
  - Shipper Signature
  - Notarization
  - Chamber of Commerce Certification
    - Rationale
    - Deputation of Forwarders
  - Foreign Chambers of Commerce, Trade Organizations
- Free Trade Agreement Certificates of Origin
  - U.S. Trade Agreements; NAFTA C/O
- Certificate of Origin as Part of another Form

## **52. Other Destination Country Import Requirements (CES)**

(Estimated study time: 1 hour 0 minutes)

- Introduction
- Consular Legalization
  - General
  - Document Processing
  - Import License/Permit Verification
  - Fees
  - Time/Deadlines/Expertise
- Other Country-Specific Documents
- Other Destination Country Requirements
  - Consumer Product Marking/Packaging
  - Language of Shipping Marks
  - Shipping Insurance
- Forwarder Services to Meet Destination Country Requirements
  - Shipper Expectation of Expertise
  - Document Preparation
    - General
    - Training

## **53. ATA Carnets (CES)**

(Estimated study time: 1 hour 17 minutes)

- Introduction
- ATA Carnet Overview
  - What is an ATA Carnet?
  - Carnet Benefits
    - "Registration" of Foreign Goods for Duty-Free Re-Entry into the U.S.
  - Uses of an ATA Carnet
  - Limitations on Use of Carnets
    - U.S. Carnet Use Limitations and Regulations
    - A Carnet Does Not Alter U.S. Export and Import Controls
- Carnet Booklet Documents
- Regulatory and Operational Concerns when Using Carnets

## **54. Ocean Transportation — Characteristics and Carriers (CES)**

(Estimated study time: 1 hour 6 minutes)

- Introduction
- Deep Sea (Ocean) Transportation and Shipping
  - History
  - Advantages of Deep Sea Transportation
  - Disadvantages/Limitations of Deep Sea Transportation
  - New Options in Ocean Cargo Transportation
- The Ocean Shipping Market—Demand vs. Supply
- Vessel Types and Terminology
- Speed & Transit Times

## **55. Through Intermodal Transportation; Containerization (CES)**

(Estimated study time: 1 hour 20 minutes)

- Introduction
- Cargo Transportation Trends as Part of Broader Logistics Services
  - History of Multimodal Indirect Carriers (Consolidators & Door-to-Door)
  - The Single Source "Door-to-Door" Logistics
    - Recent Industry Trends—Forwarders Extending Scope of Services
    - Current Logistics Services in Response to Shipper (Customer) Preferences
    - Seamless Logistics and Information Systems
- Benefits of Containerization
  - Improved Cargo Security
  - Faster Through Transit Time and Schedule Reliability
  - Lower Shipping and Inventory Cost

## **56. Types of Intermodal Containers (CES)**

(Estimated study time: 1 hour 12 minutes)

- Introduction
- Types of Intermodal Containers
  - Container Standards—History
  - General Purpose Containers
    - "Standard" Dry Cargo Containers
    - High-Cube Dry Cargo Containers
    - Temperature Controlled Container ("Reefer Containers")
  - Special Purpose Containers
  - Gray Box and Shipper-Provided Containers

## **57. Container Selection; Container Vessel Routes & Schedules (CES)**

(Estimated study time: 1 hour 4 minutes)

- Introduction
- Container Selection Based on Internal Cube and Weight Capacity
- Types of Container Chassis
- Traditional and Container Vessel Itineraries (Voyages)
- Base Ports; Hub & Spoke Systems
  - Concept & Benefit
  - Effect of Hub & Spoke Routing on Vessel Itineraries
  - Limitations and Risks
- General—Ocean Cargo Routing Criteria

## **58. Ocean Carrier Transportation Charges — Rate Basis and Types of Rates (CES)**

(Estimated study time: 1 hour 16 minutes)

- Introduction
- Cargo Metrics and Conversion Factors
  - General—Weight and Cube
  - Measuring Cargo
  - Conversion Factors between Metric and English
- Other Types of Rates Used in Ocean Shipping
- Commodity Rates
- Through Intermodal Rates
- Accessorial Charges
- Additional Types of Ocean Transportation Rates and Charges

## **59. Through (Surface) Intermodal/Multimodal Shipping (CES)**

(Estimated study time: 1 hour 13 minutes)

- Introduction
- Intermodal Through Movement—History vs. Today's Reality
- Through Rate vs. Add-on Rate(s)
- Bill of Lading Nomenclature (Types, Based on Rate Basis)
- Intermodal Movement as Substitute Service for Ocean Transportation
- Intermodal Routing & Carrier Selection
  - General
  - Landbridge and Mini-Landbridge Routing Concerns
- Additional Information on Intermodal Shipment via an Ocean Carrier

## **60. Ocean Shipper-Carrier Relationship (CES)**

(Estimated study time: 1 hour 2 minutes)

- Introduction
- Relationship between Ocean Common Carrier and Shipper
  - "Sea Adventure" (Joint Venture between Cargo and Vessel Owners)
  - International Rules Governing Ocean Carriage and Carrier Liability
    - Hague Visby Rules
      - U.S. Conditions of Ocean Carriage and Liability Rules
    - Effect of Service Contracts on Standard Conditions of Carriage and Liability
    - Ocean Carrier Liability Limited to Losses Resulting from Carrier Negligence
      - Ocean Carrier Liability Limited to Losses Resulting from Carrier Negligence
    - A Solution: Marine Cargo Insurance
- Ocean Carrier Competition

## **61. Arranging Ground/Connecting Transportation (CES)**

(Estimated study time: 1 hour 6 minutes)

- Introduction
- General
  - What Does "Through" Transportation Mean?
  - Single Mode Through Transportation
  - Multimodal Through Transportation
  - Full-Charge Forwarders Require Multimodal Expertise
  - Through Intermodal vs. Point-to-Point Inland Rates
    - VOCC Through Service Options
    - NVOCC Through Service Options
    - Forwarder's Quoting of Through Services
    - Through Intermodal vs. Point-to-Point Inland Rates/Tariffs (U.S.)
    - Benefits of a Single Through Bill of Lading
      - Single-Carrier Operational Responsibility
      - Single-Carrier Liability for Cargo Loss or Damage
      - Sometimes Higher Carrier Liability Limit
      - Shipper/Forwarder Convenience
- Additional Topics (Reading) on Arranging Ground/Connecting Transportation

## **62. Regulation of Ocean Transportation and Bills of Lading (CES)**

(Estimated study time: 1 hour 29 minutes)

- Introduction
- Laws and Regulations Affecting Ocean/Intermodal B/Ls
  - General—COGSA Governs Conditions of Ocean Common Carriage via U.S. Ports
  - International Conventions/Regulations
  - Effect of Carmack Amendment on U.S. Truck/Rail Carriage under Through Intermodal Bills of Lading Issued by Ocean Carriers
  - U.S. Export Requirements
    - U.S. Export Declaration (EEI) Requirement
  - U.S. FMC Regulation of Ocean Common Carriers
  - U.S. DOT Regulation of Dangerous Goods Shipments
  - U.S. Customs and Security Requirements for Ocean Carriers
  - Additional U.S. Regulations Affecting Ocean Shipping

## **63. Functions of Ocean Bill of Lading; Terms and Conditions (CES)**

(Estimated study time: 1 hour 5 minutes)

- Introduction
- Ocean/Intermodal B/L Preparation (B/L Instructions)
  - A Contract of Carriage
  - Responsibility
  - B/L Instructions Must be Complete, Accurate, and Properly Formatted
  - Ocean Carrier Prerogatives: Concurrence and Additional Information
- Understanding the Use of Ocean Bills of Lading
  - General

- The "Face" vs. "Back" of an Ocean B/L
- "Standard" Ocean Carrier Terms
- Carrier Prerogatives
- Long Form B/L vs. Short Form vs. Blank Back
- From Standardized Paper Format to Paperless Commerce

## **64. Ocean B/L Issuance and Use (CES)**

(Estimated study time: 48 minutes)

- Introduction
- Bills of Lading—Types & Usage
  - How Many Types of B/Ls Are There?
  - B/Ls Issued in a "Set"
    - A Safeguard
    - Number in a Set
    - Identification of "Original B/Ls" and Number in Set
    - OB/L Distribution
    - Document Exchanged for Cargo Delivery
    - OB/L "Accomplishment"
  - Express B/Ls; Electronic Procedures

## **65. Ocean B/L "Forms of Consignment" (CES)**

(Estimated study time: 1 hour 0 minutes)

- Introduction
- "To Order" vs "Straight" Consignment (Negotiable vs. Non-Negotiable Bill of Lading)
- "To Order" Consignment (Negotiable Bill of Lading)
- "To Order of Shipper" Consignment
- "To Order of (Named Party)" Consignment
- Other Forms of Negotiable Consignment
- Transfer of Right to Delivery; Types of Endorsement
  - General
  - Blank Endorsement
  - Endorsement "To Order Of" (Another Named Party)
  - Specified Delivery ("Straight") Endorsement

## **66. Carrier Concerns with B/L Endorsement; Straight B/L Procedures**

(Estimated study time: 1 hour 0 minutes)

- Introduction
- Carrier Concerns in Accepting Endorsements
  - General
  - Carrier Requirement for B/L "Endorsement" by Presenter of Blank Endorsed B/Ls
  - NVOCC Breakbulk Agents
- Straight (Non-Negotiable) Consignment
- Characteristics of a Straight Bill of Lading

- Benefits of "Straight" Consignment
- Risks and Limitations of "Straight" Consignment
- Appropriate Uses for "Straight" Consignment

## **67. B/Ls for Draft Collection; Dealing with Lost Originals; Express B/Ls (CES)**

(Estimated study time: 59 minutes)

- Introduction
- B/Ls for Use with Documentary Draft Collection
- Problems Caused by Lost Original B/Ls
  - General—Cargo Delivery Delays and Additional Expense
  - Letters of Indemnity for Missing B/Ls
    - Indemnities for Negotiable B/Ls
    - Indemnities for Straight B/Ls
  - Forwarder's Role in Release of Cargo with Missing OB/L
- Express Bills of Lading

## **68. Electronic Bills of Lading; Summary of Forms of Consignment (CES)**

(Estimated study time: 58 minutes)

- Introduction
- The Electronic ("Paperless") B/L
  - General—Enabling Technology, Standards and Service Providers
  - Electronic Bills of Lading using EDI
  - "Neutral" Ocean Carrier Portals
  - Electronic B/Ls via the Bolero System
  - Summary—Ocean Carrier "EDI" Today
- Summary: Form of Consignment—Convenience vs. Control
- Form of Consignment Should Be a Shipper Decision

## **69. B/L Instructions, Information Detail and Parties to be Shown (CES)**

(Estimated study time: 1 hour 35 minutes)

- Introduction
- General—A Shipper/Forwarder's Responsibility
  - For U.S.-Export Shipments, B/L Instructions Needed 2+ Days Prior to Departure from Loading Port
    - Import License/Permit Information
    - "Clean On-Board" Statement
    - B/L Continuation Sheets
    - Gross Weight, Measurement, Declared Value
    - Export License/Authorization; Other Government Required Information
    - U.S. Export Declaration/Compliance Information on B/L



- The B/L is an "Export Control Document"
  - U.S. Export Requirements that Impact B/L Preparation
  - EAR/Customs Violations; Denial Orders
  - Conformity of Documents under a U.S. Export License
- On-Board Date—Expiring U.S. Export License
- Block #21 – U.S. Export Information
  - Mixtures of Licensed, Non-Licensed and/or NDR Cargo
  - Destination Control Statement
- Tariff Applicability under U.S. FMC Rules
- When to Communicate B/L Instructions
  - Ocean Carriers Generally Need B/L Instructions Prior to Cargo Acceptance
  - For U.S.-Bound Shipments, B/L Instructions Needed 2+ Days Prior to Loading
- How to Communicate B/L Instructions
- Transaction Parties Typically Shown on an Ocean/Intermodal Bill of Lading

## **70. Place of Cargo Acceptance and Delivery; Rate Basis; Additional B/L Data (CES)**

(Estimated study time: 1 hour 2 minutes)

- Introduction
- General
- CY-CY Service
- CFS-CFS Service
- Pick Up at Shipper's Door; Delivery to Consignee's Door
- Information Required on an Ocean Bill of Lading

## **71. FMC Regulation of Ocean Carriers; Tariffs & Service Contracts (CES)**

(Estimated study time: 1 hour 29 minutes)

- Introduction
- Preservation of Common Carriage
  - General
  - FMC Regulation of Common Carriage vs. Contract Carriage
- FMC Complaint, Claim and Dispute Resolution Procedures
- FMC Carrier Oversight Methods/Requirements
  - Publication of Ocean Carrier Tariffs
  - Additional NVOCC Requirements
  - Filing of Carrier-to-Carrier and Carrier-to-Terminal Agreements
- FMC Enforcement—General
- Anti-Rebate Enforcement
- U.S. Ocean Carrier Service Contracts
  - General
  - Benefiting From Service Contracts
  - Parties to Service Contracts
  - Service Contract Filing with FMC
  - Publication of Essential Terms

## **72. FMC Regulation of Ocean Freight Forwarders (CES)**

(Estimated study time: 1 hour 2 minutes)

- Introduction
- FMC Regulation of Ocean Freight Forwarders
- What It Means to be Regulated
  - Government-Imposed Rules
  - Facing Complexity and Vagueness
  - Conflicting/Competing Interests in the Forwarder-Shipper Relationship
  - Compliance with Regulations; Expectation of Knowledge
- Sanctions for Violation of Shipping Law and FMC Regulations
  - Law and Regulations Drive FMC Enforcement
  - FMC Discovery and Response to Violations
  - Civil Penalties (Fines)
  - Revocation or Suspension of License
- Sanctions for Violation of Other Federal Regulations
- NAFTA Provisions

## **73. When an OTI License is Required; Qualification to Become Licensed; Forwarder-Shipper Relationship (CES)**

(Estimated study time: 1 hour 11 minutes)

- Introduction
- FMC Forwarder Regulation—When is a License Required?
  - FMC OTI License, "When Required" (46 CFR 515.3)
  - "Freight Forwarding Services" Defined (46 CFR 515.2(i))
    - Basic Regulatory Scope/Criteria
    - Regulatory Vagueness as to What Services Constitute Freight Forwarding
  - "Ocean Freight Forwarder" Defined
- When an FMC OTI License is NOT Required
- General—The "Qualifying Individual"
- Experience and Qualification Criteria; Application Process
- Forwarder Represents Shipper as an Agent
- Responsibility as Agent
  - General
  - Conflicts of Interest
  - Confidentiality of Information
  - FMC Regulatory Prohibitions
- Forwarder Principal vs. Others Involved With a Shipment
- More on Determining Who is the Forwarder's Principal

## **74. Forwarder Authorization by Shipper (CES)**

(Estimated study time: 1 hour 3 minutes)

- Introduction
- General—An Agent Must Have Authority from Principal
- FMC Regulations

- PPI Authorization Required for a Forwarder to Transmit EEI
- Handling Instructions for Specific Shipments (SLIs)
  - General—Written Instructions Very Important
  - Form of Shipping Instructions
  - Concern over Ocean Shipping Instructions Accompanying Cargo Delivery
- Standing Shipment Handling Instructions and SOPs
- General—Good Business Practice to Have a Representation Agreement
- Agreements, Terms and Conditions: Forms & Enforceability
- Ocean Forwarder Liability Limitation
  - Essential Requirements
  - Liability Limit Differentiation for Different Services
  - Errors and Omissions Insurance

## **75. Forwarder Relationships with VOCCs and NVOCCs (CES)**

(Estimated study time: 1 hour 9 minutes)

- Introduction
- General—Selecting an Ocean Carrier
- General—Forwarder-VOCC Relationship Is Arms Length
- More on Forwarder-VOCC Relationship
- Relationship with Non-Related NVOCCs (Arms Length)
  - NVOCC Forwarder Compensation
  - NVOCC Rate Negotiation
- Forwarder Acting as NVOCC Breakbulk Agent
- Forwarder Concurrently Acting as NVOCC
  - General
  - Competing Interests
  - Addressing Competing Interests
  - Focus on Benefits to Shipper of Joint Forwarder-NVO Service
  - Rate/Service Guidelines
  - Confirm Services To be Performed and Rates Prior to Routing Cargo
  - A Principal's Access to Underlying Costs

## **76. Regulation of Ocean Forwarder Fees; Illegal Rebates; Implant and 3PL Operations (CES)**

(Estimated study time: 1 hour 5 minutes)

- Introduction
- Fees Not Regulated Per Se
  - General
  - Fee Publication Not Required
- Third-party Costs; Invoices, Documents Available upon Request (46 515.32(d))
- Additional Ways in which FMC Regulations Affect Forwarder Fees
- General—Rebating of Ocean Transportation Charges to Shipper Always Illegal
- Rebates by Carrier
- Indirect Rebates by Shipping Agencies
- Indirect Rebates of Forwarder Compensation

- The Trend
  - General—Seamless Logistics
  - Shared Systems and Implants
- Boundaries as to Regulated Business Activity
- More on FMC Regulatory Issues Affecting "Implant" and 3PL Operations
- Retention of Records

## **77. FMC Regulation of NVOCCs; Tariff Requirements (CES)**

(Estimated study time: 52 minutes)

- Introduction
- General—FMC Regulation and Jurisdiction over NVOs
- NVOCC as Ocean Transportation Intermediary (OTI)
  - Licensing
  - Surety Bond
- NVOCCs Are Regulated as Common Carriers
  - Public Tariff an Essential Characteristic of Common Carriage
  - NVOs Operate De Facto as Contract Carriers
- NVO Tariff Publication Requirements

## **77.[a]. NVO Service Arrangements (NSAs) and NVO Negotiated Rate Arrangements (NRAs) (CES)**

(Estimated study time: 57 minutes)

- NVOs Operate De Facto as Contract Carriers
- Deciding upon Use of an NSA vs. Tariff Rates & Rules
- General Requirements for an NSA
- What is an NRA?
- Pre-Requirements for NVO Use of NRAs
- Considerations Before Using NRAs

## **78. NSAs (cont.); NVO Co-Loading (CES)**

(Estimated study time: 1 hour 20 minutes)

- Introduction
- Required NSA Information
- Publication of Essential Terms
- NVO Cargo Pre-Acceptance Procedures; Control by Booking Number
  - Pre-Acceptance Discipline – General
  - Cargo Acceptance Control Using Booking Numbers
- NVOCC Bill of Lading Terms, Conditions, Format
- U.S. NVO Co-Loading Basics
  - As Indirect Carriers, NVOs Sub-Contract All or Most Transportation
  - Co-Loading Benefits
  - FMC Rules on NVOCC Co-Loading

- U.S. NVO Regulatory Nuances

## **79. Why Ship by Air? What Can be Shipped by Air? (CES)**

(Estimated study time: 1 hour 11 minutes)

- Introduction
- Why Ship by Air?
  - Air Cargo Benefits
  - Air Cargo Limitations
  - Value-added and Integrated Air Shipment Services
- Types of Cargo Suitable for Air Shipment?
- Small Packages—The Earliest Commercial Air Cargo
- General Cargo
- Air Shipment Operational Characteristics and Limitations
  - General—Air Shipments Primarily Limited by Size and Weight
  - Points of Service vs. Aircraft Size
  - Air Cargo Containerization
  - Charter Aircraft Options to Meet Various Needs
    - General—Air Charters Expand Air Transportation Options
    - Shipment Urgency
    - Locations Not Served by Scheduled Airlines
    - Shipments Requiring Extra High Security
    - Large Regular Cargo Flows
    - Peak Season or Backlogged Transportation
    - Outsized or Very Heavy Cargo Items

## **80. Justifying the Cost of Air Freight (CES)**

(Estimated study time: 40 minutes)

- Introduction
- Shipments that Justify Air Transportation
  - General—Cost-Justifying Air Shipment
  - High Urgency Shipments that Require the Shortest Available Transit Time
  - High Security Shipments
  - Small Shipments
  - Remote/Isolated Locations
  - Tools of the Trade; Personal Effects
  - Entertainment & Athletic Group Equipment
  - Fairs/Exhibitions/Artwork
  - Live Animals
  - Human Remains

## **81. Air Cargo that Requires Special Handling and/or May be Restricted (CES)**

(Estimated study time: 1 hour 15 minutes)

- Introduction

- General—Shipper Responsibilities for Cargo Requiring Special Handling
- Cargo Temperature Sensitivity and Control
- Temperature Ranges during Air and Ground Transportation
- Protecting Products Sensitive to Temperature Extremes
- Air Shipment of Products that Require Temperature Control
- In-Bond Cargo (Cargo under Customs Control)
  - In-Bond Cargo (under Customs Control) (U.S.)
- Shipping Dangerous Goods by Air
- General Dangerous Goods Requirements
  - U.S Dangerous Goods Regulations
  - More on This Important Subject

## **82. Air Shipment Time and Distance Factors (CES)**

(Estimated study time: 1 hour 43 minutes)

- Introduction
- Domestic and Regional Air Shipment
  - General
  - Example of Time-Cost Comparison between Air and All-Truck Shipment
- International Air Shipment
  - Additional Requirements for International Shipments
  - Multimodal International Shipping as Alternative to All-Air Shipment
- Cartage/Drayage
- Airport Truckers and Trucking Companies
- Airport Trucking Operational Patterns
  - The Air Cargo Cartage Daily Cycle
  - Cargo Recovery from the Airport for Delivery
  - Cargo Delivery
  - Cargo Pick-up—Scheduling
  - Cargo Pick-up—Required Information
  - Air Cartage "Specials"
- Airport Trucker Qualification & Selection
- Substituted/Expedited Truck Services

## **83. Airfreight Shipment Rates and Other Charges (CES)**

(Estimated study time: 1 hour 43 minutes)

- Introduction
- General—Freight Charges by Airlines vs. Forwarders
- History of Air Cargo Rate Structure
- Types of Air Cargo Rates & Precedence of Rates
- Air Cargo Chargeable Weight (International); Actual vs. Volume Weight
  - Air Cargo Chargeable Weight (U.S.)
- Add-on or Component Rates
- Container Rates
- Other/Special Purpose Rates
- Surcharges
- Accessorial Charges

## **84. Air Waybills (CES)**

(Estimated study time: 1 hour 35 minutes)

- Introduction
- General—Air Transportation Contract of Carriage, Terms and Conditions
- Functions of an Air Waybill
- Shipper and Air Carrier Responsibilities and Liability
  - International Rules – Warsaw Convention + Montreal Protocol 4
  - Carrier's Responsibilities and Liability Limits under Montreal Protocol 4
  - Shipper's Responsibilities under Montreal Protocol 4
- Air waybill Format—General
- Air Waybill Issuance
- Air waybill Sets and Distribution
- Who Prepares an Air Waybill
- Electronic Cargo Shipment Record (e-AWB)

## **85. Air Forwarders Services — Overview (CES)**

(Estimated study time: 1 hour 1 minute)

- Introduction
- What is an Air Forwarder?
- Air Forwarding—a Knowledge-based Business
- Process Overview
- The Key Players

## **86. Introduction to Dangerous Goods/HazMat Shipping (CES)**

(Estimated study time: 51 minutes)

- Introduction
- Dangerous Goods are DANGEROUS!
  - Dangerous Goods Incidents Occur Daily, Many through Human Negligence
    - Accidents Happen!
    - Dangerous Goods Accident Statistics
    - Dangerous Goods Incident Statistics
  - Really Bad Things Do Happen with Dangerous Goods
    - ValuJet Crash
    - Container Ship Fires
      - Zim Montreal - Long Beach -1981
      - Sea Elegance - Durban - October 2003
    - Railcar Spills Herbicide into River
    - Trucks Involved in Dangerous Goods Accidents
  - Terrorists and Dangerous Goods
  - "HazMat Employee" Training Requirement

## **87. Recognizing Symptoms and Shipments That May Contain Undeclared Dangerous Goods (CES)**

(Estimated study time: 53 minutes)

- Introduction
- Making the Risks Seem Real! (Personal Safety Motivation)
  - Physical "Hands-On" Experience
  - Drawing on Related Personal Experiences—Symptoms
- "Hidden" (Undocumented) and Improperly Prepared Dangerous Goods

## **88. Dangerous Goods Security; Particular Cargo Issues; Accessing Expertise (CES)**

(Estimated study time: 1 hour 1 minute)

- Introduction
- Dangerous Goods Security
  - U.S. Measures
- "Common Sense" Important, but Not Enough
- Batteries and Battery-Powered Equipment
- Infectious Substances and Diagnostic Specimens
- Go-To Person for Help in Determining Possible Hidden Dangerous Goods

## **89. Dangerous Goods Hazard Communication (Information & Notification Requirements) (CES)**

(Estimated study time: 1 hour 15 minutes)

- Introduction
- General
- Dangerous Goods Documentation

## **90. Additional DG Communication Requirements; International DG Rules (CES)**

(Estimated study time: 55 minutes)

- Introduction
- Information on Dangerous Goods Packaging
- Placards on Conveyances
- Additional "Good Practice" Dangerous Goods Communications
- Determining if Particular Goods are Classified as "Dangerous Goods"
  - The Dangerous Goods List
  - More than One Set of Rules?
- The IMDG Code (Vessel Shipment for Dangerous Goods)
- ICAO Dangerous Goods Regulations (Air Shipment of Dangerous Goods)



## **91. U.S. DOT Regulations (CES)**

(Estimated study time: 58 minutes)

- Introduction
- U.S. DOT Regulations
  - General
  - DOT Rules of Particular Importance to Shippers
    - 49 CFR 171-173
    - Dangerous Goods Arriving from Canada
    - Shipper/Carrier Registration with DOT
    - Hazmat Security Plan
    - "Hazmat Employee" Training
  - DOT Enforcement and Sanctions
    - General
    - Civil Penalties
    - Criminal Prosecution

## **92. Knowledge Needed by All Who Work with Dangerous Goods (CES)**

(Estimated study time: 57 minutes)

- Introduction
- What Makes a Shipment Subject to "Dangerous Goods" Regulations?
  - Dangerous Goods Defined
  - Identification of Dangerous Goods
  - Determining "Applicable" Dangerous Goods Regulations
- International Standards for Communicating Types of Hazard and Degree of Danger of Regulated Materials
- Identifying the Correct U.N. number
  - The Dangerous Goods List Index and N.O.S. Descriptions
  - Suspicious Your Product is Regulated, But Can't Find It in the Dangerous Goods List?
  - Information Available by UN Number Line Item

## **93. Hazard Class, Packing Group, Packaging Requirements (CES)**

(Estimated study time: 1 hour 11 minutes)

- Introduction
- Classification by Hazard (Hazard Class, Division)
  - Additional U.S.-Only Hazard Class: Other Regulated Materials ("ORM")
- Classification by Degree of Danger (Packing Group)
- Dangerous Goods Packaging
  - Dangerous Goods Packaging Objectives
    - U.S. HMR Packaging Requirements
      - General

- Certification of DG Packaging in U.S.
- Packaging Standards
  - International Standards
  - National Competent Authority Packaging Requirements
- Package Marking & Certification by Manufacturer or Shipper

## **94. Shipper Dangerous Goods Documentation Requirements (CES)**

(Estimated study time: 54 minutes)

- Introduction
- Shipper Documentation
  - Shipper's Declaration
    - General Requirements
    - Specific Shipper's Declaration Information Requirements
      - Shipper's Declaration Information Requirements (U.S.)
  - Shipper's Certification
    - Shipper's Certification (U.S.)

## **95. Dangerous Goods Information Required by Transportation Carrier(s) (CES)**

(Estimated study time: 1 hour 21 minutes)

- Introduction
- General
- Cargo Booking
  - Why Advance Booking of Dangerous Goods Is Important
  - Information to Provide When Booking Dangerous Goods
- Documentation Variation by Transportation Mode
  - Truck/Rail (Shipper-Prepared Transport Document)
  - Ocean/Intermodal (Ocean Carrier Issued Bill of Lading)
  - Air Freight
  - Documentation Variation by Transportation Mode (U.S.)
- Transport Document Preparation for "Limited Quantities"
- Air Waybill Preparation for "Excepted Quantities"

## **96. Transportation Intermediary Responsibilities for Dangerous Goods Shipment (CES)**

(Estimated study time: 1 hour 4 minutes)

- Introduction
- Acting as a Dangerous Goods (HAZMAT) "Offeror"
- Summary of Transportation Intermediary Responsibilities for Dangerous Goods Shipment
  - General
  - Documentation Concerns

- Intermediates are Legally Responsible for DGR Compliance
- Shipper's Declaration and Certification
  - A Key Safety Document—Standard Forms
  - Preparation/Signing of Shipper's Declaration by Agent
- Transportation Document
- Emergency Response Information & Telephone Number
- Container Packing Certificate (CPC)
- Specialized Requirements for Certain Dangerous Goods
- Packaging Concerns
- Re-forwarding of Dangerous Goods Cargo in Original Shipper Packages Held in Storage

## **97. Understanding Shipping Risks (CES)**

(Estimated study time: 1 hour 8 minutes)

- Introduction
- Cargo Loss and Damage Happens!
  - You See the News Headlines
  - You See the Pictures
  - Theft—The Biggest Cause of Cargo Loss
- How Big a Total Problem is Cargo Loss?
- Risk Awareness vs. Expertise
- Risk Anticipation/Identification
  - Physical Risks
  - Financial Risks
- Risk Management Strategies/Outcomes

## **98. Reducing Physical Risk to Cargo (CES)**

(Estimated study time: 52 minutes)

- Introduction
- Physical Risk Reduction
  - Cargo Preparation & Packaging
  - Cargo Marking
  - Containerization
    - Full Container Loads (FCL)
    - Through Containerization of LCL Shipments
  - Description/Remarks on the Transportation Document
    - Description on the Transportation Document (U.S.)
  - Mode, Routing and Carrier/Service Provider Selection
  - Transfer of Risk from Shipper to Consignee

## **99. Limitations on Carrier Liability for Cargo Loss (CES)**

(Estimated study time: 1 hour 28 minutes)

- Introduction
- Overview of Carrier Liability

- International Standard Rules Governing Cargo Transportation
  - Air Transportation and Truck Pre-carriage and On-carriage
  - Ocean and Connecting Through Intermodal (Surface) Transportation
    - COGSA and Through Intermodal (Surface) Transportation (U.S.)
    - Carmack Amendment (U.S.)
  - Road, Rail and Inland Waterway Transportation
    - Carrier Liability Limits, U.S. Truck and Rail Transportation
- Cargo Losses a Carrier Is and Is Not Liable For
  - General—Negligence vs. Causes Beyond Carrier's Control
  - Losses a Carrier IS Liable For
  - Losses a Carrier is NOT Liable For
    - Carrier Negligence (U.S. COGSA)
  - Example of Carrier Liability Rules (Rotterdam Rules)
  - Burden on Shipper to Prove Time/Place/Circumstances of Loss
- Example of Carrier Liability Rules (Rotterdam Rules)
- Bailee Liability

## **100. Cargo Insurance Basics (CES)**

(Estimated study time: 1 hour 1 minute)

- Introduction
- Illustration of Carrier Liability Limits Changing During Intermodal Transportation
- General—Insurance is a Risk-Sharing Contract
- Generic Property/Casualty Insurance Policy Information and Conditions
  - Property Covered
  - Risks/Perils Covered
  - Maximum Value of Coverage(s) Per-Incident and/or Cumulative
  - Insured Value/Computation of Loss
  - Period of Coverage
  - Detailed Insuring Conditions
  - Claim Procedures; Notification and Proof of Loss
  - Insurable Interest
  - Loss Payee

## **101. Commercial Risk Marine Cargo and Inland Cargo Insurance (CES)**

(Estimated study time: 1 hour 5 minutes)

- Introduction
- Overview of Cargo Insurance
  - General—Most Shipments Insurable under Marine Cargo Insurance
  - Standard Marine Underwriter Insuring Conditions
    - American Institute of Marine Underwriters (AIMU)
- Inland Marine Cargo Insurance
- Contingency Insurance and "Self Insurance"
- Types of Marine Cargo Insurance Policies
  - Marine Open Cargo Policy
  - Special Marine Cargo "Policy" (Certificate)

- Voyage Cargo Policy

## **102. War Risk Insurance; Commercial Risks Covered Under "All Risks" Insurance (CES)**

(Estimated study time: 51 minutes)

- Introduction
- General—Commercial vs. War Risks
- Obtaining War Risk Insurance Coverage
- Important Differences between War Risk and Commercial Risk Insurance
- Risks Generally Insurable (All Modes)
  - Theft & Pilferage
  - Handling Damage
  - Collision and Operational Accident
  - Fire
  - Contamination, Infestation, Spoilage
  - Weather/Exposure Damage
  - Storage/Processing En Route
  - Losses Resulting from Terrorist Acts

## **103. Non Insurable Risks and Other Insurance Restrictions (CES)**

(Estimated study time: 1 hour 13 minutes)

- Introduction
- Non-Insurable Risks
  - General
  - Universal Non-Insurable Risks/Causes of Damage
- Cargo-Specific Insurance Restrictions/Non-Insurable Risks
  - General—Insuring of Higher Risk Shipments
  - Insuring Goods with High Susceptibility to Theft
  - Insuring Goods with High Susceptibility to Damage/Breakage
  - Insuring Living and Perishable Cargo
  - Insuring Used Machinery/Equipment/Merchandise
  - Insuring Household Goods/Personal Effects
  - Insuring Dangerous Goods
- Other Insuring Limitations
  - Insuring Cargo Shipped On-Deck
  - Route/Destination Non-Insurable Risks
  - "On Application" Coverages/Negotiation

## **104. Marine Cargo Insurance Terminology & Insuring Conditions (CES)**

There are multiple questions in one location in the lesson text. There need to be additional anchors added to the source document and reassigned to individual questions so that each question will appear individually in the Check your Understanding feature.

(Estimated study time: 1 hour 36 minutes)

- Introduction
- "Warranted Free of/from (Perils)" vs. "Warranted Free from (Losses)"
- Progressive Coverage of Risks/Perils
- General Average
  - Concept
  - Sharing of Loss
  - General Average Guarantee
  - Insuring for General Average
- Free of Particular Average (F.P.A.)
- With Average
- All-Risks Coverage
- Warehouse-to-Warehouse and Other Extensions to All Risks Coverage
  - Warehouse-to-Warehouse Clause
  - South American Clause
  - Warehouse Clause
  - Processing Cover
  - Consolidation Endorsement
- Additional Marine Cargo Insuring Conditions/Coverages

## **105. Deductibles & Other Insurance Limitations; Obligations of the Insured (CES)**

(Estimated study time: 1 hour 20 minutes)

- Introduction
- Deductibles
- Exclusions
- Other Insurance Limitations
- Cargo Insurance for Land/Air Transportation Modes
  - Insuring Multimodal Movements
  - Insuring Domestic Land Shipments
  - Insuring Air Cargo
- Obligations of the Insured under a Cargo Insurance Policy
  - Diligence and Good Faith Compliance with Policy Terms
  - Cargo Preparation, Packaging, Container Stowage
  - Insured Value Computation/Declaration
  - Additional Obligations of the Insured

## **106. Cargo Insurance Certificates (CES)**

(Estimated study time: 50 minutes)

- Introduction
- Cargo Insurance Certificates
  - General—Basic Functions
  - Key Characteristics of a Marine Cargo Insurance Certificate
    - Evidence of Insurance & Insuring Conditions
    - Loss Payee; Certificate Negotiability

- Proof of Insurable Interest
  - Relationship between Certificate and Underlying Open Cargo Insurance Policy
  - Instruction Concerning Losses/Claims
  - Distribution of Cargo Insurance Certificate
  - Reporting Coverage to the Insurance Carrier
- Preparing Cargo Insurance Certificates
- Deciding Whether or Not to Insure Cargo

## **107. Procedures upon Discovery of a Cargo Loss (CES)**

(Estimated study time: 1 hour 12 minutes)

- Introduction
- Discovery of Loss—General
- Preliminary Notice(s) of Claim
- Transportation Carrier/Bailee Notification Requirements
  - Ocean Carrier Liability Claim Notice Requirements
    - Ocean Carrier Liability Claim Notice Requirements – U.S. COGSA
  - Concealed Damage/Loss—Prompt Discovery
  - Concealed Damage/Loss—Delayed Discovery
  - Non-Delivery
- Insurance Policy Notification Requirements
  - General
  - Delayed Notification under Cargo Insurance
  - Sue & Labor
- Surveys; Formal Claim Preparation, Adjustment and Settlement
- The Transportation Intermediary's Role in Shipping Insurance

## **CES Certification Exam**

This is the CES Exam. It should take about 3 hours.

(Estimated study time: 11 hours 57 minutes)