

SWARS Meeting February 18, 2010

“Are We There Yet ?”



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Got Anything to Declare ?

Agriculture

- **7 CFR 319.40**
 - **Solid Wood Packing Materials**

Customs & Border Protection

- **Section 625(c) Tariff Act of 1930**
- **19 CFR 123.91 and 123.92**
- **19 CFR 1041.a**

Got Anything to Declare ?



Current Process for Loaded Northbound Railcar Crossing

- Railcar waybilled with US Railroad
- Download sent to US Broker
- US Broker files with Customs & Border Protection (CBP)
- US Railroad advises Mexican Railroad
- Train offered by Mexican RR
- CBP approves train for crossing
- Train crosses – CBP advises cars to hold for

Inspection



Current Process for Empty Northbound Railcar Crossing

Loaded cars move to destination in Mexico and are 'spotted' at receivers facility

Customer empties contents of railcar and reports car(s) to railroad as empty

Railcar moves reverse route back to border location

Train with empty and loaded cars offered to US Railroad

Empties are allowed return under CFR 1041.a - Instruments of International Trade

Challenges to Border Crossing Velocity



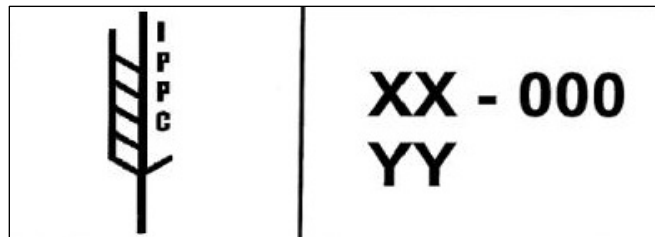
Current /Potential Barriers

Current Barrier

Solid Wood Packaging Materials

7 C.F.R. 319.40

Intends to protect US Agricultural resources



Rail Industry approach to compliance

Solid Wood Packaging Material (SWPM)

Communication is key :

To US shippers to insure SWPM is identified and marked

To Mexican Receiver to unload railcars completely

**To Mexican railroads to insure dunnage removed from
railcars**

Railcars are switched out of train and setback to Mexico

Fines being received from ABP-AQI

Example of Solid Wood Packing Material returned from Mexico



Current /Potential Barriers

Potential Barrier

Residue

19 C.F.R Part 177

Modification of ruling letter allowing containers containing residual chemicals to be entered as empty containers

Rail Industry approach to compliance

Residue

Ongoing Discussions with CBP to develop plan for compliance

Collection of data required by CBP to present manifest (Source)

Communication Mechanism of the data to CBP

Customer Communication for process changes needed for compliance

Presentation of 'Residue' data to CBP – Inward Manifest

Next Steps 'To Get us There'

Rail industry to discuss technical requirements needed for compliance

Rail Transborder committee at the AAR to put together bullet points of items to present to CBP the recommended rail industry solution

Next Industry call set for March 1

Are we there yet ?

Southwest Association of Rail Shippers



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