



FESCO OCEAN MANAGEMENT LIMITED

Registered Address: FESCO Ocean Management Limited, 1 Costakis Pantelides Avenue, Nicosia, Cyprus
Correspondence Address: 1000 Second Avenue, Suite 1310, Seattle, WA USA, 98104
Tel: (206) 583-0860 • Fax: (206) 583-0889 • www.Fesco-NA.com

September 16, 2008

Re: AES Processing Regulations – Effective September 30, 2008

Dear Valued Customer:

Effective September 30, 2008, the Department of Commerce will implement their new **AES** (Automated Export System) Final Rule, which will affect all export cargo loading at ports in the United States.

The U.S. Principal Party of Interest (USPPI) – typically the exporter or their authorized agent – must provide their exporting ocean carrier with Proof of Electronic Filing Citation (EFC) or an appropriate Exemption Legend **no later than 24 hours prior to the loading of cargo.**

Under the Final Rule the following will qualify as proof of EFC:

- An Internal Transaction Number (ITN); a proof of filing citation generated by the AES, which proves that the USPPI has properly filed its export information
- A post-departure filing citation, if the USPPI is an authorized post-departure filer

Examples of authorized exemption legends would be Canadian destination cargo, shipments valued at less than \$2,500, etc.

Please Note:

- These regulations apply to both dry and reefer cargo

- Under the Final Rule only the ITN is acceptable as proof of an electronic filing citation -- **an External Transaction Number (XTN) will no longer be accepted**
- Failure to file or delayed filing violations could result in a civil penalty not to exceed \$1,100 for each day of delinquency beyond the applicable period prescribed, but not more than \$10,000 per violation
- Ocean exporting carriers can no longer accept paper Shipper Export Declarations (SED) under any circumstances, nor load cargo that does not have proof of filing citations

In accordance with the above ruling, **effective September 30, 2008** FESCO will require that for ***all U.S. export cargo***, customers submit proof of EFC on their Shipping Instructions/Bill of Lading Master **by 1600 hours PST on the published documentation cutoff date**. If our centralized documentation center does not receive your ITN by 1600 hours on the published cut-off date, *the subject cargo may be rolled to the next vessel without notice, and a fee of US\$200 per container will be added to your Bill of Lading. Any additional costs incurred as a result of the rolling of cargo will also be the responsibility of the shipper.*

For additional information regarding this regulation, we suggest that you visit the Census Website at the following link:

<http://www.census.gov/foreign-trade/aes/mandatory/index.html>

We appreciate your continued support, and your efforts to comply with these new U.S. Government regulations.

Sincerely,

FESCO Agencies NA Inc.
On behalf of FESCO Ocean Management Ltd