

CUSTOMER ADVISORY

Please review the following information provided by Maersk regarding Government Cargo HS Code requirements effective October 1, 2016.

**HS Code Guidelines –
Improved Alignment with Cargo Preference
Tuesday, September 27, 2016**

The United States Maritime Administration (MARAD) was established to manage the “Cargo Preference program work to promote and facilitate a US maritime transportation system that is accessible and efficient in the movement of goods and people. It oversees the administration of and compliance with US Cargo Preference laws and regulations. Those laws require shippers to use US-Flag vessels to transport any Government-impelled ocean borne cargoes.”

As a participant in both the Maritime Security Program (MSP) and Voluntary Intermodal Sealift Agreement (VISA) program, a primary focus of Maersk Line, Limited is handling the transportation needs of US Government customers in accordance with Cargo Preference rules and regulations. As mentioned in our previous announcement regarding compliance, Maersk has made process changes that will isolate US Government cargo from commercial cargo to ensure proper handling.

In better aligning with MARAD’s Cargo Preference laws, Maersk has created HS codes that will simplify the booking process and provide Maersk and our customers’ better transparency concerning US Government cargo.

Starting October 1, 2016 all shipments of US Government cargo must be booked with one of the below HS codes. It is important to note that these new descriptions must be referenced or selected during the booking process, in order to ensure the appropriate association for a given shipment.

HS Code	HS Code Description
999990	US Flag - US Military cargo (other than household goods)
999991	US Flag - US Military Household Goods
999992	US Flag - US Export Import Bank
999993	US Flag - US Civilian Agencies Cargo
999994	non-US Flag - US Civilian Agencies Cargo
999995	US Flag - Agricultural Cargoes
999996	non-US Flag - Agricultural Cargoes
999997	US Flag - Foreign Military Sales
999998	non-US Flag - Foreign Military Sales

Failure to provide this information accurately at the time of booking will result in a commercial non-US Flag shipment which moves under standard commercial terms and conditions. Additionally, US Flag Bills of Lading will only be created for the HS codes mentioned in the table above.

Example US Flag Bill of Lading

 		BILL OF LADING FOR OCEAN TRANSPORT OR MULTIMODAL TRANSPORT		SCAC MAEU
Shipper KRAFT FOODS GROUP EXPORTS LLC 50 NEW COMMERCE BLVD, SUITE 200 WILKES BARRE, PA, 18762, U.S.A. TEL 570-550-8552		Booking No. 603470080		B/L No. 603470080
Consignee (negotiable only if consigned "to order", "to order of" a named Person or "to order of bearer") MK CHEESE CO. LTD. 1-1,1-CHOME,OCHIAIKITAY, AYASE-SHI KANAGAWA PREF. 252-1116, JAPAN JAPAN, TEL 81-(0)467-70-5900 IMPORTER CODE T0028940-0000		Export references 1370026946 / 405189		Svc Contract 629453
Vessel (see clause 1 + 19) CMA CGM LA SCALA		Voyage No. A60W		Onward inland routing (Not part of Carriage as defined in clause 1. For account and risk of Merchant)
Port of Loading Seattle		Port of Discharge YOKOHAMA		Place of Receipt. Applicable only when document used as Multimodal Transport B/L. (see clause 1)
Place of Delivery. Applicable only when document used as Multimodal Transport B/L. (see clause 1)		PARTICULARS FURNISHED BY SHIPPER		
Kind of Packages; Description of goods; Marks and Numbers; Container No./Seal No. 1 Container Said to Contain 5870 CASES 0406200000 (CG) CASES FOODSTUFF CHEESE OF ALL KINDS, GRATED OR POWDERED EXPORT LICENSE : "NLR" RECEIVED FOR SHIPMENT B/L Return Method EMAIL Freight to be Prepaid By Check X20140902682502 HS CODE:040620 FOOD GRADE CONTAINER MSKU8107243 40 DRY 9'6 5870 CASES 16175.220 KGS 57.1810 CBM Shipper Seal : UL3036333 SHIPPER'S LOAD, STOW, WEIGHT AND COUNT THESE COMMODITIES, TECHNOLOGY, OR SOFTWARE WERE EXPORTED FROM THE UNITED STATES IN ACCORDANCE WITH THE EXPORT ADMINISTRATION REGULATIONS. Above particulars as declared by Shipper, but without responsibility of or representation by Carrier (see clause 14)		Weight 16175.220 KGS	Measurement 57.1810 CBM	

Please contact your Customer Care Representative with any questions or concerns you may have.

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