How To Become a U.S. Bonded Carrier

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A Few Questions & Comments

• Often we get the call “can I haul a bonded load?”.  

• We have no way of checking whether a carrier is bonded or not! You need to tell us!

• Being bonded in Canada is considerably different from the U.S., and a separate “bond authorization” is required in order to carry goods in-bond within or from the U.S.

• It can’t be done overnight and as a commercial carrier you should never quote for services you are unfamiliar with or once bonded you do not want to randomly allow other carriers to use your bond authorization.
What is a bonded load?

- In bond shipments refers to imports or export shipments which have not been cleared by customs.

- In bond shipments to and within the U.S. are shipments not intended to enter the U.S. commerce.

- In bond shipments is a term applied to the status of merchandise admitted provisionally to the U.S. without payment of duties or applicable taxes.

- An in bond shipment indicates an origin where the bond is “arrived” and a destination where the bond again will be “arrived” or considered “cancelled”.
A bonded carrier must post security to cover the following:

- Movement of goods to a U.S. Customs office inland (not located at the border) for release of a shipment at a later time or place; also known as “bonded merchandise”;
- Movement of goods “in-transit” through the United States. The bonded carrier uses the U.S. as a corridor, or a shortcut, by starting from a point outside the United States and then transiting through the U.S. to another point outside of the U.S. (for example Canada to Canada);
- Movement of goods into the United States for export to a foreign market (for example Mexico to Canada).

Posting security with U.S. CBP will be required in the form of cash, certified cheque or a surety bond.
What’s needed to apply?

• Information explaining what type of cargo you will be moving, what types of movement (city to city or export to Canada etc.), along with a list of the countries to and from

• $50.00 (fifty U.S. dollars) made payable by check or money order drawn from a U.S. bank and made payable to Customs and Border Protection

• Applicant information will include a listing of all officers of the company (including position held within the company), and any employees (including drivers or contracted owner operators) who would have access to the bonded cargo. That list must include proper (legal) name; personal address, birth date, social security/insurance number, and driver’s license number (for all officers and employees provided)

• For Canadian carriers making application to receive an importer number will be required- we do this through a customs broker

**Information is submitted to CBP Office**
U.S. CBP

• Will review the information provided.

• Will provide a receipt for the $50.00 applicant fee.

• Will provide a letter indicating the necessary bond amount required for your CBP Form 301.

• After the local port has set your necessary bond amount the National Finance Centre (NFC) in Indianapolis, IN takes over.
Surety Bond

- We work with a company The Guarantee Company of North America who specializes in customs bonds and will then electronically file the surety bond and have the CBP Form 301 provided back to you which will include the bond number.

- Until the bond number is received you are not considered a bonded carrier.

- Bond amounts typically range for $25-50,000 for movement of general cargo.

CBP Form 301

![CBP Form 301 Image]
You are now considered a bonded carrier

• Posting your bond against shipments should be done with care and an understanding of your liability (penalty action for non-compliance).

• Your dispatch and drivers should understand the reporting requirements associated with ensuring a bond is properly closed once opened “or arrived” and “monitoring” the bond should include messaging to the driver for reporting to a U.S. CBP prior to exit to Canada.

• U.S. brokers who may complete paper QP bonds on behalf of an importer/carrier should be provided a “one time” power of attorney. Carriers should not sign a typical power of attorney signed by an importer & not specific to “this” shipment only.

• Most importantly as a bonded carrier control the use of your bond and have the ability to file bonds electronically rather than dependent on paper & the actions of others.
Your own Bond numbers

• After receiving your bonded carrier approval you should request a series of your own bond numbers that can be used to create the bond entry (CBP Form 7512).

• A letter on company letterhead is submitted to CBP via e-mail including the following information:

  SCAC Code  
  Importer Number  
  U.S. Customs Bond Number  
  Quantity Requested (Example 250, 300, 500)

• A letter with a series of number will be returned with instructions on how to create the numbering series. We create an excel spreadsheet that allows you to maintain a listing of the numbers and ultimately how these numbers are assigned.
As part of your e-manifest process

• You simply file your ACE e-Manifest with truck, trailer, driver and shipment details.

• Select ACE In-bond Shipment type.

• In Border Connect additional fields will display and once all fields are completed the CBP form 7512 can be printed but most importantly you can now manage the “opening” or arrival of your bond at origin and “close” or arrive your bond at destination.

• You are no longer dependent on a paper bond, your driver’s properly presenting at a customs port office, or the officer who may not close your bond.

• You now have the ability to troubleshoot and monitor directly.
As part of your e-manifest process

Additional Fields:

- Value of merchandise
- Harmonized Code related to the description (look at previously filed in-bond documents prepared by customs broker).
- All other fields are consistent with any other type of shipment filing (PAPS).
ACE in-bond allow you to:

• CBP message as part of your eManifest will indicate:
  In-Bond Movement authorized; bill of lading open, Shipment (Trip Number), Quantity, Entry Number (your assigned entry number), and port.
• After shipment has been delivered or arrived at location where your bond will end you can send the arrival message / driver is not required to present paper 7512/ you manage the closing of your bond.
• CBP message as part of your eManifest once an arrival message is sent will read:
  Arrival of in-bond- complete movement: Shipment (Trip #), Quantity, entry number.
We will now show you how to do an ACE In-Bond within BorderConnect.
QUESTIONS
you might have – please submit them now!

And while we’re waiting........

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Mark your Calendar!

Please join us again on **Thursday July 9th at 2pm EST** for BorderConnect’s final webinar regarding ACI eManifest. Remember as of July 10th, 2015 it will be mandatory for all commercial carriers entering Canada at every port to report electronically whether loaded or empty.

**Learning The Basics of Doing ACI eManifests in BorderConnect**

To register, visit BorderConnect’s event page, or email justin@borderconnect.com for a registration link.