Australian Customs Notice 2000 42

**INTERSTATE MOVEMENT OF UNDERBOND CONSOLIDATED CARGO**

In order to further streamline the delivery of imported cargo, the Australian Customs Service (Customs) proposes to allow, under certain circumstances, the direct interstate underbond movement of consolidated air cargo at the master air waybill (MAWB) level from a discharge port cargo terminal operator's (CTO) premises to the consignee freight forwarder's section 77G licensed depot in the port of destination.

Currently, where a consolidation master air waybill has different discharge and destination ports, the cargo must move to a CTO in the destination port nominated by the discharge port CTO, prior to underbond movement to the freight forwarders premises. This procedure, until recently, reflected standard industry practice. However, increasing commercial pressures have necessitated a review of these types of movements and the air cargo industry has asked that new procedures be approved by Customs.

It is Customs intention, under Cargo Management Re-engineering (CMR), that this type of underbond procedure be accommodated. However, in anticipation of the implementation of CMR, Customs in consultation with industry, has agreed to the following arrangements.

Consolidation MAWBs with different discharge and destination ports cited on the air waybill may move underbond directly to the interstate licensed premises of the freight forwarder cited as the consignee, where the following conditions have been met;

all associated cargo reports meet the timeframes imposed under section 64AB of the *Customs Act 1901;* cargo must be fully accounted for prior to underbond movement from the discharge port CTO;

the discharge port CTO does not require the cargo to be moved to a destination port CTO;

the cargo consists only of shipper packed units or pallets. No loose or general cargo will be included in the unit by the airline;

the freight forwarder in the destination port undertakes to forgo the option of post flight encapsulation for all cargo reported by the forwarder in that port;

the freight forwarder in the destination port obtains permission from Customs for the receipt and sending of Air Cargo Automation (ACA) underbond messages at the MAWB level;

the underbond applicant takes full responsibility for the cargo while it is moving and until received by the freight forwarder at the destination premise; and

the facility will not be used for any other purpose.

The Australian Quarantine and Inspection Service (AQIS) will monitor and if necessary restrict the movement of 'high risk' interstate underbond consignments.

As is currently the case, cargo may be held by Customs in the port of discharge prior to underbond movement.

Those freight forwarders wishing to receive such underbond movements should first consult with the relevant CTO or airline and obtain written agreement for the movement of consolidations direct to the forwarder's premise from interstate. They should then forward a letter of application to the Border Licensing Officer in their region. The application should also include a copy of the written agreement from the relevant discharge port CTO or airline and an undertaking to abide by the conditions set out above.

Applicants should be aware that non-compliance with the above conditions may result in a review and possible withdrawal of the approval to make such underbond movements.

Potential applicants need to be aware that ACA messaging specifications at the MAWB level differ from those used at the house air waybill level. This means that although Customs will electronically facilitate these under- bond moves for approved applicants they must, at their own expense, develop or acquire software capable of processing messaging in the MAWB format.

Registered users of ACA seeking further technical information on underbond electronic messaging at the MAWB level should contact the Assistant Director Cargo Automation, Chris Marsh, by phone on 02 6275 5908 or by email at [chris.marsh@customs.gov.au](mailto:chris.marsh@customs.gov.au)

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National Manager Border Operations for

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