

MEMORANDUM D3-6-7

Ottawa, May 3, 1994

SUBJECT

RAIL CARGO IN TRANSIT MOVEMENTS

This Memorandum outlines and explains specific Customs requirements and procedures for reporting and controlling the cargo which transits through Canada or the United States by rail carriers.

TABLE OF CONTENTS

Page

Guidelines and general information

Security Requirements

Train Report

Cargo Control Documents Required

Cargo Reporting and Control Procedures

Procedures for U.S. Goods Transiting Canada (US-CDA-US)

Procedures for Canadian Goods Transiting the United States
(CDA-US-CDA)

Penalty Information

Additional Information

Appendix A Form A 4 , Canadian Customs In Transit Manifest

Appendix B Specimen, White Paper Manifest

GUIDELINES AND GENERAL INFORMATION

SECURITY REQUIREMENTS

1. Rail carriers who transport in transit goods through Canada or the United States must be bonded carriers and must file security as specified in Memorandum D3-6-6, Rail Cargo Import Movements.

TRAIN REPORT

2. Rail carriers are responsible for reporting trains and in transit cargo to Revenue Canada Customs at the point of entry and the point of exit. Carriers must report all cars transiting Canada on form A 1, Train Report Inward, or file an electronic Train Report Inward by using the electronic data interchange (EDI), and form A 5, Train Report Outward. Alternatively and with prior permission of the Transportation Division, Customs will accept the carrier's internal train consist sheet. For more information on the train report, refer to Memorandum D3-6-6 and Memorandum D3-6-8, Rail Cargo Export Movements.

CARGO CONTROL DOCUMENTS REQUIRED

For Non-EDI Carriers

3. Rail carriers must report all freight shipments in transit through Canada (US-CDA-US) or for in transit movement through the United States (CDA-US-CDA) by rail to Canada Customs on form A 4 , Canadian Customs In Transit Manifest. The rail carrier must supply and prepare this manifest in detail. Customs will number and stamp it at the points of entry and exit.

4. There must be two copies of the in transit manifest. Parts 1 and 2 are white and green respectively and are tabled on form A 4 .

5. If there are many cars transiting Canada, transporting the same commodity and exiting through the same Customs office, Customs will accept one A 4 form with a continuation sheet in duplicate listing all car numbers, instead of a separate A 4 form for each rail car.

For EDI Carriers

6. EDI rail carriers no longer have to use form A 4 , to report freight shipments in transit through Canada (US-CDA-US) or the United States (CDA-US-CDA). Instead, the rail carrier must give to Canada Customs at the point of entry and exit a "white paper" EDI in transit manifest for each shipment. The carrier has to number the white paper manifest using the EDI numbering system (see Memorandum D3-6-6 for details). In addition, the railway carrier has to add an identifier (US-CDA-US) or (CDA-US-CDA) to the manifest to identify the in transit shipment.

CARGO REPORTING AND CONTROL PROCEDURES

PROCEDURES FOR U.S. GOODS TRANSITING CANADA TERRITORY (US-CDA-US) For Non-EDI Carriers

7. Upon arrival into Canada, the carrier must give Customs the white and green copies of form A 4 and continuation sheet, if it applies, for validation. This Customs office of importation called the "sending Customs office" will number and date-stamp the documents.

8. Each sending Customs office number will have a TR prefix. If there is more than one series of manifests issued at the Customs office, Customs may add a third letter to the prefix. Customs will issue the manifests in one consecutive series, without referring to the receiving Customs office, starting with number 1 on April 1 of each fiscal year.

9. If it applies, Customs will return the green copy of form A 4 and the continuation sheet to the carrier. The copy should be attached to the waybill accompanying the shipment to the point of exit. Customs will put the white copy and continuation sheet, if applicable, in a holding file at the sending Customs office.

10. Upon arrival at the point of exit, the carrier must give Customs the green copy of the A 4 form and the continuation sheet, if it applies. Customs will date-stamp the documents and return them to the sending Customs office.

11. When the sending Customs office receives the green copies from the Customs office of exit, the office will compare the white and the green copies and continuation sheet, if applicable. If there are no discrepancies, the office will destroy the white copy and file the green copy in a closed file.

12. The sending Customs office will ensure that the Customs office of exit returns all acquitted copies of form A 4 and the continuation sheet, if it applies.

For EDI Carriers

13. Carriers must give a white paper EDI in transit manifest to the sending Customs office for each in transit shipment.

14. The sending Customs office will date-stamp the white paper EDI in transit manifests and put them in a holding file.

15. At the point of exit, the rail carrier must present to Canada Customs a copy of the same numbered white paper EDI in transit manifests for each in transit shipment leaving Canada.

16. Customs will date-stamp the white paper in transit manifests at the point of exit and return it to the sending Customs office.

17. The sending Customs office will compare the white paper in-transit manifests received from the Customs office of exit to those in the holding file. If there are no discrepancies, the office will destroy one copy and file the other in a closed file.

18. Carriers must export loaded cars at the point of exit with the seals intact. If the seals are broken, the cars must go to the local rail examination facility so a Customs inspector can do a physical check of the contents against relative waybills. The cars will then be released to return to the United States. If the inspector notes shortages in a car, the carrier must pay duties and taxes on all missing shipments.

19. Carriers cannot divert in transit cars to Canadian destinations. If the carrier does divert the in transit cars or hold the cargo for disposal in Canada, inspectors will detain the cars immediately and report the particulars to the Transportation Division.

20. Carriers can export in transit cars at any Customs office where railways cross the international border. Customs will allow a route change from one point of exit to another. This is not considered as a diversion for Customs purposes.

21. If a loaded car arrives at the point of exit without an in-transit manifest but with the seals intact, and the Customs inspector can determine at which Customs office the car entered Canada, then the carrier will prepare an in transit manifest, and the Customs inspector will certify it as an export and mail a copy of it to the sending Customs office for matching and cancellation. The inspector will note and initial it on form A 5, Train Report Outward.

22. Customs may take similar action for such a car arriving with neither in transit manifests nor seals, if Customs checks the contents with the waybills that apply. If the check involves unloading and reloading the car, this will be done under Customs supervision and at the carrier's expense. The carrier will also have an accounting document for duty and taxes on any missing goods.

23. If loaded cars reported on in transit manifests make more than one entry into and exit from Canada before reaching a final destination, Customs will ensure that:

- (a) the document issued at the original point of importation shows the final point of exit;
- (b) officers at intermediate points of exit and re-entry will verify that there is an in transit manifest or waybill with the goods and allow the shipments to continue under the document that was issued at the original point of importation; and

(c) at the final point of exit, the document is acquitted as usual and returned to the sending Customs office.

24. Carriers cannot use an in transit manifest (either the A 4 form or the EDI white paper in transit manifest) to cover in-transit shipments going to a Canadian seaboard for export.

PROCEDURES FOR CANADIAN GOODS TRANSITING THE UNITED STATES
TERRITORY (CDA-US-CDA)

For Non-EDI Carriers

25. Carriers must give the white and green copies of form A 4 and the continuation sheet, if applicable, to the Canada Customs office of exit for validation. The Customs officer will validate the forms by stamping and initialling all copies.

26. Customs will return both copies of form A 4 and the continuation sheet to the carrier to accompany the shipment to the Canada Customs office of re-entry.

27. If it applies, the carrier must present two copies of the form A4 and the continuation sheet to the Customs office of re-entry. The Customs officer will date-stamp and initial all copies. Customs will file the green re-entry copy and the continuation sheet, if applicable, and return the white copy to the carrier.

For EDI Carriers

28. The carrier must provide the Canada Customs office of exit a white paper EDI in transit manifest for each in transit shipment.

29. The Customs office of exit will date-stamp the white paper EDI in transit manifests and put them in a holding file.

30. At the point of re-entry into Canada, the rail carrier must present to Canada Customs a copy of the same numbered white paper in transit manifests and a copy of the U.S. Transportation and Export Bond.

31. Customs will date-stamp the white paper EDI in transit manifests at the point of re-entry and return them to the Customs office of exit.

32. The Customs office of exit will compare the white paper in-transit manifests in the holding file to those returned by the Customs office of re-entry. If there are no discrepancies, the office will destroy one copy and file the other in a closed file.

33. Cars moving under this procedure can re-enter at any Customs office where railways cross the international border. Customs will allow a change in routing from one point of re-entry to

another.

PENALTY INFORMATION

34. For more information on penalties, refer to Memorandum D3-8-1, Cargo Control Contraventions.

ADDITIONAL INFORMATION

35. Please send all correspondence to:

Revenue Canada Customs, Excise and Taxation
Ottawa, Ontario
K1A 0L5

Attention: Transportation Division

APPENDIX A

See the printed version of this publication to view the Appendix A.

APPENDIX B

Specimen White Paper Manifest

Date:

Page:

Railway Name Cargo Control Document

Acquittal number:

Railway carrier code:

Estimated time of arrival:

Cargo control number:

Previous cargo control number:

Waybill number:

Waybill date:

Rail unit initial and number:

Container or trailer initial and number:

U.S. port of exit:
Loaded or empty:
Local or through:
Manifested from:
Manifested to:
Location of goods:
Origin station name:
Destination station name:
Country of origin of goods:
Country of destination of goods:
Shipper's name and address:
Consignee's name and address:
Notifying party:
Number of packages or pieces:
Weight or units:
Description/HS or code:
Shipper's load and count:
Seal numbers:
Hazardous goods indicator:

REFERENCES

ISSUING OFFICE -
Transportation Division

LEGISLATIVE REFERENCES -
Customs Act

HEADQUARTERS FILE -
7730-5

SUPERSEDED MEMORANDA "D" -
D3-6-7, June 11, 1991

OTHER REFERENCES -
D3-1-1, D3-6-6

SERVICES PROVIDED BY THE DEPARTMENT ARE AVAILABLE IN BOTH OFFICIAL
LANGUAGES.

THIS MEMORANDUM IS ISSUED UNDER THE AUTHORITY OF THE DEPUTY
MINISTER OF NATIONAL REVENUE, CUSTOMS AND EXCISE.

April 22, 1994