Automated Commercial Environment Updates – January 2012

Automated Commercial Environment (ACE)

- The Automated Commercial Environment (ACE) is a multi-year project to modernize the business processes essential to securing U.S. borders, speeding the flow of legitimate shipments, and targeting illicit goods.
- ACE modernizes and enhances trade processing with features that will consolidate and automate border processing and will replace the current system, the Automated Commercial System (ACS). It provides a centralized online access point to connect U.S. Customs and Border Protection (CBP) and the trade community. ACE interfaces with and consolidates information from Targeting, Free and Secure Trade and the ACS. ACE will facilitate collection and distribution of standard electronic import and export data required by all Federal agencies participating in the International Trade Data System (ITDS).

Deployed ACE Capabilities

- ACE Secure Data Portal
  - More than 19,664 trade user accounts
  - Enables users to proactively check for unauthorized filers and monitor compliance data not available through the ACS
  - Allows truck carriers to file electronic manifest via portal at no charge
  - Provides access to over 125 customizable reports
- Periodic Monthly Statement
  - More than $1B average monthly collection of revenue via the ACE periodic monthly statement feature, representing more than 61 percent of all duties and fees collected
  - Allows duty payments on the 15th working day of the month following release, providing significant cash flow benefits
- Participating Government Agency (PGA) access to ACE
  - Access to ACE specifically benefits the missions of other agencies, including:
    - Food Safety and Inspection Service
    - Consumer Product Safety Commission
    - Census Bureau
    - Import Administration
- Electronic filing of e-Manifest: Truck
  - Primary processing time for trucks is approximately 29.2 percent faster nationwide (at select locations with established ACS baselines) than prior to the implementation of ACE e-Manifest: Truck
  - Processing an average of 190,000 trucks nationally per week
- Entry Summaries
  - Fifty Six (56) approved entities authorized to file ACE entry summaries using Automated Broker Interface (ABI)
  - More than 816,923 ACE entry summaries filed (since functionality was introduced in April 2009)
  - Automated ability via Post Summary Corrections (PSC) to submit corrections to ACE entry summary types 01 and 03, providing for:
    - Elimination of paper corrections for summaries filed in ACE
    - Streamlined acceptance process

- Uniform process for submitting corrections
- Importer Security Filing (ISF)
  - Low volume importers to file their ISF transactions via the ISF Portal.
  - Importers, Filers, and Surety companies to request ISF reports via the ISF Portal. CBP discontinued dissemination of the ISF reports via email as of December 31, 2011.
  - Additional ISF reports and query capabilities will be deployed in the future.
- e-Manifest: Rail and Sea (M1)
  - M1 code baseline was successfully deployed to ACE Production.

Projects Status

ITDS Initiatives:

Three key ITDS initiatives were proposed by the Commissioner of CBP and the Office of International Trade (OT) to automate and enhance interaction between Trade Partners, CBP, and PGAs by facilitating electronic collection, processing, sharing, and review of trade data and documents required by Federal Agencies during the cargo importation and release process. The initiatives are expected to significantly increase efficiency and reduce costs over the manual, paper-based interactions that have been in place. The status of each ITDS initiative is given below:

- **Document Image System (DIS):** Allows trade members to electronically supply documentation needed during the cargo release process to CBP and other Federal agencies.
  - DIS was deployed to production in October 2010. This functionality will allow the Trade to electronically transmit document images and associated data to CBP to facilitate the cargo importation, review, and release process. It will also support processing single transaction bonds submitted by the trade.
  - An ACE Portal link was created in March 2011 to allow CBP and PGAs seamless access to DIS documents and data.
  - DIS monthly releases have continuously enhanced features and functionality as agreed upon with the customer. The set of documents supported in DIS also continues to expand as more PGAs participate in the program.
  - In addition to ACE Portal access, CBP plans to use Web Services technology to make DIS documents and data available to PGA systems in an automated manner. The technical framework to facilitate such Interoperability and data sharing was delivered August 2011.
  - Two PGAs, Environmental Protection Agency (EPA) and National Marine Fisheries Services (NMFS) have volunteered to join in the CBP pilot test of the DIS in 2012.

- **PGA Interoperability** Introduces a comprehensive set of technical services that enables CBP to share information, documents, and events of interest in an automated manner with PGAs, to significantly enhance inter-agency collaboration required during the cargo importation, review and release process.
  - The PGA Interoperability framework with an initial set of capabilities was deployed to Production in August 2011.
  - The Consumer Product Safety Commission (CPSC) began successfully receiving authorized production entry and entry summary data directly from CBP in a fully

automated manner. To date, over 3.5 million trade transactions have been disbursed to CPSC using the ITDS Interoperability Framework.

o CBP is in the process of on-boarding several more PGAs to the interoperability environment including Animal and Plant Health Inspection Service (APHIS), Food Safety and Inspection Service (FSIS), NMFS, Department of Transportation (DOT), EPA, and United States Coast Guard (USCG).

o Additional interoperability strategies and automated information exchange capabilities continue to be developed in collaboration between CBP and various PGAs.

- **PGA Message Set Support**: Introduces support for a well-defined, harmonized set of data to be collected electronically from international traders by CBP on behalf of the PGAs. This effort replaces the myriad of paper forms currently required by Federal Agencies during the cargo importation process.

  o Allows Trade to have a 'single automated window' for data submission required by all Federal Agencies during the cargo importation and review process.

  o The PGA Message Set was approved by Tim Skud, Deputy Assistant Secretary, Tax, Trade and Tariff Policy, Department of the Treasury and Chair of the ITDS Board of Directors, on May 19, 2011.

  o On June 3 2011, CBP published formal "PGA Message Set Implementation Guides" on CBP.gov so International Traders and PGAs can begin getting ready to use this new capability.

  o Pilot testing for the collection and processing of the PGA Message Set was implemented in production in November 2011. Full integration with Trade and other system components is expected to occur after the M1 release.

e-Manifest: Rail and Sea (M1)

- M1 provides a consolidated view of rail and sea shipment manifest and entry data at the bill of lading or container level to facilitate the identification of shipments that may pose a risk and expedite the pre-arrival processing of legitimate cargo.
- M1 pilot phases began late August 2011.
- CBP has begun accepting sea and rail manifest transmissions from trade users in ACE, and as of January 9, 2012, has deployed M1 at 17 ports.
- Following operational acceptance of ACE e-Manifest: Rail and Sea, CBP plans to publish a Federal Register Notice naming ACE as the only CBP-approved electronic data interchange. This Notice will lay out a six-month timeframe for the decommissioning of AMS for rail and sea manifest capabilities.

ACE Truck

Currently, there is an active interface between Federal Motor Carrier Safety Administration (FMCSA) and CBP systems . This interface will be enhanced to include data sent to the trade in the future. The ACE Truck interface began sending all relevant e-manifest data (i.e., driver, conveyance, equipment, and carrier) to FMCSA in July 2011. The interface includes data transmitted from FMCSA as well with information such as:

- Carrier does not posses valid U.S. Operating Authority
- Carrier's current insurance does not meet the minimum level
- Driver does not have a valid/current Commercial Driver's License (CDL) or equivalent (Mexico or Canada)

- Driver does not have the proper CDL endorsements for HAZMAT cargo
- Vehicle does not have a current Commercial Vehicle Safety Alliance inspection
- Conveyance data is not available at this time
- Trailer data is not available at this time

Cargo Release

The development of the Cargo Release requirements will focus on the admissibility of imported articles and their release into the commerce of the United States in coordination with PGAs and the trade community.

- CBP has completed the Concept of Operations and Operational Requirements Document, two key management and requirements documents that capture the purpose and desired functionality of Cargo Release. Assuming adequate funding is available, the design and acquisition phase for Cargo Release will begin with an anticipated contract award in 2012.
- A preliminary draft Functional Requirements Document was completed December 2011.
- An Analysis of Alternatives (AoA) which evaluates effectiveness, suitability, and financial justification for each viable cargo release implementation alternative is currently in progress.
- CBP announced via a Federal Register notice on November 9, 2011 a plan to conduct a test of the simplified entry capability.
    o The new capability includes functionality specific to the filing of entry data for formal and informal consumption entries.
    o The initial phase of the test will be open to entries filed in the air transportation mode only.
    o This functionality will simplify the entry process by allowing participants to submit 12 required and three (3) optional data elements to CBP at any time prior to the arrival of the merchandise on the conveyance transporting the cargo to the United States.
    o This data will fulfill merchandise entry requirements and will allow for earlier release decisions and more certainty for the importer in determining the logistics of cargo delivery.
    o CBP has developed a pilot schedule that begins testing in late-January followed by production in late-February to early-March. The first Simplified Entry is expected to be filed in March.

Automated Export Processing

CBP is planning to establish ACE as the single processing platform for all export manifest, commodity, licensing, and export control transactions. This is in keeping with the President's National Export Initiative (NEI) and the Export Control Reform Initiative. Current plans call for the development of an automated export manifest system for all modes. This will involve coordination with the Bureau of the Census and other PGAs involved in export licensing and commodity transactions.

- CBP will establish and interface between the Census Bureau's Automated Export System (AES) and the ACE platform to allow CBP and the PGAs access to export control and licensing information required for processing and releasing export shipments with the initial focus on the primary export control and licensing agencies.
- The automated export processing system will also focus on the three ITDS initiatives noted above to: 1) develop a standard data set document for export transactions; 2) develop the

capability to accept document images to support manifest, commodity, or licensed export filings; and 3) develop functionality for an Interoperability Web Based System among CBP and PGAs.