I have with me Angelina [Name Indiscernible] who is the capability owner for the reconciliation team. We are here to discuss some business as well as technical aspects of the new deployment of reconciliation in ACE.

As you can see, we have our side-by-side comparison of the changes that are coming forward in ACE as far as deployment changes. Some things remain the same as you know, some are changing. Such as how underlying entries are flagged and how data is transmitted to CVP. Here to discuss a.m. more detail for the software developers is Angelina [Name Indiscernible] and at this time I will relinquish the fourth to her. Just so you know, the webinar is being recorded and you will be able to download and listen to it at your discretion. Right now I present to you Angelina [Name Indiscernible].

I will present on a few topics that I have been getting extensive emails on for questions. There are three things I want to talk about or need to present and then we will open up to questions within the [Indiscernible] or technical questions.

The loop repeat. I also want to talk extensively on the 50 grouping and the 90 grouping. Those are the three issues that I get the most questions on your let's start with the loop repeat. The way to read that is, we have the transaction input [Indiscernible - Background Noise] [Indiscernible - Background Noise] >> That means that the entire group of that section could be reported or transmitted more than one time. If you go down a little further in the record, we also have the crater in number one which could be repeated numerous times. If you go down within that section you see the D1 and it has number four under the loop repeat, that means only for D2's can be repeated up to four times. Then we look at claimant grouping of the C-1 could be reported more than one time. If we look at C2 for the address calling only up to four only up to 4C twos can be repeated. That's how you would read the loop.

For the 50 record, what I'm going to do is go over all of the 50s, the 50 the 52 the 55 and when it's needed and not. For the 50 record which is the reconciled line identified detail. That is the HBS country of origin and [Indiscernible] combination thereof that is going to be reconciled. And it is the combination thereof that will be long to a flag entry that is going to be reconciled which would then be identified in the record 52 and I will get to the 52 record. The 50 record is any combination thereof, HTF, country of origin and SPI that will be reconciled. The issue that has the flag. So for a no change recon, so a no change recon is only to close out flags. You will not transmit any of the duty taxes and fees differences and you will not transmit any of the line items data. In the no change, you will not have a 50 record. For an aggregate method for the tran18's to the tran19's, this is required. Also for the entry by entry method we, reconciliation this is also required. We have been no change, the change and the FTA. For all change recon, whether it's filed as an aggregate or entry by entry, that 50 record is required. Also for FTA the 50 record is required. For the 51 record, that is to be used if there is a second HTS within the combination thereof of the 50 record. So if you have to
tran05’s that belonged to one line item in your flag entry, that's where you put the second HTS, on the 51 today not always have to tran05's with one line item. Him the 52 record is the entry summary line [Indiscernible] that is going to be the flagged entry summary, plus the line number that affects the 50 record. For the identifier of the 50 record. In the 52 record you can have up to 9999 52 records and for entry summaries identified within each record.

In this 53 record, the 53 record is the change data for the reconciled data of the flag issue of the 09. If you flagged for classification, you would have your 50 record that identifies the classification, country of origin and STI that you wanted to change and on the 53 record it's the new classification for the reconciled classification. If you flagged for value, you would have your 50 record and on the 53 record you would have the reconciled value. The 53 record is the reconciled data of the 50 record. The 54 record is, if you have a second HTS that would be compared to the 51 record, with that changed data. I want to go back to the 53 record as well. The 53 record can be transmitted more than one time. If you have a 50 record that has the HTS country of origin and STI and you have to break that down, two different ways. Let's say you flagged for value and not the entire value is being reconciled and you want to leave some same and some different. Or if you have FTA a free trade agreement. Part of the line item qualify for FTA, you have a certificate and a goes by parts. You want to break it down. The 53 record can be used multiple times. If you are flagging for four free trade agreement, you would indicate the end of 53 record and could have another 53 record that has no STI but the value of the 50 record will have to sum up the two records of the 53 if you want to split it. The 53 can be split multiple times. The 55 record is the total duties taxes and fees of the reconciled amount within the 50 groupings. It's just within the 50 grouping is the 55 duty section fees total.

The 90 record is only tell what payment of payment you're going to, either a single transaction payment or a broker statement, or imported statement or what have you. The 90 record is just to identify how the 09 interest he is going to be presented with the duty taxes and fees. The 91 record is the total reconciled duty taxes and fees of the entire 09 entry. Currently today policy is, only reportable data is required on the line item data. That means not all duties taxes and fees are being taken into consideration in the 50 grouping. In the 91 record, you're going to have the entire duties taxes and fees of the entire 09 entry, the reconciled amounts will be transmitted in the 91 record. They may not be the same total as the 55 record because the 55 records are only the sum of the reportable change data. On the 91 record, if you file a no change, there is no 91 record required. If you're doing aggregates and entry by entry, a 91 record is required. In the 92 record, so here is what is going to be paid to CVP. The amount you want on the statement if you are filing on a statement or paying on a statement, this would be the amount on their. If you owe CVP money, if your entire 09 entry is a refund, you would transfer all zeros. If you owe CVP money you would indicate the amount of money you would owe by class code. If it wasn't no change reconciliation so ACE all the way to NA7, this is not allowed. If it's change or FTA or change entry by entry, then this record is required. This is a brief explanation of the records that I believe have the most questions. You can now open it up to any questions that you may have on recon.

[silence] the first question that came in was, will there be a craze. If we are not able to get our system program in time for the October 1 deadline?
Unfortunately there will not be a grace period because ACS, the last day to transmit entry through ACS will be September 30 and as of October 1 the only way you can transmit CBP is using ACE. There will be no grace period.

Is the 21 record only for change lines or for all lines?

The 21 record if you're doing entry by entry recon, the 21 record is for all entry summaries. Whether or not they have a change or not. If you are finding entry by entry, that process is still the same in ACE as it is in ACS.

Where can we view the answers to the questions from the last webinar? Once those questions have been answered in their entirety they will be posted online.

What are we going to send in the 91 record?

The 91 record is the total reconciled amount, duties, taxes, and fees for the entire 09 entry.

For aggregate change submission, how do we notify CBP of negative adjustments that we are not claiming refunds on? You will be able to see that there is a section where they have a refund aggregate waiver, and if you check off that aggregate refund waiver it will allow you to submit a aggregate recon and allow you to submit the line item data with the increases. >> Some samples from the last webinar have the same in the 91 and 92 record. That doesn't seem correct. The examples that we put out, we put them out to be viewed just for informational purposes on how to configure the records. What records do you need for what type of reconciliation you are submitting for? If the additions are not correct, we apologize for that.

Is there any statement after recon? Is there, is a true or is a new rule to be accepted? If I'm reading this right, if you are asking if there is going to be any PSC's on the underlying entries once it has been reconciled, so there is no TSE allowed for like entry once the entry has been reconciled. >> What does rejection mean for 92 record if the recon is initially transmitted and rejected? Is this considered CBP rejects data so the next transition should not have a 92 record even though the first transition failed? >> If it rejects, let's say you follow your recon entry. You submit the recon entry and it gets paid, now CBP reviews the recon and rejects it, then the rejects, the whole thing will be transportable. A total replacement of the recon entry.

If I didn't answer that completely, please ask again and I will answer it.

Can you provide example recon entries done old and new using same data?

Old and new? If you are referring to ACS example and ACE we only put out ACE examples recon. We don't have any ACS example recon for public view.

Can you provide, the next one.
If you are heading a difficult time getting a number two commit to allow usage of [Indiscernible] in certain testing specifically have a test higher number that we can use. CVP does not have a test number to use for testing reconciliation but if you are a software vendor or self planner, please email me the IR number that you want to use, that you have been using or want to use and I will make sure that you have an appropriate bond writer on file in ACE. If you are a broker in want to test, please contact your software vendor and make sure that the programming has been completed and if you are using an IR number that currently exists in production, they do exist currently today in ACE and they have been turned on for recon eligibility. All as it is required, is that you contact the surety company and obtain a reconciliation bond writer in ACE and you will be able to start flagging those injuries.

Are the samples of the projection messages available? All samples from the previous webinar are accepted.

I don't have examples that show rejections. I will see if I get a few of those and post those for all to view. I only have ones that were accepted. That is only because once the examples to be out there as to configure the records.

92 is for what we need to pay to customs. We go back to the 90 record, it's the records that tell us if it's going to be statement. The 91 record is to identify all of the reconciled duties taxes and fees of the entire 09 entry. The 92 record is what is going to be put on the statement to be paid to CBP if money is owed. And zero if the total refund of the 09 entry.

Wills CBP update line item data resulting from protest submission for entries that are subject to recon and will the data be available to the final [Indiscernible]?

The way we program the reconciliation in ACE is that all of the changes to a flag entry whether they be PSC, protest or rejection and the total retransmission from the trade, will all be updated for the purposes of reconciliation. Off until the entry has been liquidated. CBP will not have the recon workable and so all underlying entries on a given recon have gone through the entire process that is available to the trade. It would already have gotten to the PST process, the protest process and if it even had a re-liquidation process and so forth until it becomes workable that [Indiscernible - Background Noise]. We will pull all of the original that we call original duties taxes and fees which are the liquidated amounts of the underlying entries, for CBP purposes. They will be ACE reports specifically for recon entries. In the ACE, in the ACE environment. We are working on those ACE reports today.

How will negative aggregate waivers affect the 90 and 91 records?

The 90 record is the statement, so that tells how it will be paid. The 91 record is the total reconciled duties taxes and fees. That will not come into play with the 92 record. The 92 record is what is going to be given to CBP to be put on a statement. In the 92 record you will state zeros because there would be no refund.

In 21, whether we are going to send only change values for the entries.
In 21, it's the reconciled duties taxes and fees of the flag entries. You will send the entire file, whether the underlined entry has a change or not. If it doesn't have a change in your finding a change recon on an entry by entry, you will have to give us the reconciled amount, even if they are the same as the original, where there is no change in duties taxes and fees. We require that trait give us all flag entries if you are filing a change entry by entry recon.

Build the recon entry installed in ACS that are rejected for mismatches after October 1 be handled in the new ACE format?

We are currently right now discussing the way we are going to handle existing already filed 09 interest in ACS and how the conversion will be put into ACE and what data will be converted. As you know, 20% of the data is transmitted will today in ACS and 100% of the data will be transmittable in ACE, so we will have limited data when we convert the 09 ACS entries into 09. We are in discussions on how to proceed, once we have a determination we will go to the trade and informed them on how that will be handled.

If now we are not going to have processing ports, if a party is going to pay with a check, how do we do this and where do we present this payment?

In the 09 ACE entry summary, you will indicate the port that you want to submit your 09 two. That's the port you would submit the payment.

Are we able to start testing ACE recon now or does our vendor need to be validated for [Indiscernible] rap.

Today, if the software vendor [Indiscernible] and they are ready to test, we do have recon in ACE today. We are seeing test data coming through already. If you are a broker, you want to get with your software vendor to see if they've completed their programming and then you can start testing. For brokers, if you use an existing approved IR number, that is currently approved in reduction, then you still need to obtain a reconciliation bond writer. You will need to go to your surety company to obtain that. Then start flagging your ACE in, which are software vendor has stated that they already finished the programming and are ready to test, you need to work with them and then you can start testing once you flag entry and you can start filing your 09 entries in ACE.

Can to software vendors use the same higher number? For testing?

If that is currently being used today, I have had software vendors asked me to obtain a bond writer on what we call a dummy IR number four ACE certain testing and they can use the same one. >> With the [Indiscernible] be rejected if there are two identical records 50s.

We do not have a validation if there are two identical 50 records transmitted. If you do transmit the 50 records for each one, remember there is a limited amount of data as a whole that can be transmitted. You want to be able to cool all of the combination thereof, HDS, country of origin, STI and one 50 record. >>
Reported the inability to submit flagged 80 as of August 23 subjects are unable to start flagging, note importer not approved for the IR number that they are filed in. If the IR number does not have a recon bond writer in ACE, you will not be able to flag. If you have that IR number and you believe that it does have a recon bond writer in the ACE environment, please email me. My email address is NGLINA, there it is, it's on the screen. Email me if you have an IR number that should have gotten a recon bond writer and I will take a look at that.

And a 50 groupings, if I'm reading the specs right, we may have multiple 52 records to indicate that several have been flag entry lines are part of the one grouping, however, we can have a single 53 record to summarize the valueless changes. How does this change with the [Indiscernible], as soon we grouped together lines for entries that span a wide variety of dates. You see a single some change but have no way of knowing whether our interests are correct.

In today's world, in the XL spreadsheet, the trade does those calculation and they take the rate off the IRS that are published on a quarterly basis. If you are submitting your data on a yearly basis, the calculation of interest are done quarterly if they have changed. Sometimes they don't change, but they are posted on a quarterly basis. That manual calculation is done by the trade today. That manual calculation will still be done by the trade today and then those figures will be transmitted in the reconciled amount under the interest class code. The calculations of interest have not changed from ACS to ACE submission.

Where to find the ACE recon?

It's published, or published on our website under the draft chapters. And it's also available for download on the second, the presentation. Under today's presentation.

If duties or do and we pay with a check, do we need to submit the paper documentation with the check to CBP?

If the 09 entry is 100% paperless, and the time of submission, and you have a check that you want to walk into the port to pay, if you are going to have to get the port something to know where to place that check with. You would need to give an entry number if you will, and say, this check belongs to this entry number. You don't give them a full entry package of and 09.

I think they are asking if there is a pilot test in [Indiscernible].

There is no pilot test in production. The only testing for entries will be in ACE, October 1, it will be all production. There will be no allowable transmission in ACS 409 entries.

If we are trying [Indiscernible - Background Noise] on September 25, but the arrival date of the shipment [Indiscernible - Background Noise] is October 1, do we flag entry for recon or will it still be covered under the existing plan Flag because of transition, the transmitted data is on is a 25th?
The flagging does not occur at the time of entry, the flagging occurs at the time of entry summary. Unless the entry summary has been transmitted prior to October 1, then you will have to do an entry by entry flagging if you are transmitting the entry summary October 1 were beyond. If the entry summary was transmitted before October 1, that's when the flagging occurs, then you're okay. It will have been flag.

[silence]

[Indiscernible - Background Noise] to set up anything with the cold profiles in ACE for them to test wax

There is no switch for the client reps to have to turn on and in quarter for testing. All of that has been done automatically. All importers in ACE are currently flagged to guess for participation eligibility. The only thing this trait has to do is obtain the bond writer in this certain environment.

If an importer has a recon bond writer, is there now a new requirement that the importer replace with an 83, bond writer?

If the bond writer, this is Monica. If the bond writer is active, it should carry over. You don't have to replace it. The bond writer's today, I believe are captured within the bond system. Whatever was there previously should have come over and then stored as a migration and if your expiration isn't until another two years, you should still be okay with using the bond writer. >> Does CBP plan to have a grace period for responding to rejects for recon entries that are not ready to be responded by September 30 in ACS and respond is ready for post October 1.

We are working on that. We are in discussion on how we are going to handle already filed 09 entries in ACS where after October 1 CBP rejects the 09, how that is going to be handled. We don't we, we have 09 entries that have been requested for extension from the trade so we are working on talking on how to handle those proposed October 1 that still need time in order to obtain the correct data for transmission. That would be an ongoing discussion and we will post that to the trade once we have the decisions.

Do we report MPS at the line level? Below or above the minimum and maximum's level amounts need to be reported?

For the 21 records on an entry by entry recon, its minimum and maximum. On the 21 record. If you are filing a recon with an entry by entry. If you are filing the MPS on the 55 record, then you need to calculate that minimum and maximum as you currently does today on the XL spreadsheet that is submitted to ACS, or two, or 2C BP versus ACS.

If an underlying entry is protested, and the purchase is subpoenaed by court action, the recon will be processed well before the protest can be decided. How will it be taken into account so that the final purchase decision is [Indiscernible] into the recon?
What we have is that when the recon is submitted, or other, what we call other pacification in value, we have validations. For the first set of validation, the underlying entries all have to be liquidated, really credited or canceled. The second validation is going to be that if the recon with the underlying entries have been flag for two issues: as an example, value and FTA. The second validation once the underlying entries have been [Indiscernible] it will go through a second validation to see if they've been flag for FTA. If they have been flag for FTA then we wait until the FTA recon has been reconciled for those flag entries. Then once it has been reconciled that we wait until that FTA 09 entry has been liquidated. Since we are not checking to see if there is an outstanding protest at the validation time, when we make the 09 workable for the field to look at, we did install filters if you will, on the 09 so that the specialist can still see if any of the flag entries have been protested. If they have been protested they will verify whether or not the purchase has been answered.

Is the capability available to flag an entry after entry summary has been flag will no longer be performed?

Currently today, we have a courtesy to the trade where we will retroactively flag entries if there is an issue with the filers system. If the system broke down for a day or two, or if they are having system connectivity issues, or what have you. Under rare circumstances, we approve the retroactively flagging off an entry summary. That is also going to be available come October 1. We have not, we are in discussions as to whether or not the process to request retroactively flagging will still be on letterhead and submitted to headquarters or were going to have the [Indiscernible] centers received those letters and then do some retroactively flagging. We will post that decision to the trade once we have that finalized. >> Is there any way that the importer can check to ensure that the recon bond writer has been cut over?

I would think you could query it, but what I will do is double check with John Everett and we will make sure as we post this webinar with the follow-up questions that the information has been included. If you want to send me a separate email, please feel free at -.

Stating that besides not reporting the original value, the major change, the reporting of the reconciled line and the grouping of the ATS number is in the 50 ATS number is in the 52 ATS number is in the 5255 record. In ACE, come October 1, this will not transmit any original data where duties taxes and fees and value. CBP will populate that information based on the line number and entry summary you give us of the 52 record. The trade will not transmit any original value duties taxes or fees. In the 55 grouping record, on the 50 record you're going to identify the ACS country of origin and STI that you want to reconcile and in the 53 records and the 54's, you have two tran05's there. Will give us the reconciled amounts only. So the reconciled values, or the reconciled HTS, the STI, the duties taxes and fees and the 55 record will be the total sum of the reconciled duties taxes and fees of the 50 grouping.

The next question is, participants do not have to apply to Washington for reconciliation. After October 1 there were no longer be necessary to submit paper applications or electronic applications to CBP headquarters. Specifically to the reconciliation desk. It will all be driven
by the, by obtaining a bond writer and by profiles in the ACE profiles being pushed to yes. There were no longer be a necessity to submit an application after October 1.

If I can elaborate, this is Monica. The reason for this and I do we get questions, the application was to validate that you have a bond writer on file to assign you to a particular court into an sure your reconcilable issue was a valid issue within the program. The system will validate your issue. You cannot file a recon for quantity and quantity is not a recon issue. There is known in no need to send paper for that. You can submit your recon summary across the nation. No need to assign you to a port. Your bond writer will be within AE bond system which we will validate. There was no need to go through the process of submitting a [audio disconnected - please stand by while reconnecting] request to headquarters to do nothing but prove. We wanted to eliminate [Indiscernible] for you guys as we could. That was the reason for this in the programming.

Are we still required to send paper and copies of the recon header line item information? The answer is no. All of that has been illuminated as far as hard copies. All of that information, which was the header record and the associated file and the duty difference if a was an entry by entry recon and the XL spreadsheet along with the CD are no longer required for hardcopy submission, October 1. For the recon's that are going to be filed as of October 1 that are new. The header information will be transmittable, the associated file transmittable along with the duties taxes and freeze differences and the line item data is what replaces the XL spreadsheet. The entry summary line pointer record 52 replaces the CD. For the purposes of the CD was that if the XL spreadsheet was too huge to submit documentation, you had it on the CD and it was also used so we can download information to Census Bureau. Census Bureau will be able to extract that information in the 09 and ACE as they do for any entry type so that replaces the [Indiscernible] portion of it.

50 through 51 can be multiple or single underlying entries. The question is, can a 50 through 51 before multiple for single underlying entries?

The 50 and 51 is the combination of the HTS of multiple line items within a flag entry. It's the rollup and the combination thereof.

At this point, each 55, we need to consider minimums and maximums and PDFs, what minimums and maximums are always considered, whether they were considered in the XL spreadsheet or the rollup on the 55 record when you report the MPF.

Will the recon be filed at the importers CBP port only?

We have internal validation software the recon's are to be routed to be worked. For the trade purposes, you will choose what port you want to file your recon. If the importer is assigned to a [Indiscernible] the importer may go to the see Center because that's where the recon is going to be filed that. If you belong to a see, your recon will be worked by that see Center. To all ACS entries flag for recon need to be done in ACS and all ACE entries flag for recon need to be done in ACE In today's world, currently today, all entries that are flagged in ACS and ACE can be reconciled in ACS. October 1, the flag entries that have not yet been
reconciled will have migrated into ACE. So come October 1, all ACS or what resided in ACS as a flag entry that had not been reconciled will be in ACE and so then they would be considered ACE entry summary flags that will be done with a ACE 09 entry.

How can a broker know when the client has a valid recon bond writer? Kenny query be checked?

Were going to check on that and answer that question as to how you would know a reconciliation bond writer was attached to a bond in ACE we will answer that, we will get data from John and then ask that question.

For paper required recon entry which does not, which does, should broker be prepared to submit or upload?

Nothing is required at the time of transmission. In ACS, the recon is total paper documentation required with the exception of what needs to be transmitted in ABI. In ACE, October 1, no hard copies of the 09 entry are to be submitted to the port the entire 09 entry is paperless in ACE. Once the import specifics are entered and go through the review of the ACE recon and they need additional support argumentation to support the claims that you have made on the 50s record as an example, let's say they want a cost submission or a bills, or so forth, they will request that through ACE. You will get a message and then you can upload that information through DIS.

If an importer already files in a certain port, may that be changed effective October 1?

Yes, you are not limited to the 13 processing ports. If I was an importer and I was assigned to [Indiscernible] which is one of the reconciliation ports, I can, October 1 I file my recon at any port I wish. >> If the recon is transmitted and duty pays on CBP statements, HTS statements, when you retransmit corrected entries, do you put the statement I or pay additional duties by check?

You cannot place and 09 entry into a statement status once it has already been paid. If and 09 comes in, it gets filed with CBP, payments are made, then after review, this CBP rejects it, you retransmit with corrections and now you all money, you cannot place that entry on a statement again. You will have to pay by check, cash, money order or what have you.

Any more questions? >> All of this will be posted. One more question.

[silence]

What would be the interest in 21 segment?

I'm not understanding the question. If you're referring to the interest [Indiscernible] it's the interest. If you have a recon entry that is an entry by entry or an aggregate what you owe money, in this case an entry by entry because you're referring to the 21 record, the interests
Chelation for that individual entry will have to be posted on the 21 record. Same policy as we do today in ACS.

Is this still 30 day reject for recon?

We have not change that policy. Recon does at 830 day policy for rejection resubmission.

Can we retransmit various times?

In CBP status the file will be able to retransmit the recon solution entry many times. In ACS, we did have an issue where an entry was retransmitted and if it was accepted, the trade will not be able to retransmit again even though the entry was in reject status. In ACE, you will be able to retransmit as many times, once it's rejected or even prior to the first acceptance of the first transmission.

What if I transmit that accepted and minutes later I make changes and retransmit again, will it be in CBP status?

The CBP status is the same throughout all entry types. The way it works for the old ones will also work with the 09's. If you submit your entry and it has not yet been placed in CBP control, and let's say for an example you put it on a statement. The state has not yet come, so it still in trade control, and you can't retransmit that. Once it becomes CBP control, that retransmission will not occur unless CBP rejects it or until after you paid the statement.

What if CBP does not complete solution for flag entries? Would we reconcile against the original or protested amount, or in order to get an excepted recon transmission?

If you protested, and an entry, and you and you have not gotten the decision on the protest, so it hasn't been accepted that we agree with the protested issue. Your originals will be your liquidated amount. >> In 21 whether we are going to send interest, if yes we need to send interest for that underlying entry. That's correct. The 21 record is interest calculations per entry.

There are some where there is no payment. How will we know what the excepted transmission is the final one?

I'm not understanding the question but I think that if there is no payment on and 09 entry how would you know that it has been accepted? >>

If it is to find out when a goes through CBP control, then if it's duty-free, that automatically becomes CBP control.

Any more questions? Want to thank you and we do have posted the CATAIR and webinar in the attachment on today's presentation. And you can download the PowerPoint as well. >>

[silence] >> Were getting some questions as to whether this presentation will be available after-the-fact. We will be posting later this week so keep an eye out for that. Will also be
posting previous presentations that you may have seen including the recon technical webinar that happened earlier.

I want to thank you for participating and if there are any more questions, you do have my email address is posted on the presentation. Feel free to email me. I will try to get to everybody. Be patient, I get hundreds of emails and I will try to answer every one of them. Thank you again.

Goodbye.

[Event concluded]