

**Commercial Customs Operations Advisory  
Committee (COAC)  
Secure Trade Lanes Subcommittee  
In-bond Recommendations**

February 2019

**COAC**

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COMMERCIAL CUSTOMS OPERATIONS  
ADVISORY COMMITTEE

## COAC SECURE TRADE LANES SUBCOMMITTEE IN-BOND RECOMMENDATIONS

1. COAC recommends that CBP enhance ACE Reports to allow bond owners to access as much data as legally allowed, for every bonded movement of cargo that has obligated their bond. This will enable bond owners to effectively manage legal obligations that are created by the use of their carrier or custodial bonds, based on below requirements:
  - i. Regardless of the mode of transportation in which a bond was initiated
  - ii. At a minimum the report should display information that will identify the physical shipment i.e. arriving carrier, bill of lading, pieces and weight as well as the party that has obligated their bond.
2. COAC recommends that ACE functionality be developed to send push notifications to the party whose bond has been obligated when a shipment is nearing the 30 day maximum time, similar to the ACE General Order clock functionality that generates 1R/1S-type notifications, in anticipation of the enforcement of a strict maximum 30-day in-bond total transit time.
3. COAC recommends that visibility to CBP cargo status be given to both the carrier and broker as soon as possible and earlier than is currently done. Today, visibility to the CBP status of cargo moving under bond is not provided to the carrier until messages are received by CBP that report the arrival of the cargo at the In-bond destination port, precluding the ability to effectively manage delivery within the In Bond facility free time
4. COAC recommends that CBP clarify and standardize what constitutes the legal boundaries that are allowed for the purpose of verifying content and piece count of in-bond merchandise. In-bond merchandise is frequently opened in order to verify the piece count and detailed specifications (make, model, serial number, etc.) of the goods prior to being exported. CBP periodically issues liquidated damage claims alleging unauthorized manipulation of the in-bond merchandise. Since there is no definition of manipulation in the regulations, trade stakeholders lack the opportunity to know with certainty what actions are prohibited when verifying in-bond merchandise.
5. COAC recommends that Holds placed by CBP or a Participating Government Agency (PGA) on all cargo, including cargo moving in-bond, should include disposition codes that identify the hold status of cargo by communicating what PGA has held the cargo, the reason the cargo has been held, the location the cargo must be moved to for inspection, and/or if the cargo is required to be exported or destroyed.
6. COAC recommends that CBP develop a capability, through ACE portal or other electronic means, to provide real-time notice to the trade when a FIRMS code is activated or deactivated. This will ensure visibility to trade in the correct assignment of the required FIRMS Codes for arrivals.
7. COAC also recommends that the requirement for inclusion of FIRMS for all In Bond cargo movements be deferred until there is mutual agreement to the capability and requirement for FIRMS application on all In Bond movements, including a suitable transition period to allow Trade to implement this new requirement. this capability can be provided.

8. COAC recommends that CBP provide the ability to amend in-bond transactions rather than the current process of having to delete and re-add full details of an in-bond record. Efficiencies would be gained by both the trade and CBP with this additional functionality.
9. COAC recommends that CBP publish clear and specific guidelines that explain what acceptable and adequate documents and/or procedures will satisfy CBP's Proof of Export requirements. Until an automated solution is available, suggested processes are to continue to allow CBP, upon request, to stamp CBPF-7512 or similar document containing the in-bond number, or an official foreign government entry document or its electronic equivalent
10. COAC recommends that CBP work closely with industry stakeholders to develop a comprehensive Information Technology (IT) plan across ACE modules to facilitate in-bond automation. The principles informing the development of this plan should include:
  - i. Carriers in all modes should be provided with the necessary functionality to accomplish all carrier-related in-bond automation requirements within their automated manifest systems, and not be required to access broker systems for such functions.
  - ii. The timing to develop/implement new ACE functionality to allow efficient implementation of the final rule automation requirements should determine the effective date of a given automation requirement.
  - iii. Automated solutions should be developed on a systemic basis to ensure stakeholders do not have to engage in manual workarounds to implement partial functionality.
  - iv. CBP should leverage existing ACE automation projects, such as truck refactoring and automated export manifest, to the maximum extent to develop full in-bond automation capabilities for both import and export across all modes.
  - v. A timeline of no later than December 31, 2019 should be established by CBP to require all facilities that handle in-bond freight to automate their in-bond processes.