

**Commercial Customs Operations Advisory Committee
Government Issue Paper
Secure Trade Lanes Subcommittee
In-Bond Working Group**

March 2023



**U.S. Customs and
Border Protection**

Publication #3107-0323

Office of Field Operations/Cargo and Conveyance Security
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Action Required: Informational

Background:

- The Part 18 regulatory package was published on September 28, 2017. After a two-year delay, implementation of the full automation requirement of the revised regulations occurred in August 2019. Key dates:
 - July 29, 2019 – Paper CBP Form 7512 no longer be accepted for input into ACE; Electronic filing and reporting of arrival, exportation, and diversion by the Trade is mandatory.
 - Shipments arriving in the U.S. by air do not require electronic reporting, will remain paper-based until new air in-bond regulations are drafted.
 - As of February 2023, the COVID-related moratorium on all in-bond liquidated damages issued for arrival outside the 30-day timeframe due to the congestion and delays at West Coast ports is no longer in effect. Ports can issue liquidated damages on violative in-bond entries originating nationwide.
 - At the December 2023 meeting, the IBWG submitted a list of 12 recommended regulatory language and changes (affecting Part 18) that will support a proposed future-state for in-bonds that includes regulatory, technical and policy solutions based on identified issues with current in-bond processing. These listed recommendations are consistent with CBP’s automation and process goals and support the direction of the in-bond program.
- CBP is working to locate technical solutions to some of the problems identified by trade partners and continues to identify existing solutions that may be available. CBP is diligently working to enhance existing ACE In-Bond reports both generally and for in-bond reporting to foster better compliance and will allow better visibility into in-bond usage. This includes creation of a new report that will be deployed in Spring 2023.
- The updated “Manifest Trade In-Bond User Interface” was deployed in ACE Modern in January 2023. This new application allows carriers to more easily report arrival, diversion, export functions, as well as to cancel these actions.

Issues:

- Ongoing discussions regarding implementing the 6-digit level HTS number requirement that was codified in revised Part 18 (September 2017). Certain trade members continue to oppose implementation, while others are not opposed.
- To allow for better alignment of in-bond regulations between modes, modernization and standardization of the air in-bond regulations will be a key topic in our future discussions within this working group.
- Legal transfer of liability among carriers when in-bond shipment possession changes to succeeding carrier. IBWG members are seeking a more transparent and definitive transaction in ACE Mod where bond liability will transfer seamlessly.
 - New system programming in ACE will be required.

Next Steps:

- Continue with working group calls focused on identifying technical fixes and business process improvements.
- Discuss solutions to legal liability and ACE programming issues, to include improved guidance in the CBP In-Bond Business Process Document.
- Further identify and finalize potential regulatory changes.
- Create roadmap to transition air mode in-bond into the same Part 18 standards as other modes of transportation.

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Date: March 7, 2023