



# COAC One US Government at the Border

Import Mapping Working Group

October 2014

## Scope of Work

- The One US Government at the Border COAC Subcommittee formed an Import Mapping Working Group (IMWG) to document the flow of goods, data and documentation in a typical importation.
- The IMWG brought together a group of subject matter experts to develop process flows for 5 distinct modes of transportation:
  - Air (Conventional)
  - Air (Express)
  - Ocean
  - Truck
  - Rail

# Challenges

- ▶ Each mode of transportation has unique characteristics that present both challenges and opportunities.
- ▶ Pressure points occur throughout the supply chain and are often attributable to
  - ▶ Form of information: is it data or documentation?
  - ▶ When the information is available and at what step in the import process
  - ▶ Who provides the information (exporter/importer, government agency, foreign government and other parties in the supply chain)
  - ▶ Data validation issues – mismatches & keystroke errors

# IMWG Work Product

- The **IMWG maps** consist of a high level overview of the **current** import process via mode of transportation (MOT).
- The maps identify the flow of data, cargo and documentation; the various parties involved and the intersection of the data, cargo and documentation across the swim lanes.
- Each map includes a time line, with an overview including challenges and potential solutions in the import process.
- The **IMWG Narrative** accompanying the IMWG maps is designed to further flesh out the flow of data, cargo and documentation along with areas of opportunity to improve the import process.

# Each Party's Role and Responsibilities

- ▶ Each party identified in the Import Maps have certain responsibilities in the import process, whether it is to move the cargo, provide the documents or data, review the transaction for import compliance, take responsibility for the importation, or process the clearance into the USA
- ▶ A **Role & Responsibilities** overview was created as an educational/training tool to build understanding of the import process across the government and trade.

|                             |                    |
|-----------------------------|--------------------|
| Carrier                     | Customs Broker     |
| Exporter                    | Importer           |
| Transportation Intermediary | Foreign Trade Zone |
| Ultimate Consignee          | Manufacturer       |

## Non-ABI Transactions

- ▶ The Import Maps provide an overview of the traditional importations handled by Customs brokers and Importers. The Maps do not account for the following transaction types or importations:
  - ▶ Section 321 – Administrative exemption (includes bona fide gifts, and other exemptions)
  - ▶ Mail Importations
  - ▶ Informal Entry Procedures (entry filed with CBP on CBP 3311, 7523, 3299 and other declaration forms) by the owner of the goods
  - ▶ Informal Entry Procedures – Express Environment
- ▶ An overview of these transaction types is included in our work product.

# Review of Key Learnings

- ▶ All parties in the supply chain must work together (Public-Private Sector Partnership) to facilitate legitimate trade
  - ▶ Eliminate or reduce border wait times by filing entry in advance of cargo arrival, so CBP/PGA risk assessment occurs prior to arrival
  - ▶ Single, Consolidated Multi Agency data submission to obtain a single window entry release of cargo. Collaboration between government agencies is key to the success of the Single Window Concept.
  - ▶ International harmonization of data and government to government data exchanges will support the global economy. Data should be consistent with WCO data standards.
  - ▶ Sound risk analysis/targeting relies on the quality of data. The trade must understand the data requirements and the data must be commercially available.

# Business Realities

- ▶ The Global Supply Chain is constantly evolving – legitimate trade should be facilitated at the speed of business.
  - ▶ Business to Consumer (B2C) shipments are increasing as B and C take advantage of internet opportunities.
  - ▶ Non-resident Importers of Record are becoming more common as the global supply chain evolves.
  - ▶ Trade moves 24/7 – need to ensure no barriers exist at the border
- ▶ Legitimate importers want certainty when it comes to their imported products.
  - ▶ Admissibility decisions made early, in advance of cargo arrival
  - ▶ Data corrections will occur and should not be considered an indicator of non-compliance. Data correction procedures needed.
  - ▶ Recognize 'trusted or known' traders to expedite low risk cargo

# Import Map Work Group Product

- ▶ The IMWG product is intended for use by CBP, the ITDS Board, the Partner Government Agencies (PGA), the Trade Support Network (TSN) and the Trade Community as they engage in development of the PGA message sets and each Agency 'on boards' to the Automate Commercial Environment (ACE).
- ▶ The IMWG Product does not contain any specific recommendations – the current ACS process is changing. The IMWG maps, narrative and associated documents identify the current process, existing inefficiencies, challenges, and potential solutions.
- ▶ The COAC presents the IMWG Product to CBP in support of the One US Government at the Border initiative



*Thank You  
and a Special Thanks to the  
Import Mapping Work Group  
Participants!*

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One U.S. "Efficient" Government at the Border  
Is our GOAL!

**1 US GOVERNMENT AT THE BORDER  
NARRATIVE TO ACCOMPANY THE VISIO  
DRAWINGS**

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## I. INTRODUCTION

The One U.S. Government at the Border Subcommittee, in consultation with the full Advisory Committee on Commercial Operations of U.S. Customs and Border Protection (COAC), formed an Import Mapping Working Group (IMWG) with the intent to provide industry feedback through evaluation and documentation of the current U.S. importing process as it relates to CBP and those Partner Government Agencies (PGAs) that have an impact on trade facilitation. The IMWG has identified opportunities to improve the current import process and is providing its findings in this import map education package.

The education package diagrams the main import sector's current process as it relates to cargo movements by air, air express, ocean, rail, and truck, and documents the current data gathering by U.S. Customs and Border Protection (CBP) as well as PGAs. The IMWG document highlights existing challenges and provides possible solutions to create a more efficient, streamlined import process, so the whole of government and the trade will benefit as the development of the ITDS/Single Window work in the Automated Commercial Environment (ACE) progresses.

The IMWG shall present its findings to the COAC's One U.S. Government at the Border (1USG) Subcommittee, and the 1 USG will use the findings for consideration and presentation to the full COAC, CBP, and to the Border Interagency Executive Council (BIEC).

### **Information on the Visio Drawings**

- Notes on the import process are identified in the drawings with white-numbered red circles.
- Areas of opportunity are identified in the drawings with black-numbered green stars.

## II. AIR INBOUND – CONVENTIONAL CARRIER MODEL

### Note 1: Supply Chain Parties

Conventional air cargo is a multi-party business model, typically characterized by a three-part relationship between a shipper, a freight forwarder and an air carrier:

- The shipper has a direct relationship with the freight forwarder.
- The freight forwarder has a direct relationship with the shipper – the contract between these two parties is known as a “house air waybill” (HAWB).
- The forwarder also has a direct relationship with the air carrier – the contract between these two parties is known as a “master air waybill” (MAWB).
  - A MAWB is a consolidation (or “consolidated shipment”) of 1 or more HAWBs by the forwarder.
  - All HAWBs in a consolidation have the same MAWB air origin and destination, but each HAWB has its own origin/destination that may or may not be the same as those found at the MAWB level.
- In this standard model, the carrier and shipper do not have a direct relationship.<sup>1</sup>

### Note 2: Documentation

The documentation that a shipper/forwarder delivers to a carrier includes:

- i) For consolidated shipments, a MAWB plus a house manifest that provides a limited data set for each HAWB under the consolidation.
- ii) For straight shipments (see footnote 1 below), an AWB.
- iii) For all shipments, additional documentation as required by country import requirements.
  - a. Such documents include the full HAWB contract, packing lists, commercial invoices, phyto-sanitary certificates, CITES certificates, etc.
  - b. These documents are usually provided to the carrier in a sealed “pouch” that the carrier does not open.

Required documentation may be delivered to the carrier in one of three ways:

- i) In paper form only, simultaneously with physical cargo tender
- ii) In electronic form, usually prior to physical cargo tender, along with a full set of paper documentation at physical cargo tender
- iii) In electronic form, usually prior to physical cargo tender, along with a limited set of paper documentation.<sup>2</sup>

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<sup>1</sup> Much less commonly, for certain types of shipments, the carrier may have a direct relationship with the shipper. In such cases, the contract between the parties is known as a “simple” or “straight” air waybill.

<sup>2</sup> Today this is rare, as customs and other regulatory agencies often demand paper documents, thus limiting the ability of carriers and forwarders to implement the air cargo industry’s “e-freight” initiatives

### **Note 3: Advance Data Systems for Air Cargo**

There are two CBP advance data systems into which shipment data is transmitted for targeting – each of which has its own purpose, timeline, and data elements – ACAS (see Note 4) and Air AMS (see Note 5). For both systems, inbound carriers<sup>3</sup> are required<sup>4</sup> to transmit both house bill and master bill data. House bill data (only) may also be transmitted by forwarders or other parties who have met certain CBP pre-requisites. See also “Area of Improvement #1” below.

Please Note: The Customs Targeting Analysis Center (CTAC) currently has Partner Government Agencies who have the ability to screen manifest data for their targeting purposes.

### **Note 4: ACAS (Air Cargo Advance Screening)**

ACAS is a pilot program, instituted after the Yemen cargo bomb plot (October 2010), in which a limited subset of Air AMS data is transmitted to CBP for an aviation security risk assessment as early as possible in the supply chain.

- The data subset includes shipper name and address, consignee name and address, piece count, weight and description.
- The ACAS filing is distinguished from Air AMS primarily by its time of transmission (before flight departure from the last point of departure to the U.S.) and by the absence of transportation information such as origin/destination, arrival port, and flight information that is required in Air AMS.
  - This “decoupling” of the substantive shipment information (which is available very early in the supply chain) from the transport data (which is not known until much later) allows ACAS risk assessment to take place at the earliest possible time.
  - ACAS can be described as a shipment-level security declaration, while Air AMS is the carrier’s full regulatory declaration, delivered at the flight level for all manifested shipments.
- ACAS is distinguished from the maritime Importer Security Filing by differences in the required data elements, the filing timeline, and the party required to file.
- ACAS returns security status messages to the data submitter, which may dictate further action including the submission of additional data, the application of high-risk screening protocols, or the removal of the shipment from the air cargo supply chain.

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<sup>3</sup> The “inbound carrier” is the carrier who brings the shipment to the first port of arrival in the U.S. The regulatory requirement falls on the conveyance owner (the carrier who “owns the metal”), not the carrier whose flight number is attached to the conveyance (the case in code-share or block-space agreement situations), although the conveyance owner may delegate the responsibility to the “flight-number carrier”.

<sup>4</sup> As a pilot program, ACAS technically does not “require” any action today. When it becomes a regulatory mandate, it will most likely require transmissions to be made by the transporting carrier except in very limited circumstances where other party transmissions will be required, and with the ability for freight forwarders to also transmit data at the house bill level.

**Note 5: Air AMS (Automated Manifest System)**

Air AMS data submission has been a requirement since 2004, mandated by the 2002 Trade Act. The inbound carrier is required to transmit data for each arriving MAWB, simple AWB, and HAWB on a flight-by-flight basis. Air AMS data must be filed either 4 hours prior to actual aircraft arrival in the U.S. (for long-haul flights) or at aircraft “wheels-up” if the flight origin is in North America, the Caribbean, or South America above the equator. As mentioned in Note 3, certain other parties may be authorized by CBP to transmit HAWB data: in such cases, the carrier has two choices:

- It may indicate to CBP that it authorizes the other party to transmit the house data on its behalf by including the other party’s “agent number” in a specific Air AMS data field.
- It may withhold such authorization and re-transmit the house data.

The data elements that must be transmitted include:

- The same elements found in ACAS
- Flight and departure/arrival port details
- In the case of shipments that are split over more than one arrival flight, “itemized” information of the pieces and weight of each AWB on each arrival flight.
- In the case where a carrier wishes to transport a shipment from the port of arrival before it has received an Air AMS clearance (i.e., before the importer has filed his entry and secured cargo release), it will include a transfer line request for an in-bond authorization in its Air AMS message.

**Note 6: FDA Prior Notice**

FDA Prior Notice submission, four hours prior to air arrival, is required for certain shipments imported into or transiting through the U.S. Importers must submit this information to FDA for import shipments. Carriers are also required to provide an indicator for prior notice bills on the flight manifest. Note: FDA PN is required for all shipments of food, human or animal. FDA Prior Notice information is screened by the FDA Prior Notice Center. The Customs Broker will normally receive a message stating Prior Notice received “PN Received.”

**Note 7: Air AMS Responses**

Air AMS returns messages to the carrier and, if applicable, to an authorized other party who has transmitted house data to AMS. Such messages include:

- In bond transit authorization – if a consolidation, the message is usually at the master level. This allows a carrier to move a shipment from the air arrival port to the air final destination. The carrier has a limited amount of time to complete the in-bond movement, and must deliver an electronic message to Air AMS (or paper documentation to CBP at the in-bond destination port) to “close” the in-bond authorization.

- Holds for customs or agriculture inspection – if a consolidation, the message is usually at the house level. A hold message that indicates “customs inspection” may actually have been applied by CBP at the request of an “other government agency” (OGA). In certain cases, depending on local CBP port policy and any involved OGA, holds must be actioned at the air arrival port. In other cases, the shipment is allowed to move to the air destination for inspection. If applicable, and based on local CBP port policy, a shipment with a “local transfer” authorization may be moved to the premises of a de-consolidator prior to inspection (see also Note 10).
- Cargo release messages for shipments for which an entry has been filed and approved by CBP.

### **Note 8: Status Notifications**

Most carriers provide electronic “freight status update” messages (FSUs) to trade parties who have the capability to receive electronic messages (usually large companies), including shippers, origin forwarders, destination de-consolidators, and importers. FSU notifications are based on particular operational “milestones”, such as cargo tender to the origin warehouse, flight departure, flight arrival, and “ready for delivery” status at the destination warehouse. For smaller companies, notification generally takes place manually via a proactive check of the carrier’s shipment tracking website or by e-mail/phone communications.

### **Note 9: Process at Air Arrival Port**

From the air arrival port, a shipment generally follows 1 of 4 paths:

- Box A to Box C: The shipment terminates at the air arrival port.
  - If a consolidation, the carrier breaks the shipment into individual house bills.
  - The carrier releases house bills to consignees via one of two authorizations:
    - Cargo release “1C” authorizations.
    - House-level “1D” in-bond authorizations.
  - In both cases (cargo release or in-bond), the required authorization has been obtained by the consignee, not the carrier.
- Box A to Box B to Box C:
  - The inbound carrier (or an onward carrier) requests an in-bond authorization (via an Air AMS “1D” status) to move the shipment to the air destination port (the final port in the AWB or MAWB routing). The in-bond transportation from the port of arrival to the air destination port, in the continental U.S., may take place by aircraft or truck.
  - At destination, if a consolidation, the carrier breaks the shipment into individual house bills.
  - The carrier releases house bills to consignees via one of two authorizations:
    - Cargo release “1C” authorizations.
    - House-level “1D” in-bond authorizations.
  - In both cases (cargo release or in-bond), the required authorization has been obtained by the consignee, not the carrier.
- Box A to Box D: The inbound carrier requests a local transfer authorization from Air AMS to move the shipment to a de-consolidator’s warehouse located in the same port. Continue to Note 10 below for further information on this scenario.

- Export (not depicted on the flow chart): The shipment will be exported, either from the air arrival port or the US air destination port. Certain PGA requirements, including FDA prior notice, also apply to shipments that transit the United States.

### **Note 10: Cargo Release**

Upon “local transfer” to the de-consolidator, a shipment is generally broken into its individual house bills. Depending upon the house-level destination, the house bills may receive cargo release authorizations at this point, or the de-consolidator may request house-level in-bond authorizations from Air AMS to move the house bills to one or more ports of entry. Eventually all shipments make their way to box E and cargo release.

## **III. AIR INBOUND – CONVENTIONAL CARRIER MODEL AREAS OF OPPORTUNITY**

### **#1 – Provide functionality to allow Express Self-filers to amend self-filed HAWBs with flight/date information when a shipment is split across multiple arrival flights.**

- **Problem:** Even when an “other authorized party” has submitted house data to Air AMS, when the transporting carrier splits a MAWB shipment over more than one arrival flight, the transporting air carrier is always responsible to report piece-level flight and arrival date information for the house bills under that MAWB.
  - This presents a particular problem in the case of express carriers moving cargo on conventional carriers, as the express carrier self-files its house bill information to Air AMS utilizing specific express messages, and does not provide the carrier with any house bill information.
  - Express MAWB shipments are never deliberately split by a transporting carrier, but inadvertent splits happen occasionally due to operational factors and human error. When a split occurs, the carrier **cannot** transmit the required HAWB flight/date information until it obtains the house bill information from the express carrier.
  - Obtaining the express HAWB information from the express carrier is in itself a problem: while the average freight forwarder MAWB covers less than 20 HAWBs, an express MAWB may cover hundreds or even thousands. It is therefore both an IT and logistical challenge to get the HAWB information transferred to the carrier, representing considerable cost and delay.
- **Solution:**
  - In cases where an express MAWB is split by the transporting carrier over more than one flight, allow the transporting carrier to nominate the express self-filer to report, on behalf of the carrier, flight and arrival information at the house bill level.
  - It should be further examined whether such functionality should be expanded to other authorized party filers, such as freight forwarders, who are filing house bill information under 19 CFR 122.

**#2 – Any “transport data” provided by an entry filer (who is a “commodity-level” filer, not a transport filer) should be considered provisional only, and should be automatically corrected by manifest information provided by the carrier.**

- **Problem:** Air cargo operations are characterized by flexible routing options, unpredictable flight capacity, bookings made close to flight departure, and last minute manifesting changes. For these reasons, the “predicted” flight information that a carrier provides to an entry filer may change after an entry has been filed.
- **Solution:** Carrier-provided manifest information regarding arrival date and port should always override provisional transport data submitted by the entry filer, with notification of any changes automatically delivered to impacted PGAs.
- **Note:** This may require the PGAs to centralize PGA data reviews as opposed to PGA port personnel reviewing the data.

**#3 – Enhance hold messaging to clearly indicate the location at which a hold becomes “active”.**

- **Problem:** It commonly happens that a shipment’s Air AMS status reflects, simultaneously, both a live hold AND a live in-bond transit authorization (Immediate Transportation or Transportation/Exportation) or a live local transfer authorization (to a different bonded facility within the same port). Confusion may arise due to:
  - A CBP destination port placing a hold on a shipment before it has arrived at that destination (i.e., when the shipment is still at a transfer port and needs an in-bond authorization to move to destination);
  - Port to port variation regarding whether shipments with holds must be inspected at the carrier warehouse or instead can be moved first to a local transfer facility for inspection.

No indication is currently provided in the hold message itself regarding where the hold must be actioned – i.e., whether the hold becomes “active” at the port of arrival, the in-bond destination port, or the local transfer facility.

Determining at what location a hold must be actioned therefore requires manual back-and-forth between the carrier and CBP, resulting in delay and unintentional non-compliance. If the “active” hold location is determined to be other than the shipment’s current location, the carrier must make manual IT interventions to move the shipment, as carrier IT systems are generally designed to automatically halt shipment movement when a hold is present, regardless of any other authorization status that may be present.

- **Solution:** Provide information within the hold message itself that indicates where the hold becomes active. Carrier systems can then be programmed to recognize the hold activation location and allow or disallow the authorized in-bond move accordingly.

#### #4 – Fully automate and standardize hold processing.

- **Problem:** Theoretically, all holds on cargo are reflected in Air AMS, however:
  - There is port-to-port variation, especially with APHIS inspection holds.
  - Air AMS functionality does not provide information on the government agency, excepting CBP and USDA, that has placed a shipment on hold, reducing carriers' ability to efficiently address and resolve the hold.
- **Solution:** Nationwide standardization of hold processing in Air AMS and functionality improvements to provide visibility to the agency placing the hold.

#### #5 – Improve hold response timing, inspection processes, and liquidated damage assessments.

- **Problem:** Air carriers are required to transmit Air AMS data several hours before aircraft arrival. Simultaneously, air cargo's main competitive advantage is speed, thus quick connecting times at hub airports are common. Today, a shipment hold may be received several hours after aircraft arrival, in many cases after a shipment has completed its transfer processing and been loaded and/or departed on a connecting flight/truck. Often, instead of allowing such shipments to be inspected at the down-line port, CBP will require the carrier to return the shipment to the port of arrival for inspection. Further, the carrier may then receive liquidated damages assessments for moving the shipment, which require significant time and effort to contest.

*Under ITDS, the potential for late hold delivery will increase due to the greater number of agencies involved. Inter-agency coordination on shipment review and hold processing will be critical to avoid negative operational impacts for air carriers.*

- **Solution:** Establish service level standards for AMS arrival port hold notifications for all agencies with hold authority, allow inspections at ports down-line from the port of arrival as a standard practice in "late hold" cases, and eliminate liquidated damages assessments when hold notifications are issued later than a specified time after aircraft arrival (assuming that Air AMS reporting was completed in a timely manner).

#### #6 – Facilitate single entry filing when carrier transport splits a shipment over more than one arrival flight, including in cases where splits have occurred across ports of entry.

- **Problem 1:** Entry filers submit transport data based on the best information they have at the time of filing. However, as discussed in #2 above, the speed and flexibility of air transport often result in changes to the transport information, including the split of a single shipment across more than one arrival flight.
  - In cases where all parts of the shipment split have arrived at the same port of entry, delays and costs are imposed on both the trade and CBP by current IT limitations that require:
    - The entry filer to delete the original entry and file new entries for each part, or
    - The filer and CBP to amend the single entry through the cumbersome manual addition of part-level line item data reflecting the split.

- **Solution:** Improved cargo release split processing that allows manifest data submitted by a carrier to automatically update a single entry with split transport information.
- **Problem 2:** Transport constraints sometimes split a shipment not just over multiple flights, but also over more than one port of entry. In some cases, it would be more efficient to clear the shipment in multiple ports rather than first “reuniting” all pieces at a single port of entry (which requires an in-bond authorization and extra leg of transport), but there is currently no way to accomplish multi-port entry from a regulatory or IT standpoint.
- **Solution:**
  - In addition to the functionality improvement immediately above, further enhance cargo release split processing to allow entries to accommodate a) more than one port of entry and b) line items both with and without in-bond numbers.
  - Modify the definition of split shipment in 19 CFR 141.57, in accordance with the nationwide broker permitting initiative, to cover shipments that arrive a) at different port of entry than listed in the original bill of lading/waybill and b) in more than one port of entry, and to remove the requirement that any portion of a shipment arriving at a different port be transported in bond to the port of entry in the original bill of lading or waybill.

### #7 – Leverage DIS and the PGA Message Set to Facilitate Faster Clearance for Legitimate Shipments

- **Problem:** Shipments that require paper forms today are often subject to delay and additional cost due to:
  - “Normal” inefficiencies associated with paper processing, compounded when documentation is missing or lost in transit.
  - The limitation of arrival ports to those with particular agency staffing for certain commodities when review of paper forms is required.
  - Additionally, in cases where required forms have already been automated via agency-specific electronic systems, inefficiencies and cost increases have resulted due to duplicative data entry, sometimes manual, and the need to interface with multiple systems.
  - Finally, it is not possible to conduct efficient, data-driven risk assessment utilizing paper forms.
- **Solution: All air cargo participants look forward to paperless, streamlined and centralized data exchange and trade operations via:**
  - The ongoing “dematerialization” of paper forms via the PGA message set, which also serves to enhance efficient risk assessment,
  - The consolidation of all agency submissions under ITDS,
  - The ability of agencies to perform remote review of electronic data and place arrival port limitations only on shipments requiring physical inspection, and
  - In cases where paper forms are still used due to international rules, the expanded use of DIS by both carriers and importers to meet form submission requirements.

#### IV. AIR INBOUND – EXPRESS CARRIER MODEL

##### Note 1: Shipment Information for the Express Carrier

It is usually the shipper/exporter/seller who generates the information and provides it to the express courier. The express couriers will receive data from the shipper/exporter/seller in one of several ways:

1. Via a front-end system supplied by the courier (where the customer enters the data manually)
2. Via EDI feed to the courier
3. Through a manual waybill and invoice where the courier will enter the information into their internal system

It is important to note that paper documentation (phyto-sanitary certificates, CITES certificates, and other official original documentation) must accompany the shipment, (attached to the shipment or in a separate document pouch) and be available for PGA clearance.

##### Note 2: Shipment Data Captured at Origin

The express courier receives the information provided from the shipper/exporter/seller and brings it into their internal system for further processing. Processing may include validation edits regarding the party financially responsible for the shipment, delivery address validations, and weight & piece count validations. Mandatory denied party screening also occurs.

##### Note 3: Air Cargo Advanced Screening

The express courier integrates the necessary shipment information into their internal system for further use in preparation of the Air Automated Manifest (AMS) and ACAS (Air Cargo Advance Screening). For ACAS, a limited subset of Air AMS data is transmitted to CBP for risk assessment as early as possible in the supply chain.

- The data subset includes shipper name and address, consignee name and address, piece count, weight and description.
- The ACAS filing is distinguished from Air AMS primarily by its time of transmission (before flight departure from the last point of departure to the U.S.) and by the absence of required transportation information such as origin/destination, arrival port, and flight information.
  - This “decoupling” of the substantive shipment information (which is available very early in the supply chain) from the transport data (which is not known until much later) allows ACAS risk assessment to take place at the earliest possible time.
  - ACAS can be described as a shipment-level security declaration, while Air AMS is the carrier’s full regulatory declaration, delivered for all manifested shipments at the flight level.
- ACAS is distinguished from the maritime Importer Security Filing by differences in the required data elements and the filing timeline.

**Note 4: ACAS Status Message to Carrier**

Upon completion of ACAS Screening, CBP returns security status messages to the express courier and may dictate further action including the submission of additional data, the application of high-risk screening protocols, or the removal of the shipment from the air express supply chain.

**Note 5: Air AMS**

Air AMS (Automated Manifest System) data submission has been a requirement since 2004, mandated by the 2002 Trade Act. The express carrier is required to transmit a data set for all MAWBs, and HAWBs. The Air AMS transmission must take place either 4 hours prior to actual aircraft arrival in the U.S. (for long-haul flights) or at aircraft “wheels-up” time if the flight origin is in North America, South America above the equator, or the Caribbean.

For the Customs submission, review, exam and release process, there are unique processes that take place in the express courier model:

**For submission of letter, documents, Section 321s and entries**

1. Letters and documents are electronically transmitted to CBP. CBP reviews in either Courier AMS or a courier proprietary system and issues a release or an exam message.
2. Section 321s are electronically transmitted to CBP. CBP reviews in either Courier AMS or a courier proprietary system and issues a release or an exam message.
3. Non-ABI Informal entries are electronically transmitted to CBP. CBP reviews in either Courier AMS or a courier proprietary system and issues a release or an exam message.
4. ABI Formal and Informal entries are electronically transmitted to CBP. CBP reviews in either ACE or ACS and issues a release or an exam message.

**Note 6: AMS Screening**

CBP performs AMS Screening and returns messages to the express carrier at the MAWB and HAWB level. Manifest data is also reviewed by PGA’s embedded at CTAC. CBP messages include:

- In bond transit authorization - carrier can do this at either the master bill or at the house bill level, depending on their preference. This allows a carrier to move a shipment from the air arrival port to the air final destination. The carrier has a limited amount of time to complete the arrival-to-destination move, and must deliver an electronic message to Air AMS, or paper documentation to CBP at the in-bond destination port, to “close” the in-bond authorization.
- Holds for customs or agriculture inspection – if a consolidation, the message is usually at the house level. A hold message that indicates “customs inspection” may actually have been applied by CBP at the request of an “other government agency” (OGA). Depending on local CBP port policy and any involved OGA, holds may be actioned at either the port of entry (destination) or the port of arrival.

**Note 7: FDA Prior Notice**

FDA Prior Notice submission is required for certain shipments imported into or transiting through the U.S. For air shipments, this submission must take place at least four hours prior to shipment arrival into the U.S. While it is the responsibility of the Importer of Record, this is often the Customs broker in the express environment who handles the Prior Notice filing process.

- If Prior Notice is filed using the Prior Notice System Interface (PNSI), a standalone Prior Notice number is returned to the express courier to be filed with the entry release data.
- Prior Notice information may also be filed via ABI as part of cargo release. When Prior Notice is successfully filed, an acknowledgement is messaged back to the broker via ABI. "PN Received" Screening is done by the Prior Notice Center.
- Note: FDA PN is required for all shipments of food, human or animal.

**Note 8: Air AMS Responses**

Air AMS returns messages to the carrier. The messages include:

- In bond transit authorization. The carrier may then move a shipment from the air arrival port to the air final destination. The carrier has a limited amount of time to complete the in-bond movement, and must deliver an electronic message to Air AMS (or paper documentation to CBP at the in-bond destination port) to 'close' the in-bond authorization.
- Holds by CBP or Partner Government Agencies (PGAs). The carrier receives a holds message via AMS, and the holds must be actioned at the air arrival port. On occasion the carrier may be required to move the cargo to another port for PGA clearance through an in-bond movement.
- Cargo release messages. The carrier will receive a cargo release message, which allows the shipment to move out of the air arrival port and delivered to the final destination.

**Note 9: Status Notifications****Exam and release process:**

1. CBP will electronically transmit status to courier
2. Courier will update their proprietary scanning system
3. Scan status will determine if the shipment can go out for delivery (released) or if the shipment needs to be routed to CBP (exam).
4. For exams, CBP will examine during package sort and either release or hold during the sort window.

**In Bond process:**

On occasion, the express courier must move a shipment from the first port of arrival to another port of entry. This can occur when a Partner Government Agency has specific examination requirements or a customer requires the entry to be cleared at an alternative port. These goods move in bond, and the bond is released when entry release and summary are processed.

**Export (including transiting the USA to a foreign destination or returning to shipment origin country):**

While not depicted on the flow chart, a shipment can be exported, either from the air arrival port or the US destination port. Certain PGA requirements, including FDA prior notice, also apply to shipment that transit the USA.

From the air arrival port, a shipment generally follows 1 of 3 paths:

- The shipment will terminate at the air arrival port and the customs clearance will occur there. (box A to box C)
- The express carrier will obtain an in-bond authorization to move the shipment to the air destination port, with customs clearance occurring at the air destination port. (box A to box B to box C)
- The shipment will be exported, either from the air arrival port or the US air destination port. This is not depicted on the flow chart, but certain PGA requirements, including FDA prior notice, apply to transit shipments as well as imports. (Under I.E. or T & E)

**Note 10: Entry Summary**

- Normal entry filing process is followed with payment due by 10<sup>th</sup> day

**V. AIR INBOUND – EXPRESS CARRIER MODEL AREAS OF OPPORTUNITY**

**#1 – Any transport data provided by an entry filer should be considered provisional only, and should be automatically corrected by manifest information provided by the carrier.**

- **Problem:** Express air cargo operations do have the occasional unpredictable routing changes, often due to weather, natural events (e.g. volcano eruption in Iceland). The predicted flight information that the carrier provides to an entry filer may change after an entry has been filed.
- **Solution:** Carrier provided manifest information regarding arrival date and port should always override provisional transport data submitted by the entry filer.
- **Note:** This may require the PGAs to centralize PGA data reviews as opposed to PGA port personnel reviewing the data.

**#2 – Fully automate and standardize hold processing**

- **Problem:** Theoretically, all holds on cargo are reflected in Air AMS, however:
  - There is port to port variation of how holds are handled.
  - Air AMS functionality does not provide adequate information on the government agency that has placed a hold on the shipment. While some messaging exists in ACS for CBP and FDA, additional information should be provided so the carrier (and the broker) can effectively address and resolve the hold.
- **Solution:** Nationwide standardization of hold processing in Air AMS and functional improvements to improve visibility to the trade community on the agency placing the hold.

### #3 – Leverage the PGA Message Set and DIS to facilitate faster clearance for legitimate shipments.

- **Problem:** Shipments that require paper forms today are often subject to delay and additional cost due to:
  - “Normal” inefficiencies associated with paper processing, compounded when documentation is missing or lost in transit.
  - The limitation of arrival ports to those with particular agency staffing for certain commodities when review of paper forms is required.
  - Additionally, in cases where required forms have already been automated via agency-specific electronic systems, inefficiencies and cost increases have resulted due to duplicative data entry, sometimes manual, and the need to interface with multiple systems.
  - Finally, it is not possible to conduct efficient, data-driven risk assessment utilizing paper forms.
  
- **Solution: All air cargo participants look forward to paperless, streamlined and centralized data exchange and trade operations via:**
  - The ongoing “dematerialization” of paper forms via the PGA message set, which also serves to enhance efficient risk assessment,
  - The consolidation of all agency submissions under ITDS,
  - The ability of agencies to perform remote review of electronic data and place arrival port limitations only on shipments requiring physical inspection, and
  - In cases where paper forms are still used due to international rules, the expanded use of DIS by both carriers and importers to meet form submission requirements.

### #4 – Ensure the PGA Message Set Data Requirements are Streamlined and Efficient

- **Problem:** Significant data requirements to complete the entry release could significantly slow the movement of cargo for legitimate importers if the PGA message set requirements are excessive and the data or information is not commercially or readily available at or before the time of entry release
  - The Customs Brokers in the express industry often acts as the Importer of Record for the many shipments where the broker does not have an established relationship with the importer. Their business model is designed to provide fast and reliable service and efficiency to deliver on average 30 million packages globally every day. The Customs Broker does not have a financial interest in the goods other than the carriage and clearance.
  - Significant data element requirements in the future PGA message sets will drive down the express industry’s efficiency if the information is not easily attainable for submission to CBP and the PGA. The inability to obtain data and documents will:
    - Increase holds by CBP and the Express Customs Broker
    - Require increased staffing by CBP and the Express Carrier to manage those holds.

- Depending on the PGA requirements, the Express Customs broker may choose to no longer act as the Importer of Record, further delaying the cargo as they go about obtaining a Power of Attorney and executing a Single Transaction Surety Bond.
  - All of these steps will lead to increased costs which will be passed on to the express courier customers in the form of increased brokerage fees as well as freight charges.
- **Solution:** Allowance for de minimis and low value release provisions without a significant PGA data burden would reduce the reporting burden, and offset the PGA data burden on high value or formal entry shipments.

## VI. OCEAN INBOUND

### **Note 1: Container mapping; loading; manifest preparation**

Arrangements of ocean cargo can be initiated in 3 basic ways:

- Shipper/Supplier relationship with Foreign Freight Forwarder who contracts with either an NVOCC or VOCC
- Shipper/supplier direct relationship with VOCC – Straight/Master Bill of lading\*
- Shipper/supplier direct relationship with NVOCC – House Bill of lading
  - Each individual shipment will be covered by and issued a ‘house’ bill of lading (HAWB).
  - Individual shipments are often consolidated, and the combined shipments will be covered by and issued a ‘master’ bill of lading (MAWB)

\*A Master bill of lading can be for a single “house” bill of lading (HAWB), or for multiple “house” bills of lading that equal the quantity on the Master (MAWB).

\* See Appendix 1 for additional information about Bill of Lading types.

For information on Documentation, see Note 11

### **Note 2: Automated Manifest System (AMS)**

The inbound carrier is required to transmit a data set for Master Bill of Ladings, and house manifests. Certain other parties may be authorized by CBP for the house manifest transmission; the carrier may authorize the other party to transmit house data on its behalf. The AMS transmission must take place 24 hours prior to loading at origin.

**Note 3: ISF-10**

The importer is responsible to insure the Importer Security Filing (ISF) is timely filed 24 hours prior to the loading of the container on the vessel. In most cases, the Importer refers this filing to their supplier/forwarder overseas, or their U.S. Customs Broker. In cases where the broker is filing the ISF, they will also have received the documents necessary to file, either the specific 10 data elements, or the actual commercial documents for Customs clearance, which could include the commercial invoice, packing list, ocean bill of lading and any documents required to affect Customs release.

There are 2 ways to file an ISF:

- “Stand-Alone” meaning on the ISF data is transmitted – 6 digits of the HTS transmitted
- “Unified” meaning the ISF data, along with the entry information is transmitted to Customs. This requires all 10 digits of the HTS to be transmitted. A unified filing also provides more time for targeting by CBP.

**Note 4: AMS Screening**

Manifest data is received and screened by CBP.

**Note 5: PGA Manifest Screening**

Please Note: The Customs Targeting Analysis Center (CTAC) currently has a number of Partner Government Agencies who have the ability to screen manifest data for their targeting purposes.

**Note 6: ISF Screening**

The data, transmitted by the ISF filer, is matched against the information transmitted in AMS. If the bill of lading matches, a message is returned to the ISF filer stating “Accepted”, “Bill on file”. If the Bill does not match, or the AMS has not yet been file, the ISF Filer receives a message stating “Accepted”, “No Bill on File”.

**Note 7: Pass –or- Do Not Load Message**

Shipment information (ISF filing and Manifest data) are transmitted by numerous parties including the carrier. Once information is transmitted, received and screened or targeted by CBP, CBP will decide to accept or reject in which case a Do Not Load (DNL) message may be received by the carrier or no message is sent to the carrier indicating carrier may load, despite these messages, CBP may require hold at destination.

**Note 8: Container load on Vessel**

Once ISF screening is complete, all cargo is loaded onto the vessel with the exception of DNL cargo.

**Note 9: ISF (+2) filed by Carrier**

After the Carrier has transmitted the AMS (Note 4) information to CBP, and CBP has responded if needed (Note 7) the Carrier is required to transmit two data elements, otherwise known as the +2. 1. The Vessel Stow Plan (3 dimensional location where the container is loaded/stowed on ship) must be filed 48 hours of sailing from the last port before sailing to the US/Canada. 2. The Container Status Message (CSM) must be sent within 24 hours of each CSM transaction. The bill of lading# also commonly known as the 11<sup>th</sup> data element is transmitted as part of the ISF filing.

**Note 10: Arrival Notice(s)**

A few steamship lines or NVOCCs will issue an arrival notice as a courtesy to the Consignee or notify party on the Master ocean bill of lading. It is not mandatory, and usually issued when freight charges are collect.

Under the Ocean Shipping Reform Act (OSRA) unless an individual is listed on the bill of lading as either the Consignee, Notify, or also Notify party, they are not considered a “party to the contract” and are therefore not privy to information pertaining to a specific bill of lading. This includes charges against that bill of lading.

Customs Brokers who do not receive Arrival Notices (either directly from the steamship line, NVOCC or Importer), will rely on the carriers website to track information pertaining to the vessel on which the bill of lading was loaded. Information available may include (but is not limited to) the Port of Discharge, Location (terminal or Firms Code), verification of carton count and other information that is required to be filed with the Customs Entry.

When all required information has been submitted and all PGA requirements filled, carrier will receive the message to release cargo (Delivery Authorized 1C).

Arrival notices are sent 5 days from sailing or sooner for short transits. They are sent again 5 days before arrival at the port of discharge. Arrival notices are also sent when an update is made to the shipment’s in-bond status (e.g. posting of an IT/T&E). Arrival notices are sent again as soon as departure from the discharge port to an inland destination if an intermodal bill of lading is issued.

It is important to note that the Arrival Notice process can occur numerous times in the movement of a single container or shipment as noted above.

**Note 11: Import Documentation/Data (Various media)**

Commercial documents needed for the entry preparation in the United States will be prepared by the foreign seller/supplier/manufacturer, their forwarding agent or by the U.S. Importer. These documents usually include the Commercial invoice, packing list, and any other agency document needed for the release of cargo.

The documents can be sent to the Customs Broker (filer) in various approved methods, such as:

- Electronically – EDI
- Electronically – attachments to e-mails
- Mail or facsimile

The Import Information may also be used to file Prior Notice and may be the basis for the 10 Importer Security Filing (ISF) data elements (ISF-10)

**Note 12: Entry Process (May include FDA Prior Notice)**

The Customs Broker receives and reviews the shipment/import information. The entry release, and (likely) the entry summary are prepared and sent to CBP via ABI. In the Ocean environment a unified entry release & entry summary are filed at the same time. Currently there are several Partner Government Agencies who also receive information through ABI: FDA, DOT, APHIS (Lacey) and FCC. Imports of product, subject to the Bioterrorism Act (BTA) must have certain data elements transmitted to FDA prior to arrival of the cargo. For goods subject to FDA, where the Importer has filed the Prior Notice under the BTA through the FDA-PNSI website, the Prior Notice (PN) number issued must be included as part of the entry and must be communicated to the Customs Broker. Most brokers file the Prior Notice information as well as any other Partner Government Agency information at the time of unified entry release/summary filing.

**Note 13: Selectivity and Admissibility**

There are 3 ways to transmit entry information to Customs for the selectivity processing to take place.

- When the filer submits a “Unified” ISF, the entry release and summary data is transmitted when the ISF data is transmitted.
- Where the ISF was filed as a “Stand Alone” filing, the broker/importer will transmit their cargo release information to CBP for selectivity processing (release). This is the transmission of the 3461 – Immediate Delivery/Release.
- The broker/importer can certify cargo release from the entry summary data, which provides an additional level of information for the pre-screening of cargo and results in a higher paperless rate of release. This is the transmission of the 3461 and 7501, certifying entry from summary data.

**Note 14: FDA Prior Notice**

FDA Prior Notice submission is required for certain shipments imported into or transiting through the U.S. For Ocean shipments, this submission must take place at least 8 hours prior to arrival of the vessel into port. Note: FDA PN is required for all shipments of food, human or animal.

The Importer has the right to file their information directly with FDA using ABI approved software, or through the FDA/BTA website – PNSI. When the PNSI filing is complete, the importer will receive a Prior Notice Confirmation # which must be included in the entry data transmission filed by the Customs Broker or entry filer. Generally speaking the Customs Broker usually files PN with the entry release information.

**Note 15: FDA Prior Notice Screening**

FDA Prior Notice data is screened by the Prior Notice center. Per FDA, BTA PN screening related to imported foods is separate from the FDA admissibility screening process for food, pharmaceuticals, medical devices and other goods subject to FDA review.

There is some validation that occurs with PN data on the CBP side, but typically (barring any system issues) FDA receives the information from CBP within minutes after filing by the trade.

**Note 16: Admissibility Screening**

PGA data that is electronically transmitted is received and admissibility screening is completed. There is no messaging back to the trade community on the results of a PGA admissibility screening other than from FDA.

**Note 17: Selectivity Processing**

When a “unified” ISF is filed, the selectivity processing result is held in the Customs system until the “window” opens. For Ocean Cargo, that is 5 days prior to arrival at the first port of entry. Once the window opens, the filer does not have to do anything - the result is automatic. For all other entries, CBP receives the cargo release data transmitted (either 3461, or 3461/7501), and the information must be matched to the ISF.

**Note 18: Admissibility Disposition**

FDA (PN) If PN is not received the carrier will get an A1 message (movement denied). When carrier gets an A1 message (confirmation of PN receipt) carrier will proceed to wait for a Delivery Authorized 1C message.

FDA admissibility disposition for food, pharmaceuticals, medical devices and other FDA regulated products: When FDA releases the imported products, the Customs Broker (entry filer) and AMS filer will receive a Delivery Authorized 1C message.

If FDA does not issue a May Proceed or Delivery Authorized message, the Customs Broker (entry filer) and the carrier have no visibility to FDA's actions or intentions. The broker must notify the carrier that there is no release, and the carrier in turn must notify the terminal to place the cargo on hold.

The lack of visibility also exists when other partner government agencies wish to inspect or have CBP inspect cargo on their behalf. Unless CBP issues a Manifest Hold (which does not indicate who is really holding the cargo: CBP or a PGA), the Carrier and the Customs Brokers do not have visibility to the status of the cargo.

**Note 19: Selectivity Disposition**

Selectivity disposition is transmitted to the Customs Broker (entry filer) and the Carrier (AMS filer) in a Delivery Authorized 1C message.

**Note 20: Summary Completion**

In most cases a unified cargo release/entry summary is filed. Where the cargo release was filed separately from the Summary, the Customs Broker will transmit the completed entry summary data to Customs. Whether filed individually or in a unified fashion, the Customs Broker will then arrange for the payment of duty to CBP.

**Note 21: Data due at summary or reporting**

When the entry is not designated as a paperless, the entry package, including release documents, and commercial invoices, etc., is submitted to Customs at time of statement which includes the payment of duties, taxes and fees.

**Note 22: Manifest relieved of obligations (delivery allowed)**

When all required information has been submitted and all PGA requirements fulfilled, carrier will receive the message to release cargo (Delivery Authorization 1C) – this finalizes the process for the Carrier.

## VII. OCEAN INBOUND AREAS OF OPPORTUNITY

### #1 (Note 9) – ISF (+2)

When cargo is booked the steamship lines provide a Booking number. Some steamship lines use this booking number as part of the bill of lading, adding their carrier code and perhaps a suffix. Some assign a completely different number. When using an NVOCC for the transmission of manifest data; there is sometimes no way to match or identify the Master bill of lading.

It would be helpful if there was a way the filer could, through their ACE portal, query the “Manifested” bill of lading to see the manifest date and estimated date of loading.

### #2 (Note 5) – PGA-Review of manifest Data

In most cases, PGA data can be part of the transmission of the entry. It would also be helpful and expedite the movement of cargo if timely submitted data were acted on by the PGA and responded to prior to arrival of the cargo.

### #3 (Note 12) – Entry Process (May include PN)

Currently there is no opportunity to update or correct certain OGA/PGA data transmitted to CBP via ACS once CBP acknowledges that the data has been received. This includes FDA/DOT/Lacey Act information presented at time of entry release. The port of entry, identified by a 4 digit port code also cannot be changed.

If the data is incorrect or information is missing, the broker is forced to cancel the original entry filed with CBP and file another entry. Allowing the filer to amend this electronic information prior to arrival of cargo will minimize the administrative burden of entry cancellation and duplicate information filed with the PGA.

The importer of record must carefully screen the status of FDA PN admissibility to ensure, upon receipt of the product, that the goods may enter the commerce of the US pending FDA’s approval. If FDA has not provided admissibility, the importer of record must coordinate the holding of this freight intact at the US destination. Continued monitoring of FDA status must occur as requests for examination or samples may occur. This involved FDA PN and FDA non –PN.

#### #4 (Note 15) – Prior Notice Screening

This manual process will be eliminated with the development of ITDS and ACE. All PGA's that have admissibility functions must conduct the risk assessment prior to the cargo arrival. Current PGA's that receive electronic information today, such as FDA, conduct the risk assessment upon receipt of the electronic information prior to the arrival of cargo. Additional PGA's must align to allow continued flow of trade and limit additional unnecessary costs to the carriers/importers for freight held upon arrival waiting for PGA processing of prior received electronic data. Current infrastructure is limited and will not accommodate held freight pending PGA clearance. All PGA's who have admissibility authority must communicate the status through edits and disposition codes which align with current PGA, AMS and CBP processes.

In addition, the PGA's that have current POE limitations must consider allowing the admissibility based on electronic information received at the original POE even if that POE does not have physical PGA representation. For example, FWS is limited to certain POE's. If the freight is destined to arrive at a non FWS POE, FWS shall review the electronic FWS information filed and provide status on clearance. If the risk assessment allows clearance without request for further information or examination then FWS shall release at the first POE even if it is a non FWS port. If goods are subject to examination then the PGA shall make an electronic request for examination and the freight forwarder shall move the freight in-bond to the FWS port for examination. Today the importer must automatically move the freight in-bond to the FWS port if it arrives at a non FWS port. The adaptation of this proposed process would improve the flow of trade while providing the PGA advanced electronic notice of the arriving cargo.

#### #5 (Note 13) – Selectivity and Admissibility

The broker must carefully monitor ABI messages to ensure acceptance of entry. PGA's with admissibility rights may request additional information at this time or place a hold or examination status on the import. The broker must work with the carrier and importer to respond and resolve these requests. Additional costs may incur when goods have to be moved to an examination location. Costs include examination fees, warehousing fees, and shipment delays. The risk assessment by the PGA must be conducted prior to arrival of the cargo.

#### #6 (Note 16) – Admissibility Screening – Leverage DIS and PGA Message Set to Facilitate Faster Clearance for Legitimate Shipments

- **Problem:** Shipments that require paper forms today are often subject to delay and additional cost due to:
  - “Normal” inefficiencies associated with paper processing, compounded when documentation is missing or lost in transit.
  - The limitation of arrival ports to those with particular agency staffing for certain commodities when review of paper forms is required.

- Additionally, in cases where required forms have already been automated via agency-specific electronic systems, inefficiencies and cost increases have resulted due to duplicative data entry, sometimes manual, and the need to interface with multiple systems.
- Finally, it is not possible to conduct efficient, data-driven risk assessment utilizing paper forms.

**Solution:** The trade community looks forward to paperless, streamlined and centralized data exchange and trade operations via:

- The ongoing “dematerialization” of paper forms via the PGA message set, which also serves to enhance efficient risk assessment,
- The consolidation of all agency submissions under ITDS,
- The ability of agencies to perform remote review of electronic data and place arrival port limitations only on shipments requiring physical inspection, and
- In cases where paper forms are still used due to international rules, the expanded use of DIS by both carriers and importers to meet form submission requirements.

### #7 (Note 18) – Admissibility Disposition & Holds Processing

Currently only FDA admissibility by entry line number is received by the broker advising whether or not the cargo has been released. This allows immediate and accurate review by the importer and filer. It is suggested that all PGA’s identified the entry line item that is subject to additional review to ensure proper risk targeting. Today a generic manifest hold message is received and does not allow immediate identification of the item under review.

- **Problem:** Theoretically, all holds on cargo are reflected in a message back to the carrier in AMS.
  - The Ocean Carrier does receive a Manifest Hold at the bill level if USDA wants to look at the cargo. All USDA exams, inspections, fumigations, etc. must be resolved at the first US port of arrival.
  - From the carrier’s perspective, they have no way of knowing which government agency is holding the cargo. When a non-electronic agency has a hold on the cargo, there is no way, other than calling for the filer/importer or carrier to verify all PGA holds have been satisfied and cargo can move. This can result in redelivery of cargo.
  - Port to port holds processing varies
- **Solution:** Nationwide standardization of hold processing in AMS and functionality improvements to provide visibility to the agency placing the hold.

### #8 (Note 21) – Data due at summary or reporting

Request for electronic documentation can be requested by CBP after statement finalization. The broker must continue to monitor for such requests.

**#9 (Note 22) – Manifest relieved of obligations (delivery allowed)**

From the carrier's perspective, they have no way of knowing which government agency is holding the cargo. In the current process, the carrier is not aware of any Partner Government Agency interest in the cargo other than FDA and CBP. If they have not received a release, they do not know who might be holding the cargo.

**VIII. RAIL INBOUND****Note 1: Importer & Documentation**

The shipper/exporter/seller often acts as Importer of Record (very common on the US northern border). The seller creates a commercial invoice and arranges for loading of the rail container.

**Note 1A: PGA Advanced Data Requirements**

Certain PGAs require advance notification of the importation of designated commodities and an application or other notification form must be filed with the agency prior to the cargo being shipped.

**Note 2: Shipment Data (Documents)**

The Importer provides data to both the rail carrier and the Customs broker, before the rail car is exported from Canada or Mexico to the US. Both a manifest filing and an entry filing are required prior to the goods being released at the border, except under CBP pre-approved line release procedures.

- The Importer (again, often, the shipper/exporter/seller) provides the broker with whatever additional information is required to satisfy PGA requirements for completion of the release and summary transmissions.
- Difficulties are encountered if the broker does not receive the required documents or data from the importer.
- Specific requirements can vary by commodity due to various regulations and PGA requirements.
- The carrier also requires additional documentation (e.g. Material Safety Data Sheets or MSDS) from the shipper for hazardous materials. Missing documents / data require further communications between the parties and can delay the flow of trade.

**Note 3: Rail AMS**

The Rail carrier provides CBP with manifest information for a container/rail car. In the rail environment, pursuant to Trade Act of 2002, a filing is required at least 2 hours prior to arrival.

**Note 4: Broker Download/Status Notification**

If the rail carrier provides a broker filer code with their manifest transmission, the broker will receive electronic notification that includes data that might be useful in terms of helping the broker manage their workflow, obtain missing information, etc.

- If the carrier does not include a filer code, then no message is sent to the broker. This is a critical issue in many rail clearance relationships, and can cause delays in the release process. Messages are sent to the broker after both the shipment filing and the consist filing.

**Note 5: Rail Manifest – Consist**

The rail carrier consist message is the list of all rail cars that are included on the train.

**Note 6: FDA Prior Notice (PN)**

FDA Prior Notice (for food, human or animal) must be filed prior to export from Canada or Mexico. Typically the customs broker will provide this filing on behalf of the importer with the border cargo release data transmission. FDA provides a free web tool (“PNSI”) for importers to provide the Prior Notice directly to FDA. If PNSI is used then the importer needs to provide the broker their PNSI confirmation number, which is then included in the broker’s release data transmission. For rail, PN must be filed at least 4 hours prior to arrival.

**Note 7: Rail Line Release**

Though CBP is no longer approving new applicants for the Line Release program, importers that have line release approvals can reference their “C-4” code when providing their shipment information to the rail carrier, and the rail carrier can include the code in their manifest transmission. See 19 CFR 142.41-52. C-4s are unique codes that identify the shipper/manufacturer, importer, entry filer, and product. Shipments covered by C-4 codes can be released by CBP with manifest filing only: a separate release data transmission from the broker is not required as the assigned C4 equates to an entry filing. The importer/broker has ten business days following release to file an entry summary.

**Note 8: Import Process**

Note that the import process represented here typically begins before freight arrival at the border. In the rail environment both the carrier’s manifest transmission and the broker’s release data transmission need to occur before the train crosses the border to prevent holds / delays / extra charges. The important exception is freight released under line release procedures, where pre-approved product is released under the line release code authority (see note 7).

**Note 9: CBP Selectivity Processing The broker prepares and transmits the necessary** information to CBP to secure release of the freight. (See step 7 for goods subject to line release).

**Note 10: PGA Admissibility Screening**

PGA receives the information from CBP that the broker has filed via ABI. Admissibility screening is completed and a disposition message is sent to the broker and carrier. Note: Not all PGAs currently receive information and act on the information at the time the cargo is at the port of entry.

**Note 11: Selectivity & Admissibility Disposition Made**

Positive selectivity and admissibility disposition relieves the carrier of its obligations and delivery is made.

**Note 12: Entry Summary Completion**

The customs broker completes the entry summary and applicable duties paid. Entry Summary data includes some PGA-specific data not required for release transmission (eg. FCC data, steel license number). Request for electronic documentation can be requested by CBP after statement finalization. The broker must continue to monitor for such requests.

**IX. RAIL INBOUND AREAS OF OPPORTUNITY**

**#1 (Note 2) – Advance Notification for PGA’s must be Automated and Information Available in ACE at Time of Entry.**

- **Problem:** Certain PGAs require advance notification of the importation of designated commodities and an application or other notification form must be filed with the agency prior to the cargo being shipped.
  - One data element that may be required is the Customs broker’s entry number. This requires the importer to receive the entry number from the broker in advance of the normal import clearance process. The manual notification is submitted to the PGA by the broker or importer and the broker or importer must manually monitor for acceptance. These PGAs include EPA (Pesticides), FWS, DEA.
- **Solution:** All PGAs who require an application for a license or permit (some of whom require the broker’s entry number) in order for the PGA to issue a license or a permit in advance of arrival of the cargo, must have the ability to notify CBP electronically that the cargo has been ‘pre-cleared’ with advanced information received by the PGA. The PGA should be required to push accepted licenses or permits to CBP so ACE recognizes the pre-approved cargo. One way to do this might be to issue licenses or permits in a set formula with check digits in place to confirm the number is valid and match to another piece of entry information like the IOR #, to verify validity of the entry.

- This manual process will be eliminated with the development of ITDS and ACE. All PGA's that have admissibility functions must conduct the risk assessment prior to the cargo arrival. If the PGA is required to push that information to ACE, the cargo can receive a may proceed message without significant intervention by the PGA or CBP.
- Current PGA's that receive electronic information today, such as FDA, conduct the risk assessment upon receipt of the electronic information prior to the arrival of cargo.
- Additional PGA's must align to allow continued flow of trade and limit additional unnecessary costs to the carriers/importers for freight held upon arrival waiting for PGA processing of prior received electronic data.
- Current infrastructure is limited and will not accommodate held freight pending PGA clearance.
- All PGA's who have admissibility authority must communicate the status through edits and disposition codes which align with current PGA, AMS and CBP processes.

## #2 (Note 4) – Commodity Limitations by Port of Entry

- **Problem:** Not all government agencies are represented at all ports of entry, including APHIS, USDA, FWS, and APHIS Veterinary Services etc. Use of a port of entries may be restricted based on commodity, and whether the PGA has a presence.
- **Possible Solution:** Some commodities may be allowed to clear through a non-traditional port of entry for a particular PGA if it is a known shipper/consignee/commodity and risk assessment is low.

## #3 (Note 6) – Inability to Correct or Update PGA Data Transmitted in ACS

- **Problem:** There is currently no opportunity to update or correct certain OGA/PGA data transmitted to CBP via ACS once CBP acknowledges that the data has been received. This includes FDA/DOT/Lacey Act information presented at time of entry release. The port of entry, identified by a 4 digit port code also cannot be changed.
- **Problem:** If the data is incorrect, information is missing, or the freight is diverted, the broker is forced to cancel the original entry filed with CBP and file another entry.
- **Solution:** Allow the filer to amend this electronic information prior to arrival of cargo will minimize the administrative burden of entry cancellation and duplicate information filed with the PGA.
  - The importer of record must carefully screen the status of FDA PN admissibility to ensure, upon receipt of the product, that the goods may enter the commerce of the US pending FDA's approval. If FDA has not provided admissibility, the importer of record must coordinate the holding of this freight intact at the US destination. Continued monitoring of FDA status must occur as requests for examination or samples may occur. This involved FDA PN and FDA non -PN.

- The entry filer must be able to receive information on all PGA message sets transmitted to CBP for review. In addition, they must have timely responses to those messages, to ensure cargo flow is not impeded unnecessarily.

#### #4 (Note 7) – Low Risk High Single Commodity Volume Handling

- **Problem:** Currently no additional low risk high single commodity volume importers are approved for BRASS (truck MOT) or Line Release (rail MOT) immediate delivery clearance process.
- **Solution:** It is suggested that CBP work with the PGA's and consider opening up the application process as a C-TPAT or Trusted Trader benefit for those importers that may qualify as low risk high single commodity volume.
- **Problem:** The trade community does not know whether CBP intends to program for BRASS (truck MOT) or Line Release (rail MOT) in the ACE environment.
- **Solution:** The trade community recognizes the significant impact the elimination of BRASS and Line Release would have on the US northern and southern borders. We recommend CBP take this question under advisement and advise the trade community as to the continued viability of these 2 programs.

#### #5 (Note 8) – Leverage PGA Message Set and Advanced Cargo Information to Effect Timely Cargo Release and Automate/Standardize Hold Processing

- **Problem:** The broker transmits the PGA information with the entry in advance of cargo arrival.
  - Under ACS, there is no effective mechanism to ensure the PGA conducts their risk assessment in advance of cargo arrival.
  - The broker must carefully monitor ABI messages to ensure acceptance of entry. PGA's with admissibility rights may request additional information at time of arrival or place a hold or examination status on the entry.
  - The broker must work with the carrier and importer to respond and resolve these requests.
  - Additional costs may incur when goods have to be moved to an examination location. Costs include examination fees, warehousing fees, and shipment delays.
  - Please see comments in step #2 on additional participation on PGA in advance filing of required information for admissibility purposes. The risk assessment by the PGA must be conducted prior to arrival of the cargo.
  - If incomplete or ineligible import documentation is received the import flow is stalled pending receipt of the correct documentation. If other government agency information and/or forms are not provided, i.e TSCA, DOT, FDA, the broker entry cannot be transmitted and the carrier must wait until all information is received.
  - Once the entry is filed, the advance notification clock begins.

- **Solution:** PGA Message Set is received in advance of cargo arrival by the PGA's and the PGA's conduct Risk Assessment in advance of cargo arrival.
  - Effective electronic risk assessment occurs with data, not documentation.
  - If the DIS is utilized, a human being must review the document – utilize DIS only for foreign body issued forms, and determine if the form **MUST** be reviewed prior to cargo arrival, or perhaps after arrival in a post entry process.
- **Problem:** Theoretically, all holds on cargo are reflected in Rail AMS, however:
  - There is port-to-port variation, especially with APHIS inspection holds.
  - Rail AMS functionality does not provide information on the government agency, excepting CBP and USDA, that has placed a shipment on hold, reducing carriers' ability to efficiently address and resolve the hold.
- **Solution:** Nationwide standardization of hold processing in Rail AMS and functionality improvements to provide visibility to the agency placing the hold.

#### **#6 (Note 10) – PGA May Proceed or Release Authorized Messages Must be issued at the Entry Line Level**

- **Problem:** Currently only FDA admissibility by entry line number is received by the broker advising whether or not the cargo has been released. This allows immediate and accurate review by the importer and filer. For other PGA who receive ACS information today, a generic manifest hold message is received by the entry filer and does not allow immediate identification of the line item under review.
- **Solution:** Each entry line item transmitted with PGA message set information must issue status messages back to the trade community at the line level. Detailed status messages would be helpful, especially if special handling of a product is needed.
- See comments under steps 6 & 9. The admissibility status messages must be carefully monitored.

## **X. TRUCK INBOUND**

### **Note 1: Hazardous Material Reporting on the Southern Border (SBR) versus Reporting Requirements on the Northern Border (NBR)**

SOUTHERN BORDER: The Southern Border (SBR) truck process is unique in its requirement of the carrier to provide advance manual notification to CBP of the carriage of any hazardous material (HAZMAT). The importer must provide advance notice to the broker who in turns provides the required reporting information to CBP manually. Advance notification varies by specific port practices and the advance notification can range from 6 – 24 hours. CBP receives the advance notification from the broker and manually logs the notification and the time clock begins.

For Hazmat exports on the SBR, original documents must be signed off by CBP and the shipment must be imported within 5 days. If the shipment does not import within the 5 day timeframe, the process must be repeated. The timeframe of the advance notification is not standard on the SBR. Some ports calculate a 24 hour period based on the eight hour work day. A defined time frame, calendar vs. working day vs. working day hours need to be clearly defined for all port of entry on the SBR.

**NORTHERN BORDER:** This manual HAZMAT notification is not a requirement on the Northern Border. The carrier is required to report additional information such as insurance information and UN dangerous goods codes in the e-manifest filing, and have in their possession a Material Safety Data Sheet (MSDS) covering the cargo being carried..

**BOTH BORDERS:** Carriers on the Northern and Southern border are restricted to import of HAZMAT goods on certain bridge crossings. Not all ports of entry infrastructure allow travel of HAZMAT.

**Note 2: Partner Government Agency Advance Information Process:**

Certain Other Government Agencies require advance notification of the importation of designated commodities reported via the agency form which must include the broker's entry number. This requires the importer to receive the entry number from the broker in advance of the normal import clearance process. The manual notification is submitted to the OGA by the broker or importer and the broker or importer must manually monitor for acceptance. These OGA's include EPA, FWS, and DEA.

**Note 3: Truck Carrier files e-Manifest**

The truck carrier, upon notification of an import, prepares the electronic transmission of the manifest information to Customs and Border Protection (CBP). On the northern border, this manifest includes a unique PAPs number or Shipment Control Number (SCN) that consists of the carrier SCAC and carrier assigned bill of lading number. On the southern border, if there is no bill of lading number, instead the SCAC and the unique broker's entry number is used as a SCN. The e-manifest must be filed and received by CBP one hour before arrival of the carrier at the port of entry with the following exceptions;

- Free and Secure Trade carriers (FAST) /NCAP/CTPAT carriers & importer - The manifest information must be sent minimum 30 minutes in advance of arrival at the port of entry
- FDA / PN commodity - The manifest information must be sent 2 hours in advance of arrival at the port of entry
- HAZMAT goods. SBR CBP requires manual advance notification and approval of hazardous materials 6 – 24 hours of arrival.

**Note 4: CBP Receives Truck e-Manifest**

CBP receives the manifest information and screens the data. Some Partner Government Agencies embedded in the National Targeting Center also review the data.

**Note 5: Border Release and System Selectivity (BRASS) Program**

If the shipment qualifies for the Border Release and System Selectivity (BRASS) program (limited to high volume, low risk, and single commodity importers) the release process is immediate based on the C4 code information transmitted by the carrier in their manifest. The C4 code information is limited to shipper/manufacturer, importer, entry filer, and commodity. Shipments covered by C4 codes can be released by CBP with manifest filing only: a separate release data transmission from the broker is not required as the assigned C4 equates to an entry filing. The importer/broker has ten business days following release to file an entry summary (step 11). . See 19 CFR 142.41-52.

**Note 6: Import Documentation & FDA Prior Notice (PN)**

The importer has prepared/obtained the necessary import documentation. If the imported commodity is subject to the FDA Bioterrorism Act (food, human or animal), the FDA Prior Notice must be filed prior to export from Canada or Mexico. Typically the customs broker will provide the FDA PN filing on behalf of the importer with the release data transmission. But FDA provides a free web tool (“PNSI”) for importers to provide the Prior Notice directly to FDA. If PNSI is used then the importer needs to provide the broker their PNSI confirmation number, which is then included in the broker’s release data transmission. Once the importer transmits the info via the PNSI the PGA (FDA) receives and screens the data. Note, the FDA / PN information must be received two hours before the carrier arrives at the border. This is outside the standard one hour time frame for all other commodities (note 3).

**Note 7: Carrier/Exporter Alerts Customs Broker of Shipment to Arrive**

SOUTHERN BORDER: The broker generally receives the import documentation from the exporter/importer. The broker provides the exporter/importer with an entry number which is married up to the carrier SCAC code to form the Shipment Control Number (SCN).

NORTHERN BORDER: The carrier sends a SCN (also known as a PAPS) notification to the broker by transmitting a copy of the import documentation with the SCN bar code.

**Note 8: Import Process**

The broker receives, reviews and prepares the information to be transmitted to CBP based on the information available at this time. This information about the shipment can be received in a number of ways: Electronic (EDI) or Fax Transmission. Sometimes the Customs broker receives advanced notification of the shipment from the Exporter or from the Importer of Record, in addition to the information they receive from the Carrier. Note that the import process represented here typically begins before the freight arrival at the border. In the truck environment both the carrier's manifest transmission and the broker's release data transmission need to occur before the truck crosses the border to prevent holds / delays / extra charges. The important exception is freight released under BRASS, where pre-approved product is released under the BRASS authority (see note 5).

**Note 9: Entry Release Data Transmission to CBP**

The broker prepares and transmits the necessary information to CBP to secure release of the freight. (See step 5 for goods subject to BRASS). Depending on the commodity, information may also be transmitted for some Partner Government Agencies.

The broker may choose to send only the Border Cargo Release transmission or certify the Release from Entry Summary Information (in essence a Unified Filing of cargo release and entry summary data).

**Note 10: CBP Selectivity Processing**

CBP receives the entry release data from the broker which is matched to the manifest data filed by the carrier (matching SCAC B/L or SCAC Entry #). Selectivity processing occurs and a disposition message is sent to the broker and carrier.

**Note 11: PGA Admissibility Screening**

PGA receives the information from CBP that the broker has transmitted via ABI. Admissibility screening is completed and a disposition message is sent to the broker and carrier. Note: Not all PGAs currently receive information and act on the information at the time the cargo is at the port of entry.

**Note 12: Selectivity and Admissibility Disposition Made**

Positive selectivity and admissibility disposition relieves the carrier of its' obligations. In the truck environment, the truck driver doesn't have the ability to receive a Delivery Authorized message and relies on verbal instructions provided by U.S. Customs & Border Protection personnel at the border. CBP often acts as the interface for Partner Government Agencies and handles inspections, document collection and other tasks while the driver is at the port of entry. When CBP has completed its' admissibility tasks, and addressed any PGA requirements, CBP allows the driver to leave the port of entry and delivery is made.

**Note 13: Entry Summary Completion**

The customs broker completes the entry summary and applicable duties paid. Entry Summary data includes some PGA-specific data not required for release transmission (eg. FCC data, steel license number). Request for electronic documentation can be requested by CBP after statement finalization. The broker must continue to monitor for such requests.

**XI. TRUCK INBOUND AREAS OF OPPORTUNITY****#1 (Note 1) – Standardized, Electronic Processes for Northern & Southern Border**

**Problem: The Northern and Southern border process for notification of HAZMAT material is not standardized. Manual submission results in misplaced documentation which leads to delays due to required resubmission of paperwork.**

**Solution:** The northern and southern border process for notification must be standardized and filed electronically. It is suggested the required HAZMAT reporting as in existence in the e-manifest be accepted for both border crossings and the advance notification requirements be clearly defined and issued by HQ to ensure all ports of entry align.

**#2 (Note 2) – Advance Notification for PGA’s must be Automated and Information Available in ACE at Time of Entry.**

- **Problem:** Certain PGAs require advance notification of the importation of designated commodities and an application or other notification form must be filed with the agency prior to the cargo being shipped.
  - One data element that may be required is the Customs broker’s entry number. This requires the importer to receive the entry number from the broker in advance of the normal import clearance process. The manual notification is submitted to the PGA by the broker or importer and the broker or importer must manually monitor for acceptance. These PGAs include EPA (Pesticides), FWS, DEA.
- **Solution:** All PGAs who require an application for a license or permit (some of whom require the broker’s entry number) in order for the PGA to issue a license or a permit in advance of arrival of the cargo, must have the ability to notify CBP electronically that the cargo has been ‘pre-cleared’ with advanced information received by the PGA. The PGA should be required to push accepted licenses or permits to CBP so ACE recognizes the pre-approved cargo. One way to do this might be to issue licenses or permits in a set formula with check digits in place to confirm the number is valid and match to another piece of entry information like the IOR #, to verify validity of the entry.
  - This manual process will be eliminated with the development of ITDS and ACE. All PGA’s that have admissibility functions must conduct the risk assessment prior to the cargo arrival. If the PGA is required to push that information to ACE, the cargo can receive a may proceed message without significant intervention by the PGA or CBP.

- Current PGA's that receive electronic information today, such as FDA, conduct the risk assessment upon receipt of the electronic information prior to the arrival of cargo.
  - Additional PGA's must align to allow continued flow of trade and limit additional unnecessary costs to the carriers/importers for freight held upon arrival waiting for PGA processing of prior received electronic data.
  - Current infrastructure is limited and will not accommodate held freight pending PGA clearance.
  - All PGA's who have admissibility authority must communicate the status through edits and disposition codes which align with current PGA, AMS and CBP processes.
- **Problem:** Some PGA's have current Port of Entry (POE) limitations, where they are not staffed for inspection of cargo.
  - **Solution:** The PGA's must consider current POE limitations and consider allowing the admissibility based on electronic information received at the original POE even if that POE does not have physical PGA representation. For example, FWS is limited to certain POE's. If the freight is destined to arrive at a non FWS POE, FWS shall review the electronic FWS information filed and provide status on clearance. If the risk assessment allows clearance without request for further information or examination, then FWS shall release at the first POE even if it is a non FWS port. If goods are subject to examination then the PGA shall make an electronic request for examination and the freight forwarder shall move the freight in bond to the FWS port for examination. Today the importer must automatically move the freight in bond to the FWS port if it arrives at a non FWS port. The adaptation of this proposed process would improve the flow of trade while providing the PGA advanced electronic notice of the arriving cargo.
- **Problem:** The PGA's who currently receive advanced information at entry release via ABI are: FDA, APHIS Lacey Act, and DOT. FCC information is sent as part of the entry summary transmission. Note that a 'unified filing' of entry release/entry summary does occur in the truck environment. All other PGA requirements often require paper documentation at the time the carrier is at the port of entry.
  - **Solution:** This manual document process will be eliminated with the development of ITDS and ACE.
    - All PGA's that have admissibility functions must conduct the risk assessment prior to the cargo arrival. Current PGA's that receive electronic information today, such as FDA, conduct the risk assessment upon receipt of the electronic information prior to the arrival of cargo.
    - Additional PGA's must align to allow continued flow of trade and limit additional unnecessary costs to the carriers/importers for freight held upon arrival waiting for PGA processing of prior received electronic data. Current infrastructure is limited and will not accommodate held freight pending PGA clearance.

- All PGA's who have admissibility authority must communicate the status through edits and disposition codes which align with current PGA, AMS and CBP processes.
- **Problem:** Not all government agencies are represented at all ports of entry, including APHIS, USDA, FWS, APHIS Veterinary Services etc. Use of a port of entries may be restricted based on commodity, and whether the PGA has a presence.
- **Possible Solution:** Some commodities may be allowed to clear through a non-traditional port of entry for a particular PGA as it is a known shipper/consignee/commodity and risk assessment is low.

**#3 (Note 3) – Any “transport data” provided by an entry filer should be considered provisional only, and should be automatically corrected by manifest information provided by the carrier.**

- **Problem:** Truck cargo operations are characterized by flexible routing options, affected by weather, traffic patterns and other factors, resulting in last minute manifesting changes. For these reasons, the “predicted” port of arrival information that a carrier provides to an entry filer may change after an entry has been filed.
- **Solution:** Carrier-provided manifest information regarding arrival date and port should always override provisional transport data submitted by the entry filer, with notification of any changes automatically delivered to impacted PGAs.
- **Note:** This may require the PGAs to centralize PGA data reviews as opposed to PGA port personnel reviewing the data.

**#4 (Note 8) – Complete Import Documentation Required**

If incomplete or ineligible import documentation is received the import flow is stalled pending receipt of the correct documentation. If other government agency information and/or forms are not provided, i.e TSCA, DOT, FDA, the broker entry cannot be transmitted and the carrier must wait until all information is received. Once the entry is filed, the one hour advance notification clock begins.

In addition to port of entry limitations for HAZMAT goods, not all government agencies are represented at all ports of entry (POE), these include APHIS, USDA, FWS and veterinarian services. Therefore ports of entries may be restricted based on commodity. When a government agency is represented at a POE, they may have limited or reduced hours of operation and service.

**#5 (Note 5) – Expansion of BRASS for Trusted Traders**

Currently no additional low risk high single commodity volume importers are approved for BRASS or Line Release (rail MOT) immediate delivery clearance process. It is suggest that CBP consider opening up the application process as a C-TPAT or Trusted Trader benefit for those importers that may qualify as low risk high single commodity volume.

### #6 (Note 6) – Import Process

- **Problem:** There is currently no opportunity to update or correct certain OGA/PGA data transmitted to CBP via ACS once CBP acknowledges that the data has been received. This includes FDA/DOT/Lacey Act information presented at time of entry release. The port of entry, identified by a 4 digit port code also cannot be changed. If the data is incorrect or information is missing, the broker is forced to cancel the original entry filed with CBP and file another entry.
- **Solution:** Allowing the filer to amend the electronic information filed prior to arrival of cargo will minimize the administrative burden of entry cancellation and duplicate information filed with the PGA.
  
- **Problem:** Currently when an entry filer submits electronic information for a PGA, there is no ‘feedback’ or edits in place to determine whether the data is correct, properly formatted, etc.
- **Solution:** Robust screening of PGA data submitted, with ABI messages back to the entry filer on formatting errors or data quality errors will allow the entry filer to correct its’ information and refile prior to arrival of the cargo, enhancing the ability of the PGA to perform risk assessment activities prior to arrival of the cargo. We anticipate this will also allow more electronic clearance of cargo without manual intervention and examination.
  
- **Problem:** In the truck environment shipments are often released by CBP when the PGA has no yet completed its’ screening and risk assessment. Today, the importer of record must carefully screen the status of FDA PN admissibility to ensure, upon receipt of the product, that the goods may enter the commerce of the US pending FDA’s approval. If FDA has not provided admissibility, the importer of record must coordinate the holding of this freight intact at the US destination. Continued monitoring of FDA status must occur as requests for examination or samples may occur. This involved FDA PN and FDA non –PN.
- **Solution:** Status messages should be issued for all PGA’s not just FDA so the Importer of Record and the entry filer can monitor the status of the clearance.

### #7 (Note 8) – Incomplete Documentation

See comment under step 3 on how incomplete or lack of required import documentation can delay the movement of cargo.

### #8 (Note 9) – ABI Message Monitoring

The broker must carefully monitor ABI messages to ensure acceptance of entry. PGA's with admissibility rights may request additional information at this time or place a hold or examination status on the import. The broker must work with the carrier and importer to respond and resolve these requests. Additional costs may incur when goods have to be moved to an examination location. Costs include examination fees, warehousing fees, and shipment delays. Please see comments in step #2 on additional participation on PGA in advance filing of required information for admissibility purposes. The risk assessment by the PGA must be conducted prior to arrival of the cargo.

### #9 (Note 11) – PGA Admissibility Disposition

- **Problem:** Currently only FDA admissibility by entry line number is received by the broker advising whether or not the cargo has been released. This allows immediate and accurate review by the importer and filer. For other PGA who receive ACS information today, a generic manifest hold message is received by the entry filer and does not allow immediate identification of the line item under review.
- **Solution:** Each entry line item transmitted with PGA message set information must issue status messages back to the trade community at the line level. Detailed status messages would be helpful, especially if special handling of a product is needed.
- See comments under steps 6 & 9. The admissibility status messages must be carefully monitored.

### #10 (Note 12) – Custodial Obligations by Carrier

- **Problem:** Not all PGA requirements are satisfied when driver is released from CBP custody. While some PGAs have hold authority, not all exercise it when the cargo is at the port. The carrier does not receive details on any outstanding PGA interest. The Importer of Record is responsible to monitor and ensure a release is received on their imported goods.
- **Solution:** Status messages should be issued for all PGA's not just FDA so the Importer of Record and the entry filer can monitor the status of the clearance.

### #11 (Note 13) – Entry Summary Completion

Request for electronic documentation can be requested by CBP after statement finalization. The broker must continue to monitor for such requests.

**Appendix 1**

The following table may be used to understand the types of bill of lading nomenclature and its use from carrier, shipper and CBP perspectives:

Since the inception of the 24-hour Rule, bill of lading nomenclature has evolved to basically 3 B/L types; the Straight bill of lading, Master bill of lading and underlying House (HAWB) bills of Lading(s). While a Master bill of lading can be made directly between a Shipper and VOCC (Straight), a Master bill of lading implies underlying bills of lading exist which must be reconciled to the VOCC issues master.

| B/L                                      | Is considered as . . .   |  |  |  |
|--|--|--|--|--|
|  | . . . VOCC   | . . . Industry   | . . . US Customs   | Related B/L types  |
| Master BL-implies underlying b/l's exist | B/L Type M - must have an underlying house bill (or HAWB) -The house B/L can be issued by VOCC obo an NVOCC or NVOCC issued, majority of house b/l are NVOCC issued. | Can be Straight B/L for an NVOCC with other NVOCC 's as co-loader, or actual Type MB/L for NVO for both NVOCC and VOCCs  | Master Bill - B/L Type M - must have an underlying house bill (or HAWB) - The house B/L can be VOCC issued or NVOCC issued - | A Master FROB = B/L type O (letter O) , while a Master NVOCC FROB with ISF- is BL Type P |
| BCO                                      | Straight B/L   | Straight B/L   | Regular Bill -B/L Type Zero (0) - also called Straight BL or Ordinary B/L  | A BCO FROB = B/L type Q while a BCO with ISF- AND in-Bond information is BL Type 'T'     |
| House B/L                                | B/L Type 'N' - when submitted to ACE ,must have a valid Master B/L assigned  | For an NVOCC this could be a Master , or straight bill or actual House B/L - For CBP purposes , it's always B/L type 'N' | B/L Type 'N' - when submitted to ACE ,must have a valid Master B/L assigned  | A House FROB = B/L type Q , while a House BL FROB with ISF- is BL Type S                 |

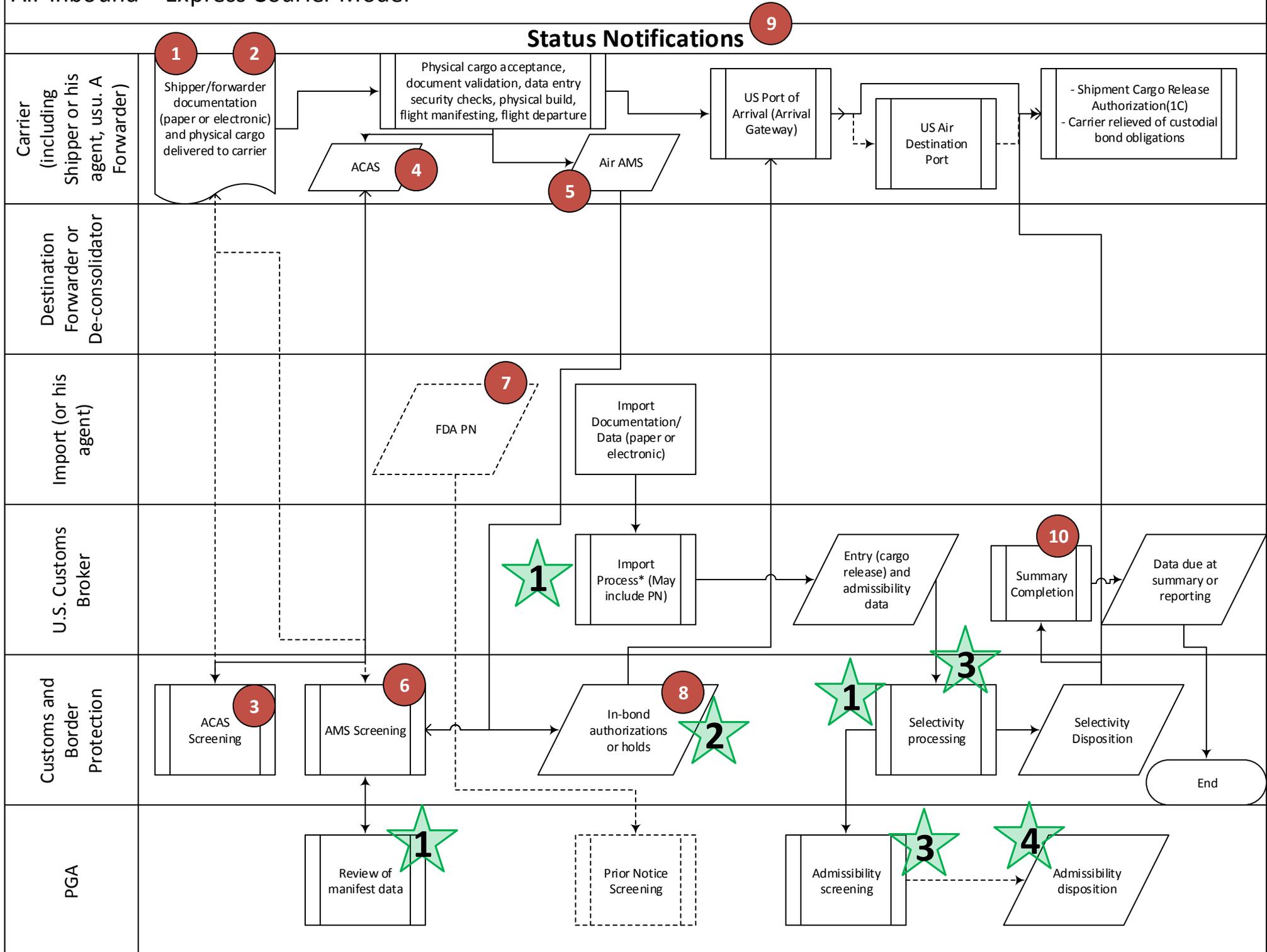
Please note that the attached document is currently pre-decisional, and as such is protected from public availability under 5 United States Code 552 and 552a. Accordingly, *please do not distribute the document further*. Further distribution of this document would limit CBP's ability to share future pre-decisional documents with the committee and others.



Air Inbound - Conventional Carrier

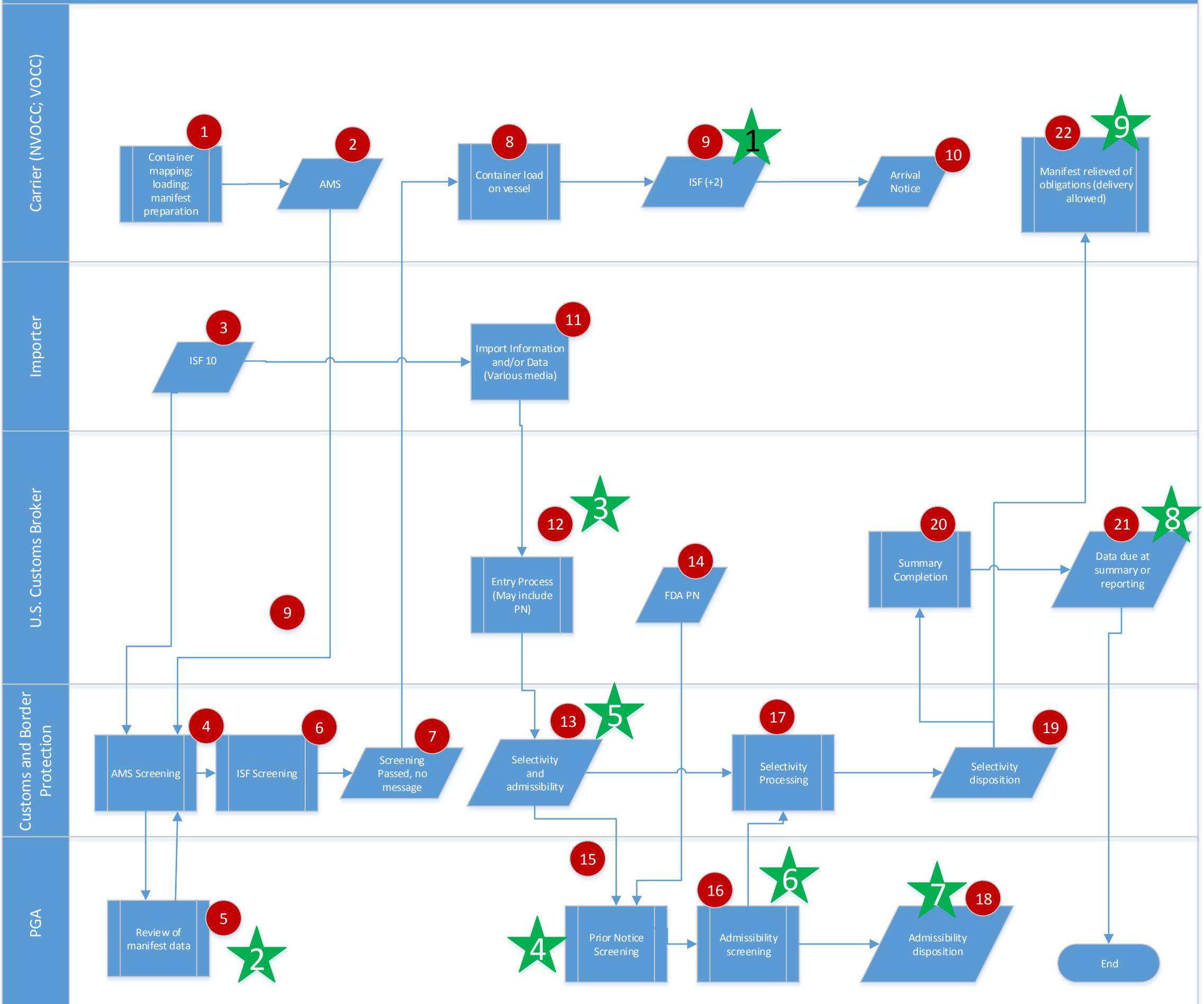
|   |   |   |  |  |   |   |
|---|---|---|--|--|---|---|
| Timeline  | Approx. 48-2 hours prior to flight departure  | Prior to loading finalization   | 4 hours prior to flight arrival in U.S.  | From before flight arrival up to 15-45 days after arrival (time limit depends upon whether cargo transits in-bond or not)  |   | The entry summary is filed within 10 working days of cargo release.   |
|   | <b>Note #2</b><br>Delivery of shipment data/documentation from shipper/forwarder to carrier   | <b>Notes #3 &amp; #4</b><br>Latest transmission of ACAS data from carrier to CBP.   | <b>Notes #3 &amp; #5</b><br>Latest transmission of:<br>- Air AMS data to CBP by the carrier<br><b>Note #6</b><br>- Prior notice data to FDA by Importer  | <b>Note #7</b><br>- CBP automated and manual screening of manifest and entry information<br>- OGA automated or manual screening of manifest and entry information, and possibly other documents (licenses/certificates/etc)<br>- If applicable, receipt of hold status message from Air AMS; CBP or OGA inspection   | <b>Notes #9 &amp; #10</b><br>- Admissibility determination by OGA, selectivity by CBP<br>- Cargo release authorization issued by Air AMS<br>- Physical release of cargo by carrier to consignee<br>- Carrier relieved of custodial bond obligations   |   |
| <b>Note #6</b> Importer files entry with CBP and, if applicable, supporting documentation to OGAs |   |   |  |  |   |   |
| Overview  | <b>Note #1</b><br><u>Multi-party model</u><br>- carrier<br>- forwarder<br>- shipper<br><br>Document "ownership" split among these 3 parties | <b>Notes #3 &amp; #4</b><br>ACAS provides pre-departure risk assessment of cargo shipments for the purposes of aviation security.<br><br>Differs from ocean ISF in both timing and the identity of the party submitting the data. | <b>Notes #3, #5 &amp; #6</b><br>Prior to arrival, various filings by carriers, self-filers and importers are made to meet multiple regulatory requirements.  | <b>Notes Note #7</b><br>After Air AMS submission, shipment data is delivered to both the Automated Targeting System for automated review and to the port of arrival for manual review.<br>After review, status messages are returned to the carrier and, if applicable, other parties. These may include messages for in-bond authorizations, holds, or cargo release. | <b>Notes #9 &amp; #10</b><br>Before cargo is physically released by the carrier to consignee, the carrier must have filed all required and correct manifest data, and the importer must have filed "entry" or "cargo release" required data with CBP, and any required supporting documentation with applicable PGAs. | Importer must file entry summary with CBP, and may still have PGA obligations depending on status or hold authority |
| Identified inefficiencies   |   |   | <b>Areas of Opportunity #1, #2 &amp; #6</b><br>- Cumbersome process for express shipment split manifest reporting<br>- Inefficient process for correction of changed transport information               | <b>Areas of Opportunity #3, #4 &amp; #5</b><br>- Holds may not be delivered in a timely manner<br>- Insufficient information provided in hold messaging to ensure operational efficiency<br>- Port to port variation with Air AMS hold utilization for OGAs  | <b>Areas of Opportunity #6 &amp; #7</b><br>- Cumbersome requirements to file a single entry for a single shipment that has been split across more than one arrival flight or one arrival port<br>- Paper requirements lead to clearance delay   |   |
| Proposed solutions  |   |   | - Enhanced self-filer ability to update transport information for split bills<br>- Automatic update of provisional transport information provided by entry filer with the carrier-provided manifest data | - Service level standards for manifest review and hold issuance for CBP and OGAs<br>- Upgrades to hold functionality to indicate port where hold becomes "active"<br>- Nationwide Standardization of hold processing in Air AMS  | - Enable manifest data provided by carrier to auto-update information filed by entry filer<br>- Allow for single entry when shipment split across multiple ports of entry<br>- Adoption of PGA message set and DIS filing by all involved PGAs, and centralization of data entry via ITDS                             |   |

# Air Inbound – Express Courier Model



|   |  |  |   |   |  |  |  |   |  |
|---|--|--|---|---|--|--|--|---|--|
| Timeline  | Air Cargo Advanced Screening (ACAS) information filed approx. 24-48 hours prior to flight departure  | ACAS Finalization - No later than finalization of loading.   | TRADE ACT: 4 hours prior to flight arrival in U.S. or wheels up time if flight origin is North America, South America above the equator or the Caribbean  | Cargo Arrives at Express Courier Hub<br>Express Carrier performs a 'sort of cargo' in the facility. Ideally, all cargo can be examined and cleared during the 'sort window' prior to lading on another aircraft for furtherance to destination  |  | Upon release of cargo, the entry summary is filed within 10 working days of entry release.   |  |   |  |
|   | <b>Note 1 &amp; Note 2</b> Latest possible receipt by carrier of shipment data   | <b>Note 3 &amp; Note 4</b> Latest transmission of ACAS data from carrier to CBP and CBP message back to carrier. | <b>Note 5 &amp; Note 7</b> Latest transmission of:<br>- Air AMS data by carrier,<br>- FDA prior notice by Importer  | <b>Note 6 &amp; Note 8</b><br>- CBP automated and manual screening of manifest and entry information<br>- OGA automated or manual screening of manifest and entry information, and possibly other documents (licenses/certificates/etc)<br>- If applicable, receipt of hold status message from Air AMS; CBP or OGA inspection  | <b>Note 9</b><br>Air AMS Messages Issued:<br>A. Exam & Release Process<br>B. In Bond Transit Authorization or<br>D. Export - shipments may be exported from either the port of arrival or the US destination port  | Admissibility determination by OGA, selectivity by CBP. Physical release of cargo by carrier to consignee<br>Carrier relieved of custodial bond obligations  | <b>Note 10</b><br>Entry Summary Completion / Duties Paid within 10 days of Release   | Delivery made by carrier when cargo release authorization messages received.  |  |
| Customs Broker (Importer's Agent) files Entry including PGA data (or documents) if applicable |  |  |   |   |  |  |  |   |  |
| Overview  | Express Courier receives shipment documentation and information from shipper/exporter/seller and brings into their internal system for processing. | Advance data for aviation security risk assessment<br>ACAS differs from ISF                                      | Express Carrier generally has a closed system with their brokerage operation handling the clearance of goods in the hub.  |   | In the Express environment, the carrier's goal is to clear the cargo within the sort window at the port of entry.  |  |  | Importer may still have PGA obligations depending on status or hold authority |  |
| Identified inefficiencies   |  | <b>#1 Transport data should be considered provisional</b> and allowed to be updated with filing of AMS           | A. Inefficient split shipment entry process.<br>B. FDA Prior Notice and Data provided by filer must name Port of Entry  | A. Holds and exam messages not provided timely by PGAs.<br>B. Insufficient information provided in hold messaging.<br>C. Port to port processing variation<br>D. Courier shipments primarily clear on night shift - PGAs do not provide coverage.   | A. Paper leads to clearance delays (also can't do risk assessment on paper).<br>B. PGA requires carrier to move shipment to an alternative port for clearance  | A. PGA requirements regardless of value of cargo<br>B. A cargo hold affects entire shipment  | A. If the PGA has no hold authority, waiting for a PGA release may detain cargo at courier hub                                 |   |  |
| Proposed solutions  |  |  | A. ACE processing provision when shipment is split - File single entry and do B/L update to account for multiple pcs.<br>B. Any POE provided by filer in entry transmission should be overridden by the carrier information. In ACE, entry follows manifest for CBP clearance - what about the PGA's? | <b>#2 Fully automate and standardize Holds Processing</b><br>A. PGA's with Hold Authority must review advanced data and issue any holds or exam messages at time of cargo arrival.<br><b>#3 Leverage PGA Message Set &amp; DIS</b><br>B. Upgrades to hold functionality - more descriptive messaging.<br>C. Nationwide Standardization of PGA processing<br>D. Expanded PGA coverage during peak courier operating hours (nights, holidays, weekends) | <b>#4 Efficient, streamlined PGA Msg Set</b><br>A. DIS is a solution when only paper exists<br>B. Moving shipment to alternate clearance port should only be required for high risk shipment - every effort should be made to clear at port of entry.<br>C. PGAs should review advanced data and have their work done by time cargo arrives at the hub | A. PGA should consider a de minimus or low value release threshold would reduce filer reporting burden, and offset the PGA data burden on high value or formal shipments<br>B. In ACE, option to "hold all" or "release incrementally" | A. Cargo release should be given if PGAs has no hold authority. PGA will then be able to follow up with US importer as needed. |   |  |

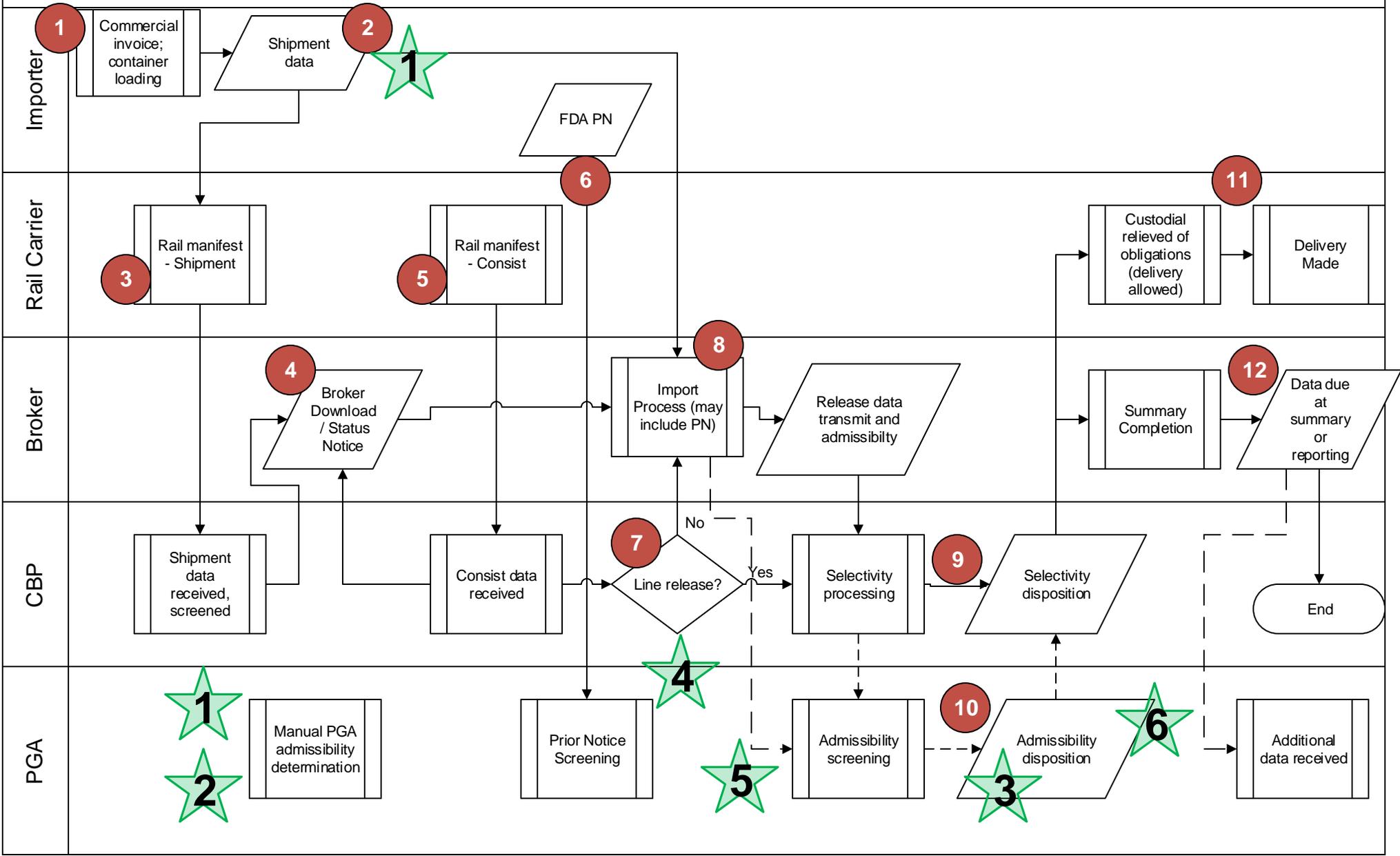
# Ocean Inbound Freight





|                                  | Approx. 24 hours prior to loading of container   | No later than 24 hour prior to sailing   | 8 hours prior to vessel arrival in U.S.  | Pre-Vessel arrival up to 30 days after arrival  |   |   | Upon release of cargo, the entry summary is filed within 10 working days of entry release. |   |
|----------------------------------|--|--|--|---|---|---|--|---|
| <b>Timeline</b>                  | <b>NOTE 1</b><br>Latest possible receipt of shipment data  | <b>NOTE 2</b><br>Latest transmission of AMS data from carrier.   | <b>Note 12</b><br>Latest transmission of:<br>- FDA prior notice by Importer.<br>Presentation of Non-automated PGA documents  | <b>NOTE 4</b> CBP automated and manual screening of manifest and entry information.<br><b>NOTE 5</b> OGA automated or manual screening of manifest and entry information, and possibly other documents (licenses/certificates/etc).<br><b>NOTE 7</b> If applicable, receipt of hold status message from Air AMS; CBP or OGA inspection  | AMS Messages Issued:<br>Cargo release authorization, In Bond Transit Authorization - or Export - shipments may be exported from either the port of arrival or the US destination port   | <b>Note 17 &amp; 18</b><br>Admissibility determination by OGA, selectivity by CBP.<br>Physical release of cargo by carrier to consignee<br><b>Note 22</b> Carrier relieved of custodial bond obligations. | <b>Note 20</b><br>Entry Summary Completion / Duties Paid                                   | <b>Note 22</b> Delivery allowed with cargo release authorization message<br>Delivery made by carrier<br>Custodial carrier relieved of obligations |
|                                  | <b>NOTE 11</b> Importer files entry and, if applicable, supporting documentation to OGA  |  |  |   |   |   |  |   |
| <b>Overview</b>                  | <b>NOTE 3</b><br>Advance data for ISF security risk assessment<br>Multi-party model<br>Document ownership  | <b>NOTE 6</b><br>Advance data for ISF security risk assessment   | <b>NOTE 11, 12</b> Multi-party filings (carriers, self-filers and importers).  |   | <b>NOTE 8</b> Container loads vessel<br><b>NOTE 9</b> ISF +2 filed by Carrier   |   | <b>NOTE 10</b> Arrival notice  |   |
| <b>Identified inefficiencies</b> | <b>Note 9</b> Booked cargo receives a booking #, which does not always convert to bill of lading #. Information may not match until 24-48 hours after sailing. | Manifested bill of lading should be at lowest (sub) bill level.  | <b>Note 12</b> Notifications of changed transport information. Vessel changing discharge ports, forces entry to be cancelled and refiled. This could result in a late PGA filing.<br><b>Note 15</b> Non automated PGA's delay release process. | <b>Note 13</b> Holds not delivered timely. Insufficient information provided in hold messaging.<br>Port to port variation. Cargo subject to F&W must travel to designated port for release (prior to entry) even if cargo is not to be examined.<br><b>Note 16</b> Steamship lines not aware of non-automated PGA releases  | 1. Paper leads to clearance delays (also can't do risk assessment on paper).<br><b>Note 18</b> 2. PGA requires carrier to move shipment to an alternative port for clearance  | <b>Note 16</b> Carriers are not made aware of resolution of PGA released or manual holds  |  |   |
| <b>Proposed solutions</b>        | <b>AOO 1 Note 9</b><br>Providing availability to query bill of lading information in ACE portal.   | It should be mandatory for all levels of bill of lading (Sub) to be manifested/transmitted as part of AMS. | <b>AOO #3 Note 12</b> Ability to update port of discharge information, by carrier, which will flow to entry, thus keeping integrity of original entry and PGA data.<br><b>AOO #4 Note 15</b> Automation of all PGA's.                          | <b>AOO #5 Note 13</b> Opportunity to improve selectivity & admissibility process.<br><b>AOO 2 Note 5</b> PGA disposition should be within 24-48 hours of receipt of data. If an agency with hold authority at the port level does not want to examine cargo, it should be released to travel to entry port (F&W). Upgrades to hold functionality. Nationwide Standardization.<br><b>AOO #6 Note 16</b> Automate PGA's for data transmission to carriers | <b>AOO # 6 Note 16</b> DIS is a solution when only paper exists.<br><b>AOO 4 Note 15</b> Moving shipment to alternate clearance port should only be required for high risk shipment - every effort should be made to clear at port of arrival.<br>PGAs should review advanced data and have their work done by time cargo arrives at the port of arrival. | <b>AOO #7 Note 18</b><br><b>Opportunity to improve PGA disposition and holds processing</b><br><b>AOO #9 Note 22</b> This will be eliminated with the automation of all PGA's                             |  |   |

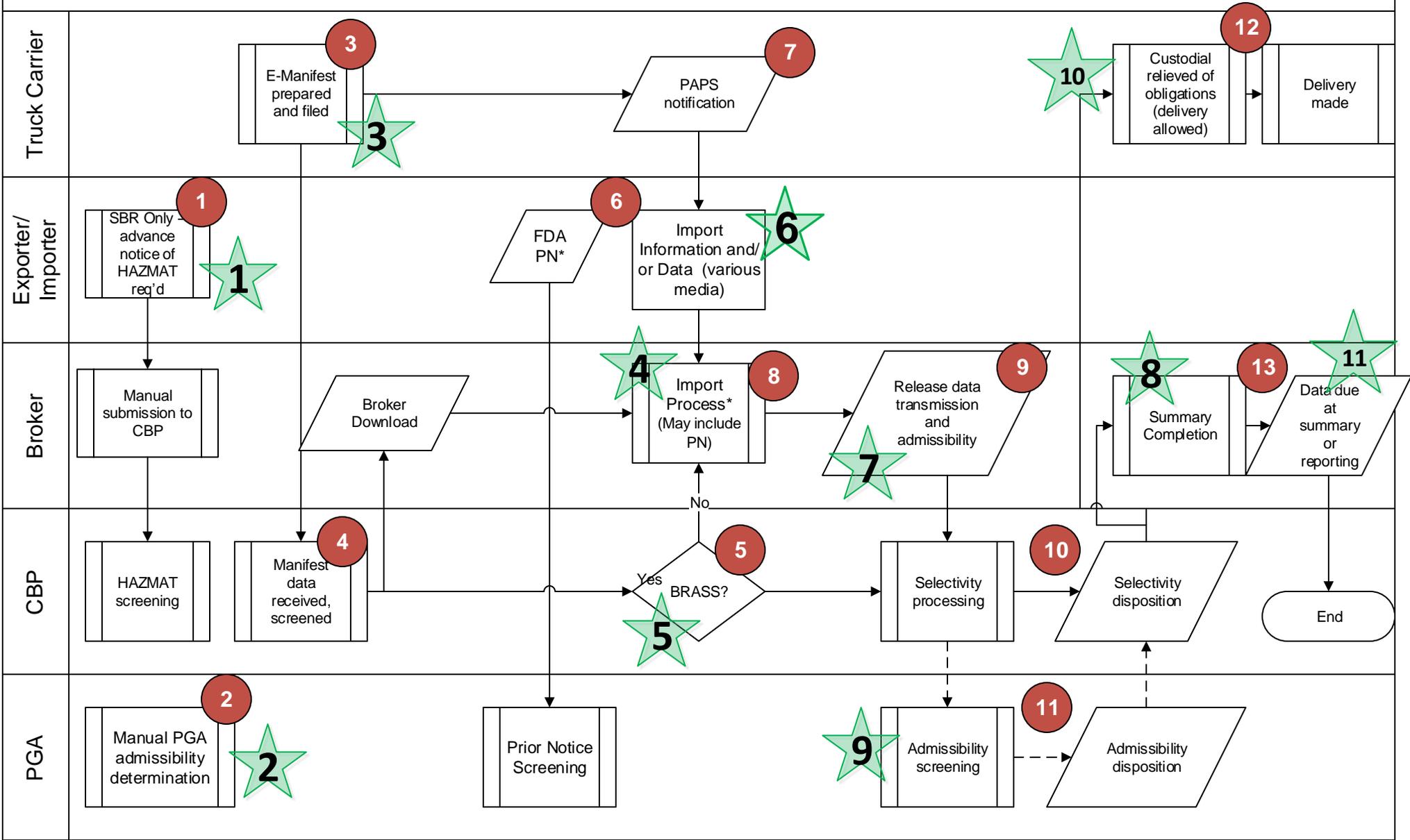
# Rail inbound



Rail Inbound -Map

|                           |   |  |   |   |  |   |  |  |
|---------------------------|---|--|---|---|--|---|--|--|
| Timeline                  | No later than 2 hours prior to estimated arrival at border the rail carrier files electronic manifest   | Manual PGA admissibility determination   | No later than 2 hours prior to estimated arrival at border the BROKER submits required data to secure cargo release   |   |  | Upon release of cargo, the entry summary is filed within 10 working days of entry release.  |  |  |
|                           | Latest transmission of:<br>- E-Manifest by carrier,<br>- FDA prior notice by Importer (at least 4 hours prior to arrival at border)   | #1 (Note 2), #2 (Note 4) Manual request for permit or license  | #4 (Note 7) Entry release data transmission to CBP  | #5 (Note 8) , #6 (Note 10) CBP Selectivity processing occurs  | #3 (Note 6) PGA Selectivity processing   | Admissibility determination by OGA, selectivity by CBP<br>Physical release of cargo by carrier to consignee<br>Carrier relieved of custodial bond obligations | Entry Summary Completion / Duties Paid | Delivery allowed with cargo release authorization message<br>Delivery made by carrier<br>Custodial carrier relieved of obligations |
| Overview                  | #1 Shipper/exporter/seller often acts as Importer of Record #3 Rail carrier provides CBP with manifest info for a container / rail car #5 Rail carrier consist message is list of all cars on a train #6 FDA Prior Notice | Manual notification is submitted to PGA by broker or importer prior to shipping and must be manually monitored for acceptance  | #4 Broker Download / status notification assists broker. The broker's entry and the carriers manifest must electronically marry up. Some interaction with some PGA may occur.   | #8 Import Process, #9 CBP Selectivity Processing. CBP often completes selectivity/release prior to PGA (FDA) admissibility. Importer must carefully screen status of FDA at line level. | #10 PGA Admissibility screening. Once OGA/PGA info is filed and CBP acknowledges via ACS, there is no opportunity to update or correct transmitted data. No edits exist to verify correct data   | #10 Selectivity and Admissibility disposition made.   | #12 Entry Summary Completion           |  |
| Identified inefficiencies |   | #1A Certain PGAs require advance data 1. Manual process<br>2. POE limitations for cargo entry  | #2 Shipment data provided by importer to both rail carrier and broker 1. Any transport data provided by a broker should be considered provisional only<br>#7 Rail Line Release<br>2. Expansion of BRASS / Line Release for Trusted Traders                                    |   |  |   |  |  |
| Proposed solutions        |   | #1 (Note 2) 1. All OGA's who require an application or permit must have ability to notify CBP electronically that the cargo is pre-cleared<br>2. All PGA admissibility determination must be conducted prior to arrival of cargo and communicate status through edits and disposition codes<br>3. If PGA provides electronic release, commodity should be allowed to be released at first POE. | 1. Carrier provided manifest info regarding arrival date & port should always override provisional transport data submitted by the broker<br>#4 (Note 7)<br>2. Expansion of BRASS for low risk high single commodity volume importers should be expanded for trusted traders. | #5 (Note 8) Status messages should be issued for all PGA's with admissibility authority for importer and broker can monitor status of PGA clearance.                                    | #3 (Note 6) 1. Allow the broker to amend electronic info filed prior to arrival of cargo to reduce administrative burden of entry cancellation<br>2. Use of edits will enhance ability of PGA to perform risk assessment prior to arrival of cargo |   |  |  |

# Truck inbound



Truck Inbound -Map

|  |  |  |   |  |  |   |  |   |  |
|--|--|--|---|--|--|---|--|---|--|
| Timeline   | HAZMAT Reporting<br>No later than 6-24 hours prior to truck arrival at border                                      | 30 minutes to 2 hours prior to estimated truck arrival at border the CARRIER files E-manifest                              | Manual PGA admissibility determination  | 30 minutes to 2 hours prior to estimated truck arrival at border the BROKER submits required data to secure cargo release  |  |   | Upon release of cargo, the entry summary is filed within 10 working days of entry release.   |   |  |
|  | Note #1 Southern Border (SBR) only. Does not apply to Northern Border (NBR)  | Latest transmission of:<br>- E-Manifest by carrier, <b>Note # 3&amp;7</b><br>- FDA prior notice by Importer <b>Note #6</b> | <b>Note #2</b> Manual request for permit or license   | <b>Note #8 &amp; 9</b> Entry release data transmission to CBP  | <b>Note #10</b> CBP Selectivity processing occurs  | <b>Note #11</b> PGA Selectivity processing  | <b>Note #12</b> Admissibility determination by OGA, selectivity by CBP<br>Physical release of cargo by carrier to consignee<br>Carrier relieved of custodial bond obligations  | <b>Note #13</b> 2Entry Summary Completion / Duties Paid | Delivery allowed with cargo release authorization message<br>Delivery made by carrier<br>Custodial carrier relieved of obligations |
| Importer (or the customs broker, as agent) files entry and, if applicable, supporting documentation to OGA |  |  |   |  |  |   |  |   |  |
| Overview   | SBR ONLY - manual manifest reporting and approval of transportation of HAZMAT material                             |  | Manual notification is submitted to OGA by broker or importer prior to shipping and must be manually monitored for acceptance   | The broker's entry and the carriers e-manifest must electronically marry up. Some interaction with some OGA may occur.   | CBP often completes selectivity/release prior to PGA (FDA) admissibility. Importer must carefully screen status of FDA at line level.  | Once OGA/PGA info is filed and CBP acknowledges via ACS, there is no opportunity to update or correct transmitted data. No edits exist to verify correct data   |  |   |  |
| Identified inefficiencies  | The manifest HAZMAT reporting processes and timelines are not standard for SBR & NBR                               |  | 1. Manual process<br>2. POE limitations for cargo entry   | 1. Any transport data provided by a broker should be considered provisional only<br>2. Expansion of BRASS for Trusted Traders  |  |   |  |   |  |
| Proposed solutions   | <b>#1 (Note 1)</b> Standardize electronic HAZMAT reporting and timeframe in E-manifest for all border entry points |  | <b>#2 (Note 2)</b> 1. All OGA's who require an application or permit must have ability to notify CBP electronically that the cargo is pre-cleared<br>2. All PGA admissibility determination must be conducted prior to arrival of cargo and communicate status through edits and disposition codes<br>3. If PGA provides electronic release, commodity should be allowed to be released at first POE. | <b>#3 (Note 3)</b> 1. Carrier provided manifest info regarding arrival date & port should always override provisional transport data submitted by the broker<br><b>#5 (Note 5)</b> 2. Expansion of BRASS for low risk high single commodity volume importers should be expanded for trusted traders. | <b>#4 (Note 8)</b> Complete import documentation required, opportunity for a PGA to do their work in advance, so the cargo isn't delayed at port of entry due to PGA limited or reduced service hours.<br><b>#9 (Note 11)</b> Status messages should be issued for all PGA's with admissibility authority for importer and broker can monitor status of PGA clearance. | <b>#6 (Note 6)</b> 1. allow the broker to amend electronic info filed prior to arrival of cargo to reduce administrative burden of entry cancellation<br>2. Use of edits will enhance ability of PGA to perform risk assessment prior to arrival of cargo | <b>#10 (Note 12)</b> Status messages should be issued from all PGAs not just FDA so the Importer of Record and entry filer can monitor status of clearance.<br><b>#11 (Note 13)</b> CBP can request additional documentation after statement finalization. |   |  |

## CURRENT NON-ABI TRANSACTIONS

### Section 321 – Administrative Exemption

19 USC Section 1321 has its' origin in the Tariff Act of 1930, and has been amended on numerous occasions. The statute allows for articles to be admitted free of duty and tax when the aggregate fair retail value of articles imported by one person on one day does not exceed:

- \$100, in the case of article sent as bona fide gifts (\$200 in the case of bona fide gifts from persons in the Virgin Islands, Guam and American Samoa) or
- \$200 in the case of articles accompanying, and for the personal or household use of persons arriving in the US who are not entitled to an exemption from duty under subheading 9804.00.30; 9804.00.65 or 9804.00.70, or
- \$200 in any other case. The privilege shall not be granted in any case in which merchandise covered by a single order or contract is forwarded in separate lots to secure the benefit of this provision.

When goods enter the United States under a Section 321 exemption, the truck, rail, air or ocean carrier is required to manifest the goods and provide a brief description of the goods along with the declared value.

While CBP may pass goods under the administrative exemption, the goods may still be subject to Partner Government Agency requirements and be reported to those agencies.

### Mail Importations

19 CFR 145 outlines the procedures for handling of mail articles and letter class mail. Generally speaking, letter class mail containing only correspondence is generally passed to the addressee. When the mail contains more than just correspondence, a clear and complete Customs declaration providing an accurate description of the contents and value of the merchandise is required to be affixed to at least one mail article of each shipment. The mail article(s) are reviewed by CBP to determine its' entry requirements.

Following the Administrative Exemption, 19 CFR 145.31 allows the port director to pass free of duty and tax, without preparation of an entry, packages containing merchandise having an aggregate fair retail value of not over \$200, subject to the requirements set forth in 10.151 and 10.153 (Importations Not Over \$200 and Bona Fide Gifts). It is unclear to the trade how a Partner Government Agency has visibility to goods shipped via mail.

### Informal Entry Procedures – Traditional

19 CFR 143.21 allows for merchandise eligible for informal entry, which includes the following:

- Shipments of merchandise not exceeding \$2,500 in value
- Any installment, not exceeding \$2,500 in value of a shipment arriving at different times (splits)
- Household or personal effects or tools of trade entitled to free entry under Chapter 98
- Household effects used abroad and personal effects, not imported in pursuance of a purchase and not intended for sale

The section contains a number of additional provisions other than those noted above. The port director may require a formal consumption or appraisement entry for any merchandise if deemed necessary for:

- a. Import admissibility enforcement purposes.
- b. Revenue protection or
- c. The efficient conduct of Customs business.

Form of entry: If the entry is processed via the automated broker interface (ABI) and handled by a Customs broker, a bond is posted and entry filed within the required timeframe. Entries processed via the automated broker interface will be reported to Partner Government Agencies.

If a Customs broker is not involved in the entry preparation, the importer has the ability to file an entry and pay any duties due to CBP at the time the goods cross the border. The importer may file an alternate (paper) entry in the form of a CBP 3311, CBP 7523, CBP 3299 or other document, and it would be up to CBP to provide any requisite information to an interested Partner Government Agency.

### **Informal Entry – Express Courier**

19 CFR 128.24 provides for informal entry procedures in the express courier environment. Individual shipments valued at \$2500 or less may be consolidated on one entry. Such procedures, however, may not be used for prohibited or restricted merchandise, merchandise subject to quota or other quantitative restraints or for any article precluded from informal entry by virtue of section 498, Tariff Act of 1930 as amended. Each courier has their own internal processes for informal entries, and providing information to CBP. Typically, the goods are released utilizing the information provided in the manifest system (usually AMS) and the goods are classified. When this occurs, all individual shipments are rolled up into one entry summary and presented to CBP in paper form.

All FDA merchandise eligible for informal entry via express courier are to be certified in ABI, and not processed as an Express Informal Entry.

**OF NOTE:** A U.S. Customs Broker is not required to clear Section 321 Entries, Bona Fide Gifts, Mail Importations and/or some Informal Entries. While many Informal Entries are filed by licensed Customs Brokers, and reported to CBP via ABI, a number of 'low value' shipments cross the border daily with no perceived visibility from a the Partner Government Agency perspective.

## **1 US GOVERNMENT AT THE BORDER IMPORT MAPPING WORKING GROUP**

### **ROLES AND RESPONSIBILITIES**

#### **CARRIER – CONVENTIONAL AIR**

19 CFR 122 defines a commercial aircraft as “any aircraft transporting passengers and/or cargo for some payment or other consideration, including money or services rendered. The air carrier is responsible to report information to CBP in advance of arrival of the aircraft and identify the designated airport destination. Reporting responsibilities include the Air Automated Manifest System, otherwise known as Air AMS as well as Air Cargo Advanced Screening information, otherwise known as ACAS. Additional details are included in the Conventional Air Carrier Mapping narrative.

#### **CARRIER – EXPRESS AIR CARRIER**

19 CFR 128 definitions provide “An ‘express consignment operator or carrier’ is an entity operating in any mode or intermodally moving cargo by special express commercial service under closely integrated administrative control. Its services are offered to the public under advertised, reliable timely door-to-door basis. An express consignment operator assumes liability to Customs for the articles in the same manner as if it is the sole carrier. Reporting responsibilities include the Air Automated Manifest System, otherwise known as Air AMS as well as Air Cargo Advanced Screening information, otherwise known as ACAS. Additional details are included in the Express Air Carrier Mapping narrative.

#### **CARRIER – OCEAN (VESSEL)**

19 CFR 4 definitions provide that the “word vessel includes every description of water craft of other contrivance used or capable of being used as a means of transportation on water, but does not include aircraft (19 USC 1401).” For the purposes of the mapping exercise, the vessel referenced may be a container ship (carrying 20’ or 40’ containers); Bulk shipping vessel (dry bulk transport; tanker transport for crude, chemicals, LPG, LNG etc.); Roll On Roll Off (RORO) vessel for motorized vehicles & equipment transportation; and other types of ocean going vessels capable to carrying cargo to be imported. Reporting responsibilities include the Ocean Automated Manifest System (AMS) and two elements of the Importer Security Filing (ISF) data. Additional details are included in the Ocean Import Mapping narrative.

#### **CARRIER – RAIL and TRUCK**

19 CFR 123 contains “special regulations pertaining to Customs procedures at the Canadian and Mexican borders. Included are provisions governing report of arrival, manifesting, unloading and loading, instruments of international traffic, and shipments in transit through Canada or Mexico or through the United States.” These regulations do not pertain to aircraft or vessels arriving from or departing from Canada or Mexico.

**RAIL** – 19 CFR 123.6 requires a Train Sheet for arriving railroad trains, stating the conductor of a railroad train arriving from Canada or Mexico shall present to the Customs officer at the port of arrival individual car manifest and a train sheet, sometimes called a consist, bridge sheet or trip sheet, listing each car and showing the car numbers and initials. Inward Cargo Manifesting is accomplished through the use of Rail Automated Manifest System (Rail AMS) as outlined in 19 CFR 123.91. Additional details are included in the Rail Import Mapping narrative.

**TRUCK** – 19 CFR 123.3 requires that baggage or other merchandise carried on a vehicle arriving from Canada or Mexico shall be listed on an inward foreign manifest form. Truck inward cargo manifesting is accomplished through the use of an electronic manifest or e-manifest in the truck environment as outlined in 19 CFR 123.92. Additional details are included in the Truck Import Mapping narrative.

## **TRANSPORTATION INTERMEDIARY**

Numerous parties act as transportation intermediaries, the middleman between the carrier and the Importer of Record and/or Customs Broker. They are third party logistics specialists: freight forwarders, freight (property) brokers, ocean transportation intermediaries (OTI), Non-vessel operating common carriers (NVOCC), etc. Their functions span from arranging for transportation, de-consolidation, cargo examination, final mile delivery of cargo to name a few.

## **IMPORTER**

Generally speaking the Importer means the party with the financial interest in the goods and caused the goods to arrive in the United States. There is a limited number of parties who have the Right to Make Entry and act as the Importer of Record (IOR). CBP Customs Directive 3530-002A provides the following guidance: “The terms “owner” and “purchaser” include any party with a financial interest in a transaction, including, but not limited to, the actual owner of the goods, the actual purchaser of the goods, a buying or selling agent, a person or firm who imports on consignment, a person or firm who imports under loan or lease, a person or firm who imports for exhibition at a trade fair, a person or firm who imports goods for repair or alteration or further fabrication, etc. Any such owner or purchaser may make entry on his own behalf or may designate a licensed Customs broker to make entry on his behalf and may be shown as the importer of record on the CF 7501. The terms “owner” or “purchaser” would not include a “nominal consignee” who effectively possesses no other right, title, or interest in the goods except as he possessed under a bill of lading, air waybill, or other shipping document.”

The Importer of Record (not the Customs Broker Filer) could be a foreign exporter, or the the US party with the financial interest in the goods. Note that the Importer of Record may change when the goods are in transit to the USA, and there should be documentary evidence to support their right to act as the IOR.

Numerous references to Importer and Importer of Record exist in the Customs regulations and we include several important sections to add clarity to their role in the import process:

- **IMPORTER OF RECORD:**
  - **U.S. Importer of Record (IOR)** – US individual, sole proprietor, partnership, corporation or other US legal entity that has the Right to Make Entry, and has posted an appropriate surety bond with CBP.
  - **Non-Resident Importer of Record (NRI)** – Foreign individual, partnership, corporation or other foreign legal entity that has a financial interest in the imported goods (meeting

the Right to Make Entry requirements), that has posted an appropriate surety bond with CBP and has designated a U.S. Agent to accept service of process on their behalf, meeting the requirements outlined in 19 CFR 141.36.

The US IOR may choose to engage a single Customs Broker to handle their entries nationwide, or they may choose to divide their business between multiple service providers, Some importers change service providers frequently (best price, best answers, regardless of service) while others build long term partnerships with their providers, measuring and evaluating the services they receive.

- **IMPORTER OF RECORD ACTS AS ENTRY FILER**
  - It is important to note that the Customs regulations permit the Importer of Record (the party who has the right to make entry) to act as the entry filer in lieu of engaging the services of a Customs Broker. While this is not a common practice, some importers choose to act as the entry filer.
  - CBP's statistics indicate approximately 94% of entries are filed by a licensed Customs Broker while 6% of entries filed are by a 'self-filer.'
  
- **IMPORTER SECURITY FILING:** Per 19 CFR Part 149, CBP defines the **Importer's role in the Importer Security Filing** as: For purposes of this part, "Importer Security Filing (ISF) Importer" means the party causing goods to arrive within the limits of a port in the United States by vessel. For shipments other than foreign cargo remaining on board (FROB), immediate exportation (IE) and transportation and exportation (T&E) in-bond shipments, and goods to be delivered to a foreign trade zone (FTZ), the ISF Importer will be the goods' owner, purchaser, consignee, or agent such as a licensed customs broker. For FROB cargo, the ISF Importer will be the carrier. For IE and T&E in-bond shipments, and goods to be delivered to an FTZ, the ISF Importer will be the party filing the IE, T&E, or FTZ documentation.

## **EXPORTER (SELLER)**

For the purposes of the Import Mapping Process, the Exporter is the foreign party who causes the goods to be sent from a foreign country to an Importer in the United States, whether the goods have been sold, consigned or offered for sale upon entry into the USA. The Exporter may make arrangements for transportation of the goods or may hire a freight forwarder or other entity to make those arrangements. The Exporter usually prepares a commercial invoice or other documentation that itemizes the goods being shipped, and sets forth quantities, values and provides other pertinent information such as packaging details, supporting documents (health inspection certificates, mill test certificates, Phytosanitary certificates and a host of other documents). Depending on the terms of sale, the Exporter may (or may not) be responsible for transportation, customs brokerage fees, and acting as the Importer of Record (provided they meet the Right to Make Entry requirements).

The terms “exporter” “shipper” “seller” are often interchanged, and it is important to note they may not mean the same thing to all parties. Goods can be shipped by a party (the shipper) yet they may not be the seller who is party to the international transaction taking place.

## **OTHER PARTIES IN THE SUPPLY CHAIN**

The **Manufacturer** is the party who actually manufactured or produced the goods being imported. When the foreign manufacturer is not the Exporter/Seller, there may be a requirement to identify the actual manufacturer to CBP or a Partner Government Agency. Often the identity of the actual manufacturer is considered a “trade secret” by the Exporter/Seller to protect their source of the goods. The Customs Broker or Importer of Record cannot always determine who the actual manufacturer of the imported good was.

If the goods were produced in the United States, the goods may return to the United States as US Goods Returned provided there is documented evidence that the goods qualify under a HTSUS 9801 provision, otherwise they may return to the USA and be classified in HTSUS Chapters 1-97. A Manufacturer’s Affidavit executed by the actual US manufacturer of the imported goods is the standard supporting documents required by U.S. Customs & Border Protection.

The **Ultimate Consignee** at the time of entry or release is defined as the party in the United States to whom the overseas shipper sold the imported merchandise. If the imported merchandise has not been sold, then the Ultimate Consignee at the time of entry or release is defined as the party in the United States to whom the overseas shipper consigned the imported merchandise. If the merchandise has not been sold or consigned to a US party at the time of entry or release, then the Ultimate Consignee is defined as the proprietor of the US premises to which the merchandise is to be delivered.

For entry release, CBP has outlined the Ultimate Consignee reporting requirements in CBP Directive 3550-079A which requires that the Ultimate Consignee on a formal entry be identified with its appropriate identification number. For informal entries, the Ultimate Consignee can be identified by an ABI transmission of the Ultimate Consignees name and address, and several other optional methods.

For entry summary, the current Ultimate Consignee reporting requirements are outlined in CBP Directive 3550-061 (later amended by administrative message 92-01717) that identifies the Ultimate Consignee’s IRS Employer Identification Number (EIN), the social security number of in rare instances, the CBP assigned number.

## **FOREIGN TRADE ZONE**

Foreign trade zones are established under the Foreign Trade Zones Act and the general regulations and rules of procedure of the Foreign Trade Zones Board is contained in 15 CFR Part 400. 19 CFR Part 146 of the Customs Regulations governs the admission of merchandise into a foreign trade zone, manipulation, manufacturer, or exhibition in a zone; exportation of merchandise from a zone and transfer of merchandise from a zone into the Customs territory.

A foreign or 'free' trade zone is a secured area legally outside a nation's Customs territory. Their purpose is to attract and promote international trade and commerce. It is important to note that although foreign trade zones are treated as being outside the customs territory of the United States for tariff and customs entry purposes, all other federal laws such as the Federal Food, Drug and Cosmetic Act, are applicable to products and establishments within such zones. There is also no time limit as to how long foreign merchandise may be stored in a zone, or when it must be entered into the Customs territory, re-exported, or destroyed.

## **CUSTOMS BROKER**

The US Customs Broker is authorized to act on behalf of an importer or Importer of Record under 19 CFR 111. Customs brokers are the only persons who are authorized under the tariff laws of the United States to act as agents for importers in the transaction of their customs business. Customs brokers are private individuals or firms licensed by CBP to prepare and file the necessary customs entries, arrange for the payment of duties found due, take steps to effect the release of the goods in CBP custody, and otherwise represent their principals in customs matters. The fees charged for these services may vary according to the customs broker and the extent of services performed.

When an Importer or Exporter engages the services of a Customs Broker, several processes usually take place **prior** to handling an importation. They are:

- **POWER OF ATTORNEY:** Importer agrees to engage the services of the Customs Broker, and the Importer executes a Customs Power of Attorney authorizing the Customs Broker to act on their behalf. In the event the Importer is a Non-Resident of the US, the Power of Attorney also authorizes the Customs broker to accept service of process. (The Customs Broker is not required to act as the non-resident's agent to accept service of process, however, the non-resident **MUST** have a U.S. agent who is authorized to accept service of process.) The standard language of a Power of Attorney does not authorize the Customs broker to act as a US Agent for Partner Government Agencies, nor is the Customs broker willing to incur fiduciary responsibility for the importer's acts. The customs broker is a service provider to the importer of record.
- **STANDARD OPERATION PROCEDURE:** Depending on their arrangement, a Standard Operating Procedure or similar agreement may be executed.
- **CUSTOMS BOND:** 19 CFR 113 sets forth the general requirements applicable to bonds. A surety bond must be posted with Customs to cover any potential duties, taxes and charges or other liabilities as prescribed by law or regulation, that may accrue. Bonds may be secured through a resident U.S. surety company but may also be posted in the form of United States money (cash) or certain United States government obligations. Often the Customs broker who is engaged by the importer has a business relationship with a resident U.S. surety company or insurance agent and can assist the importer in obtaining a customs bond. If the importer handles only a few shipments in a calendar year, the importer may opt to have the Customs broker write individual Single Entry Bonds to cover the bonding requirements for the importers' goods. If the importer has adequate volume, they may choose to file a Continuous Customs Bond with CBP. The

Importer can manage their own customs bond or they can have their Customs broker assist in procuring and filing the bond with CBP. CBP has set minimum customs bond requirements and has published

- **CUSTOMS BROKER ACTS AS IMPORTER OF RECORD:** If the importer is a casual importer, the Customs broker is authorized to act as the Importer of Record under Sec 484, Tariff Act of 1930 as amended by P.L. 97-446. In this case, the Customs broker may choose to act as the IOR. There are relatively few entries filed in the heavy freight environment where the Customs broker acts as the IOR, however entries filed in the express courier mode have more frequent occurrences of the Customs broker acting as the IOR.
- **CBP 5106 FORM:** This document registers information with CBP about the importer (whether they are an Importer of Record or the Ultimate Consignee or Deliver-to Party). Currently the document collects Name, Address, EIN# (IRS #, Social Security Number or Customs Assigned Number used for non-resident corporations)
- **CUSTOMER ACCOUNT SETUP:** Most Customs broker have an 'on boarding' or set up process they engage the customer in. While this process is not regulated by CBP, common processes when building a Customer Profile may include:
  - The Customs broker may perform validation functions in the set up process: financial credit worthiness, confirmation that the importer is a recognized entity in their state of incorporation or organization, information about the entity's corporate structure etc. The broker may perform POA and 5106 validation functions, and confirm whether the customer is a C-TPAT partner.
  - Assign a customer number, populating their systems with information about the importer, their locations and Customs bond information.
  - Parts Database, including Harmonized Tariff Schedule information and/or details about the imported products
  - Determine whether a PGA has oversight over the importers' goods, and if so, arrange to collect documentation or details for the PGA.
- **ADDITIONAL SERVICES:**
  - The broker may be engaged to perform the Importer Security Filing Process for Ocean Shipments
  - The broker may be engaged to perform the Prior Notice filing requirements for food imported into the USA under the Bioterrorism Act of 2003
  - The broker may be engaged to assist in e-Manifest filing on behalf of the carrier in the land border truck environment
  - The broker may be engaged to act as a freight forwarder, or property broker, arranging for transportation of the imported products. Transportation can include from point of origin to destination, point of entry or discharge of the vessel to destination or any number of combined scenarios.

- The importer may engage the Customs broker to assist with the classification of their imported goods. Classification advice from the Customs broker may be provided with presentation of merchandise samples, but often the broker never sees the actual product being imported. In many cases, the broker classifies based on the description of the good, a JPG picture or information from an online product catalog. Many importers manage their own classifications and provide their parts databases to their broker, some even pre-approving the entry prior to filing with CBP.
  - The importer may also engage the Customs broker to generally advise them of CBP laws and regulations ensuring a smooth import process. This may include information about Value, Free Trade Agreements or Special Programs, Antidumping & Countervailing Duty Actions, Reconciliation Program, and other import related activities.
- **TRADITIONAL CUSTOMS BROKERAGE ACTIVITIES IN THE CURRENT IMPORT PROCESS**
    - Receipt of Commercial Invoice and related documents (or data) providing information about the import shipment.
    - Entry Release (CBP Form 3461) – preparation of the Automated Broker Interface (ABI) transmission of information to CBP. This may include (if applicable) FDA information, Lacey Act information and NHTSA or DOT information. FCC information is currently transmitted via ABI at time of entry summary.
    - Monitoring the ABI messages from CBP, determining when the shipment has been released. This includes FDA release messages.
    - Arranging for examination by CBP or a PGA prior to release of the shipment.
    - Entry Summary filing (CBP Form 7501) – completion of the information required by CBP, includes transmission of FCC information (if applicable) and payment of any duty/taxes/fees, whether through the regular statement or periodic monthly statement payment.
    - Post Summary activities may include Post Entry Amendments or Post Summary Corrections, assisting the importer in responding to a Request for Information (CBP 28) issued by CBP, filing a protest or reconciliation of an entry and other post summary activities.
  - **HOW THE FLOW OF DOCUMENTS AND INFORMATION OCCUR WITH TODAY’S TECHNOLOGY**
    - Documentation can be prepared by the Exporter/Seller/Shipper or the US Importer/Buyer. The documents (preferably in the form of the Commercial Invoice) may be provided to the US Customs Broker, the Foreign Freight Forwarder, the NVOCC or another party in the supply chain to ‘accompany the goods.’ If the Customs broker receives a document, it is usually in the form of a fax or emailed pdf file, which brokers often move directly into an imaging system, without printing off any paper documents. The information about a shipment may also be sent in the form of data (EDI) and the data is imported into the Customs Broker’s entry preparation system.
    - The Customs Broker may take advantage of the ability to perform **Remote Location Filing (RLF)**, which allows them to file an entry in a port where they have no physical

presence. In order to take advantage of RLF, the Customs Broker must have a National Permit on file with CBP. For example:

- BEST Customs Broker in Sweet Grass, MT receives documentation from Acme Canada in Calgary, Alberta Canada. Acme Canada is a non-resident Importer of Record, and they have ordered a machine from a vendor in Germany to fill an order for their customer in Boston, MA. BEST Customs Broker files an entry via RLF in Boston, MA as the cargo will be shipped to Boston directly from Germany.
- ***It is important to note that the Customs Broker never touch or see the cargo they have been engaged to clear.*** The Freight Forwarder and the NVO's also often do not have physical access to the cargo. This is a virtual process, and the facilitating parties in the supply chain are reliant on the documentation/data that is presented to them. Reasonable care is taken to 'vet' the parties and the data, but the facilitators are still reliant on the facts as presented to them.
- If the goods are selected for examination by CBP, CBP conducts the exam of the cargo either at the port of entry, or at a container freight station (CFS) or a centralized examination station (CES).
- Once CBP has released the cargo, the entry filer receives an electronic message back from CBP. The carrier will also receive an electronic release message. The current electronic message system only provides information back to the entry filer on the status of goods submitted for FDA review. No other Partner Government Agency messages are received by the entry filer. Messaging back to other parties in the supply chain who interface electronically with CBP (like the carrier) is limited to the CBP release information.
- The entry filer has 10 working days to file an entry summary and pay any duties, taxes or fees to CBP on behalf of their client, the importer. The importer may also choose to pay their duties via ACH and a separate setup process is required.