

**ADVISORY COMMITTEE ON COMMERCIAL OPERATIONS OF
CUSTOMS AND BORDER PROTECTION (COAC)**

**AUTOMATED COMMERCIAL ENVIRONMENT (ACE)/
INTERNATIONAL TRADE DATA SYSTEM (ITDS) UPDATE**

May 22, 2014

Issue: CBP has established a plan to achieve the vision of ACE as the Single Window for Government and the international trade community. ACE will automate and enhance interaction between international trade partners, CBP, and Partner Government Agencies (PGA) for cargo imports and exports, significantly increasing efficiency and reducing costs compared to the manual, paper-based interactions in place to-date.

Background:

- The current trade process, involving 47 Federal agencies and CBP, is largely manual and paper-based, which is costly and time-consuming for both the Government and the trade. Today, approximately 30 agencies require nearly 200 forms for imported and exported products.
- Through the International Trade Data System (ITDS), the Federal government is creating a Single Window to streamline the trade process, thereby supporting economic competitiveness.
- On February 19, 2014, the President signed an Executive Order (EO) on *Streamlining the Export/Import Process for America's Businesses*.
 - The EO directs the 47 U.S. federal agencies with a role in trade to complete development of an electronic “Single Window” by December 2016.
 - The EO establishes a phased approach to meet the December 31, 2016 deadline for completion and government-wide use of ACE/ITDS, prioritizing agencies playing a major role in cargo movement.
 - The first phase of this effort began recently, with CBP, the Food Safety and Inspection Service (FSIS) and the Environmental Protection Agency (EPA) initiating testing of early technical capabilities for imports at select locations and with pre-identified industry partners. The EPA pilot has begun and the FSIS pilot will begin in the near future.
 - The second phase will begin in spring 2015 and will include imports and exports as well as an expanded range of capabilities and industry users.
 - By December 31, 2016, the end of the implementation schedule, the U.S. Government shall use ITDS as the primary means of receiving the standard set of electronic data and other relevant documentation required by the Government for the release of imported cargo and clearance of cargo for export.
- ACE will become this Single Window – the sole system through which the trade will report imports and exports and the Government will determine their admissibility.

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Through ACE, Federal agencies will have earlier, automated visibility to shipment data, expediting their import or export assessments at the border and speeding the flow of legitimate trade while also improving security, health, and the safety of cargo.

- CBP has established three dates for the mandatory transition to ACE:
 - ***Mandatory use of ACE for all electronic manifest filing – May 1, 2015***
Filing of all electronic import and export cargo manifest data related to all modes of transportation will be mandatory in ACE.
 - ***Mandatory use of ACE for all electronic cargo release and related entry summary filings – November 1, 2015***
Filing of all data associated with the release of imported cargo from the government's custody, including data related to PGA interactions, and the associated entry summaries will be mandatory in ACE.
 - ***Mandatory use of ACE for all remaining electronic portions of the CBP cargo process – October 1, 2016***
All electronic trade processing will be mandatory in ACE. This includes processes such as Drawback and Protest.

Recent and Upcoming ACE Capabilities:

- The following functionality has been deployed in the first three Agile releases from November 2013 to April 2014.
 - Expansion of ACE Cargo Release pilot from air shipments to include ocean and rail shipments and basic processing for truck shipments. Expanded capabilities also include:
 - Electronic entry corrections and cancellations which will reduce the time and cost associated with the former paper-based process.
 - Integration of in-bond movements and split shipments for ocean, rail and air shipments and partial quantities for air shipments.
 - Certified from Summary capability for ocean, rail and air shipments
 - PGA Integration
 - Capabilities to support PGA Message Set pilots, starting with EPA and FSIS.
 - Streamlined entry of findings for CBP Agriculture Specialists, resulting in a 33 percent reduction in workload.
 - Entry Summary validations for tariff classification, Harbor Maintenance Fee, Merchandise Processing Fee, and simple and complex duty calculations
 - Exports
 - Migration of legacy Automated Export System (AES) to the modernized ACE platform
 - Support for Census Bureau and Bureau of Industry and Security export regulatory changes
- The following capabilities are planned for deployment by January 2015, the fourth of seven planned deployments by the end of 2016.
 - Import Air Manifest
 - Export Air, Ocean, Rail Manifest
 - Electronic Bond Processing

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- Expansion of ACE Cargo Release pilot to include diversions and Foreign Trade Zone processing
- Additional entry summary validations
- Our message to the trade community is “Don’t Wait – start transitioning to ACE now.”
 - We have established the mandatory dates.
 - We encourage trade members to start using ACE now so they’ll have time to ask questions and work with Client Reps before the mandatory dates.
 - Benefits of switching to ACE now include cost savings through the elimination of paper, faster CBP response times, streamlined entry processing prior to arrival and decreased courier and administrative costs.
 - We would like the COAC members to work with us to encourage their fellow trade members to understand the benefits of ACE and transition to ACE now.