

Event ID: 2488079

Event Started: 11/13/2014 12:24:01 PM ET

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Really has two very large pieces in one is the ability to take abundant and to process and store it and other part is to make sure this interact with other areas in the system. Without something to connect where only [Indiscernible - low volume] so we have designed Yvonne to design [Indiscernible - low volume]

Validations are going to be in place to ensure that if the bond is not on file and then the entry is filed then there will be an ejection and bond must be about first.

In the future we will look to integrate eBond [Indiscernible - static] as well as we continue like I said before as we continue to go through development and ACE we will continue to look to integrate eBond into all of the areas where it is needed.

That we are going to talk a little bit about where eBond is going to be mandatory and where it will be optional and the rules kind of around this when we deploy.

For continuous bonds which exist electronically today they will continue to be electronic and have mandatory use of eBond .

What that means is we already have electronic continuous bonds input by Indy and we have checks Oliver the system for those bonds in ACE and ACS. What we are really doing for continuous bonds is open up a new way for them to be sent into into -- ACE infinitude ACE and that is directly electronic the time the surety surety agent. We go live all the continuous bonds out there today will continue to be valid after January 3 and no need to refile the bonds. We set up the system so that we -- continuous bonds on file today are valid after we do play this is point eBond and there will be no change in the current processing against those [Indiscernible - low volume]

Single transaction bonds is a little trickier.

Today single transaction bonds exist completely in paper. So we have to take a completely manual process and automate it so what we have done is on this chart we have showed you the instances where single transaction bond use in eBond will be mandatory and where there will still be a paper process.

In the instances of a ACE entry followed by an ACE entry summary that two-step process or one step process where ACE summary [Indiscernible - static] is filed in those little will be subject to electronic single transaction bond requirements. That means that the bond must be on file in eBond before this transaction is submitted or there will be a rejection.

For the other 4 scenarios ACE followed by [Indiscernible - muffled audio] for ACE cargo release or if you live your whole world in ACS that we are not going to implement those same

validations into ACS. Eventually that system will be retired as such that will be throwaway code and that is just not a valuable way to go. Paperbound requirements so ace into

By [Indiscernible - low volume]

You will be mandated to use [Indiscernible - muffled audio] on January 3 so we will stick to the paper processing as it is today

For activity type XVI I have several transaction bonds. We are not updating the ISF process at this point. The way that is done today with sending in the information receiving the ISF transaction number and placed in that on the single transaction bond and then send it a bond in, we are going to modify that process a little bit that instead of sending that bond to an e-mail you will now send that bond to the Yvonne system. However obtaining of the ISF action number will remain the same until we do a little bit further integration with the ISF program.

For the other single transaction bond activity types that are not used to secure entry or release we are going to ask that those be -- those use eBond as well . What we're really trying to do is avoid time sensitive issues that may come up for processing. So in those instances we do not have those time sensitive issues for those thing transaction [Indiscernible - muffled audio] so those of be sent into eBond as well. Many admit -- many of you have seen the current ACE schedule and if you're familiar with that that in November 2015 there will be mandatory release of ACE back summaries.

[Indiscernible - muffled audio] meaning you will not be able to file cargo release affect the way we have set the system up is once we hit those mandatory filing dates in ACE and we retire that ACS filing Yvonne will also become mandatory for those transactions.

So right now [Indiscernible - muffled audio] and as such when we have those mandatory dates then by default eBond will also be mandatory in those instances.

The next slide gives the date that we have been working with but -- firstly already passed.

We have essentially finished the development of the eBond functionality and continuing to do a little bit of testing and we're continuing to work and get as much functionality into the certification Bierman as possible but the big date that we have is January 3 and that is when eBond deploys. When it deploys the rules that we just talked about are all going to be in place.

So we want to make sure that you guys are prepared and with that I will turn it over to Ms. Celeste katana

What I will talk about today is the integration between the brokers and the filers into the surety companies. As John mentioned we have been doing a lot of work with the surety companies and see set to be able to come up with a standard mechanism in order to be able to send the data that

is required to let the sureties make the proper underwriting decision to be able to send out electronic we so that the brokers do not necessarily have to rekey any data.

Currently two ways of getting that data or will be two ways of getting that data to the sureties. One is using the surety surety agent portals an awful lot of them have portals we you can just come in and key in all of the data pick

Of course that requires candidate in separately and rekeying the data from your entry.

The way that we are proposing to do it and we have set up a standard mechanism to do this is a direct communication using Web services with the surety and surety agents.

So you will see in the second I have a slide showing all the data elements but most of the data elements are pulled directly from the entry data.

We will be formatting that data in the next ML message and that XML message will be transmitted to the sureties using Web services so the response with the Web services is typically very fast like seconds where we would get -- send a message to the sureties. We will get an immediate response back from them. And then you follow down the process.

Even though we have set up this standard that we are hoping most people will adopt, each surety agent is still allowing you to do something [Indiscernible - static] if you have to agree with them and work with them to come up with an alternative format.

We're really trying to get most people to do the standard setup which is to find -- there is a link on customs website and you can see that on the slide that will link to the documents that will tell you what the XML looks like and what all the requirements are for the data elements and gives you all of the implementation details of how this process is going to work so I will not get into that nitty-gritty your developers will be needing that type of information.

The way that I see this flow working from the broker side is basically you prepare all of the data you need for your ACE cargo release . At that point you discover that you need a single transaction bond on the entry so then you have to add in the additional information and for the most part the only additional stuff you have to put in is your section contact information and most of the other stuff as I said comes right from the entry data so at that point your systems would most likely run validation and edits to make sure everything is fine to be able to send it to customs and then it will then place that entry that cargo release message on hold waiting for the STB information to back from the surety so at that point we also -- we put it on hold and send the message over to the sureties. The sureties will then process that information and if everything is fine then they come back with a positive response.

Then we can automatically send that cargo release without the broker having to come back in or constantly be monitoring the system to be able to check on the status. So you kind enough to do it all as one big step.

-- Kind of do it as well this is one big step pick

This shows all that data elements required or the sureties in order to make a proper underwriting decision.

Some of the key fields needed here, one is the secondary notified party and this is made up of your configuration that customs knows your system is so this is a way to identify to customs how you get your messages -- when you want to try to get these notifications.

Basically you have to be able to communicate to the sureties what the port code is a what the filer and the office code is that you use for your ABI set up today.

This is not anything new if any of you are working with in bond processing and we are using this currently today with and bonds and it is not anything magic you -- went to get the information you can send that to the sureties.

That can be determined from your systems to be able to send to the sureties with the data that you have. The surety does require exception contact basically and name e-mail and phone number so that way if they get a message from you where they -- their system kicks it out to say that it is not -- there something wrong with that or they need a human to look at it to make the decision or they want to assume the risk on the bond, they need to have a contact person that they can talk to so that they can move the process forward.

Okay. One of the things that is very important for the sureties and it is used in determining the bond amount is the duty.

So for entries where you are requesting single transaction bond you are most likely going to have to fill in the complete entry so that you can populate all of your duty fees and taxes so that information can be sent over as part of this message so that the sureties can use that information in their decision-making.

Okay. You guys can read the rest of it [Laughter]

Currently in the response message from the sureties, we have different statuses that can come back. One is they will look at the data and just say okay there is data missing and we have come up with a list of 46 different reasons for it and those types of rejects and it could be that you know the IRS number that you are providing to them is not on file and is not right.

Down to you know you are missing tariff information. You're missing some of the required data elements that they are looking for.

And then the next step is basically that they can accept the data but they may have to have on human look at the data to make a decision. So basically they will send back a message so you know that they got the data and that the data needs their data requirements, but now you know that this is going to be put in kind of a daily date until somebody has review that information.

At this point somebody at the surety may have to call somebody to get the additional information or they may just have to manually look at the data to make that determination.

Okay? So the next one is actually the way that we expect most of them could go and you will send the data. Data will be accepted and they will say -- they will then ship that data read over to customs right from there so they will let you know that they have taken that action.

If they had a situation where they had to have manual underwriting review, that we can also get to possible messages. One that the review is complete and that they have passed that on data over to customs and then another one is that they've done the review and they are not authorizing the bond.

So your systems will have to know what to do with those messages because you will have to figure out and maybe even called the surety up at that point and say you know why don't to like this? [Laughter]

Why are you denying this? Okay so that is that transaction you will have to take up with the sureties.

So that we have -- once the bonds are accepted by Customs to make the surety will then send back a notice to the message to say they received the bond acceptance by Customs . That way you know that the bond is now on file.

This will be kind of a second -- second notice because if you are set up properly with the secondary notified then you should also be receiving the bond status notification message from Customs through the ABI.

Essentially you will be getting double messages and you can decide which one you want to act upon or act on which everyone hits you first or -- because either one what to you that the bond is on file and you are ready -- you are allowed to file that ACE cargo release.

And then the last one is the CBP rejected the bond and there is additional corrections that need to be made .

That is roughly the process that we have outlined and how this is going to work. As I said the documentation for all of this in the implementation guide is available and people need to get working on it because if we do not use the electronic method to connect to the sureties then brokers are going to be a lot of rekeying using the surety portals.

I will pass it over to Colleen now.

Thank you. For the past year we all worked hard on the development of this eBond system that will benefit the trade and customs like John and Carol explained earlier

In fact it is very similar to the process discussed over the past 25 years.

In effect everything is old is new again, right?

So how does it work? Two ways for broker to request a single transaction bond like the last just explain. You could use your surety Elliott issuing system with the surety or surety agent that you work with which requires the keen of that data from the entry information rekeying of that data or the ABI software which -- Celeste just explain and to touch further on what John had mentioned earlier that the custom surety executive committee at customs -- Customs request actually asked us to get together a standard data set so that we can eliminate the need for multiple programming by software vendors for each and every surety that does file bonds with customs. It would be more costly for the trade of we didn't that way so we all got together and put this data set together

The preferred method obviously like Celeste dust explained is through your data electronically between your ABI system and your surety system rather than using that surety bond issuing system for single transaction bonds pick

The incidence for air in rekeying data is much higher in that system when you have to rekeying rather than transmitting it electronically.

So we will go through the approval process and I think there's been a lot of questions that have come up regarding that. [Indiscernible - muffled audio]

Issuing authority for customs brokers. Surety agents to provide some level of authority for their customs broker clients. It is been said before portability would sink under the weight of unreleased cargo if sureties did not provide authority to their customs brokers clients to group single transaction bonds.

That is to today and will be to in eBond also. Remember it is a process change where the surety or surety agent must file the bond data with customs directly with that [Indiscernible - muffled audio] so issuing the 30s not expected to change.

We looked at all of the single transactions bonds that we filed over the past few years and determined [Indiscernible - static] over 95% of those bonds art within Rutgers issuing authority.

That is the average single transaction amount found out there is about \$25,000 of based on this history their majority of all single transaction bonds will receive immediate approval and filing with Customs as most bonds are within that time for [Indiscernible - low volume] -- Customs issuing authority.

There are five steps and if you look at that date workflow it seems like there are more steps than that but essentially there are five steps.

Brokers and the data to the surety company and the second step is the surety then approve that bond and sends it to Customs, right?

And then customs except that bond and notifies the surety to the CX message on the broker S&P through the bond status message.

Then the broker transmits that entry in ACE and everything matches up the entry is released.

To break it down further the next three slides we took the workflow the Customs put together and really broke it down. [Indiscernible - low volume]

The initial phase of it is a broker request a single transaction bond for an entry and that information goes to the surety whether they use the surety bond issuing system or they are on ABI system.

Surety uses that to determine if they want to accept liability so what do we check? We look at what you're issuing authority has an your account within your -- for your surety agent.

What happens when underwriting [Indiscernible - low volume] I will get into that when we finished these couple of slides. We submit that bond to Customs and we send it to Customs where Customs will begin validation process and at the same time we notified that broker that requested that bond that we are sending it to Customs .

So at this point Customs accepts the bond and stores it in ACE and in their data warehouse and they send off a notice the CX message is for the surety surety agent were notified that the EST the -- eSTB was on file and also notified the [Indiscernible - muffled audio] and where also the surety industry is also going to tell you also so you will get it into format or two ways I should say.

So at this point right here submit entry or entry summary to ACE this is the very first time the broker is going to send anything to Customs .

Everything prior to this you are communicating with your surety. So you are sending your entry in an Customs will then validate the entry and entry summary and the STB data included saw the checks I do on the entry itself plus matching it to that bond data that is sitting in the ACE data warehouse . It is accepted.

Simply it is accepted and the broker receives notification of release. And the surety receives in the bond status message a notification that there was a match to that single transaction box.

-- Bond.

So Jen -- John touched on it earlier for STB for ISF and because of the weight -- because it is required to have the ISF transaction number in the bond data on come we're going to have issue bond like we do today in our bond issuing system where you receive your surety bond number from your surety. Transmit that with the eyes of transaction data and receive your approval from the ISF ATF system or ACE and get your ISF transaction number . Input that into your surety bond issuing system and the get sense -- sent to Customs but the difference is you're not printing

that bond and e-mailing it or e-mailing it for the surety system. You are just point to submit it and that data will immediately for to Customs .

For continuous bonds will this work? More simple. Only three steps. Because of the nature of continuous bonds we will not be using the connection with the ABI systems to do them because it is really not transaction of the bond covers all transactions in eight years old they will sign -- and the contrary is [Indiscernible - muffled audio] bond issuing system [Indiscernible - static] and approves bond to data or that [Indiscernible - muffled audio]

And then at that point customs except the bond and notifies the surety and broker. This will help in their very quickly dash dash within 3-5 seconds. We have tested it. As opposed to days to get a continuous bond approved based on a paper process.

So what is included in the continuous bonds is the termination we will be able to terminate a bond through the system. So electronically terminate upon and it is going to 15 days after the first of the year because the regulations are set to change eventually.

And then writers there will be -- you can add and delete users on a continuous bond. You can add the Virgin Islands port expansion Reider Anna reconciliation rider electronically. What is no longer required is the name change and the address change writers on the longer be required once we get into eBond . All of those existing bonds out there today the legacy bonds we are calling them will be coated with the surety routing number so eventually we will be able to do terminations and riders for those bonds when that is complete . It may not be right away in January but at some point in time we will have art routing numbers on all of our existing continuous bonds.

Dislikeable transaction bonds on January 3 all continuous bonds can be filed electronically or will be filed electronically.

So as far as transitioning John went through the table earlier but this is kind of a side-by-side you of the six scenarios whether you're going to use eSTB electronically transmitted to customer versus a single paper transaction bond pick

Essentially what it is is any cargo released in ACE that is a bond type XIX the transaction requires and eSTB in any cargo released in ACS requires your paper said of transaction bond still file that the ports.

As far as testing is concerned John had mentioned testing a little bit earlier and were testing to come in them next month and a half for deployment we have been able to test the eBond portion of it where the surety is sending the data to customs and is eating a response.

First appointment was early September and we were getting a response back from Customs approved or rejected with around -- at around about 1 min. so that was really good to begin with, right?

However we wanted to get down to a lesser timeframe. So soon after that in October and really just as recently as last week when we were sending some test bonds in it is down to about almost instantaneous in your looking at 3-5 seconds or.

Which is really good and I don't know if it is test or [Laughter]

We improved it [Laughter]

So virtually it is instantaneous where we will have bond of rules many what that -- approvals and you will be a will to file [Indiscernible - muffled audio] and get your entry filed immediately and no dots are quite a much quicker than you do today.

Testing of that eBond status message will occur fairly soon . But the mapping to the entry.

So benefits were customs they have the assurance that surety will accept liability as the bond is sent by the surety.

So going back to the beginning, I think Cara discuss this OIG report where it was determined that all of the single transaction bonds or many of the single transaction bonds on file had some kind of error where an importer might be able to deny liability pics but it was something like \$8 billion in bonds but they could not collect on had there been a claim.

So in order to avoid that situation based on that OIG report, they were told they had to central a single transaction bonds. Obviously the best way to do that is electronically.

Customs does have that assurance that based on the surety actually pushing that day that to them, we have accepted our liability and cannot deny claim unless there are some for testable or issue or we approve that the claim should be canceled.

They aren't sure that the [Indiscernible - muffled audio] before they're releasing an actual entry. And they have better control over the bonds in an electronic environment or didn't know what is out there and they can see all of these bonds that are in the system. Any customs officer across the country can go into the system and see that there is a bond actually there.

So as far as benefits for brokers and importers it does expedite the bond issuing process work we are getting bonds approved within seconds as opposed to days. For continuous bonds especially and single transaction bonds no docs required work

The ability to issue bonds 20 473 and 65 days a year with the surety connection to your ABI software, constantly on. You will be able to do these things any time of day throughout the year.

Another benefit is that are left entries will be allowed in and STB -- in eSTB environment from what I understand the policy is being drafted is in draft state for the ability to change that policy where they will be able to have a single transaction bond.

Right the test notice will go out person that we are working with the RLF program office to get that out shortly after that [Indiscernible - muffled audio] [Indiscernible - multiple speakers]

Correct. So you will not have to wait three or more days to get a continuous bond accepted because it will be virtually instantaneous and another thing which I do not have up here is that you will see better reporting from the surety that you work with.

A lot of brokers are concerned about customs brokers are concerned about aggregate liability. [Indiscernible - muffled audio] we have that transparency of that data so we can let you know hey you have one importer that has had tense in the transaction bonds in the last 30 days. Want to get them on a continuous one so you do not have to be doing all those piecemeal anymore. We can review your issuing authority and just based on your historical claims history and losses, we can adjust your issuing authority. If you have a good history with the bonds that you right for your particular surety.

As far as benefits to the surety that transparency of that data whether it be the data we're getting for bond request or data we're getting from Customs , Customs sureties have what is called the automated surety interface where we received nightly downloads and nightly and weekly and monthly downloads from customs and all of our entries that we have filed under all of our bonds and claims will be getting that more life to share information as we move forward in the turn to world.

-- EBond world . We will have that information real-time so we also eliminates paper that is good for everybody.

We will strengthen our relationships and then streamline processing at a higher level of efficiency.

What can you do to prepare? Know that your software vendor automation process so talk to your ABI software vendor, right? Talk to him and know what they are doing to plan eBond for you and your system. Tell your bond representative and know what you're surety bond provider is doing.

Make a decision, do you want to work with your ABI software for bond request or use your surety existing system? Which will you use? In the way you want to evaluate them, that is to look at the number of single transaction bonds you file annually. If you do not file very many then you may want to continue using your surety bond issuance system if you filed hundreds of hundreds annually then you want to -- annually you want to talk to your software provided makes it simpler text but talk to your surety provider about your issuing authority and determine how many bonds you may have over your authority so you know that you can work with your surety to land for preapprovals. We will have a preapprovals is awake we can put a bond out there in the existing system and you send in the data and it is automatically pre-because we have looked at all of the required elements that are required.

Talk to your local brokers Association or the MCBA customs committee for more information on what they know [Indiscernible - background noise] and the information that they have on file from the surety industry.

So as far as more information available we have all said that you know CBPGovernor has a lot of information that the terror information is in there and they do have a link to that and see BofA website on the seasick FAQ the frequently asked questions and appears we are going to add a lot more questions to that FAQ after today. And this broker a surety implementation guide which Celeste had mentioned which by the way we are of dating and should have a new version of that next week. Was a more information in it. And lastly, it is time to embrace ACE. The train is moving and you have to get on it.

I think we will look at some questions. And just answer a couple of them and we will follow-up with all of the questions that we got in get some responses to Mac -- those so bear with us as we start to move through some of these questions to get them answered.

The question is are there limitations on issuing single transaction bonds? Does the entry have to be submitted using ACE cargo released ? If yes, what are the limitations on ACE cargo released cannot file turned out and can I file ACE cargo released in all parts?

The first part of the question that yes if you want to use electronic single transaction bond, it must be done with ACE cargo released. For the RFL portion that on January 3 is not going to go with the rest of eBond however it will go soon after we are working with the policy office as well as the technical side to get the necessary changes made to allow for when you are working with in ACE. If you want to file RFL using a single transaction bond then you will be able to do that .

However that does require a bit more coordination with our policy office so we are working to get that done as soon as possible. However, it is not going to go on January 3. We will provide additional communication and directional and that information or when that functionality goes into production.

How quickly will we receive protections big -- rejections because now we have to wait five business days. Remember the surety has to [Indiscernible - muffled audio] we will receive it is obtainable see and if there something wrong with the data that we sent to customs or customs or reuse it average exit, we will get it immediately and if we cannot make those corrections based on the information that a broker has provided or importer has provided that we will reach back out to that broker or importer but if we can correct it then we will just refile it immediately and it will be a few more seconds.

Otherwise if there is more information needed that we go back to the broker and it starts all over again.

Right and currently if there is a paper bond that is submitted to any of the process right now keeping the same timeframe parameters that we do today but not having a full scope

understanding in terms of how many single transaction bonds are filed, that is subject to change as we move forward.

When does CMP anticipate that eBond will be available for testing answer? So you done for the [Indiscernible - muffled audio] surety and surety agents is available insert to send bonds in and [Indiscernible - muffled audio] we will be deploying hopefully in the next couple of weeks more of the validations. The integration with ACE cargo released as well as bond status messages so that will go out soon. And the entire eBond functionality and we talked about so far going in January should be available in early December and we will be providing more information when we have a firm date on those certification employments -- deployments.

So will this be the same process for I is that ECB? So for ISF ECB as we mentioned before those will now -- the process will remain the same however instead of e-mailing those ISF bonds of those will be sent into the Yvonne system by the surety or surety agent.

So there's a question here, surety agent is that a broker or not? I'm assuming that they're asking if this is a Customs broker? No surety agent is actually an insurance agent that has relationship with the actual surety company the insurance company that right surety bonds.

And the agent acts on that sureties behalf for underwriting and claims handling under some kind of contractual agreement that the agency has. That agent has with that surety company.

Looking qualified to determine with the secondary notified party? So the secondary notified party from the CBP perspective as long as we receive the proper routing code in the bond input message into an what we will route those notifications to that party regardless of what they are.

When you are inputting your information into the surety system or went you establish an account or a set up with your surety that you will need to let them know that information so that when they send in a bond on your behalf the secondary notified party office routing code can be included so that you can get status updates surrounding your bond.

Well is surety CLP post entry amendment or post summary corrections I some they are approved for entry changes? That is still kind about there is enough John? About that NRA I is a data?

Yes we are still working through that as far as what is seen by the sureties in there automated surety interface download this the and preparation they get a we're still working through that and the modernization of those efforts so that is to be determined.

If the principal needs to change the SMP on their continuous bond, they will need to go through Indianapolis to do that. We do have that edit capability for Indianapolis to do that but we does want to make sure that that is fairly controlled.

So as part of the bond policy/procedures that Indy will issue, than that can be included in there as well.

PIV approvals in eBond that entry type is not available yet . Ultimate

As we continue to get -- [Indiscernible - multiple speakers] new entry types into ACE, then eBond will expand to include those. TIB are not currently part of eBond -- ACE therefore they are not subject to eBond requirements. What would be the turnaround time for approval denial?

As I stated before on single transaction bonds of more than 95% of all bonds that are on file with turn for single transaction bonds, are small and within a brokers authority. It turnaround time you would really have to talk to your surety agent to determine what the process will be as far as bond that cannot be approved that are not within your issuing authority. All of us have different systems and underwriting controls so my best answer would be to contact your surety agent.

All sureties be an estimate [Indiscernible - muffled audio] as of January 3?

So the answer to that is no. You have the option of two ways to really get your bond into the system. For continuous bond you can either do it electronically or you can use the same process as it is to date which is send it to Indy and in the will go through that and input it into the system.

They will be inputting it into the eBond system however you do not have to have electronic capabilities developed for that right away on January 3.

As far as Ingle transaction bonds, if there is a filing of and ACE entry at all whether it is from a certified ACE entry summary or not done that bond will be required to be eBond but you again you have the same 2 options you can either file electronically if you're not set up or choose not to participate laconically then that can be sent to the office of administration in Indianapolis and they can put that into the system manually. That will be subject to their policies and procedures. Will we be able to file an RFL entry for an importer without a bond utilizing and eBond ?

So if again we touch on RFL a little bit that we are working to get ranges in that will allow if you're filing RFL in ACE you will be able to use a single transaction bond and that will not go on January 3 .

For all other instances which basically states that for RFL you must have a continuous bond , that will stay in place.

So that is not going to be changing as part of January 3 when ACE , changes to allow for single transaction bonds and more communication will be issued.

So please provide examples of as to be does not secure entry or entry summary other than ISF.

What we are talking like the type I importer we were talking about securing the traditional duties taxes and fees or other charges that the company an entry. But an example could be the detention -- activity code 8 which is the tension of copyrighted materials.

Some are of the obscure bonds or bill of lading when there is an [Indiscernible - muffled audio] bill of lading so those are just some examples but if you look at that 300 won't currently a kind of lists the activities that are covered in the associated references to the chapters in 113 that outline

what exactly is covering so if you look at the 300 won't as it is today you can go back and reference to see what other bond types could be filed. 301.

I think more scope would be the best [Indiscernible - muffled audio]

Yes Rick

Or the drawback one drawback is in ACE, right?

Right.

Not so much we hardly ever write those [Indiscernible - multiple speakers]

So we do not see or neutrality specially you do not see the also this check

-- With the exception content be one person from each company or what each entry writer -- riders be recognized?

I think it depends on who you want to have available to the surety to decide you know who their contact is . If you're doing stuff in the -- dentally or that person will know the information for that shipment, and can answer the questions to the surety, then you we -- may want to have it as the entry writer.

If you're working this where you have one person that is responsible for bonds, that you may want to have that one person. Colleen, what is your experience?

A lot of brokers at the national -- a lot of national brokers they do have one office that issues continuous bond. Is for singles though because they file entries nationwide on comic could be one person in each of those offices so it would just pen on how they want to be set up.

Yes

Willie E bonds only be in ACE eMac --? So the short answer to this is yes however for continuous bonds today as they are input into ACE on come that information is sent back to ACS and ACS uses that information in various processes. That will continue as we go forward.

So for continuous bonds they are going to remain in ACE . But that bond data will be used also for ACS processing. Single transaction bonds will be fully contained in these including the other processing pieces.

Will we be able to get a paperless cargo release of all goes as planned with eBond is to be?

Yes that is the hope is to get a way from all you're using signal transaction bonding giving me the entire entry paper packets. That is only reason then we envision you getting eight [Indiscernible - muffled audio] release.

This questions is one responsible -- response to let us brokers know that the bond is used accepted or rejected no need to wait for CBP surety approval?

You will know that the bond is accept it when you -- if you supply a routing code for the surety to sent to customs then you will be designated as a secondary notify party and you will receive notification from Customs that the bond is on file.

I think regardless the surety is going to let you know when they receive a message from Customs that says the bond is on file . You should wait to file your entry integrity that message or you will risk having an entry rejection due to the rules that we have in place that the bond must be on file before the entry is filed.

Remember I said that Justin testing we -- where get responses back and 3-4 seconds. So it will be fairly quick. Very quick actually.

We currently complete a paper continuous bond application scan to the surety what -- what electronic system will replace the paper form?

In that eBond environment the application will no longer be required . So we will not require that as part of the bond package. So we will eliminate the application completely and basically the only information you are submitting to CBP is the eBond itself . For more information on that surety may require an application based on the risk so of course we need to get all the data that is required that we need to put in our system to transmit that data to customs so your surety will have some type of application or a system that you to center the information into to receive a bond or a bond approval.

So yes the application for Customs no longer require you know listing of total do these tax of these for the past 12 months and next month country porridge and [Indiscernible - muffled audio] type of commodity. At your surety will certainly require certain data elements we can send bond to Customs .

A continuous bonds then be effective immediately?

So the continuous bonds will be effective whenever the effective date on the bond says and if you requested bond for this exact date and that is sent to us and successfully processed when that goes on file them that will be active and effective on that day.

If you need a continuous bond immediately and put in that request and your surety sense to us that we will process it the same as we process the rest of the bonds and once it passes the validation we place it on file and it will be effective.

So can you explain further why name and address change routers will no longer be required on a continuous bond?

Yes. In the eBond environment the name and the address will no longer be submitted so there is nothing -- there's no point in the country and were so than Ayman that address riders themselves will be a moot point because they will not be sent with the eBond five.

The names and addresses that [Indiscernible - muffled audio]

Correct.

[Indiscernible - low volume]

Are we limited then to using eBond for only currently active ACE cargo Leesport start will CBP expand the [Indiscernible - muffled audio] to all remaining ports after January 1?

So we are still going to be subject to the roll out of ACE cargo release. As they expand to further ports then by default we will expand the eBond functionality to include those because like I said before we have put ourselves onto the cargo release Tyler it. I do not know the plan for the full expansion to all ports but we can as a follow-up when we answer the rest of these questions we can see if we can provide a or detailed plan for that.

Every file and eBond with ACS cargo release will we have the benefit of a paperless cargo release without on be available for cargo release?

Electronic single transaction bonds or those required -- those require the time when Carter really so if you are filing ACS cargo release using a single transaction bond you will not have that same benefit. For continuous bonds it will remain as it is today.

John can I [Indiscernible - muffled audio]

With the simple side entry/cargo release prototype pilot that went out there I think there something like 20 brokers that are approved to file single file entry has that been expanded to brokers not doing simplified but to all brokers everywhere that they can file with ACE to make

Yes it

I want to that [Indiscernible - multiple speakers]

The ACE cargo release has been expanded and it is no longer just -- you do not have to file it to be part of the program anymore you have to just work with your client Representative to get set up in order to start filing ACE cargo release. And there are -- [Indiscernible - muffled audio] has been in place for one now and there's testing going on with ocean and right now it looks like truck will be starting their testing and sometime in January

Not all loads of transportation and out ports are available yet customs is adding additional ports as people have work that needs to go through that or shipments that can go through those ports and that is just a matter of contacting Customs to let them know that you want to start using those ports.

If we are not yet using ACE we cannot do is to be bond is that correct? Yes for your entry if you're not using ACE -- ACE cargo release then you cannot use ACE eBond Are the bond status messages sent to the surety only for single entry bonds? If continues want that would mean over 100 status messages daily to our surety company for our imports only. So the bond status message will be sent anytime a bond is matched or used with an entry so for single transaction Bonnie would be one and for continuous bond every time that bond is used we will generate a message.

What the surety does with that if they don't want to receive under messages and discard those then that is up to them. We will be generating those.

Further on the surety interface -- the sureties receive downloads today and I can tell you that they are huge huge files. We get all of the entries on a nightly basis and all liquidations on a weekly basis peer FP enough claims and any change to an entry and these files are enormous.

The sureties that have ASA are capable of taking in this information and I think that is where that question was kind of going.

If the broker -- what if the bond is over the broker issuing authority and after hours or weekends?

It depends on the surety you're working with. We are going to have people that will be able to answer those questions. The best thing to do though is if you know shipment is coming in and it is a large segment that if you know it ahead of time get with your surety company and get a preapproval done and talk to your surety company now before this thing even deploys.

You do have the option of doing a continuous bond also.

I guess I will take this next one. How well my software provider know how to link with my surety provider?

The documents that we said are posted on the links on CBP Governor those have the implementation guides and it will explain -- that document itself will explain how the Web service communication should be working and what the formats are of the XML messages along with all of the details of that data so if you do not know if your software provider is aware of this process then get a hold of that document and send that to them. And they can start working with it from there.

This is a combination question. Can you please clarify the RFL is to be issue and when will this be in place?

The issue is there is additional programming that needs to be done to allow for RFL to accept both the bond type eight and nine. We have to get that in place and we have to get the policy in place in the guidance issued before we can deploy then to production. So as soon as we can get that done then we will put that into place. It is not a huge amount of work.

But it is work that needs to be done. So unfortunately I do not perceive that being done with the other work that we have to be -- we have to complete on all of our other dependencies and all these other areas that we have to work with for eBond that will not be done by generally third .

So that is the reason and as soon as we can get a better idea and get a date lockdown for that, we will provide guidance for that.

What information can be viewed or worked on by the trade be at the ACE data portal?

So for the trade today they can go in and view there continuous bonds on January 3 we're going to allow for them to view continuous and single transaction bonds under their account.

Once we get the proper security in place in the eBond environment then everybody will be granted access to the new eBond portal screens and then that is where you will go to look at your bonds.

Another question. From the broker to the surety is Web services the only way to transmit eBond data ? Is there and am to option or other option? The standard mechanism that we have talked about with that sureties is to use Web services. If you cannot use Web services you need to contact or have your software provider contact the surety and talk with them about some alternate way of getting the data.

Will there be any CBP requirement to apply for continuous bond at least 15 days prior to the intended effective date? As far as the CBP requirement the answer to that would be no and again as long as your surety is willing to give you a continuous bond and it passes the edit then we will accept it.

Is there a bond number identifier for CBP that we will receive from the surety that we need to include in our entry when we transmit or do we provide the surety with entry number for the bond we request and how will the entry and bond be matched up when the entry is transmitted?

So the unique identifier that CBP will use to match a single transaction bonds to an actual entry is that entry number.

So it will match on that and we have a few other things that we need to -- we will be matching such as entry on type amount of the main key for us is going to be the entry number so if we get an entry number that says I have a single transaction bond on file that we will check the bond file for that course by the number and that will be are identifier.

How long will it take for continuous bond to be processed and bond number to be assigned when using eBond ? It will be very very quick.

We take the information in and process it through validations and if it passes all validations then bond number is a sign and return to the surety and any secondary notify parties.

[Indiscernible - muffled audio] will they issue a reference number for the ACE entry ? Typically the reference number used will be the broker reference number which is part of the entry transaction number and entry number.

So really that would be the only reference number and the only time a reference number is required for you to transmit customs is through ISF STD when you file that ISF transaction itself you have to have the surety reference number earned under -- in order to file it and you get the ISF transaction number back to be placed in the bond record.

So the surety reference number really is targeted to your entry number.

Will accept it is to be have a transaction #? So all bond sent to that eBond system will have a number assigned to them by CBP by ACE and that will be in the transmission back to the surety and the secondary notify parties .

But is not required to be sent with entry [Indiscernible - multiple speakers]

Not required to be sent with entry pick

Is the office of administration replacing the national finance Center for bond processing? Well right now within the office of administration and that is the primary agency that I work for and the national finance Center we are there equivalent right now or the revenue division and we have not been a part of the national finance Center now for about six years or so.

But basically the bond program right now is in the revenue division and more specifically my branch which is the management branch -- so the opposite of administration that management ranches where the bond program will be administered out of.

EBond value can be increased if necessary without replacing the bond for STB, right?

And how that insufficiency is to be [Indiscernible - muffled audio] there is an opportunity if you do not know the proper value at the time of entry filing and you do after it is released then you can request that the surety alter that bond amount to a higher or lower amount using a specific function that we have designated in the electronic message. Were continuous bonds, there is no mechanism to electronically alter the amount of those. So that would involve the same processes that it goes through today if you're bond is not that sufficient.

Right you will have to terminate the existing bond and replace it with a higher or the requested bond amount.

But then [Indiscernible - low volume] eventually for future use you have in there where insufficiency indicator -- so when a bond does become insufficient or is said to be marked as insufficient then the ability to file a new bond quicker will be there so you'll be able to replace that bond very quickly so that important will not have a lapse of bond coverage like they do today.

We want to just -- I will generalize this question. Anything that ever happens to a bond starting from when it is placed on file in eBond to any action taken if it is matched with entry or any kind of transaction, if their users added or error [Indiscernible - muffled audio] etc. that all is tracked in the changes tree of the bond. We keep a very meticulous history and the bond.

Of everything that happened -- that is safeguarding customs to make sure we are aware of everything that has taken place with that bond so no matter what occurs having to deal with that bond, we will track that in the history whether it is action taken by the surety or by customs. That is all recorded.

So there's a question here about single transaction anti-dumping CBD bonds and how will that work?

The way we have it laid out in the implementation guide and most surety companies bond issuing systems, were required to send the entry type to custom so 03 so your surety will know that it is anti-dumping when you request is in the transaction bond so the other data elements are the anti-dumping amount in case number and tariff number and various other anti-dumping or [Indiscernible - muffled audio] data elements. So really based on what your surety uses to underwrite and what levels of authority might have for anti-dumping. Or what the sureties may require are your best bet is to talk to your surety agent.

Will drawbacks be worked into eBond system down the road ?

For continuous activity type IA bonds, those of you going into Yvonne -- eBond on generally third and the checks are ready place for drawback and those are in place and we will continue to use the checks for the ACS drawback processing peer percent of transaction bonds it will remain a paper process until such a time we get drawback implemented into ACE and that we will integrate with eBond and then those will become part of eBond as well .

Another question here how will the underwriting authority work? What you need to contact the surety and have them authorize it and then proceed with the STB to Mac

The systems that we are building actually are issuing bond issuing system have issuing authority levels build in the background so when the bond data comes into our system then we know whether or not it is within your issuing authority. It is just based on what your authority as.

The best bet is to contact your surety to make sure you know what your authority levels are and remember most bonds will just blow right through the system.

Since the name it [Indiscernible - muffled audio] and the name and address of the principal will not be part of the Yvonne submission will the broker be able to update the 5106 information to AVI with principles for the continuous bonds in the answer to that is yes when we deploy that validation will be relaxed so the name and address will be able to be updated even if those continuous bonds are on file.

Currently I can file eBond on ACE entry summary . ACE release gets paper but my ACE summary goes paperless . Is that legitimate?

[Indiscernible - low volume]

And then the follow-up right under that is ACS release it [Indiscernible - multiple speakers]

So only in the instance if it is ACE release followed by days -- ACE entry summary will we allow for the electronic fetal transaction bonds otherwise it is business as usual.

We be posting FAQ on CBP website with respect to eBond and could all such persons and answers from today?

Yes. Will currently working on making on the CBPGovernor site and the trade communication and we are working on creating distant eBond webpage and so as more and more information comes out we will be posting the information to the eBond . Website out on CBPGovernor which will include the FAQ documents and I believe that presentations here will also be readily made available and I think the chart specifically within the [Indiscernible - muffled audio] John alluded to in the presentation will be greatly beneficial in helping you answer the questions in terms of it is ACS that what happens or if it is ace -- ACE and then -- help you decide where you need to go in terms of for bonding purposes. So again as were questions come in we will make sure the FAQ is updated accordingly and making sure that either it needs to be entered from -- we will answer it from the CBP cited make sure that if the is surety software vendor and more related questions that they get those questions and you can get answers from them.

So that is all the time we have for today and we will try to follow up with answers to the remainder of the questions.

Thank you all for participating and thank you for your input and we very much appreciate it and take care.

Thank you.

[event concluded]
