



U.S. Customs and Border Protection

Automated Commercial Environment (ACE)/
International Trade Data System (ITDS)

“ACEopedia”

February 2014

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Executive Summary

- In support of the Customs Modernization Act of 1993, U.S. Customs and Border Protection (CBP) has been modernizing the business processes essential to securing U.S. borders, speeding the flow of legitimate shipments and targeting illicit goods that require scrutiny. The key technology driver of these initiatives is the Automated Commercial Environment (ACE).
- ACE is the backbone of CBP trade processing and risk management activities and the key to implementation of many of the agency’s trade transformation initiatives.
- ACE modernizes and enhances trade processing with features that will consolidate and automate border processing and provide a single, centralized access point to connect CBP, Partner Government Agencies (PGA), and the trade community. ACE will replace the current system, the Automated Commercial System (ACS).
- Leveraging CBP’s Automated Targeting System, ACE facilitates the automated screening and targeting of inbound and outbound cargo across the borders of the United States. The system provides for the collection of additional trade information to improve identification of high-risk cargo while facilitating lawful entry of trade that is considered low risk.
- The SAFE Port Act of 2006 directed all Federal agencies requiring documentation for clearing or licensing the import and export of cargo to participate in the International Trade Data System (ITDS) initiative to establish a single system for the collection and distribution of trade data.
- Through the ITDS initiative, ACE will become the “single window,” the primary system through which the international trade community will submit import and export data and documentation¹ required by all Federal agencies.
- On February 19, 2014, President Obama signed an Executive Order intended to streamline the import/export process by calling for the completion of ITDS by December 2016. The executive order recognizes that ITDS will allow businesses to electronically transmit, through a “single-window,” the data required by the U.S. Government to import or export cargo.
- Key ACE functionality deployed to-date includes the Secure Data Portal, Periodic Monthly Statement, electronic manifest, cargo release and entry summary processing (including post summary corrections).
- For remaining ACE features, CBP is using an Agile software development methodology to produce smaller pieces of functionality more frequently, resulting in a more flexible, user-focused development process.
- CBP has developed a plan to complete implementation of core trade processing functionality in ACE and decommission the corresponding capabilities in ACS by the end of 2016.
- 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.

¹ Applications for permits and licenses are excluded from the “single window.”

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- ***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.

- As of this update, two deployments of new functionality using the Agile development framework were released on November 2, 2013 and January 4, 2014, respectively. The new capabilities include:
 - ACE Cargo Release (also known as Simplified Entry) pilot enhancements that allow:
 - Expansion from air shipments to include to basic processing of ocean and rail shipments
 - Electronic entry corrections and cancellations for air, ocean and rail shipments
 - Completion of cancellation process from Entry Summary to Cargo Release
 - Integration of in-bond movements, split shipments (hold all and immediate delivery), and partial quantities for air shipments. .
 - Rehost and upgrade of the legacy Mail Entry Writing System (MEWS) capabilities into ACE for CBP field users. This upgrade improves CBP users’ ability to post information, run reports and leverages the barcode used by the U.S. Postal Service to track duties owed, enabling the Government to close a known revenue gap.
 - PGA Integration
 - The software code necessary to support PGA Message Set pilots with the Environmental Protection Agency (EPA) and Food Safety and Inspection Service (FSIS). The PGA Message Set pilots are scheduled to begin in Spring 2014.
 - Single accept/reject message for the Cargo Release and Entry Summary response to trade filers.
 - Streamlined findings input for CBP Agriculture Specialists.
 - Entry Summary Validations related to Harbor Maintenance Fees, tariff classification and simple duty calculations.
 - Manifest
 - CBP rehosted and upgraded the legacy Vessel Management System (VMS) capabilities into ACE for CBP field users. The VMS upgrade re-hosted the previous system onto the ACE cargo platform and provides CBP seaport personnel with a more efficient user interface.
- CBP has worked closely with DHS to develop a funding strategy to carry the program forward. Based on planned appropriations, CBP should have sufficient funding to complete core trade functionality in ACE by the end of 2016. Critical to successful ACE development is the integration of expertise by CBP’s three primary stakeholders – CBP headquarters and field users, members of the trade community and PGA representatives. Stakeholder subject matter experts are engaged onsite and remotely throughout the development process.

ACE Deployed Capabilities

- **ACE Secure Data Portal** (October 2003) – a Web-based capability providing a single, centralized online access point to connect CBP, the trade community, and Government agencies.
 - As of January 31, 2014, over 22,500 trade user accounts.
 - Over 125 customizable reports providing access to CBP manifest, cargo, entry summary, finance, and compliance data.
 - Communication links available for compliance inquiries and interactions between CBP and trade.
 - CBP Forms 28, 29 and 4647 notifications with view and respond capabilities with an upload document feature for post entry summary requests implemented in April 2009. That month, Importer Blanket Declaration Record posting capabilities for nationwide CBP view were deployed.
 - AD/CVD case management and related message information became available in January 2010.
- **Periodic Monthly Statement (PMS)** (June 2004) – simplifies the payment and collection of duties and fees and promotes account-based operations. Allows users to make payments on a monthly rather than a day-to-day basis.
 - Allows duty and fee payments on the 15th working date of the month following release, providing significant cash flow benefits to trade users.
 - In FY 2013, an average of over \$1.8 billion was collected monthly.
 - In January 2014, ACE PMS collected approximately \$2 billion, approximately 69 percent of the total duties and fees paid to CBP that month.
- **e-Manifest: Truck** (February 2007) – enables carriers to submit electronic truck manifests to CBP prior to a truck’s arrival at the land border crossing.
 - As of January 31, 2014, primary processing time averages approximately 31 percent faster than paper manifests nationwide.
 - Processing an average of over 200,000 trucks nationally per week.
- **ACE Entry Summaries** (June 2009) - ACE participants can file entry summaries in ACE for Consumption, Antidumping/Countervailing Duty (AD/CVD) and Informal entries (entry types 01, 03, and 11). These three entry types account for nearly 99 percent of all entry summaries.
 - Electronic Census warning override capabilities were added to ACE on April 2009.
 - Remote Location Filing for AD/CVD entries via ACE was implemented in October 2012.
 - Resulting from the ACE Agile deployments to-date, ACE can now validate the accuracy of trade data submitted to CBP through validations of Harbor Maintenance Fees (HMF), tariff classification and simple duty calculations.
 - In January 2014, over 26 percent of all entry summaries were filed in ACE.
 - As of January 31, 2014, 491 (20.1%) of all entry summary filers are authorized to file in ACE.
 - Over 50% of entry summary software vendors are approved to file ACE entry summaries.

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- **Post-Summary Corrections** (October 2010) – automates the ability to submit corrections to ACE entry summaries and streamlines the acceptance process.
 - More than 31,000 Post-Summary Corrections have been filed since capabilities were first introduced.

- **Importer Security Filing (ISF)** (January 2009) - enhances CBP’s ability to identify high-risk shipments by requiring additional information related to shipments. The link from ACE Secure Data Portal to ISF Portal, which was delivered July 2011, allows:
 - ISF progress reports for importers, filers, and sureties.
 - ISF transaction filing capability for very low volume importers (limited to 12 filings per year).

- **e-Manifest: Rail and Sea (M1)** (April 2012) - provides a consolidated view of rail and sea shipment manifest and entry data at the bill of lading or container level to facilitate the identification of shipments that may pose a risk and expedite the pre-arrival processing of legitimate cargo.
 - On September 29, 2012, ACE became the only CBP-approved Electronic Data Interchange (EDI) for submitting rail and sea manifests.

- **ACE Cargo Release (also known as Simplified Entry (SE))** (May 2012) – streamlines the data required to obtain release of products for cargo, eliminating the current entry (CBP Form 3461) for transactions in the ACE Cargo Release pilot.
 - The ACE Cargo Release pilot began in May 2012 in the air mode of transportation.
 - Document imaging capabilities were deployed in November 2012, and further expanded in July 2013, allowing participants to provide documentation supporting their ACE Cargo Release Entries/SEs via EDI or e-mail.
 - On November 4, 2013, CBP published a Federal Register Notice (FRN) opening the pilot to additional air carriers and expanding the pilot for Deployment A capabilities. On February 3, 2014, CBP published an FRN expanding the pilot to ocean and rail shipments, and opening to ocean and rail carriers.
 - With the introduction of two Agile releases (Deployment A, November 4, 2013 and Deployment B, January 5, 2014), the following ACE Cargo Release capabilities are now in place:
 - Expansion from air shipments to include to basic processing of ocean and rail shipments
 - Electronic entry corrections and cancellations for air, ocean and rail shipments
 - Completion of cancellation process from Entry Summary to Cargo Release
 - Integration of in-bond movements, split shipments (hold all and immediate delivery), and partial quantities for air shipments.
 - Rehost and upgrade of the legacy Mail Entry Writing System (MEWS) capabilities into ACE for CBP field users. This upgrade improves CBP users’ ability to post information, run reports and leverages the barcode used by the U.S. Postal Service to track duties owed, enabling the Government to close a known revenue gap.
 - As of February 25, approximately 255,000 ACE Cargo Release entries were successfully filed for 1,356 importers.

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- **PGA Interoperability** (September 2011) - enables CBP to share data, documents, and events of interest with PGAs in an automated manner.
 - As of January 31, 2014, eight PGAs² are currently receiving automated data via PGA Interoperability.
 - In November 2013, CBP deployed a streamlined findings capability for CBP Agriculture Specialists.

- **PGA Message Set** (November 2013) – introduces a well-defined, harmonized set of data to be collected electronically from international traders by CBP on behalf of PGA
 - In November 2013 CBP deployed software code necessary to support PGA Message Set pilots with the Environmental Protection Agency (EPA) and Food Safety and Inspection Service (FSIS) and a single accept/reject message for the Cargo Release and Entry Summary response to trade filers. The PGA Message Set pilots are scheduled to begin in Spring2014.

- **Document Image System (DIS)** (April 2012) – allows trade members to electronically supply documentation needed during the cargo import and export processes to CBP and other Federal agencies.
 - A Federal Register Notice was published on July 23, 2013, to announce the expansion of the DIS pilot, providing for reduced data to be transmitted and electronic submission of additional forms, thereby expanding the number of eligible participants.
 - As of January 31, 2014, DIS is able to accept document images for nine PGAs³.

² The eight PGAs are 1) The Food Safety and Inspection Service, 2) Consumer Product Safety Commission, 3) U.S. Coast Guard, 4) Alcohol and Tobacco Tax and Trade Bureau, 5) National Marine Fisheries Service, 6) Agricultural Marketing Service , 7) Animal and Plant Health Inspection Service and 8) Bureau of Industry and Security.

³ The nine PGAs are 1) CBP, 2) Animal and Plant Health Inspection Service, 3) Alcohol and Tobacco Tax and Trade Bureau, 4) Centers for Disease Control and Prevention, 5) Defense Contract Management Agency, 6) Environmental Protection Agency, 7) Food Safety and Inspection Service, 8) National Highway Traffic Safety Administration and 9) National Marine Fisheries Service.

Path Forward for ACE Completion

CBP, in close collaboration with DHS leadership, has developed a plan for completing core trade processing capabilities in ACE and decommission the corresponding capabilities in ACS by the end of 2016. To accomplish this goal, CBP is using an Agile software development methodology.

With Agile, features are developed and delivered iteratively and incrementally. Agile teams work concurrently to develop and deliver smaller releases of features more rapidly. Agile not only allows quicker delivery but also allows more flexibility to accommodate changing requirements and shifting priorities. Development is iterative – CBP is using two-week “sprints” to produce features that build upon one another until the desired functionality is fully developed. The smaller releases will be bundled and deployed at regular intervals over approximately three years.

Agile development is highly collaborative and involves the commitment and support of all stakeholders. CBP field, trade, and PGA representatives are actively involved in the development, testing, and demonstration of new features. CBP anticipates seven deployments of new features by the end of calendar year 2016 and will continue to work closely with stakeholders on the deployment plan.

CBP’s approach for completing core trade processing capabilities in ACE is multi-tiered, with the implementation of Agile development as one of its key components. Along with the new development approach, CBP is incorporating additional technical strategies that will facilitate the faster delivery of features and make ACE a more cost-effective system to maintain. These include:

- Establishing a “service-oriented architecture” – Services are individual business tasks that can be programmed once and re-used for multiple processes (i.e., collect data, analyze data, etc.).
- Eliminating use of proprietary software and customized off-the-shelf products and using open software standards.
- Leveraging existing software code by converting current functionality to a services structure and determining if software exists elsewhere in DHS that could be re-used, with minimal re-coding effort, to meet CBP needs.

As part of the plan to complete development and deployment of remaining core trade processing capabilities in ACE, CBP has established three dates for the mandatory transition to ACE:

- ***Mandatory use of ACE for all electronic manifest filing – May 1, 2015***
By 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***
By 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. In order to file entries in ACE, filers must also transmit the

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associated entry summaries via ACE. Prior to the deadline, all entry and entry summary types will have been programmed into ACE and must then be filed in ACE by November 1, 2015.

- ***Mandatory use of ACE for all remaining electronic portions of the CBP cargo process – October 1, 2016***

By early-mid 2016, the core trade process will have been incorporated into ACE. By October 1, 2016, all electronic trade processing will be mandatory in ACE. This includes processes such as Drawback and Protest.

NOTE: The above deadlines do not mandate the use of electronic filing if regulations do not require electronic filing at the time of the mandatory transition date. If an entity currently files by electronic means, all electronic filings must be done in ACE by these established deadlines. CBP is committed to working with the trade community to ensure readiness when the deadlines arrive. Those who file electronically and are not currently filing in ACE are encouraged to begin that transition now. For assistance, please contact your local Client Representative or visit www.cbp.gov/ace.

ACE Manifest

- ACE is the manifest processing system of record for the truck, rail and ocean modes of transportation. In February, 2007, CBP introduced **e-Manifest: Truck** enabling carriers to submit electronic truck manifests to CBP prior to a truck’s arrival at the land border crossing. As a result, primary processing time averages approximately 34 percent faster nationwide than paper manifests for an average of over 200,000 trucks nationally per week. With the introduction of **e-Manifest: Rail and Sea (M1)** in April 2012, ACE became the only CBP-approved Electronic Data Interchange (EDI) for submitting rail and sea manifests.
- CBP rehosted and upgraded the legacy Vessel Management System (VMS) capabilities into ACE in January 2014. The VMS upgrade re-hosted the previous system onto the ACE cargo platform and provides CBP seaport personnel with a more efficient user interface.

ACE Cargo Release

- Modernization of the Cargo Release process through ACE will enhance the ability of CBP and PGAs to evaluate the security, safety, and compliance of imported products while also speeding the release of legitimate cargo into the commerce of the United States.
- ACE Cargo Release will provide the international trade community with a more automated and modern process that streamlines data requirements, removes paper, and provides for expedited decisions by Federal agencies for imports. As repeatedly advocated by the international trade community, modernization of Cargo Release through ACE is a critical priority and a lynchpin in the business community’s participation in ACE.
- Full and integrated import processing through ACE is expected to significantly enhance business and Government efficiencies, thereby promoting economic competitiveness for the international trade community. In addition, significant cost savings will result to CBP upon decommissioning of the ACS.

CBP will continue to build upon the success of the ACE Cargo Release pilot to achieve full Cargo Release capability.

- The ACE Cargo Release project resulted from the work of the Simplified Process joint industry-CBP Workgroup, which was established in April 2011 with the goal of formulating viable solutions that are mutually beneficial and diminish the administrative burden related to importing into the United States.
 - ACE Cargo Release streamlines the data required to obtain release of products for cargo, eliminating the current entry (CBP Form 3461) for those transactions in the pilot.
 - On November 9, 2011, CBP released a Federal Register Notice (FRN) announcing the test of ACE Cargo Release. The test includes functionality specific to the filing of entry data for formal and informal consumption entries in the air transportation mode.
- CBP added document imaging capability to the ACE Cargo Release pilot in November 2012, and further expanded this capability in July 2013. This functionality allows trade participants to electronically provide the following documentation supporting their ACE Cargo Release entries to CBP via EDI or email:

Document Label	Code
Packing List	01
Commercial Invoice	02
Other documents to support CBP Form 3461, Entry/Immediate Delivery	03
Passport, Driver’s License, or Government Issued ID	04
CBP-CF 3299 – Declaration for Free Entry of Unaccompanied Articles	05
CBP-CF 4455 – Certificate of Registration	06
CBP-CF 4457 – Certificate of Registration for Personal Effects Taken Abroad	07
CBP-CF 3229 – Certificate of Origin	08
Vehicle Titles, Certificates	09
Permits	10

- CBP began the ACE Cargo Release pilot with nine initial filers:
 - A.N. Deringer, Inc.

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- Expeditors
- FedEx Trade Networks
- Janel Group of New York
- Kuehne & Nagel, Inc.
- Page & Jones, Inc.
- FH Kaysing
- UPS
- Livingston International
- On August 14, 2012 CBP published FRN 77 FR 48527 to open the pilot to additional participants. As a result, CBP selected 11 additional filers to participate in the ACE Cargo Release pilot:
 - Alliance Customs Clearance Inc
 - Barthco International Inc. OHL-International
 - CEVA Logistics
 - CSI Weiss-Rohlig USA, Inc.
 - Damco Customs Services
 - DHL US
 - Future Forwarding
 - NEC Corporation of America (NECAM)
 - UTC Overseas
 - Scarbrough International, Ltd.
 - Schenker, Inc.
- Delivery of the ACE Cargo Release pilot was accomplished within a year from the initial discussions of this functionality and is the result of a successful government/industry partnership.
- CBP published a Federal Register Notice (FRN) on November 4, 2013 announcing the inclusion of the new Cargo Release capabilities implemented as part of ACE Deployment A. In addition, the FRN opened the pilot further by allowing additional filers in the Air environment to participate. Interested parties are instructed to contact their Client Representative to apply to participate in the pilot. CBP will onboard new participants and ports as resources allow.
- On February 3, 2014, CBP published an FRN expanding the ACE Cargo Release pilot to include ocean and rail shipments, and opening the pilot to ocean and rail carriers.
- As of this update, two deployments of new functionality using the Agile development framework were released on November 2, 2013 and January 4, 2014, respectively. The new ACE Cargo Release-related capabilities from those two deployments include:
 - Expansion from air shipments to include to basic processing of ocean and rail shipments
 - Electronic entry corrections and cancellations for air, ocean and rail shipments
 - Completion of cancellation process from Entry Summary to Cargo Release
 - Integration of in-bond movements, split shipments (hold all and immediate delivery), and partial quantities for air shipments.
 - Rehost and upgrade of the legacy Mail Entry Writing System (MEWS) capabilities into ACE for CBP field users. This upgrade improves CBP users’ ability to post information, run reports and

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leverages the barcode used by the U.S. Postal Service to track duties owed, enabling the Government to close a known revenue gap.

- The following Cargo Release features are scheduled to be deployed in April 2014:
 - Certified From Summary
 - Trade ability to query ABI
 - Integration of Truck Manifest (basic) with ACE Cargo Release
 - Integration of Ocean/Rail Manifest (advanced) with ACE Cargo Release

Full ACE Cargo Release: Inventory of Key Process Improvements

<p>Single Window for Imports</p>	<ul style="list-style-type: none"> • Single, harmonized set of data for government validation of import requirements and automation of paper processes for over 40 Government agencies • Enabling of new communications among Government agencies, and between Government agencies and international trade community • Ability of authorized agencies to hold imported shipments of concern and coordinate as appropriate with other agencies • Tracking for Government agencies that do not have hold authority • Increased targeting potential due to broader data set • Integration of CBP Agriculture Specialist processing and recordation with both APHIS system and ACE for smoother transactions • “One stop shop” for international trade community to submit all Government-required import data • Upgraded electronic status notifications to international trade community <ul style="list-style-type: none"> ▪ Identification of which Government agency has pending requirement on their cargo ▪ Single, coordinated release of the cargo, representative of all involved Government agencies, to carrier and broker
<p>Continued Flow of Trade During Emergencies</p>	<ul style="list-style-type: none"> • Efficient and streamlined transfer of cargo processing to an open port during emergency port events/closures • Elimination of requirement that international trade community resubmit data when cargo transfers to open port, resulting in continued flow of trade with minimal impact to international trade community • Maintenance of CBP and PGA holds on imported cargo
<p>Automated Updates to Previously Filed Import Data</p>	<ul style="list-style-type: none"> • Ability for international trade community to electronically submit requests for corrections, deletions, and cancellations of their import data • Ability for CBP to access and act upon changes immediately • Automated, efficient and uniform processing of changes • Elimination of paper processing
<p>Enhanced Tracking of Non-Compliant Cargo to Government Custody</p>	<ul style="list-style-type: none"> • Capability for agencies to automatically request that imported cargo that is non-compliant be returned to government custody (“redelivered”) • Government visibility to cargo until the resolution of all CBP and PGA concerns • Capability for CBP to manage redelivery requests and prepare for shipments that will be destroyed or seized
<p>Enhanced Entry Processing for CBP Officers</p>	<ul style="list-style-type: none"> • Enabling of CBP Officers to make quicker and better informed decisions on disposition of imported cargo • Synchronized data throughout lifecycle of imported cargo shipment • Ability for the international trade community to partition import data to accommodate the release of freight when some merchandise in the shipment was seized/detained

The “Single Window” Initiative

- On February 19, 2014, President Obama signed an Executive Order intended to streamline the import/export process by calling for the completion of ITDS by December 2016. The executive order recognizes that ITDS will allow businesses to electronically transmit, through a “single-window,” the data required by the U.S. Government to import or export cargo.
- The Single Window will modernize an existing import/export process that is regulated by 47 Federal agencies, largely manual and paper-based, costly and time-consuming for both the Government and the industry. In today’s environment, approximately 30 agencies require nearly 200 forms for imported and exported goods. ACE will become the “Single Window”– the primary system through which the international trade community will submit import and export data and documentation⁴ required by all Federal agencies.
- CBP established key **International Trade Data System (ITDS) capabilities** to achieve the vision of ACE as the “single window” for the Government and trade community. These key ITDS capabilities, explained below, automate and enhance interaction between international trade partners, CBP, and PGAs by facilitating electronic collection, processing, sharing, and review of trade data and documents required by Federal agencies during the cargo import and export process. The capabilities will significantly increase efficiency and reduce costs over the manual, paper-based interactions that have been in place.
- **Document Image System (DIS)** – allows trade members to electronically supply documentation needed during the cargo release and entry summary processes to CBP and other Federal agencies.
 - An FRN was published on April 6, 2012 that authorized initiation of a pilot, allowing the trade to transmit the following documents in XML format.
 - Commercial Invoice
 - Packing List
 - Invoice Working Sheet
 - **Environmental Protection Agency**
 - TSCA Import Certification Form
 - EPA Form 3520-21 Importation of Motor Vehicles and Engines (off road)
 - EPA Form 3520-1 Importation of Motor Vehicles and Engines (on road)
 - EPA Form 3540-1 Notice of Arrival of Pesticides and Devices
 - EPA Pesticide Label
 - EPA Pre-approved Vehicle/Engine Exemption
 - **Animal and Plant Health Inspection Service**
 - APHIS Ingredients List⁵
 - APHIS Phytosanitary Certificate⁶
 - APHIS Import Permit
 - APHIS Transit Permit

⁴ Applications for permits and licenses are excluded from the “single window.”

⁵ Incorrectly referenced as “APHIS” Ingredients List in the April 2012 DIS FRN

⁶ Incorrectly referenced as “APHIS” Phytosanitary Certificate in the April 2012 DIS FRN

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- APHIS Notice of Arrival
- APHIS Pre-Clearance 203
- **National Oceanic and Atmospheric Administration**
 - NOAA Form 370 Fisheries Certificate of Origin
 - NOAA Toothfish Pre-Approval
- An FRN was published on July 23, 2013 to announce an expansion of the DIS pilot, which reduces the data required by the trade community, support the electronic submission of additional forms and expand the number eligible participants to include software providers merely transmitting electronically data received for transmission to CBP. The following additional forms that will be supported in the pilot:
 - **Food Safety and Inspection Service**
 - FSIS Form 9060-5 – Meat and Poultry Export Certificate of Wholesomeness
 - FSIS Form 9540-4 – Shipper Notification - Importation of Undenatured Inedible Meat Product
 - FSIS 9540-5 – Notification of Intent
 - **Defense Contract Management Agency**
 - DCMA – Certificate of Duty Free Entry
 - **Centers for Disease Control and Prevention**
 - CDC Importation Permission Letter
 - CDC Form 0728 – Permit to Import or Transfer Etiological Agents or Vectors of Human Disease
 - CDC Permit Exempt Letter
 - **APHIS Documents** (CBP will allow the following documents to be submitted at time of manifest (submission of the bill of lading):
 - Plant Protection and Quarantine (PPQ) Form 368 - Notice of Arrival
 - PPQ Form 587 - Permit to Import Plants or Plant Products
 - PPQ Form 586 - Permit to Transit Plants and/or Plant Products, Plant Pests, and/or Associated Soil Through the United States
 - PPQ Form 203 – Foreign Site Certificate of Inspection and/or Treatment
 - **General Documents (not specific to any particular agency)**
 - Phytosanitary Certificates⁷
 - Ingredients List⁸
- The July 23, 2013 Federal Register Notice expanded the transmission options to include EDI, in addition to email, of the following documents to support ACE Cargo Release filings:
 - Packing List
 - Commercial Invoice
 - Passport, Driver’s License, or Government Issued ID
 - CBPF3299 – Declaration for Free Entry of Unaccompanied Articles
 - CBPF4455 – Certificate of Registration

⁷ Incorrectly referenced as “APHIS” Phytosanitary Certificate in the April 2012 DIS FRN

⁸ Incorrectly referenced as “APHIS” Ingredients List in the April 2012 DIS FRN

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- CBPF4457 – Certificate of Registration for Personal Effects Taken Abroad
- CBPF3229 – Certificate of Origin
- Vehicle Title, Certificate
- Other documents to support CBP Form 3461, Entry/Immediate Delivery
- For the purposes of PGA forms, invoices, and packing lists that are associated to ACE entry summaries certified for cargo release, the trade may submit the required documentation without a prior request by CBP or the PGA.
- As of January 31, 2014, DIS is able to accept document images for nine PGAs⁹.
- Also underway is an interim export manifest pilot using DIS.
 - The pilot allows for emailed submission and automated processing of Export Manifests in the ocean mode of transportation – a process that has historically been entirely manual and paper-based.
 - CBP is receiving a near 100 percent success rate for export manifests submitted as part of this pilot.
 - The pilot is open to all seaports and all ocean carriers.
- **PGA Interoperability Web Service (IWS)** – enables CBP to share information, documents, and events of interest with PGAs in an automated manner. IWS allows CBP and PGA systems to communicate with each other, providing PGAs the data they require from importers and exporters and also allowing information sharing, which facilitates collaboration among CBP and other ITDS agencies. As of January 31, 2014, eight PGAs¹⁰ are successfully receiving automated entry and entry summary data, as well as some manifest data, directly from CBP.
 - Additional interoperability strategies and automated information exchange capabilities continue to be developed in collaboration between CBP and various PGAs.
 - CBP is in the process of bringing several more PGAs into the interoperability environment, including:
 - Army Corps of Engineers
 - Energy Information Administration
 - Environmental Protection Agency
 - Federal Communications Commission
 - Federal Maritime Commission
 - Fish and Wildlife Service
 - Food and Drug Administration

⁹ The nine PGAs are 1) CBP, 2) Animal and Plant Health Inspection Service, 3) Alcohol and Tobacco Tax and Trade Bureau, 4) Centers for Disease Control and Prevention, 5) Defense Contract Management Agency, 6) Environmental Protection Agency, 7) Food Safety and Inspection Service, 8) National Highway Traffic Safety Administration and 9) National Marine Fisheries Service.

¹⁰ The eight agencies are 1) The Food Safety and Inspection Service, 2) Consumer Product Safety Commission, 3) U.S. Coast Guard, 4) Alcohol and Tobacco Tax and Trade Bureau, 5) National Marine Fisheries Service, 6) Agricultural Marketing Service, 7) Animal and Plant Health Inspection Service and 8) Bureau of Industry and Security.

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- Import Administration
- Internal Revenue Service
- National Highway Traffic Safety Administration
- With the November 2, 2013 introduction of Deployment A, CBP Agriculture Specialists can now enter APHIS Plant, Protection, and Quarantine (PPQ) 280 information into ACE and the findings will be transmitted to APHIS via the ACE PGA Interoperability capability. The PPQ 280 system tracks the volume and disposition of commodities (e.g., fruits and vegetables, cut flowers, propagative material, lumber, and certain miscellaneous products) imported or transitioning through a port, the final disposition of the commodity, the number of shipments, and the commodity’s quantity, type and country of origin. This feature will eliminate the redundant manual entry of data, representing a 33 percent workload reduction for CBP Agriculture Specialists.
- **PGA Message Set** – introduces a well-defined, harmonized set of data to be collected electronically from international traders by CBP on behalf of PGAs. This initiative automates the collection, processing, and sharing of information required by PGAs, and will replace the myriad of paper forms currently submitted to Federal agencies by the trade community during the cargo importation process. With ACE Deployment A, CBP implemented the software code necessary to support a pilot of the PGA Message Set with the EPA and FSIS. This pilot will be the first full use of ACE as the “Single Window.” CBP will initiate PGA Message Set pilots with the EPA for ozone depleting substances and vehicles and engines, and with the FSIS for meat, poultry and egg data in Spring 2014. The FRN announcing CBP’s pilot was published on December 13, 2013. The PGA Message Set will allow the trade to have a single window for data submission required by all Federal agencies during the cargo import and review processes. It will also provide a single accept/reject response message for the Cargo Release and Entry Summary response to trade filers.

Entry Summary, Accounts and Revenue

- Currently, nearly 99 percent of all entry summaries are eligible to be filed in ACE, including Formal, Informal, and Anti-Dumping/Countervailing Duty (AD/CVD) entries (01, 11 and 03).
- Use of ACE for post release related functions continues to grow. In December 2013, ACE Periodic Monthly Statement (PMS) collected over \$1.8 billion of duties and fees, which accounted for 63 percent of the total duties and fees payable to CBP from the trade community. Currently, more than 26 percent of entry summaries are filed in ACE and more than 50 percent of ABI entry summary software vendors have completed certification and are approved to file ACE entry summaries.
- Benefits for filing entry summaries in ACE include:
 - Remote Location Filing for AD/CVD entry summaries
 - Enhanced ACE report capabilities to monitor CBP Forms 28 (Request for Information), 29 (Notice of Action) and 4647 (Notice of Redelivery)
 - Expanded AD/CVD query
 - Electronic Census overrides in ACE, reducing electronic invoice transmissions
 - Electronic Post Summary Corrections, replacing the paper Post Entry Amendment process
- Critical to the development of modernized entry summary processing in ACE is the development of remaining critical system “edits” or checks that validate the accuracy of the data being submitted to CBP.
 - The functionality in the November 2, 2013 and January 4 ACE releases included validations of Harbor Maintenance Fee (HMF), tariff classification and simple duty calculations for ACE entry summaries lines with one Harmonized Tariff System (HTS) number.
 - CBP has developed a business rules engine that enables development teams to more easily capture, update, and maintain the business rules that govern how the validations work within the system. As development progresses and CBP gains more experience with Agile development, increasingly complex validations will be added.
- A software upgrade was also deployed concurrent with Deployment A on November 2, 2013 to support the ACE reports tool.
- Additional Entry Summary validations for complex duty calculations and Merchandise Processing Fee are scheduled to be deployed in April 2014.

Exports

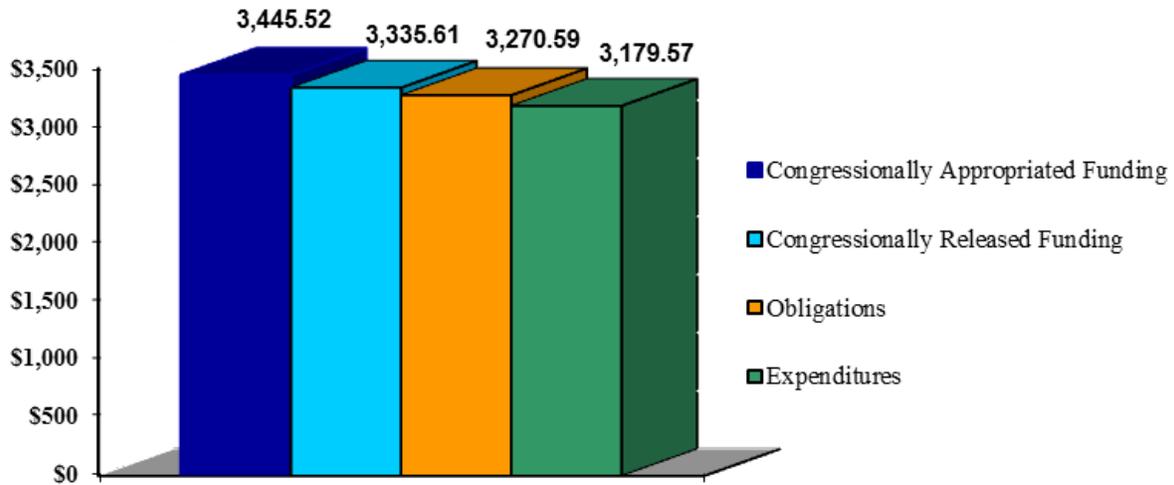
- CBP is working toward the creation of a single automated export processing platform for all export manifest, commodity, licensing, export control, and export targeting transactions.
- CBP has set the following goals for the export development effort:
 - Reduce cost to CBP, PGAs, and the trade community.
 - Improve the facilitation of the movement of export shipments through the supply chain.
 - Improve the enforcement capabilities of CBP in exports to help ensure high-risk shipments are identified and issues resolved prior to export.
 - Integrate export processing with existing ACE functionality such as the ACE Multi Modal Manifest, Document Imaging System, and Interoperability Web Services.
- These goals will be accomplished through the following development:
 - Replacing the legacy AES mainframe system with a modern IT platform conforming to the CBP Enterprise Technical Architecture that will drive down operating and future development costs.
 - Replacing manual or paper-based processing in exports for licensing, manifest, and notifications with electronic processing to better facilitate movement of compliant shipments and identification of high-risk shipments.
 - Implementing a single window view for CBP with the reengineered AES that allows the user to view all commodity, enforcement, licensing, and findings data from a single application.
 - Leveraging recent ACE development on imports to provide a means in exports for additional services for CBP, PGAs, and the trade.
- The initial phase of the export development effort, ACE/Automated Export System (AES) Re-engineering, is scheduled to be deployed for trade users on April 5, 2014 as part of ACE Deployment C. This deployment will migrate export commodity processing to the re-engineered ACE/AES. For CBP users, the legacy AES will be decommissioned on March 22, 2014.
- In addition to the commodity filing capability, Deployment C will include:
 - Enhancements for Census Bureau regulatory changes:
 - Post-departure filing times changed from 10 to 5 calendar days from the date of exportation
 - Added Ultimate Consignee Type
 - Added License Value
 - Foreign Trade Zone Identifier increased from five to seven alpha-numeric characters
 - Bureau of Industry and Security regulatory changes in support of the President’s Export Control Reform Initiative to modify licensing requirements for International Traffic in Arms Regulations (ITAR) exports. This took effect in the fall 2013 and is included in both the legacy AES application and with the ACE/AES re-engineered application.
 - The Advanced Export Information (AEI) pilot for filing limited mandatory data elements pre-departure and remaining data elements five days post-departure (this is a revised Option 3 process to provide certain trade members the ability to file the commodity data with a limited set of data pre-departure). The AEI filing option will not be implemented until further notification from Census and CBP.
- Export development will continue with the building of electronic export manifest functionality , scheduled for deployment in January 2015.

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- CBP is engaging stakeholders throughout the export development process. Trade stakeholders are engaged through the Trade Support Network (TSN), the Export Taskforce Group (a cross-sectional trade group made up of various TSN members), and a number of specific trade groups representing exports, carriers, and other trade parties. PGA stakeholders are engaged through the International Trade Data System Board of Directors with BIS, Director of Defense Trade Controls, and other PGAs involved in export activity.
- Also underway is an interim Export Manifest pilot using the Document Image System. The pilot allows for e-mail submission and automated processing of Export Manifests in the ocean mode of transportation – a process that has historically been entirely manual and paper-based. CBP is receiving a near 100 percent success rate for export manifests submitted as part of this pilot. The pilot is open to all seaports and all ocean carriers.

ACE Budget/Financial Status

- The chart below represents the status of ACE appropriated funds as of January 31, 2014 (in \$M):



- CBP has worked closely with DHS to develop a funding strategy to carry the program forward. Based on planned appropriations, CBP should have sufficient funding to complete core trade functionality in ACE within approximately three years, by the end of 2016.

Appendix A: Frequently Asked Questions (FAQs)

1. *How does ACE help security?*

ACE is an enterprise-wide initiative that includes sweeping process and technology improvements across CBP. It touches nearly every CBP employee, as well as the trade community, PGAs, and the traveling public. The ACE Program also brings this enterprise-wide approach to planning, defining, developing, and implementing new business processes, designed to increase national security through accurate, available data and promote seamless trade processing and collection of duties, taxes, and fees. It is dramatically streamlining CBP processing of imports with automated administrative and formerly paper-based functions.

Significant screening, targeting, and border security capabilities have been implemented through the ACE Program. Leveraging the Automated Targeting System, the Intranet-based enforcement and decision support tool that is the cornerstone for all of CBP’s targeting efforts, ACE delivers innovative and emergent screening and targeting capability to identify high-risk cargo and crew based on advance information and strategic intelligence, allowing CBP, DHS, and other law enforcement officials to pre-screen and evaluate entities early on, generally at the port of departure. With the ACE platform, CBP has the ability to initiate activities, foster collaboration among security analysts, and access past activity logs for additional intelligence. ACE has the potential to be integrated with DHS information systems and border security technology, bringing together critical security, public health and safety, and environmental protection information through a common platform, enabling agencies to efficiently obtain trade and enforcement data across the Government.

The USDA Food Safety and Inspection Service (FSIS) has reported that identification and control of illegal and ineligible agricultural products, which could potentially compromise public health, have increased as a result of access to international trade data found in ACE. With its initial access to ACE in 2006, FSIS, responsible for ensuring the safety of imported meat, poultry and egg products, intercepted 2.8 million pounds of ineligible product in FY 2006, which was a significant increase from 97,000 pounds in FY 2005. In FY 2007, the trend of increased interceptions of ineligible product continued with over 2 million pounds of product identified and controlled and again in FY 2008 with 3.6 million pounds of product. ACE continues to be an invaluable tool utilized by FSIS. For FY 2009-2012, a combined 5.5 million pounds represents the amount of product identified, controlled, brought back into compliance in accordance with U.S. requirements, or removed from U.S. commerce.

The CPSC has been testing a risk assessment pilot system utilizing data from ACE. By providing risk-scored information in near real time, CPSC staff has been able to coordinate more effectively with improved results on shipment examinations. In 2012, after having access to ACE, 3.6 million hazardous products were stopped from entering commerce, more than twenty times the products identified by CPSC just 5 years ago.

2. *How does ACE help the economy?*

Perhaps the best testament to how ACE helps the economy comes in the form of support from its users. Trade entities are experiencing direct benefits from ACE, as evidenced by feedback collected over time. Select representative quotes appear below:

- “The primary benefits that F.H. Kaysing realizes from utilizing ACE are the cost savings and the productivity. I can’t even begin to put those in a particular order because they go hand in hand.

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Overall, when we look at the benefits of ACE, there is no turning back.” Nancy Luttrell, Director of Special Projects, F.H. Kaysing Co.

- “OOCL has already begun to see benefits come from the ACE migration in improved response time and in the clarity of the responses coming back from CBP. The messaging provided from the ACE environment is much more effective than it was in ACS and gives us the ability to manage our cargo more effectively.” Mike Young, Vice President, Process and System Services, OOCL (USA), Inc.
- “ACE has changed the way we manage work, and will continue to do so going forward. Paying duties periodically, doing Census over-rides rather than printing out files, and filing type 03 entries via Remote Location Filing have all benefited us and our clients. We have also noticed the more entries we file in ACE, the more Post-Summary Corrections are we are doing in ACE. We also expect to see more and more benefits from the ACE Cargo Release process, so the future benefits of having all parts of the process automated are just being realized.” Amy Magnus, Director of Customs Affairs and Compliance, A.N. Deringer.

3. What is Agile Development?

Agile is a term that describes an iterative software development methodology that focuses on producing smaller pieces of functionality more frequently, resulting in a more flexible, user-focused development process. For the development of future ACE features, CBP has implemented the Agile development approach, drawing upon the expertise of experienced coaches, lessons learned from other agencies, and tools to support technical work. CBP’s Agile model has some key differences with the approach historically used on the ACE program:

- Agile development requires more collaboration with stakeholders during the development and deployment phases and as features are piloted. Agile development provides the best approach to ensure timely deployment of ACE program priorities and future program development efforts.
- Agile releases are smaller, and delivered more rapidly, bringing needed functionality to users more quickly than has been possible in the past.
- Rather than delivering large suites of features, Agile releases build off one another incrementally until all functionality has been delivered.
- Agile development methodologies are being used throughout Government and industry and provide numerous benefits and advantages:
 - More accurate cost projections as shorter-term estimates are used to price smaller releases;
 - More flexibility to trade off priorities for future releases;
 - More rapid delivery of features to stakeholders;
 - Incremental development allows for incremental funding, which is easier to accommodate in the current economic climate.

4. What is the “Single Window?”

- The current trade process, involving 47 Federal agencies, is largely manual and paper-based, which is costly and time-consuming for both the Government and the international trade community. Currently, approximately 30 agencies require nearly 200 forms for imported and exported goods.
- Through the ITDS initiative, the Federal government is creating a “Single Window” to streamline the trade process, thereby supporting economic competitiveness.
- ACE will become this “Single Window”– the primary system through which the international trade community 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 safety of cargo.
- CBP’s single window vision is aligned with the World Customs Organization Single Window definition as well as the United Nations Centre for Trade Facilitation and Electronic Business’ description of a single window facility.