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

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

November 13, 2013

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

#### **Background:**

- The current trade process, involving 47 Federal agencies, is largely manual and paper-based, which is costly and time-consuming for both the Government and the international trade community. Currently, 21 agencies require 139 forms for imported products, and 8 agencies require 55 forms for exported merchandise.
- Through ITDS, the Federal government is creating a Single Window to streamline the trade process, thereby supporting economic competitiveness.
- ACE will become this Single Window – the sole system through which the international trade community will report imports and exports and the Government will determine their admissibility.
- Through ACE, Federal agencies will have earlier, automated visibility to shipment data, expediting their import or export assessments at the border and speeding the flow of legitimate trade while also improving security, health, and the safety of cargo.

#### **CBP initiatives:**

- **PGA Message Set** creates a single, harmonized set of the trade-related data required by Federal agencies. Data is collected in ACE on behalf of PGAs.
- **PGA Interoperability** provides the pipeline through which data is transmitted between ACE and PGA systems.
- **Document Image System (DIS)** allows trade users to electronically supply the documents needed during the cargo import and export process, eliminating paper and expediting clearance of goods through the border.

#### **Current Status:**

- CBP, the Department of the Treasury and the National Security Staff (NSS) Transborder Directorate are working to expedite the onboarding of PGAs to ACE. The NSS has also created an ITDS Task Force as part of Government-wide efforts to support the U.S. National Strategy for Global Supply Chain Security
- CBP will begin the following pilots in fall 2013, delivering Single Window benefits by initiating implementation of the PGA Message Set, collecting, validating, extracting, and transmitting the best import data available directly to agencies.

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- Data on importations of ozone depleting substances and vehicles and engines for the Environmental Protection Agency (EPA)
- Data on imported meat, poultry, and egg products for the Food Safety and Inspection Service (FSIS)
- The pilots will demonstrate ACE's benefits to industry:
  - Avoiding costs associated with paper filings (e.g., courier fees),
  - Lowering burden of filing by implementing electronic versus paper filing and recordkeeping,
  - Avoiding delays in moving cargo —primarily from holding cargo at the ports due to inaccurate information provided,
  - Reducing cost of delayed cargo – Ability to file entry data in advance will enable ACE to communicate whether the import is in compliance before the commodity is loaded on to the conveyance.
- In November 2013 CBP also deployed capabilities that streamline the input of findings from inspections conducted by CBP Agriculture Specialists. This capability eliminates the need for redundant, manual re-entry of data, uses PGA Interoperability to seamlessly transmit the data to APHIS and results in a workload reduction of 33% for Agricultural Specialists.
- CBP announced an expansion of the DIS pilot in a July 23, 2013 Federal Register Notice. The pilot expansion allows additional agency forms to be accepted electronically via DIS, reduces data required to accompany the transmitted forms, and permits Animal and Plant Health Inspection Service forms transmitted at time of manifest.
  - Participating agencies include the Environment Protection Agency (EPA), FSIS, National Marine Fisheries Service, APHIS, Defense Contract Management Agency, and the Centers for Disease Control and Prevention.
- Five agencies, the Food Safety and Inspection Service (FSIS), Consumer Product Safety Commission, U.S. Coast Guard, Agricultural Marketing Service and National Marine Fisheries Service, are presently receiving automated import data from ACE via PGA Interoperability. CBP is in the process of onboarding additional agencies for Interoperability.
- By April 2014 CBP plans to initiate a major step toward implementation of the Single Window for exports.
  - The re-engineered ACE export commodity platform will be initiated providing a single window view for CBP, Census Bureau, and the Bureau of Industry and Security for export shipments and licensing data.
  - This modernized export platform will enhance the Nation's control of federally-licensed shipments, including arms and ammunition by the inclusion of additional business validations and the ability to electronically decrement various license types for various PGAs.
  - CBP will enhance the transmission of export data to the Census Bureau to a daily basis, eliminating the current weekly extracts of data.