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# Great Idea Form

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## Requirement Summary

<b>GIF- 913</b>		<b>Status:</b>		<b>Submit Date:</b>	July 14, 2009
<b>Title:</b>	CSPO GIF 913 (ENT-050) Paperless Release on Warehouse Entries (Types 21 and 22)				

## Origination

<b>Requirement Initiator:</b>	Bonded Warehouse Subcommittee
<b>Initiator Email:</b>	
<b>Initiator Phone:</b>	
<b>Sponsor:</b>	Gary Rosenthal, CBP; Kim Santos, CBP

## Source:

<b>Source:</b>
Trade Request

## Business Sponsor

<b>Business Office:</b>	Office of Information and Technology
<b>Executive Director for the Business</b>	Lou Samenfink

Office:	
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## CSPO Planning

Change to CSPO System?	
Change Planned?	Where/When Planned? M2.3
Assign to System:	Assign to Release/Delivery:

## Requirements Description

Business Area:	
Request Type:	Business Need
Impacts Trade?	Yes
Description of Change:	<p>The requirements and form of entry for warehouse entries and consumption entries are identical (reference 19 CFR 144.11 and 142.3). The same forms are used, the same data elements are transmitted, and the same selectivity processing occurs. Once the data is transmitted however, the similarities end. Whereas consumption entries for the certain classes of merchandise can receive paperless release (estimates place the statistic on paperless release at 70% of the time), <b><u>paperless release is never permitted and documents are required in all cases</u></b> for those same classes of merchandise entered on a warehouse entry (types 21 and 22). After entry data has been transmitted through ABI and a response is received, the paper entry documents must be submitted to CBP for signature before goods can be released for delivery to the consignee's bonded warehouse.</p> <p>The volume of paper warehouse entries (and withdrawals) is significant in the major ports where duty-free operators and cruise ship and wholesale suppliers import product and operate bonded warehouses. The processing of the volumes</p>

of these **non-revenue** paper entries places a considerable strain on CBP entry teams and import specialist teams, and is inefficient and costly to both CBP and the trade. When following the many touch points the paper entry documents must travel in the process, the inefficiencies, delays and added costs become evident: from the importer/broker office to both air and sea CBP offices (by courier several times per day), for distribution to the entry team or appropriate import specialist teams, back to the importer/broker box for pickup by the courier and delivery back to the import/broker office. On average this process adds 2 to 4 days (longer if the paper entries are misplaced and must be resubmitted) to the cycle time **for each and every entry** that the warehouse proprietor files. For these very deficiencies, CBP embarked on the quest for a paperless environment.

Warehouse entries were initially restricted from paperless release because Customs was, at one time, maintaining warehouse entry jackets, filing all subsequent withdrawal documentation, and maintaining separate entry balances. CPB no longer maintains duplicate permit file folders for warehouse entries. In today's environment, the warehouse proprietor is required to produce all entry documents on demand after entry and maintain accurate inventory balances.

Warehouse proprietors must comply with stringent recordkeeping, inventory accountability, security and storage requirements set forth in 19 CFR 19.12. Amendments of these regulations over the years have placed an even greater responsibility on the warehouse proprietor's inventory and recordkeeping systems.

Compliance with the bonded warehouse regulations is more effectively determined through post entry audits. Establishing the liability of the proprietor for the goods entered for warehouse is best accomplished by reviewing the entry and invoice documents to the actual receiving/checking documents and inventory system balances after receipt – not by reviewing paper documents at the time of entry.

Consequently, the requirement for paper submission of warehouse entries is no longer the most appropriate use of resources or method of supervision.

In summary, over the last decade CBP has made great strides in moving toward the goal of achieving a 100% paperless environment – except in the area of warehouse entries. The in-bond module of ACS, fraught with deficiencies, has never been revised, and the needs of warehouse filers have been either over-looked or given the lowest of priorities. The

	antiquated method of transmitting warehouse entry data (in the same manner as consumption entries) then submitting a paper document for CBP signature is inefficient, burdensome and costly to both the filer and CBP, and impedes the flow of trade by extending cycle time significantly. The completion of this requirement in the development of the ACE can eliminate these inefficiencies that have never been addressed in ACS.
<b>Benefit of Change:</b>	Reduces the amount of paper processed by CBP by allowing warehouse entries to be eligible for paperless release. Reduces workload for CBP thus providing a more efficient use of resources. Reduced cost for the trade in courier costs, reduction in cycle times and workload. Facilitates trade by expediting the flow of goods.
<b>Impact Assessment:</b>	

## System/Subsystem

<b>System:</b>		<b>Cargo Business Area:</b>	
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## Implementation Requirements

<b>Needed By Date:</b>		<b>Change Urgency:</b>	
<b>Level of Effort:</b>		<b>Cost Estimate:</b>	

## Sponsor Recommendation

<b>Sponsor Recommendation:</b>	
<b>Sponsor Comments:</b>	

## Board Disposition

Date:	Disposition:	Comments:

**Next Steps:**

Next Steps:

**Reasons for**

**Return/Deferral/Withdrawn/Rejection/Forward to PO**

Reason for Return:	
Reason for Deferral:	
Reason for Withdrawal:	
Reason for Rejection:	
Reason for Forward to PO:	

**Secretary Comments:**

Comments:

**Related Items:**

CR#:	CR Name:

PTR#:	PTR Name:

## Attachments

Attachments:	
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## Action Descriptions

## Document History

### Action History

Date:	User Name:	Note:

### Update History

Date:	User Name:	Note:

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