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DEPARTMENT OF HOMELAND SECURITY

U. S. Customs and Border Protection

Notice Announcing the Automated Commercial Environment (ACE) as the Sole CBP-Authorized Electronic Data Interchange (EDI) System for Processing Certain Electronic Entry and Entry Summary Filings

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: General notice.

SUMMARY: This document announces that the Automated Commercial Environment (ACE) will be the sole electronic data interchange (EDI) system authorized by the Commissioner of U.S. Customs and Border Protection (CBP) for processing certain electronic entry and entry summary filings as of the effective dates of this notice. As of the effective dates of this notice, ACE will be the sole CBP-authorized EDI system for merchandise subject only to the import requirements of CBP and also to the Lacey Act import requirements of the Animal and Plant Health Inspection Service (APHIS), or the import requirements of the National Highway Traffic Safety Administration (NHTSA), or the import requirements of both APHIS (Lacey) and NHTSA, as well as CBP. This document also announces that the Automated Commercial System (ACS) will no longer

be a CBP-authorized EDI system for purposes of processing the electronic filings specified in this notice. This document further announces the conclusion of the ACE/International Trade Data System (ITDS) pilots for APHIS (Lacey) and NHTSA. Electronic entry and entry summary filings for merchandise subject to the import requirements of other Partner Government Agencies (PGAs) can be submitted in ACE pursuant to an ongoing PGA pilot, or in ACS, until further notice.

DATES: Effective March 31, 2016: ACE will be the sole CBP-authorized EDI system for:

- electronic entry summaries for merchandise that is subject only to the import requirements of CBP, associated with the following entry types: 01 (consumption), 03 (consumption – antidumping/countervailing duty), 11 (informal), 23 (temporary importation under bond), 51 (Defense Contract Administration Service Region), and 52 (government – dutiable); and
- electronic entries and corresponding entry summaries associated with the above entry types, for merchandise subject to the Lacey Act import requirements of the Animal and Plant Health Inspection Service (APHIS), or to the import requirements of the National Highway Traffic Safety Administration (NHTSA), and no other PGA requirements.

Effective May 28, 2016: ACE will be the sole CBP-authorized EDI system for:

- electronic entries for merchandise that is subject only to the import requirements of CBP, associated with the following entry types: 01 (consumption), 03 (consumption – antidumping/countervailing duty), 11 (informal), 23 (temporary importation under bond), 51 (Defense Contract Administration Service Region), and 52 (government – dutiable); and
- electronic entries and corresponding entry summaries associated with entry type 06 (consumption – foreign trade zone), for merchandise that is subject only to the import requirements of CBP; or for merchandise subject to the import requirements of APHIS (Lacey Act) or NHTSA, and no other PGA requirements.

FOR FURTHER INFORMATION CONTACT: Questions related to this notice may be emailed to ASKACE@cbp.dhs.gov with the subject line identifier reading “ACS to ACE March 31, 2016 transition”.

SUPPLEMENTARY INFORMATION:**Background**Statutory Authority

Section 484 of the Tariff Act of 1930, as amended (19 U.S.C. 1484), establishes the requirement for importers of record to make entry for merchandise to be imported into the customs territory of the United States. Customs entry information is used by U.S. Customs and Border Protection (CBP) and Partner Government Agencies (PGAs) to determine whether merchandise may be released from CBP custody. Importers of record are also obligated to complete the entry by filing an entry summary declaring the value, classification, rate of duty applicable to the merchandise and such other information as is necessary for CBP to properly assess duties, collect accurate statistics and determine whether any other applicable requirement of law is met.

The customs entry requirements were amended by Title VI of the North American Free Trade Agreement Implementation Act (Pub. L. 103-182, 107 Stat. 2057, December 8, 1993), commonly known as the Customs Modernization Act, or Mod Act. In particular, section 637 of the Mod Act amended section 484(a)(1)(A) of the Tariff Act of 1930 (19 U.S.C. 1484(a)(1)(A)) by revising the requirement to make and complete customs entry by submitting documentation to CBP to allow, in the alternative, the electronic transmission of such entry information pursuant to a CBP-authorized electronic data interchange (EDI) system. CBP created the Automated Commercial System (ACS)

to track, control, and process all commercial goods imported into the United States. CBP established the specific requirements and procedures for the electronic filing of entry and entry summary data for imported merchandise through the Automated Broker Interface (ABI) to ACS.

Transition from ACS to ACE

In an effort to modernize the business processes essential to securing U.S. borders, facilitating the flow of legitimate shipments, and targeting illicit goods pursuant to the Mod Act and the Security and Accountability for Every (SAFE) Port Act of 2006 (Pub. L. 109-347, 120 Stat. 1884), CBP developed the Automated Commercial Environment (ACE) to eventually replace ACS as the CBP-authorized EDI system. Over the last several years, CBP has tested ACE and provided significant public outreach to ensure that the trade community is fully aware of the transition from ACS to ACE.

On February 19, 2014, President Obama issued Executive Order (EO) 13659, Streamlining the Export/Import Process for America's Businesses, in order to reduce supply chain barriers to commerce while continuing to protect our national security, public health and safety, the environment, and natural resources. See 79 FR 10657 (February 25, 2014). Pursuant to EO 13659, a deadline of December 31, 2016, was established for participating Federal agencies to have capabilities, agreements, and other requirements in place to utilize the International Trade Data System (ITDS) and

supporting systems, such as ACE, as the primary means of receiving from users the standard set of data and other relevant documentation (exclusive of applications for permits, licenses, or certifications) required for the release of imported cargo and clearance of cargo for export.

As part of the transition to full ITDS functionality in ACE, CBP has been conducting tests under the National Customs Automation Program (NCAP). The NCAP was established by Subtitle B of the Mod Act. See 19 U.S.C. 1411. These tests of ITDS functionality include the Partner Government Agency (PGA) Message Set Test (See, e.g., 78 FR 75931) and the Document Image System (DIS) Test (See, e.g., 77 FR 20835).

The PGA Message Set is the data that is needed to satisfy the reporting requirements of other ITDS agencies and that is transmitted to ACE through the Automated Broker Interface (ABI). After the data is submitted, it is validated and made available to the relevant agencies. The data is used to fulfill multiple requirements and enables more effective enforcement and faster release decisions, as well as more certainty for the importer in determining logistics of cargo delivery. Also, by virtue of being electronic, the PGA Message Set eliminates the necessity for the submission and subsequent handling of paper documents. CBP and several other agencies have announced NCAP test pilot programs regarding the submission of required data using the PGA Message Set.

DIS allows ACE filers to submit electronic images of a specific set of ITDS Agency documentation in XML format through ABI, a Secure File Transfer Protocol (FTP), or Secure Web Services, or as an attachment to an email formatted according to the specifications in the DIS Implementation Guidelines.

On October 13, 2015, CBP published an Interim Final Rule in the **Federal Register** (80 FR 61278) that designated ACE as a CBP-authorized EDI system. The designation of ACE as a CBP-authorized EDI system was effective November 1, 2015. In the Interim Final Rule, CBP stated that ACS would be phased out and anticipated that ACS would no longer be supported for entry and entry summary filing by the end of February 2016. Filers were encouraged to adjust their business practices so that they would be prepared when ACS was decommissioned.

While significant progress has been made, continued concerns about trade readiness have necessitated an updated timeline for the mandatory transition to ACE for electronic entry and entry summary filing. As a result, CBP has developed a staggered transition strategy, to give the trade additional time to adjust their business practices and complete programming for entry and entry summary filing in ACE.

This notice announces that, beginning on March 31, 2016, CBP will begin decommissioning ACS for certain entry filings (including “entry summary certified for cargo release” filings) and entry summary filings, making ACE the sole CBP-authorized EDI system for processing these electronic filings. CBP will announce the conclusion of

the PGA Message Set and DIS pilots on a rolling basis. As each pilot is concluded, ACE will become the sole CBP-authorized EDI system for electronic entry and entry summary filings for merchandise subject to the specified PGA import requirements. After conclusion of a pilot, electronic entry and entry summary filings for merchandise subject to the specified PGA import requirements will no longer be permitted in ACS.

This notice announces the conclusion of the pilots for filing Animal and Plant Health Inspection Service (APHIS) Lacey Act data and National Highway Traffic Safety Administration (NHTSA) data in ACE via the PGA Message Set.

On August 6, 2015, APHIS published a notice in the **Federal Register**, announcing a test of the PGA Message Set for the electronic submission of import data required by the Lacey Act. (80 FR 46951). CBP and APHIS have evaluated the test for submission of Lacey Act data in ACE and have found the test to have been successful. The ACE PGA Message Set has the operational capabilities necessary to electronically collect the Lacey Act data required by APHIS. APHIS and CBP are confident that the system is now ready for full Lacey Act integration based on the sustained success of the pilot, which has experienced no data or system errors. As a result, this test has been concluded, as announced by APHIS in a bulletin communication on January 22, 2016.

On August 10, 2015, CBP published a notice in the **Federal Register** announcing an NCAP test of the PGA Message Set for the electronic submission of import data

required by NHTSA. (80 FR 47938). CBP and NHTSA have evaluated the NCAP test for filing import data required by NHTSA in ACE, and have found the test to have been successful. The PGA Message Set has the operational capabilities necessary to electronically collect the import data required by NHTSA in ACE. As a result, this notice announces the conclusion of the NHTSA PGA Message Set test.

**ACE as the Sole CBP-Authorized EDI System for the Processing of Certain
Electronic Entry and Entry Summary Filings**

This notice announces that ACE will be the sole CBP-authorized EDI system for the electronic filings listed below. These electronic filings must be formatted for submission in ACE, and will no longer be accepted in ACS.

I. Electronic filings for merchandise subject only to CBP import requirements:

Effective March 31, 2016, ACE will be the sole CBP-authorized EDI system for electronic entry summaries filed for merchandise that is subject only to import requirements of CBP, associated with the following entry types:

- 01 - Consumption - Free and Dutiable
- 03 - Consumption - Antidumping/Countervailing Duty
- 11 - Informal - Free and Dutiable
- 23 - Temporary Importation Bond (TIB)
- 51 - Defense Contract Administration Service Region (DCASR)
- 52 - Government – Dutiable

Effective May 28, 2016, ACE will be the sole CBP-authorized EDI system for electronic entries for merchandise that is subject only to import requirements of CBP, associated with the following entry types:

- 01 - Consumption - Free and Dutiable
- 03 - Consumption - Antidumping/Countervailing Duty
- 06 - Consumption – Foreign Trade Zone (FTZ)
- 11 - Informal - Free and Dutiable
- 23 - Temporary Importation Bond (TIB)
- 51 - Defense Contract Administration Service Region (DCASR)
- 52 - Government – Dutiable

Effective May 28, 2016, ACE will be the sole CBP-authorized EDI system for electronic entry summaries for merchandise that is subject only to import requirements of CBP, associated with the following entry type:

- 06 - Consumption – Foreign Trade Zone (FTZ)

II. Electronic filings for merchandise subject to Lacey Act import requirements by APHIS:

Effective March 31, 2016, for the following entry types, ACE will be the sole CBP-authorized EDI system for electronic entries and entry summaries for merchandise that is subject to the Lacey Act import requirements of APHIS, unless such filings also include PGA data or documentation other than NHTSA data:

- 01 - Consumption - Free and Dutiable
- 03 - Consumption - Antidumping/Countervailing Duty
- 11 - Informal - Free and Dutiable

- 23 - Temporary Importation Bond (TIB)
- 51 - Defense Contract Administration Service Region (DCASR)
- 52 - Government – Dutiable

Effective May 28, 2016, for the following entry type, ACE will be the sole CBP-authorized EDI system for electronic entries and entry summaries for merchandise that is subject to the Lacey Act import requirements of APHIS, unless such filings also include PGA data or documentation other than NHTSA data:

- 06 - Consumption – Foreign Trade Zone (FTZ)

III. Electronic filings for merchandise subject to NHTSA import requirements:

Effective March 31, 2016, for the following entry types, ACE will be the sole CBP-authorized EDI system for electronic entries and entry summaries for merchandise that is subject to the import requirements of NHTSA, unless such filings also include PGA data or documentation other than APHIS (Lacey) data:

- 01 - Consumption - Free and Dutiable
- 03 - Consumption - Antidumping/Countervailing Duty
- 11 - Informal - Free and Dutiable
- 23 - Temporary Importation Bond (TIB)
- 51 - Defense Contract Administration Service Region (DCASR)
- 52 - Government – Dutiable

Effective May 28, 2016, for the following entry type, ACE will be the sole CBP-authorized EDI system for electronic entries and entry summaries for merchandise that is subject to the import requirements of NHTSA, unless such filings also include PGA data or documentation other than APHIS (Lacey) data:

- 06 - Consumption – Foreign Trade Zone (FTZ)

ACS as the Sole CBP-Authorized EDI System for the Processing of Certain Electronic Entry and Entry Summary Filings

Electronic entry and entry summary filings for the following entry types must continue to be filed only in ACS:

- 02 - Consumption - Quota/Visa
- 07 - Consumption - Antidumping/Countervailing Duty and Quota/Visa Combination
- 08 - NAFTA Duty Deferral
- 09 - Reconciliation Summary
- 12 - Informal - Quota/Visa (other than textiles)
- 21 - Warehouse
- 22 - Re-Warehouse
- 31 - Warehouse Withdrawal - Consumption
- 32 - Warehouse Withdrawal - Quota
- 34 - Warehouse Withdrawal - Antidumping/Countervailing Duty
- 38 - Warehouse Withdrawal - Antidumping/Countervailing Duty & Quota/Visa Combination
- 41 - Direct Identification Manufacturing Drawback

- 42 - Direct Identification Unused Merchandise Drawback
- 43 - Rejected Merchandise Drawback
- 44 - Substitution Manufacturer Drawback
- 45 - Substitution Unused Merchandise Drawback
- 46 - Other Drawback
- 61 - Immediate Transportation
- 62 - Transportation and Exportation
- 63 - Immediate Exportation
- 69 - Transit (Rail only)
- 70 - Multi-Transit (Rail only)

Due to low shipment volume, filings for the following entry types will not be automated in either ACS or ACE:

- 04 - Appraisement
- 05 - Vessel - Repair
- 24 - Trade Fair
- 25 - Permanent Exhibition
- 26 - Warehouse - Foreign Trade Zone (FTZ) (Admission)
- 33 - Aircraft and Vessel Supply (For Immediate Exportation)
- 64 - Barge Movement
- 65 - Permit to Proceed
- 66 - Baggage

Dated: February 25, 2016.

R. Gil Kerlikowske,

Commissioner,

U.S. Customs and Border Protection.

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