

Automated Commercial Environment—Requirements Recommendation

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Subject Matter:	<u>Expedited Import/Export Programs</u>		

Requirement

All Partnering Government Agencies (PGAs) who participate in ACE must also participate in any importer/exporter application, approval, amendment, removal and appeals processes that may be developed for any expedited status and/or benefits programs that have been or may be implemented which involve clearance by those PGAs (e.g., CTPAT, FAST). The term “expedited” in this context may be defined as reduced scrutiny in CBP or PGAs internal risk management processes and/or may translate directly into faster physical clearance of shipments at the border where that is feasible.

It is understood that for a PGA that has cross border clearance accountabilities to participate in the ACE system they must already have in place a defined internal risk management process for cross border shipments. They must employ risk management principles to identify, approve and create highly compliant accounts and they must move towards an account based management system to allow resources to be designated towards the unknown, higher risk shipments and facilitate movement of legitimate shipments from known entities. This is a critical aspect to the concept of expedited clearance programs.

Each PGA will establish criteria that can be used to determine eligibility of importers/exporters to receive approval in specific expedited status and/or benefits programs. There will need to be an electronic process available within ACE that will allow for a company to update its profile with those PGAs as required.

Any standard process for approval, amendment, removal and appeals of expedited import/export programs must be extremely flexible to accommodate multiple variables for the specific program requirements (CTPAT, FAST) and the requirements of each specific PGA. Each PGA could decide if their risk management criteria and system would reside on their own internal automated systems or if they could use the standard process if developed.

NEXT STEPS: ITDS Committee members will follow up to determine the future vision of the CBP in regards to integration of PGAs and obtaining multiple PGA approvals for expedited status and/or benefits programs (e.g., CTPAT, FAST). ITDS committee members will discuss risk management processes and programs as each PGA is integrated into the ACE system. Committee members will also define a mechanism that will allow trade to quickly address any problems with the expedited import/export process.

Business Need

Because they impose admissibility and/or statistical reporting requirements for certain classes of merchandise, participation of PGAs in any expedited import/export programs requires that they must also participate in any importer/exporter application, approval, amendment, removal and appeals processes that may be developed in order to permit a comprehensive inter-agency determination of the appropriateness of any expedited import/export program status granted.

Importers/exporters that are regulated by PGAs must have the option to apply for and be authorized for existing and future expedited status and/or benefit programs (CTPAT, FAST) even if their particular industry has additional government agency regulatory requirements outside of the CBP requirements.

Technical Need

Requires both the PGA and the importers/exporters participation in the current ACE system. Potential systems upgrades and/or changes in the PGA's internal systems to accommodate their particular requirements for any application/rejection/amendment/approval/appeals process that is implemented. Potential coordination of processes and systems with Customs and Border Protection.

Benefits

- Provides an orderly process for inter-agency expedited import/export program eligibility determinations.
- Provides a means by which PGAs will be able to build or use their own risk management systems to efficiently identify potential security risks in international supply chains and designate internal resources appropriately.
- Provides a means by which importers/exporters that are regulated by government agencies outside of Customs and Border Protection can still take advantage of the benefits allowed under current and future expedited status and benefits programs.
- Prompt consideration of importer/exporter amendment data by all relevant agencies will permit uniform import/export operations

Risks

PGAs may not wish to participate in an account based risk management environment or may not wish to spend resources integrating into the ACE system. In addition, if consolidated inter-agency responses are dependent on various PGA systems, additional points of potential systems failure are introduced to the process for expedited status determinations. Mandatory participation of all identified PGAs in the ACE system will remove this risk, if enacted.

PGA involvement in current and future expedited programs that may be developed could potentially require internal PGA business process changes that may, in turn, require legislative updates to accommodate those new processes.

Related Subcommittees

Accounts
Entry
Legal Policy

Priority: **Critical** **High** **Medium** **Low**