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 electronic entry and entry summary filings associated with most entry types. 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.

DATES: Effective: July 23, 2016. ACE will be the sole CBP-authorized EDI system for processing electronic entry and entry summary filings of certain entry types, and ACS will no longer be a CBP-authorized EDI system for purposes of processing the electronic filings specified in this notice.

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 July 23, 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 the release of 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 (Pegas) to determine whether merchandise may be released from CBP custody. Exporters 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 developed the Automated Commercial Environment (ACE) 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.

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.

CBP has developed a staggered transition strategy for decommissioning ACS. The first two phases of the transition were announced in a Federal Register notice on February 29, 2016. (81 FR 10264). The third phase of the transition was announced in a Federal Register notice on May 16, 2016. (81 FR 30320). This notice announces the fourth phase of the transition. In this phase, CBP will decommission ACS for most entry and entry summary filings.

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

This notice announces that, effective July 23, 2016, ACE will be the sole CBP-authorized EDI system for the electronic entry and entry summary filings listed below, for all filers. These electronic filings must be formatted for submission in ACE, and will no longer be accepted in ACS.

- **01—Consumption—Free and Dutiable**
- **02—Consumption—Quota/Visa**
- **03—Consumption—Antidumping/Countervailing Duty**
- **06—Consumption—Foreign Trade Zone (FTZ)**
- **07—Consumption—Antidumping/Countervailing Duty and Quota/Visa Combination**
- **11—Informal—Free and Dutiable**
- **12—Informal—Quota/Visa (other than textiles)**
- **21—Warehouse**
- **22—Re-Warehouse**
- **23—Temporary Importation Bond (TIB)**
- **31—Warehouse Withdrawal—Consumption**
- **32—Warehouse Withdrawal—Quota**
- **34—Warehouse Withdrawal—Antidumping/Countervailing Duty**
- **38—Warehouse Withdrawal—Antidumping/Countervailing Duty & Quota/Visa Combination**
- **51—Defense Contract Administration Service Region (DCASR)**
- **52—Government—Dutiable**
- **61—Immediate Transportation**
- **62—Transportation and Exportation**
- **63—Immediate Exportation**
- **69—Transit (Rail only)**
- **70—Multi-Transit (Rail only)**

**SUPPLEMENTARY INFORMATION:** Information about the Cybersecurity Information Sharing Act of 2015 and Automated Indicator Sharing can be found at: [https://www.dhs.gov/ais](https://www.dhs.gov/ais).

**FOR FURTHER INFORMATION CONTACT:** If you have questions concerning the meeting, please contact [cisaimplementation@hq.dhs.gov](mailto:cisaimplementation@hq.dhs.gov) or Robert Hopkins, Director, External Affairs, Office of Cybersecurity and Communications, Department of Homeland Security, [Robert.Hopkins@hq.dhs.gov](mailto:Robert.Hopkins@hq.dhs.gov) or (703) 235–5788.

### Background and Purpose

On December 18, 2015, the President signed into law the Cybersecurity Act of 2015 as a part of the FY16 omnibus spending bill. Both Congress and the White House were active on the issue of cybersecurity during 2015, with multiple bills passed in each chamber. The resulting law included in the omnibus spending legislation reflects a reconciliation of the cybersecurity bills passed in the House and Senate in 2015.

Title I, the Cybersecurity Information Sharing Act (CISA), authorizes companies to voluntarily share cyber threat indicators and defensive measures with the Federal Government, State, Local, Tribal, and Territorial (SLTT) entities, and other private sector entities through a capability and process established by DHS. The law also:

- Provides liability protection to private sector entities for information shared in accordance with the law;
- Directs DHS to share private sector cyber threat indicators and defensive measures in an automated and real-time manner with Federal departments and agencies for cybersecurity purposes;
- Establishes measures to ensure that cybersecurity information received, retained, or shared by the DHS mechanism will not violate the privacy or civil liberties of individuals, under procedures jointly drafted by the Department of Justice and DHS;
- Protects shared information from public disclosure; and
- Sunsets the provisions for these information sharing measures in 10 years.

The CISA establishes an additional statutory basis for the Department’s information sharing efforts with the Automated Indicator Sharing (AIS) initiative, which enables real-time sharing of cyber threat indicators between DHS and stakeholders in the public and private sectors. The DHS real-time sharing process (and the web form and email process for cyber threat indicator and defensive measure sharing) do not replace pre-existing...