

**DEPARTMENT OF HOMELAND SECURITY****U.S. Customs and Border Protection****Extension and Clarification of Test Program Regarding Electronic Foreign Trade Zone Admission Applications and Transition of Test From the Automated Commercial System to the Automated Commercial Environment**

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

**ACTION:** General notice.

**SUMMARY:** This document announces U.S. Customs and Border Protection's (CBP's) plan to extend a test program for submitting electronic Foreign Trade Zone (FTZ) admission applications to CBP via the Automated Broker Interface (ABI). This notice further announces a clarification regarding the data elements that are required for the submission of an FTZ admission application, as well as the transition of the test program from the Automated Commercial System (ACS) to the Automated Commercial Environment (ACE).

**DATES:** As of September 16, 2017, ACE will be the sole CBP-authorized electronic data interchange (EDI) system for processing electronic FTZ admission applications.

The test will continue until concluded by way of announcement in the **Federal Register**. Comments concerning this notice and any aspect of the prototype may be submitted at any time during the test period.

**ADDRESSES:** Written comments regarding this notice may be submitted via email to Lydia Jackson at [Lydia.A.Jackson@cbp.dhs.gov](mailto:Lydia.A.Jackson@cbp.dhs.gov), or via mail to the Cargo Control Branch, Office of Field Operations, U.S. Customs and Border Protection, 1300 Pennsylvania Avenue NW., Room 5.2C, Washington, DC 20229.

**FOR FURTHER INFORMATION CONTACT:** For operational questions, contact Lydia Jackson, Cargo & Conveyance Security, Office of Field Operations, U.S. Customs and Border Protection, via email at [Lydia.A.Jackson@cbp.dhs.gov](mailto:Lydia.A.Jackson@cbp.dhs.gov). For technical questions, contact Tonya Perez, Cargo Systems Program Directorate, Office of Information and Technology, U.S. Customs and Border Protection, via email at [Tonya.M.Perez@cbp.dhs.gov](mailto:Tonya.M.Perez@cbp.dhs.gov).

**SUPPLEMENTARY INFORMATION:**

**I. Background**

*A. Electronic Foreign Trade Zone Admission Application Test Program: Planned Component of the National Customs Automation Program*

The National Customs Automation Program (NCAP) was established in Subtitle B of Title VI—Customs Modernization (“Customs Modernization Act”), North American Free Trade Agreement Implementation Act (Pub. L. 103–182, 107 Stat. 2057, Dec. 8, 1993) (19 U.S.C. 1411). Section 101.9(b) of title 19 of the Code of Federal Regulations (19 CFR 101.9(b)) provides for the testing of NCAP components. See T.D. 95–21, 60 FR 14211 (March 6, 1995).

On August 19, 2005, U.S. Customs and Border Protection (CBP) announced a test regarding the submission of an electronic version of CBP Form 214 (“Application for Foreign-Trade Zone Admission and/or Status Designation”) via the Automated Broker Interface (ABI) to the Automated Commercial System (ACS), which was published in the **Federal Register** (70 FR 48774). The electronic Foreign Trade Zone (FTZ) admission application prototype is currently being tested in ACS in accordance with 19 CFR 101.9(b). The test program initially allowed for electronic FTZ admission applications for merchandise reported to CBP via air, sea, and rail manifest. Since 2006, the option of submitting admission applications for merchandise reported to CBP via truck manifest has been available as well.

The notice described the test program in detail, identified the regulatory provisions suspended for the test, and set forth the test commencement date as no earlier than September 30, 2005, with a test period of approximately 6 months. The test notice also set forth the prototype procedures and listed the required data elements which must be provided to CBP when filing an FTZ admission application. Participants were required to participate in an evaluation of this test to take place at the end of the 6-month period.

Due to low participation in the test program and insufficient data collected, CBP announced on March 26, 2007 in the **Federal Register** (72 FR 14128) that the test should be run again. The new test program was intended to encourage greater participation by the trade and thereby provide more meaningful data to CBP to assess the feasibility of implementing the test program on a permanent basis. A final evaluation was to take place at the end of the test period.

*B. Transition Into the Automated Commercial Environment (ACE)*

ACE, the planned successor to ACS, is an automated and electronic system for processing commercial trade data which is intended to streamline business processes, facilitate growth in trade, ensure cargo security, and foster participation in global commerce, while ensuring compliance with U.S. laws and regulations and reducing costs for CBP and all of its communities of interest. The ability to meet these objectives depends on successfully modernizing CBP's business functions and the information technology that supports those functions. ABI enables members of the trade community to file electronically required import data with CBP and transfers that data to ACE.

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 October 13, 2015, CBP published an Interim Final Rule in the **Federal Register** (80 FR 61278) that designated ACE as a CBP-authorized electronic data interchange (EDI) system, to be 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 phase of the transition was announced in a **Federal Register** notice published on February 29, 2016 (81 FR 10264). The second phase was announced in a **Federal Register** notice published on May 16, 2016 (81 FR 30320). The third phase of the transition was announced in a **Federal Register** notice published on May 23, 2016 (81 FR 32339). This notice announces a further transition as CBP is transitioning the FTZ admission application test from ACS to ACE.

**II. Test Modifications and Transition Into ACE**

This test notice announces the transition of the test program from ACS to ACE, a clarification regarding data elements that are required, and the extension of the duration of the test program. Each change is discussed separately below. Except to the extent expressly announced or modified by this document, all aspects, rules, terms, requirements, obligations and conditions announced in previous

notices regarding the test remain in effect.

#### *A. Mandatory Use of ACE for Electronic Filing of FTZ Admission Applications*

This document announces that beginning on September 16, 2017, all test participants must file electronic FTZ admission applications in ACE. All other filers will continue to submit FTZ admission applications to CBP on paper. As of September 16, 2017, ACS is decommissioned for the electronic filing of these applications.

#### *B. Clarification*

This document announces a clarification to the notice published in the **Federal Register** on August 19, 2005. The list of data elements which test participants must provide CBP when filing an electronic FTZ admission application contained in that notice inadvertently failed to include the data element “Zone ID” which replaced the “Zone Number and Location (Address)” requirement on the paper CBP Form 214 (Question 1). This notice clarifies that the list of data elements required for the electronic FTZ admission application must include the “Zone ID”. Test participants have been submitting this data element since the inception of the test program.

Further, this document reminds test participants that they must provide the data elements “Steel Import License Number” and “Kimberley Process Certificate Number” to CBP, as applicable, when filing an electronic FTZ admission application, as required by CSMS message (CSMS #14-000641) dated December 15, 2014. Under 19 CFR 12.145 and 360.101(c), the steel import license number needs to be provided on CBP Form 214 at the time of filing under 19 CFR part 146, in the case of merchandise admitted into an FTZ. The Kimberley Process Certificate must be presented in connection with an importation of rough diamonds into an FTZ and exportation out of an FTZ if demanded by a CBP official according to 31 CFR 592.404 and 592.301. Pursuant to 31 CFR 592.301 Note 3, when making entry of a shipment of rough diamonds via ABI, the customs broker, importer or filer must submit the unique identifying number of the Kimberley Process Certificate accompanying the shipment.

#### *C. Extension of Program*

The test has been running continuously since March 26, 2007. CBP announces in this notice that it is extending the test until a decision is reached to implement the program on a permanent basis and/or to conclude the test. The new test program is intended

to encourage greater participation in the test program by the trade and thereby provide CBP with more meaningful data by which to assess the feasibility of implementing the program on a permanent basis. CBP will inform the public of its decision to conclude the test program, and if the test program was successful, to implement it on a permanent basis, by way of announcement in the **Federal Register**.

Dated: August 10, 2017.

**Todd C. Owen,**

*Executive Assistant Commissioner, Office of Field Operations.*

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## **DEPARTMENT OF HOMELAND SECURITY**

### **U.S. Customs and Border Protection**

#### **Automated Commercial Environment (ACE) Becoming the Sole CBP-Authorized Electronic Data Interchange (EDI) System for Processing Duty Deferral Entry and Entry Summary Filings**

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

**ACTION:** General notice.

**SUMMARY:** On August 30, 2016, U.S. Customs and Border Protection (CBP) published a notice in the **Federal Register** announcing plans to make the Automated Commercial Environment (ACE) the sole electronic data interchange (EDI) system authorized by the Commissioner of CBP for processing electronic drawback and duty deferral entry and entry summary filings. The date for the changes announced in that notice had been delayed indefinitely. This notice announces the new date for the transition of duty deferral entry and entry summary filings. The transition for processing electronic drawback filings will be announced in the **Federal Register** at a later date.

**DATES:** As of September 16, 2017, ACE will be the sole CBP-authorized EDI system for processing duty deferral entry and entry summary filings, and the Automated Commercial System (ACS) will no longer be a CBP-authorized EDI system for processing these filings.

**FOR FURTHER INFORMATION CONTACT:** Questions related to this notice may be emailed to [ASKACE@cbp.dhs.gov](mailto:ASKACE@cbp.dhs.gov) with the subject line identifier reading “ACS to ACE Duty Deferral Entry and Entry Summary Filings Transition.”

**SUPPLEMENTARY INFORMATION:** On August 30, 2016, U.S. Customs and Border Protection (CBP) published a notice in the **Federal Register** (81 FR 59644) announcing plans to make the Automated Commercial Environment (ACE) the sole electronic data interchange (EDI) system authorized by the Commissioner of CBP for processing electronic drawback and duty deferral entry and entry summary filings, with an effective date of October 1, 2016. The document also announced that, on October 1, 2016, the Automated Commercial System (ACS) would no longer be a CBP-authorized EDI system for purposes of processing these electronic filings. Finally, the notice announced a name change for the ACE filing code for duty deferral and the creation of a new ACE filing code for all electronic drawback filings, replacing the six distinct drawback codes previously filed in ACS. On October 3, 2016, CBP published a notice in the **Federal Register** (81 FR 68023) announcing that the effective date for these changes would be delayed until further notice. Thereafter, on December 12, 2016, CBP published a notice in the **Federal Register** (81 FR 89486) announcing that the new effective date for the transition would be January 14, 2017. On January 17, 2017, CBP published an additional notice in the **Federal Register** (82 FR 4900) delaying the effective date for the transition until further notice. Then, on June 8, 2017, CBP published a notice in the **Federal Register** (82 FR 26698) announcing that the new effective date for the transition would be July 8, 2017. Thereafter, on June 30, 2017, CBP published a notice in the **Federal Register** (82 FR 29910) delaying the effective date for the transition until further notice.

This notice announces that beginning September 16, 2017, ACE will become the sole CBP-authorized EDI system for duty deferral entry and entry summary filings, and ACS will no longer be a CBP-authorized EDI system for purposes of processing these electronic filings. The transition date for processing electronic drawback filings will be announced in a separate **Federal Register** Notice at a later date.

Dated: August 11, 2017.

**Kevin K. McAleenan,**

*Acting Commissioner, U.S. Customs and Border Protection.*

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