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For Immediate Release

NCBFAA Releases ACE Priority White Paper

WASHINGTON, D.C.- In preparation of the final Automated Commercial Environment (ACE) deployment set to release February 24, the NCBFAA has published a white paper laying out the multiple critical developments U.S. Customs and Border Protection (CBP) will need to address for ACE to be a fully functional, complete and stable system of record for the U.S. trade community.

The NCBFAA, whose members process more than 97 percent of the entries filed for goods entering U.S. commerce, has been at the forefront of industry efforts to support CBP in delivering a system that meets the needs of U.S. trade. For close to 20 years, the NCBFAA and the trade has worked in conjunction with CBP on the development and implementation of ACE. In this white paper, which is intended to be a high-level overview of the more in-depth ACE priority list found here, the NCBFAA highlights the much-needed critical developments CBP will need to fund and schedule for ACE to be entirely complete. These developments are focused into four specific areas:

- Development needed to obtain a release of the goods at the border;
- Programming needed to support the entry or entry summary;
- Processing needs for the entries' "post-release" (that is, provision of data required after goods are permitted to enter the geographic U.S.); and
- Clear and decipherable messaging from CBP to the trade.

At the present, ACE is not yet capable of consistently providing a stable release date for goods clearing the borders. The NCBFAA recommends CBP stabilize the release date coding within ACE to allow for predictability, the protection of filer rights and the establishment of the filers' statutory and regulatory obligations under the various filing timelines. Additionally, ACE must be enhanced to allow for more appropriate data submission limitations to adequately process modern international trade transactions. The current system has serious limitations on both individual lines of data and total size of transmissions. Both factors are serious hindrances to the facilitation of trade. These limitations add unnecessary costs to trading entities, which must pass along this unnecessary expense to the American consumer.

Entries and entry summaries contain the fundamental data necessary for CBP to enforce and facilitate the movement of trade. ACE currently has several critical issues with ACE as it relates to entry summary, including the way that currency conversion is calculated

for value and applicable duties, the need for ongoing efforts in automation of the invoice interface within the Automated Broker Interface system CBP required the brokerage industry to adopt, and issues surrounding remote location filing.

The NCBFAA knows post-entry processing is the most complicated part of a trade transaction. Having a stable system is important here as it is anywhere else. Challenges include the simplification and automation of the drawback program, ongoing and often uncommunicated changes to reconciliation, inadequate communication complicated by CBP taking protest filing out of the Automated Broker Interface, and inconsistent and often incomplete communication of post-entry issues from CBP to the trading community.

The messaging system currently in place inconsistent, duplicative, prone to incorrect interpretation by CBP and the trade, not self-explanatory in any way and despite repeated requests from the trade, no complete list of messages and their meaning has ever been provided to the trading community from CBP. This creates uncertainty and confusion about what certain messages mean and how they are consistent with other seemingly identical messages.

In conclusion. the NCBFAA believes this paper offers CBP a starting point on how and where to focus their efforts. And while the NCBFAA understands that ACE is a work in progress, and that CBP has made great strides in its development of the last few years, it is still in need of a substantial infusion of common sense policy, solid programming, additional budget allocation, and good government oversight to achieve a complete system of record that encompasses all aspects of entry filing for the U.S. trade community.

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Headquartered in Washington, D.C., the NCBFAA represents more than 1,000 member companies with 110,000 employees in international trade - the nation's leading freight forwarders, customs brokers, ocean transportation intermediaries (OTIs), NVOCCs and air cargo agents, serving more than 250,000 importers and exporters. Established in 1897 in New York, NCBFAA is the effective national voice of the industry. Through its various committees, counsel and representatives, the Association maintains a close watch over legislative and regulatory issues that affect its members. It keeps them informed of these and other related issues through its weekly Monday Morning eBriefing, and various meetings and conferences throughout the year.