

CBP Announces Deployment Schedule For ACE ESAR II

By Karen Lobdell

U.S. Customs and Border Protection (CBP) issued a general notice in the *Federal Register* on March 6, 2009, to announce the agency will begin the National Customs Automation Program (NCAP) test for the Automated Commercial Environment (ACE) Entry Summary, Accounts, and Revenue (ESAR II) capabilities as early as March 15, 2009. Additionally, the notice indicates that CBP is inviting additional interested ABI applicants to participate in the test.

Background

ACE is the commercial trade processing system being developed by CBP to facilitate trade while strengthening border security. The ACE Secure Data Portal, essentially a customized Web page, connects CBP, the trade community and participating government agencies by providing a single, centralized, online access point for communications and information related to cargo shipments.

ACE portal account holders currently have access to more than 100 customizable reports that can be used to identify compliance issues and monitor daily operations. Additionally, with the ACE periodic monthly statement feature, participants have until the 15th working day of the month following cargo release to pay duties and fees for imported merchandise, allowing them to better manage cash flow.

In September 2007, CBP deployed ESAR capabilities that built upon the account-based features already available in the ACE Secure Data Portal. The enhancements expanded the number of account types, incorporated reference data formerly in the CBP Automated Commercial System (ACS) and integrated account management features, such as electronic access to all account master data and a single sign-on capability to access multiple accounts.

On August 26, 2008, CBP published a general notice in the Federal Register announcing the agency's plans to conduct a test of ESAR II capabilities and requesting ABI participants, importers and customs brokers who were interested in participating in the test to submit comments within 60 days. CBP received comments from 39 interested participants. Additionally, 17 software developers will participate.

Next Steps for ESAR II

CBP is now taking the first steps toward implementing an updated automated entry summary process by allowing entry summaries for the most common entry types to be filed in ACE.

Participating importers and customs brokers will have capabilities via ACE specific to entry summary filing and processing of informal (type 11) and formal/consumption (type 01) entries. Functionality will also include ABI Census Overrides and issuance of CBP Requests for Information (CBP Forms 28), Notices of Action (CBP Form 29), and Notices to Mark and/or Redeliver (CBP Form 4647) through the portal. Participants will be able to respond to the forms through the ACE portal by interactively completing the form and uploading additional supporting documents or images, as needed. Furthermore, importer, broker and carrier Portal Account types will be able to maintain certain declarations in the ACE Portal including:

- > Affidavits of manufacturers;
- > North American Free Trade Agreement (NAFTA) Certificates of Origin;
- > Non-Reimbursement Blanket Statements (Anti-Dumping/Countervailing Duty (AD/CVD)); and
- > Importer certifying statements.¹

CBP has also announced in this notice that although this ESAR II test will support type 01 and 11 entry types filed through remote location filing (RLF), this will not be available on the first day of the test. The agency will support RLF at some point following the “go live” date of the test and will issue a message to the trade via the Cargo Systems Message Systems (CSMS) as an alert.

Targeted Phase-in Dates

Based on feedback from the trade with respect to the test, the ESAR II test will be conducted in a phased-in approach as detailed below.

- > *Initial Stage – No Earlier than March 15, 2009* – Buffalo, N.Y., Chicago, Ill. Long Beach, Calif., and Laredo, Texas..
- > *Second Stage – No Earlier than April 15, 2009* – Miami, Fla., New Orleans, La., Houston, Texas, San Francisco, Calif., Seattle, Wash., El Paso, Texas, Boston, Mass., San Diego, Calif., Newark, N.J., J.F.K. Airport, N.Y., Baltimore, Md., Philadelphia, Pa., Cleveland, Ohio, Tucson, Ariz., Tampa, Fla., Detroit, Mich. and Atlanta, Ga..

¹ While the original notice published in the Federal Register on August 26, 2008, indicated that certain marking rulings would also be supported, CBP is announcing in this notice that it will not be supporting marking rulings at this time.

- > *Third Stage – No Earlier than June 15, 2009* – Expansion nationwide to all remaining ports.

Expansion of Participants

If you missed the opportunity to request participation in the test during the initial Federal Register notice, you have a second chance. CBP is now inviting additional applicants meeting the eligibility criteria to participate in the ESAR II test.

Importer and customs broker volunteers who wish to participate in the test must meet the following requirements:

- > Have an ACE Portal Account;²
- > File entries on a Statement (e.g., no non-statement, single-pay entry summaries will be allowed); and
- > Use a software package that has completed ABI certification testing for ACE.

Potential participants should note that participation in this test is not confidential. Names of approved participants will be disclosed by CBP pursuant to a Freedom of Information Act request, in accordance with 5 U.S.C. § 552.

Interested parties should contact their assigned client representative directly. If no client representative has been assigned, interested parties should contact the Client Representative Branch at (703) 650-3500. Filers will receive e-mail notification confirming acceptance into the test.

Drinker Biddle's Customs & Trade practice would be happy to assist companies that are interested in participation in the ESAR II test. Additionally, we would gladly provide guidance to companies who have not yet obtained an ACE account and are interested in learning more about the program and potential benefits of being an ACE account holder.

For further information regarding the ESAR II test or ACE program, please contact **Karen Lobdell**, director, Trade Security and Supply Chain Services, at karen.lobdell@dbr.com. Both Karen Lobdell and Joan Koenig, counsel with the Customs & Trade practice, are members of the Trade Support Network (TSN) and provide input into the design and development of Modernization projects, such as ACE.

² While volunteers may also participate as Non-Portal Accounts, functionality may be limited.

Customs and Trade Practice Group

Kathleen Murphy
Chair, Partner
(312) 569-1155
Kathleen.Murphy@dbr.com

Therese Ignich
Trade Specialist
Licensed Customs Broker
(312) 569-1582
Therese.Ignich@dbr.com

Joan Koenig
Counsel
(312) 569-1163
Joan.Koenig@dbr.com

Karen Lobdell
Director, Trade Security &
Supply Chain Services
Licensed Custom Broker
(312) 569-1066
Karen.Lobdell@dbr.com

Randy Rucker
Partner
(312) 569-1157
Randy.Rucker@dbr.com

James Sawyer
Partner
(312) 569-1156
James.Sawyer@dbr.com

Beata Spuhler
Associate
(312) 569-1158
Beata.Spuhler@dbr.com

Michelle Welsh
Associate
(312) 569-1172
Michelle.Welsh@dbr.com

Other Publications



www.drinkerbiddle.com/publications

Sign Up



www.drinkerbiddle.com/publications/signup