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Port Huron Field Operations
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File: PH-OFO-04-085

Date: December 16, 2004

TO : Brokers, Importers, ABI Filers and Other Interested Parties

FROM : Port Director,
Port Huron, Michigan

SUBJECT : Frequently Asked Questions: Required Advance Electronic
Presentation of Cargo Information for Truck Carriers,
Implementation of Trade Act of 2002 (*Questions 19 modified 12/14/04*)

1. What advanced electronic cargo information is required by this notice for trucks entering the United States?

This notice requires that current systems for providing information to U.S. Customs and Border Protection (CBP) be used as the approved electronic data interchanges to meet the requirements of the regulations. As a result, current providers of information through the Automated Broker Interface (ABI) and other formats will continue to provide necessary information. This notice provides mandatory standard electronic data interchanges and initiates the time frames for submission of the data as specified in the December 5, 2003, Federal Register notice.

2. How far in advance does the cargo information need to be submitted to CBP?

Cargo information must be received by CBP in its electronic systems at least one (1) hour prior to arrival. For shipments that qualify for the Free and Secure Trade (FAST) program the information must be received at least 30 minutes prior to arrival. Two systems, BRASS and CAFES (discussed in question 3) allow for presentation of the information at the time of arrival.

3. What are the approved electronic data interchanges?

CBP has approved the following interchanges for transmission of advance cargo information in this interim phase:

- Pre-Arrival Processing System (PAPS) – A system that links electronic entry information supplied by a Customhouse broker through the Automated Broker Interface (ABI) with a Standard

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Carrier Alpha Code (SCAC) and unique identifier number (e.g., bill of lading, pro-bill or entry number) provided by a carrier. The shipment is identified at arrival by a barcode containing the SCAC code and unique identifier.

- ABI in-bond format (QP/WP) – An ABI based format that allows filers to submit in-bond information directly to CBP and receive movement authorization electronically. The shipment is identified at arrival by the CBP Form 7512 (in-bond document) that may also contain a barcode containing the in-bond serial number.

In addition to these two interchanges, CBP has made an exception to the advance cargo information time frames for two additional electronic data interchanges. These interchanges allow for the electronic transaction to occur at the time of arrival in the United States. These exceptions were made because of the enhanced security features inherent in their use. These interchanges are:

- Border Release Advance Screening and Selectivity (BRASS) – Pre-screened commercial parties importing pre-approved products are granted release at the time of arrival. The importer provides a barcode representing the transaction, a manifest and a commercial invoice that is presented by the driver. The information is verified and the shipment is released. There are additional new security measures added to BRASS to make it more compatible with the regulations.
- Customs Automated Forms Entry System (CAFES) – Allows in-bond transactions to be input directly into the CBP system by use of a 2-dimensional barcode. This barcode and the in-bond document is generated by a free software program made available by CBP on its web site.

4. What changes have been made to BRASS to improve security and allow it to be used to meet the requirements?

Changes made to allow the continuation of paper based BRASS as an interim exception to the requirement to provide advance electronic submission of cargo information include:

- As of August 17, 2004, only current BRASS participants will be allowed to continue on the system.

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- Minimum BRASS transaction standards will be increased and enforced.
- The truck carrier carrying the merchandise must only utilize drivers who are registered under the Free and Secure Trade (FAST) program and carrying a FAST Driver Card. This requirement does not currently apply at the ports of Eastport, Idaho; International Falls, Minnesota; Grand Portage, Minnesota; and Jackman, Maine, where FAST Driver Cards are not available but will be required when they become available.
- For processing along the southern border, the truck carrier participates in an approved industry partnership program, such as C- TPAT (Customs-Trade Partnership Against Terrorism).

5. Are there any exceptions to these requirements for arriving trucks?

The regulatory exceptions to advance electronic submission of information include:

- Cargo in transit from point to point in the United States. Domestic cargo transported by truck and arriving at one port from another in the United States after transiting Canada or Mexico (Sec. 123.21; Sec. 123.41).
- Certain informal entries.
- Merchandise which is informally entered on Customs Form (CF) 368 or CF368 A (cash collection or receipt).
- Merchandise unconditionally or conditionally free, not exceeding \$2000 in value, eligible for entry on CBP Form 7523.
- Products of the United States being returned, for which entry is prescribed on CBP Form 3311.

In addition, there are exceptions for this interim phase of the requirements including:

- Other shipments currently entered and released on paper such as CBP Form 3299 (Declaration for Free Entry of Unaccompanied Articles), CBP Form 214 (Application for Foreign Trade Zone Admission), Instruments of International traffic (empty racks etc) entered on a CBP Form 7533 and Sec. 321 releases.

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6. Merchandise in-transit through Canada travelling on a CBP Form 7512 B (Canada 8 ½) is exempted by regulation. What about merchandise in-transit through the United States on the same form?

Merchandise in-transit through the U.S. is treated as a Transportation and Exportation in-bond movement. This information should be transmitted to CBP via either QP/WP (one hour in advance) or CAFES (at the time of arrival). The CBP Form 7512 B (Canada 8 ½) may still be used at arrival but the information must be transmitted electronically.

7. Will the paper based Monthly Manifest program be discontinued as a result of this notice?

CBP intends to continue support for what is known as Monthly Manifest (which applies to automotive products), until the periodic summary reporting that Monthly Manifest supports is available electronically.

8. Customhouse brokers and importers file entries, why does a rule directed at carriers require entry processes?

Until an electronic manifest process is available for truck cargo, CBP will use current reporting systems. The regulation providing for advance electronic submission for trucks (19 CFR 123.92) allows different commercial parties to transmit the information that they possess.

Customhouse brokers will continue to provide PAPS information through ABI and carriers will provide the relevant movement information. In this interim phase movement information is limited to a couple of items but when a truck manifest system becomes available, more data elements will be required from the carriers.

9. What specific information is the carrier required to provide in order to meet these initial requirements?

For security purposes, to identify and link the carrier electronically to the entry transaction, PAPS, QP/WP and CAFES all require that the carrier possess a valid Standard Carrier Alpha Code (SCAC) and assign a unique number in combination with this code. The number is the four character SCAC, plus eight numbers or letters, in any combination, for a maximum of 12 (SCAC12345678, SCACABCDEFGH or SCAC1234ABCD). These numbers may include an in-bond serial number or CBP entry number as well as a carrier assigned pro-bill number

10. How does a carrier obtain a SCAC code?

A carrier may obtain a SCAC code by contacting the National Motor Freight Traffic Association, Inc., 2200 Mill Rd., Alexandria, VA 22314-4654 or

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www.nmfta.org. Carriers should FAX their NMFTA Letter of Notification to the CBP SCAC Registration Office at (703) 921-7173.

11. How does the carrier transmit the SCAC and number combination to CBP?

The carrier will provide this information to the Customhouse broker (or other ABI filer) in sufficient time to allow for electronic transmission to CBP 1 hour (or 30 minutes for FAST shipments) in advance. For PAPS shipments, this information is required to be placed on the manifest (CBP Form 7533) and invoice in a bar coded format for presentation to CBP at the time of arrival.

12. What if a carrier does not have a SCAC code or is crossing for the first (or only) time?

Commercial carriers that infrequently cross the border should still request a SCAC code and use it for border crossings as described above. On a limited case by case basis, CBP may allow first time or one time commercial carriers to arrive and release shipments without using a SCAC code. CBP Officers will be exercising enforcement discretion in making these case-by-case determinations. Examples of this may include but are not limited to:

- One time importers bringing commercial goods for their own use.
- Commercial shipments carried in personal or rental vehicles as sales samples and warranty replacements.
- Some movements of farm equipment across the border when entry is required.

13. If an owner operator or other small carrier is contracted to transport the merchandise across the border for a larger carrier that provides the pro-bill/bill of lading, which SCAC code should be provide?

Until the Automated Commercial Environment (ACE) manifest is able to identify the specific truck and driver for a shipment, the billing carrier should be identified in the transaction.

14. What are the new requirements for Customhouse brokers under the regulations?

There are no new requirements for brokers to follow. The process of filing entry has not changed and the brokers will still submit electronic information as currently required by law and regulation. The broker shall input the SCAC and identifier number in the appropriate fields for the various transactions. It is important to remember that CBP must receive the information in their system one-hour (30 minutes for FAST) in advance of the carrier's arrival.

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15. If I use remote location filing (RLF), will there be any changes that affect me?

There are two parts of this implementation that will affect RLF filers:

- All entries submitted for land border RLF shipments must be received by CBP at least one hour prior to arrival of the truck in the United States.
- The SCAC code and unique identifier (pro-bill or entry number) must be identified in the existing specific fields of the ABI transmission from the filer. No paper invoice will be required for RLF filers if the electronic invoice is available.
- The shipment may be released using either current RLF processes or PAPS. In lieu of the invoice, the carrier must note on the manifest that the shipment has been filed as an RLF entry and the invoice has been filed electronically.

16. When do these new rules become effective?

These rules go into effect on November 15, 2004, in the first group of 40 ports of entry:

- | | |
|---------------------------------|---------------------------------|
| (1) Buffalo, NY (0901) | (21) Brownsville, TX (2301) |
| (2) Alexandria Bay, NY (0708) | (22) Progreso, TX (2309) |
| (3) Ogdensburg, NY (0701) | (23) Del Rio, TX (2302) |
| (4) Massena, NY (0704) | (24) Hidalgo/Pharr, TX (2305) |
| (5) Detroit, MI (3801) | (25) Roma, TX (2310) |
| (6) Port Huron, MI (3802) | (26) Rio Grande City, TX (2307) |
| (7) Sault Ste. Marie, MI (3803) | (27) El Paso, TX (2402) |
| (8) Algonac, MI (3814) | (28) Presidio, TX (2403) |
| (9) Blaine, WA (3004) | (29) Fabens, TX (2404) |
| (10) Sumas, WA (3009) | (30) Columbus, NM (2406) |
| (11) Lynden, WA (3023) | (31) Santa Teresa, NM (2408) |
| (12) Oroville, WA (3019) | (32) Douglas, AZ (2601) |
| (13) Frontier, WA (3020) | (33) Lukeville, AZ (2602) |
| (14) Laurier, WA (3016) | (34) Naco, AZ (2603) |
| (15) Point Roberts, WA (3017) | (35) Nogales, AZ (2604) |
| (16) Danville, WA (3012) | (36) Sasabe, AZ (2606) |
| (17) Ferry, WA (3013) | (37) San Luis, AZ (2608) |
| (18) Metaline Falls, WA (3025) | (38) Tecate, CA (2505) |
| (19) Laredo, TX (2304) | (39) Calexico, CA (2507) |
| (20) Eagle Pass, TX (2303) | (40) Otay Mesa, CA (2506) |

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On December 15, 2004, the rule will become effective at the next group of 43 ports:

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|-----------------------------|-------------------------------------|
| (41) Champlain, NY (0712) | (63) Baudette, MN (3424) |
| (42) Trout River, NY (0715) | (64) Pine Creek, MN (3425) |
| (43) Pembina, ND (3401) | (65) Roseau, MN (3426) |
| (44) Noyes, MN (3402) | (66) International Falls, MN (3604) |
| (45) Portal, ND (3403) | (67) Grand Portage, MN (3613) |
| (46) Neche, ND (3404) | (68) Richford, VT (0203) |
| (47) St. John, ND (3405) | (69) Derby Line, VT (0209) |
| (48) Northgate, ND (3406) | (70) Norton, VT (0211) |
| (49) Walhalla, ND (3407) | (71) Beecher Falls, VT (0206) |
| (50) Hannah, ND (3408) | (72) Highgate Springs, VT (0212) |
| (51) Sarles, ND (3409) | (73) Houlton, ME (0106) |
| (52) Ambrose, ND (3410) | (74) Bridgewater, ME (0127) |
| (53) Antler, ND (3413) | (75) Fort Fairfield, ME (0107) |
| (54) Sherwood, ND (3414) | (76) Limestone, ME (0118) |
| (55) Hansboro, ND (3415) | (77) Van Buren, ME (0108) |
| (56) Maida, ND (3416) | (78) Madawaska, ME (0109) |
| (57) Fortuna, ND (3417) | (79) Fort Kent, ME (0110) |
| (58) Westhope, ND (3419) | (80) Calais, ME (0115) |
| (59) Noonan, ND (3420) | (81) Vanceboro, ME (0105) |
| (60) Carbury, ND (3421) | (82) Eastport/Lubec, ME (0103) |
| (61) Dunseith, ND (3422) | (83) Jackman, ME (0104) |
| (62) Warroad, MN (3423) | |

On January 14, 2005, the rule becomes effective at the remaining 16 ports:

- | | |
|----------------------------|------------------------------|
| (84) Eastport, ID (3302) | (92) Opheim, MT (3317) |
| (85) Porthill, ID (3308) | (93) Roosville, MT (3318) |
| (86) Sweetgrass, MT (3310) | (94) Morgan, MT (3319) |
| (87) Raymond, MT (3301) | (95) Whitlash, MT (3321) |
| (88) Turner, MT (3306) | (96) Del Bonita, MT (3320) |
| (89) Scobey, MT (3309) | (97) Alcan, AK (3104) |
| (90) Whitetail, MT (3312) | (98) Skagway, AK (3103) |
| (91) Piegan, MT (3316) | (99) Dalton Cache, AK (3106) |

17. How do these changes impact processing at the permit ports listed on the Federal Register Notice?

Permit ports will continue to process only entries for which a permit has been granted for that port. These changes do not open permit ports to all arriving merchandise. The primary change to permit port processing will involve the replacement of current BREL processing with electronic entry procedures through ABI. The requirement for PAPS, BRASS, QP/WP and CAFES applies to permit ports.

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18. For PAPS users, what procedures will be used during ACS down times?

In the event that an entry is presented for release using the (PAPS) when either the CBP system is down, or ABI is down, the driver will be sent to the entry filer to obtain the following:

1. ABI System Down Letter
2. CBP Form 3461Alt

Both must be attached to the release copy of the invoice in order for the cargo to move under the currently established down time procedures. This is necessary in part because with only a PAPS label on the paperwork, and nothing in the electronic systems, there is nothing to obligate the filing of an entry. Additionally, in the event that follow up is needed, CBP cannot call the filer with only a SCAC/Pro# combination to find out the status. An entry number is required for tracking purposes.

If the release is at a "Permit" Port, the filer will be required to fax a signed letter which includes the entry number, or a copy of the CBP Form 3461 which obligates the firm to file the subsequent entry documentation.

19. Enforced Compliance Guidelines.

	Implementation Date	Ports as specified in the Trade Act
1	November 15, 2004	Group 1
2	December 15, 2004	Group 2
3	January 14, 2005	Group 3

Beginning on the dates established in the above schedule, CBP will establish the following procedures in each port for any truck that arrives in the United States which is required to transmit information electronically to CBP.

There will be three phases, each phase focusing on one of the following three areas: IN-BOND, to include Customs Automated Forms Entry System (CAFES) and ABI in-bond format (QP/WQ), Pre-Arrival Processing System (PAPS) and Border Release Advance Screening and Selectivity (BRASS).

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The implementation schedule is as follows:

Phase 1 (IN-BOND)	Phase 2 (PAPS)	Phase 3 (BRASS)
<p>Group 1</p> <p>Part 1: 11/15/04 - 01/02/05 Part 2: 01/03/05 - 01/30/05</p>	<p>Group 1</p> <p>Part 1: 12/01/04 - 12/14/04 Part 2: 12/15/04 - 01/30/05</p>	<p>Group 1</p> <p>Part 1: 12/16/04 - 01/30/05</p>
<p>Group 2</p> <p>Part 1: 12/15/04 - 01/02/05 Part 2: 01/03/05 - 02/27/05</p>	<p>Group 2</p> <p>Part 1: 01/04/05 - 01/18/05 Part 2: 01/19/05 - 02/27/05</p>	<p>Group 2</p> <p>Part 1: 01/20/04 - 02/27/05</p>
<p>Group 3</p> <p>Part 1: 01/14/05 - 01/31/05 Part 2: 02/01/05 - 03/29/05</p>	<p>Group 3</p> <p>Part 1: 02/02/05 - 02/15/05 Part 2: 02/16/05 - 03/29/05</p>	<p>Group 3</p> <p>Part 1: 02/17/05 - 03/29/05</p>

To ensure uniformity in the application of these regulations, CBP will adopt the following procedures at all ports beginning on the dates established in this schedule.

Phase 1 (In-Bond)

For any truck arriving with in-bond shipments (QP/WP and CAFES) that have not been transmitted electronically to CBP, the following guidelines will be implemented:

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Part 1: Ports will issue a Notice of Noncompliance. This notice will supercede the notice currently being issued. Each port is also directed to place this notice in all broker boxes.

Part 2: *The penalties assessed in this initial phase of enforcement will focus on the egregious violation for failing to comply with automation. Penalties issued for violations of the Truck Trade Act requirements under these guidelines will be issued to the driver (in care of the carrier) under 19 USC1436. The amount of the penalty will be assessed at \$5,000 first time violation, \$10,000 for subsequent violations against same driver.*

CBP HQ will issue guidelines for future penalty phases.

Phase 2 (PAPS)

For any truck arriving with a PAPS entry that was not electronically received by CBP, the following guidelines will be implemented:

Part 1: *Ports will issue a Notice of Noncompliance. This notice will supercede the notice currently being issued. Each port is also directed to place this notice in all broker boxes.*

Part 2: *The penalties assessed in this initial phase of enforcement will focus on the egregious violation for failing to comply with automation. Penalties issued for violations of the Truck Trade Act requirements under these guidelines will be issued to the driver (in care of the carrier) under 19 USC1436. The amount of the penalty will be assessed at \$5,000 first time violation, \$10,000 for subsequent violations against same driver.*

CBP HQ will issue guidelines for future penalty phases.

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Phase 3 (BRASS)

For BRASS entries where the driver does not present a valid FAST card, the following guidelines will be implemented:

Part 1: CBP recognizes that a backlog exists for FAST card applications. Subsequently, CBP is allowing enough time to elapse prior to initiating enforcement actions. Ports will issue a Notice of Noncompliance (Attachment 2 for BRASS). This notice will supercede the notice currently being issued. Each port is also directed to place this notice in all broker boxes.

Part 2: According to the dates reflected in Phase 3 (BRASS), entry will be denied for any truck arriving at the border that is non-compliant.

Each subsequent phase will continue to enforce the elements of the preceding phases(s).

20. When using PAPS, can I provide more than one filer code on the same CBP Form 7533?

Yes. The automation rule applies to the carrier; subsequently, there is no restriction on filer codes. However, the manifest must clearly designate filers on each PAPS label.

21. Modified Enforced Compliance Guidelines.

There have been numerous programming and system problems experienced by CBP and the trade community when transmitting advance cargo information to the in-bond systems (QP/WP and CAFES) mandated by the Trade Act of 2002 regulations. CBP has decided to extend the informed compliance period for in-bond shipments at the ports with November 15, 2004, as an implementation date. As a result, CBP is modifying the Enforcement Compliance Guidelines for Truck Operations for the Trade Act of 2002 as follows:

In-Bond Shipments

Informed Compliance:	11/15/04-01/02/05
Penalties Only:	01/03/05-01/30/05
Denial of Entry and/or Penalty:	01/31/05

All other time lines delineated in the Enforcement Guidelines for Truck Operations for the Trade Act of 2002 will remain in effect.

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For additional Information, visit the Customs and Border Protection Website at:

http://www.cbp.gov/xp/cgov/import/communications_to_industry/advance_info/

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