Office of Field Operations
Cargo and Conveyance Security
Outbound Enforcement & Policy Team
April 4, 2016

Action Required: Informational

Issue: Electronic Export Manifest Pilots – Update

Background: Based on the Trade Act of 2002 and the Safe Port Act of 2006, U.S. Customs and Border Protection (CBP) has announced three electronic export manifest pilots via Federal Register Notices. These pilots are for ocean, air, and rail export manifests.

Air: The air electronic export manifest pilot was announced in the Federal Register Notice (FRN) on July 17, 2015. A number of air carriers and indirect air carriers (freight forwarders) volunteered to participate, and the initial pilot group was established.

- On November 17, 2015, an Air Export Manifest pilot meeting was held at CBP Headquarters in Washington DC. The day-long event was attended by pilot participants, air industry associations, CBP leadership/policy/operations personnel, and Census.
- Multiple-drafts of Air export manifest pilot 'assumptions' have been drawn up and exchanged.
- On February 18, 2016, a conference call was held with the air group to finalize multiple outstanding issues. Concurrence on data elements, structure, process, and progressive filing utilization were reached. More discussions regarding targeting and timeframe submission for data are needed.

Ocean: The Ocean electronic export manifest pilot was announced in the FRN in August 2015. CBP has received a number of volunteers for the ocean pilot, and the initial pilot group has been established.

- On December 17, 2015 a conference call was conducted between CBP, Census, and the pilot participants. The group was formally established, and the pilot's vision, structure, and roles and responsibilities were discussed. As of 12/17/2015, a couple of ocean carriers were coding, and one was in testing.
- On February 4, 2016, the ocean group convened in CBP Headquarters (HQ) for an in-person half-day discussion.
- As of March 2, 2016 all ocean participants are coordinating with their client reps and are in either coding or testing mode. Two participants have completed testing and are awaiting transition to Phase 2.

Rail: The Rail electronic export manifest pilot was announced in the FRN on September 9, 2015. CBP received a number of volunteers for the rail pilot, and the pilot group was established.

- The first rail pilot conference call was conducted on January 7, 2016.
- One rail carrier has completed Phase 1 and will begin Phase 2 on March 10, 2016. Other participants are currently coding and testing.

Pilot Structure (All modes):
CBP will implement pilots with multiple phases (progressing pilots) where participants can progress through each test phase at their own pace in consultation with CBP. The pilot structure will remain flexible and will be tailored accordingly per mode.
1. Test Phase – participants and CBP will exchange electronic test data. Our goal is to have all pilot participants testing by the end of March 2016.

2. Data Quality and Analysis Phase – participants and CBP will exchange production data and CBP/participants will identify data quality issues. CBP will perform risk assessments/analysis and will provide feedback to participants prior to the Operational Phase. Our goal is to have some participants transition to Phase 2 by March 2016 with full participation by April.

3. Operational Phase – CBP performs real-time risk assessment of incoming data, places holds where appropriate and conducts inspections as warranted. CBP anticipates having multiple "progressing" segments in the Operational Phase. Each segment will build upon the previous one, and adjustments will be made along the way, as we learn from the tests. Our goal is to have some participants transition into the Operational Phase (segment 1) by the end of April 2016.

    Operational Segment 1 (90 – 180 days) CBP performs real-time national security risk assessments (only) at the national level by the National Targeting Center (NTC). Appropriate holds would be initiated, and responses from the participants would be required. CBP will be positioned to proceed to Segment 2 after 90 days for those participants who are ready.

    Operational Segment 2 (90 – 180 days) Real-time national security risk assessments by the NTC and limited port level review. Port reviews (targeting) would be limited to a selected few ports and coordinated well in advance. We will seek to test the paperless environment for the designated local ports in Segment 2. Selected ports will receive training and specialized guidance. Begin to test the process for en route export inspections where applicable (e.g., inspections at other than the final port of departure).

    Operational Segment 3 Real-time national security risk assessments by the NTC and expanded port level reviews. Expand/refine the process for en route export inspections. Begin to test the process for Trusted Trader recognition and the option 4 solution (post departure filing) set.

Current: A working group has been established by the Office of Trade Relations and the Commercial Customs Operations Advisory Committee (COAC) Exports Subcommittee to develop the truck electronic export manifest pilot. The working group is discussing the nature of truck operations crossing into Canada and/or Mexico. Based on the working group discussions, a Federal Register Notice (FRN) announcing the pilot will be developed.

It is anticipated that in part, due to the complexities of truck operations, that the truck export manifest pilot FRN will take some time to publish.

CBP has worked with the COAC and the American Association of Railroads (AAR) on the development of the first three pilots and continues to work to address various aspects of the pilots. These discussions include deadlines for the submission of data, data elements, and how CBP should target high-risk shipments, to determine how the pilots will be operated.

As of March 2, 2016, all pilots are tracking. The Air pilot is slightly trailing the other two pilots, but there are more complexities involved with the air pilot.

Ocean Status: As of April 4, 2016, one carrier was determining when to start transmitting production level data. A second carrier has almost completed the testing phase before transitioning to the operational phase of the pilot.

The number of data elements to be submitted and the status of those elements (mandatory, operational, or conditional) have been agreed upon for the pilot. The timeframe for submission has also been agreed upon for the pilot (24 hours prior), and the same will most likely hold for the final rule.

The Ocean group has experience with the 24-hour rule and $10 + 2$ ISF implementation. They are insistent that our export manifest regime align with our current inbound manifest, targeting, and inspection processes.

Air Status: As of March 2, 2016, most participants have contacted their client reps to initiate Phase 1, coding and data testing. One participant has completed Phase 1, and one participant is sending in complete production level data.

Rail Status: The ACE Business Office (ABO) has been facilitating much of the conversation with the Rail group due to certain rail carriers initiating testing back in the summer of 2015.

Pilot Immediate Next Steps:
1. Continue to push for all pilot participants to start coding and testing. Push for at least one participant in each pilot to become operational by April 27th, which is the next COAC meeting.
2. Continue to demonstrate the need for CBP to receive timely, accurate pre-departure manifest data.
3. Clearly differentiate between pre-departure data for targeting purposes and post-departure data for statistical purposes.
4. Continue to flush-out and map out the progressive filing model.

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