

**Commercial Customs Operations Advisory Committee
Government Issue Paper
Secure Trade Lanes Subcommittee
In-Bond Working Group**

June 2023



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

Pub# 3228-0623

Office of Field Operations/Cargo and Conveyance Security
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Action Required: Informational

Background:

- The Part 18 regulatory package was published on September 28, 2017. After a two-year delay, implementation of the full automation requirement of the revised regulations occurred in August 2019. Key dates:
 - July 29, 2019 – Paper CBP Form 7512 no longer be accepted for input into ACE; Electronic filing and reporting of arrival, exportation, and diversion by the Trade is mandatory.
 - Shipments arriving in the U.S. by air do not require electronic reporting, will remain paper-based until new air in-bond regulations are drafted.
 - As of February 2023, the COVID-related moratorium on all in-bond liquidated damages issued for arrival outside the 30-day timeframe due to the congestion and delays at West Coast ports is no longer in effect. Ports can issue liquidated damages on violative in-bond entries originating nationwide.
 - At the March 2023 meeting, the IBWG submitted three additional recommendations for regulatory (affecting Part 18) and ACE Cargo Release programming changes that will support the proposed future-state for in-bonds that includes regulatory, technical and policy solutions based on identified issues with current in-bond processing. These listed recommendations, in addition to the previous 36 from June and December 2022, are consistent with CBP’s ACE modernization goals and will support the positive advancement of the in-bond program.
- The updated “Manifest Trade In-Bond User Interface” was deployed in ACE Modern in January 2023. This new application allows carriers to more easily report arrival, diversion, export functions, as well as to cancel these actions.
- CBP continues to develop work toward deploying new technical solutions with numerous “requests for development” that will be taken up for consideration at the next ACE executive planning meeting (July 2023), which will address some of the problems identified by trade partners. CBP’s ACE Reports Team continues its dedication to enhance existing ACE In-Bond reports to improve CBP’s enforcement posture and to offer better visibility into in-bond usage. This includes creation of a new report that will be deployed in Summer 2023.

Current Status:

- Ongoing discussions regarding implementing the 6-digit level HTS number requirement and FIRMS code reporting for in-bond shipment destination location requirement that was codified in revised Part 18 (September 2017). Certain trade members continue to oppose implementation, while others are not opposed.
- To allow for better alignment of in-bond regulations between modes, modernization and standardization of the Part 122 (Air) in-bond regulations will be a key topic and will need to be included in the upcoming in-bond regulatory revisions exercise (launch date to be announced soon).

- Legal transfer of liability among carriers when in-bond shipment possession changes to succeeding carrier. IBWG members are seeking a more transparent and definitive transaction in ACE Mod where bond liability will transfer seamlessly.
 - New system programming in ACE will be required.

Next Steps:

- Continue with working group calls focused on identifying technical fixes and business process improvements.
- Discuss solutions to legal liability and ACE programming issues, to include improved guidance in the CBP In-Bond Business Process Document.
- Collaborate to finalize which of the 39 pending recommendations can be agreed on and advanced toward regulatory revision/NPRM action.
- Determine launch date to initiate the upcoming NPRM.

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Date: May 22, 2023