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CBP Deadline for Electronic Cargo Information Takes Effect

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Summary:

If you receive goods from either Canada or Mexico, you should make certain you or your carrier is complying with the new regulations finalized by U.S. Customs and Border Protection (CBP). Beginning November 15th, certain U.S. ports of entry will begin requiring advanced electronic information for shipments imported into the U.S. by commercial truck carriers. The cargo information is required by the CBP to enable high-risk shipments to be identified for purposes of ensuring cargo safety and security and preventing smuggling.

Background:

Due to increased security, lengthy delays have developed at some border crossings frustrating carriers and suppliers. As a result, some carriers have begun to leave the industry, exacerbating the problem, or have become more selective about delivery destinations. Many of carriers that have stayed have hiked up their prices to compensate for the time spent waiting at customs. In response, the CBP recently finalized regulations pertaining to the presentation of cargo information as goods cross the border in an effort to expedite crossings.

These new regulations stipulate that carriers must provide data to the agency through an approved electronic data interchange (EDI) system at least one hour before the shipment arrives at the border. One exception to this requirement is for truck carriers who transport goods qualified for clearance under the Free and Secure Trade (FAST) program, in which case the data can be transferred up to one-half hour before the goods enter the country.

Component Manufacturer Impacts:

- If you receive goods from across the border, you can help the process in two ways:
 - First, contact your carrier to ensure they are ready to comply with these new regulations; and,
 - Second, when filling out your Form 3461 import release, provide them with as much information as you can about the nature of the goods you are having transported.
 - Following these two steps will ensure you receive your products in a timely manner so you don't find yourself scrambling for materials because your shipment is being held up at its port of entry.

- The CBP will implement this system in three stages:
 - First Stage: November 15, 2004 (will include ports of entry in New York, Michigan, Washington, Texas, New Mexico, Arizona and California);
 - Second Stage: December 15, 2004; and,
 - Third stage: January 14, 2005.
 - For a complete list of ports of entry affected, please go to the CBP web site at: <http://www.customs.ustras.gov>.

Additional Background:

CBP has indicated the next step in this process is to create an Automated Commercial Environment (ACE) system. However, until the ACE Truck Manifest becomes fully operational, two interim EDI systems have been approved by the CBP to comply with the new regulations: the Pre-Arrival Processing System (PAPS) and the QP/WP automated broker system.

As an additional temporary accommodation, the CBP has also made two exceptions for carriers already using either the Customs Automated Forms Entry System (CAFES) or the Border Release Advanced Screening and Selectivity program (BRASS). With BRASS, carriers must only use FAST-approved drivers; the importer and shipper involved in the transaction must be current BRASS participants; and the importer and shipper must have engaged in at least 50 shipments the previous year, although CBP retains the right to change that number at any time.

For more information on these interim measures (PAPS, BRASS and FAST), please read the attached "Truck Release Scenarios" .pdf, produced by Norman G. Jensen, Inc.