The Positive and Pervasive Role of IT – Enhancing Management and Operational Efficiencies

Customs Automation / ACE M1
What is Terminal Impact

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First some background:

- In April 2001 CBP announced the Customs Modernization development with introduction of Automated Commercial Environment (ACE)
- Scope covers Terminals, Truckers, Brokers, Air, Ocean, Rail, CFS, and will help to create streamlined integration
- In 2003 – the initial Web Portal Accounts were introduced
- By June 2004 – over 145 importers and broker accounts set up for entry processing, duty payments etc
What is ACE M1?

**First some background:**

- By end 2005, Truck was on board, allowing processing of transit paperwork through both the Northern and Southern borders.
- In Feb 2008, plans were made to include Ocean and Rail under ACE M1.
- In 2009, OOCL was first participant to start migration to ACE M1 – which was eventually withdrawn.
- In 2011, again, OOCL was initial Trade participant to test and migrate to ACE M1 – completed Dec 2011.
ACE M1 Status

Fast Forward to September 2012!
Currently
- 99% Rail in ACE M1
- 85% Ocean
Target is to de-commission AMS effective September 29th 2012

So, what changed? What was the impact?
What are the Impacts of ACE M1?

There are a number of changes:

- ACE M1 will accommodate Container Level Holds
- Additional SNPs – up to 25
- Partial PTT capability
- PGA involvement
  - 5-6 PGAs will have hold capability
  - Most will have authority to view / request docs
  - Phased implementation
- IB delete Handling
How will this change today’s Process?

After the implementation of Zero Tolerance, Terminal Operators are under same “rules” and Penalties on cargo release.

Container Level Holds

Partial PTT

PGA Hold capability

IB Removal
What Other Changes impact the TO’s?

Potential Changes in future on Cargo Release

ACE M1 has more capabilities that have not been “opened” until AMS shutdown

Terminals that have migrated to ACE have seen HBL info included with Manifest

BAPLIE / Manifest linkage to “arrive” BLs
What Other Changes impact the TO’s?

PGAs

(Participating Government Agencies)

Potential benefit in identifying exam cargo in advance of vessel arrival

Allows segregation to facilitate speedier handling

Clear distinction on which agency has hold
Why is ACE so important?

- ACE is the new Foundation
- CBP has other planned initiatives
  - Cargo Release
  - Export Manifest
  - IB Handling
  - AIR / Brokers (ABI)
Ultimately the “grand design” would be a multi-modal platform allowing better integration and visibility between parties in the supply chain.

Better visibility, and advance “qualitative” information will allow better efficiency in cargo handling.
QUESTIONS?