

## COAC Advance Cargo Information Subcommittee

### Rail Workgroup

Number	Issue Description	Workgroup Recommendation
1	Data Element Coordination	The workgroup believes it is crucial that coordination of all data elements to be required by the U.S. government for traffic entering and exiting the U.S. be coordinated through one entity, preferably the Bureau of Customs and Border Protection (CBP) using rail AMS.
2	Data Requirements	<p>The workgroup recommends that CBP utilize current data systems when possible and that CBP not require railroads to make extensive modifications to existing systems only to have them replaced by ACE in two years. Any new requirements should be consistent with TSN development.</p> <ol style="list-style-type: none"> <li>a. For railroads, BRASS and C4 line releases are handled electronically, compared to paper transactions used by motor carriers. USCS' truck "strawman" proposed the removal of BRASS. BRASS, however, provides the internal mechanics for Automated Line Release (ALR) for railroads; therefore, if BRASS is disconnected, the background functionality will be lost, and the workload for all parties will be increased. C4 line release is critical to expedited cross-border rail operations; in fact, the majority of transborder rail traffic clears CBP using this release option. The type of rail customer that participates in ALR is a known transborder shipper that tenders highly repetitive, high value loads to the rail carrier; such customers also tend to be ones that qualify for participation in C-TPAT. The workgroup recommends that BRASS being retained and that CBP insert C4 codes into the Automated Targeting System to supplement the existing and future AMS manifest requirements.</li> <li>b. If CBP insists on discontinuing the use of line release for paper processing, it is important that CBP accomplish this in a way that does not penalize automated carriers. Specifically, the workgroup recommends that CBP develop a process that only allows automated line release for fully automated carriers.</li> <li>c. For outbound shipments, ITN numbers should be used exclusively, with the understanding that CBP will not require exporting rail carriers to forward AES/ITN numbers to the port of exit for verification by CBP inspectors. ITN numbers would be stored in the carrier's system for post-verification by CBP, as required, and rail carriers would not be required to validate numbers. The workgroup recognizes that the export reporting process will not be fully automated until deployment of ACE. Until that time, the workgroup encourages CBP to</li> </ol>

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		utilize existing comprehensive data systems that are already supplying many of the types of information CBP will need to fulfill its targeting responsibilities.
3	Time Frames for Provision of Manifest Data	<p>The workgroup recommends the following advance data transmission requirements:</p> <ul style="list-style-type: none"> <li>a. Carload traffic – 4 hours in advance of arrival at the border for inbound traffic, with information on outbound traffic required no more than 1 hour in advance of arrival at the border.</li> <li>b. Intermodal ocean containers from Canadian ports – 4 hours in advance of arrival at the border.</li> </ul>
4	Exemptions	<p>In its final regulations for ocean commerce, U.S. Customs exempted certain categories of traffic from the advance manifest requirements. The workgroup recommends that CBP implement similar exemptions from the general data transmission requirements for certain time-sensitive categories of rail traffic:</p> <ul style="list-style-type: none"> <li>a. truck-competitive carload or intermodal traffic originated in North America—to ensure modal equity, rail carriers should not be subject to advance manifest requirements that would place rail carriers at a competitive disadvantage for this highly competitive traffic;</li> <li>b. traffic picked up by trains moving between rail hubs and the border from C-TPAT or Known Shipper Program participants (or who are likely to become such participants; and</li> <li>c. hybrid service (<i>e.g.</i>, RoadRailer-type service or Canadian Pacific Railway’s Expressway service – in CP’s service, for example, dedicated trains transporting non-reinforced highway trailers are operated between dedicated terminals; given the different operating procedures associated with this traffic, CP does not send information to CBP’s AMS system as individual shipments are billed, but rather only when the entire train has been marked as loaded).</li> </ul> <p>In each case, the workgroup recommends that CPB require advance transmission of manifest data no more than 1 hour before a train’s arrival at the border for both inbound and outbound traffic.</p>
5	Time Frame for CBP Response	<ul style="list-style-type: none"> <li>a. CBP needs to commit to a specific time frame to respond to carriers. The workgroup believes that CBP should provide notification of customs holds within 1 hour of transmission of advance manifest information (currently known as a 309) to CBP.</li> <li>b. To minimize interruptions to the smooth flow of screened traffic, importing rail carriers need to receive a hold message from CBP as soon as possible. CBP’s notification of customs holds should take place using a documented, electronic process with all notifications sent directly to the rail carrier.</li> </ul>

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6	C-TPAT Membership/Known Shippers	Many shipments are repetitive and are by known shippers, either C-TPAT participants or participants in the Transportation Security Administration's Known Shipper Program. Such shippers should be exempted from the advance manifest rule or, at the least, subject to more advantageous time frames within which manifest data must be provided to CBP. Such memberships also should be a factor in targeting shipments for inspections.
7	Treatment of Northern/Southern Border Traffic	Where possible, advance manifest requirements should be the same for traffic crossing the U.S./Canada and U.S./Mexico borders. Data reporting requirements for rail traffic should be made as uniform as possible for both borders and should not change from one port to another on the same border. The workgroup encourages CBP to work with Canadian and Mexican Customs officials to share data that already are being reported by rail carriers to one of the three Customs agencies; specifically, the import declaration for one NAFTA country should satisfy the export requirements of another.
8	Liability and Security Costs	The workgroup recommends that CBP explore liability and security cost issues associated with shipments that are held.
9	Enforcement Implementation/Phase-in	CBP has provided a transition period for enforcement of the 24-hour advance manifest requirements for ocean commerce. Some rail carriers and CBP will need time to implement electronic systems at some locations. The workgroup recommends adoption of a phased-in approach for rail carriers to similarly provide adequate lead time for enforcement of advance manifest requirements for carriers, as appropriate, especially for non-automated carriers. In addition, CBP needs to address issues with Permit Ports where current rules do not allow automation of the port.
10	Cargo Descriptions	The workgroup recommends that CBP provide specific guidance as to what constitutes an acceptable level of description, taking into account current business practices and U.S. government security needs. CBP should work closely with shippers to ensure their familiarity with data requirements.
11	AMS Reliability/CBP Staffing	It is essential that CBP have adequate staffing to timely review cargo manifest data provided by rail carriers and that computer systems operate reliably to ensure that cross-border rail operations are not disrupted. The majority of northern and southern border crossings currently are staffed on a 24/7 basis, and the workgroup recommends that CBP staff continue to be available 24/7 to receive and review manifests. CBP also should specify procedures to be followed if AMS is not functioning properly when a carrier attempts to file, with specific backup procedures identified in the event of unplanned outages of either CBP's electronic system or those of rail carriers. CBP should utilize current processes for planned outages.
12	Confidentiality	While 19 U.S.C. 1431 provides for public disclosure of certain data contained in vessel manifests, no comparable requirement exists with respect to rail manifest data. As a result, the workgroup does not believe any issue regarding confidentiality arises with respect to rail advance manifest data.

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13	Origin of Data	<ul style="list-style-type: none"> <li>a. CBP should develop guidelines to describe the circumstances warranting issuance of a penalty (and any mitigation criteria) with respect to errors submitted in manifests, untimely submissions, and changes after submission to CBP.</li> <li>b. In the context of ACE development, the workgroup recommends that CBP explore over the longer-term the possibility of shippers providing data directly to CBP declaring the contents of each shipment and the method of shipment and building this into ACE. Under such an approach, rail carriers would be responsible solely for notifying CBP with respect to receipt of shipments.</li> </ul>
14	Non-Security Inspections	To help ensure a smooth flow of cross-border commerce, the workgroup recommends that CBP commit to conduct trade compliance and non-security examinations away from the physical border.