

FOR PUBLIC DISTRIBUTION

Office of Field Operations
Cargo and Conveyance Security
Outbound Enforcement & Policy Team
July 11, 2016

Action Required: Informational

Issue: AES Post-Departure Filing Solution (Option 4) – Update

Background: Under the current AES system, approved Option 4 filers are generally granted the privilege of filing commodity data about their exports up to five (5) days after a cargo shipment has been exported and manifest transportation information from the carrier up to four (4) days after the departure of the conveyance. Specific to the Option 4 filing program, CBP receives no advanced data. There is no process to validate or determine if information provided by the companies utilizing Option 4 is correct, or if the companies are filing the data. New applications to the program were suspended in 2003 due to misuses of the Option 4 filing program and the passing of the Trade Act of 2002.

The Trade Act of 2002 requires advance transmission of electronic cargo information from both U.S. imports and exports. CBP is seeking pre-departure data on export transactions in order to conduct risk assessments.

In October 2014, the Advanced Export Information (AEI) pilot was initiated by Census to test a possible solution to Option 4. Under the AEI pilot, CBP receives a limited pre-departure data set prior to departure of the conveyance. The data set consists of 12 data elements, with the balance of the AES data requirements to be filed within five (5) days of export.

The Option 4 Workgroup was initiated in April 2015 with the COAC Export Subcommittee and includes a variety of entities including exporters from the auto industry, agriculture industry, electronics industry, freight forwarders, as well as air, rail, ocean, and truck carriers. The intent of the Workgroup is to receive recommendations from the industries impacted by Option 4 and collectively forge a path for CBP to best implement its responsibility to obtain advance export information in the current environment.

CURRENT STATUS: On October 15, 2015, CBP and the Exports Subcommittee of COAC reconvened the Option 4 Workgroup where CBP acknowledged the following:

- CBP must be able to obtain pre-departure information to effectively risk manage current Option 4 shipments.
- There is no one-size-fits-all solution as current Option 4 participants are from a myriad of industries and range in size from major complex global exporters to very small single commodity entities.
- CBP will continue to work with all relevant law enforcement and export regulatory agencies to detect and interdict export fraud.

FOR PUBLIC DISTRIBUTION

FOR PUBLIC DISTRIBUTION

- CBP is coordinating with the C-TPAT Trusted Trader program to identify and manage potential benefits for Option 4 participants who are also C-TPAT/Trusted Trader participants.

In November and December of 2015, multiple conference calls transpired between CBP, Census and the COAC Option 4 Workgroup. Multiple draft documents have been exchanged which attempt to capture “shared assumptions” between all parties regarding finding a solution to the current Option 4 challenge.

In March of 2016, COAC made a presentation proposing a potential solution to the post-departure issue and the associated risks for cargo being exported without any advanced data. CBP is currently reviewing the proposal to evaluate the impact of the presentation on CBP and industry operations. In addition to attempting to address the risks associated with post-departure filing, the presentation suggests ways in which CBP may obtain predictive data on shipments, address vetting of the program participants and to conduct random inspections on individual shipments to ensure compliance with the program guidelines.

Next Steps: CBP will continue to work collaboratively with the COAC workgroup to advance an AES Post-Departure Filing solution. More work is needed to fully identify and document the current universe of Option 4 filers, the dynamics of their business models and the impact of post-departure filing on their business practices. More work is also needed in flushing-out the proposed solution/criteria including what the specific program risk eligibility requirements would entail, the linkage to the C-TPAT Trusted Trader concept, pre-approval validations, and post-departure auditing, etc.

Submitted by: Outbound Enforcement and Policy
Date: July 11, 2016

FOR PUBLIC DISTRIBUTION

Prepared by: Cargo Security and Controls Division
Date: July 11, 2016