**National Association of Maritime Organizations**



**Focus on Ocean Carrier**

**Automation Initiatives**

June 14, 2018

# Background

NAMO is extremely appreciative of the time, funding, and effort CBP has dedicated to building its automation systems over the last 35 years. Our members have also given their time toward this effort, having served on CESAC since 1988 and participating in the original FACET (Future Automated Customs Environment Team) and its successors, the ACE Trade Support Network and the Trade Leadership Council. NAMO has also been represented at numerous trade symposium events over the years.

However, it has always been apparent that the bulk of CBP’s effort has focused on automating importer/broker processing. While this is understandable, as CBP should certainly seek to facilitate revenue collection activities, NAMO encourages CBP to eliminate the numerous paper forms oceans carriers and their agents must prepare in favor of electronic processing.

We recognize this cannot happen overnight. Not only must systems be developed, but retraining inspectors in the field to adopt a new culture is an equally daunting challenge.

The various CBP fora for addressing concerns, suggesting ideas, and solving problems have been and can be very effective. However, particularly in recent years, we find these have decreased focus on ocean carrier processes. As an example, while CBP is engaged in an export vessel management process, very little information is provided at CESAC, and non-pilot participants have not been provided an opportunity to help guide the process. That is, prospective participants must spend time and money programming for the current design before they have a voice. Trade Leadership Council conference calls are equally focused on broker/importer matters.

While eliminating paper forms will yield little direct cost savings or revenue enhancement, reducing the sheer number of forms prepared and the redundant data elements processed each time will result in tremendous time savings for inspectors in the field and for the ocean carriers.

# Immediate Needs

NAMO is concerned that automation initiatives generally focus on non-containerized cargo operations less diligently than container processing. CBP should take steps to ensure it includes bulk and breakbulk carrier representation in its system development activities.

Specific to the current entrance and clearance initiative, we are aware that a great deal of time and effort have been spent creating a new entrance and clearance portal — and we strongly applaud these efforts! However, the program remains incomplete, and we are unaware of any opportunities to bring it to implementation. Among the outstanding concerns are ensuring that CBP develops an ACE portal specifically for ship agents (also recommended during the early ACE TSN “Accounts” Committee deliberations) and recognizes in its automation programs as it does in the paper environment that in the tramp trade, foreign vessel owners/operators rely on U.S. agents as their representatives to perform myriad functions. NAMO recommends that CBP require ship agents to be bonded and that a U.S. company be named, similar to requiring a U.S. entity for either importer, consignee, or notify party for U.S.-bound commodities.

Further, we ask CBP to tell us what is necessary to move this program forward.

# Proposed Future Solutions

1. Use NAMO as a resource: While NAMO is frequently disadvantaged because it is an all-volunteer association and has no Washington, D.C. presence, that same structure can significantly benefit CBP. NAMO members — primarily regionally based maritime trade groups — are located throughout the country and have experience with processes at most major seaports and many smaller ports as well.
2. Develop a carrier-specific automation plan: As a first step, CBP should inventory the paper forms currently required and the data elements included in each. Are all of the forms necessary for each arrival (e.g., ship’s stores, crews effects)? Are all of the data elements still necessary (e.g., ship certifications already collected by Coast Guard)?

Working with the World Shipping Council, NAMO has already started this inventory process. We recommend identifying a team of CBP representatives to work with an ocean carrier specific industry group to identify which data is still required and develop a priority and cost plan to eliminate those forms. Concurrent with this activity CBP must plan for required legislative and regulatory changes.

1. Eliminate port-specific requirements: Some ports of entry require paper forms beyond those stipulated by regulation. For example, one port requires a form similar to an advance notice of vessel arrival. Clearly, either CBP systems or local processes are insufficient. CBP should take steps to understand where field personnel perceive deficiencies and eliminate this extraneous, burdensome paperwork.
2. Think of process automation, not forms automation: We cannot emphasize this strongly enough. CBP must undergo a dramatic culture shift to ensure its automation efforts meet today’s needs, not yesterday’s paper. As an example, during multi-modal manifest development, we stressed to CBP on numerous occasions that when the vessel is type 10 (non-containerized), ACE should not require that NC be sent in the container number field for every bill of lading; rather, eliminate the requirement for the container number field when vessel type equals 10. We were not successful in removing the container number requirement for breakbulk manifests. Looking forward, CBP must consider the functions it routinely performs during each process. For instance, “entrance and clearance” processing consists of much more than reviewing a form 1300. Functions associated with like processes should be grouped logically in the automated environment.
3. Develop backup procedures that do not rely on traditional forms: NAMO applauds CBP’s recent release of its backup procedures guidelines and looks forward to working collaboratively to help expand and improve them. However, as CBP and industry move away from traditional paper processing to increasing electronic data exchange, the legacy forms will become irrelevant in the not-too-distant future. Collectively, we must work together to identify backup procedures to follow in the event of system outages that do not require reverting to paper forms which no longer exist and cannot be programmed quickly.