

**Report to Congress**  
**on the**  
**International Trade Data System**



**December 2011**



**Report to Congress on the International Trade Data System (ITDS)  
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## **LEGISLATIVE REQUIREMENT**

Section 405 of the "Security and Accountability for Every Port Act of 2006" (P.L. 109-347, October 13, 2006) (SAFE Port Act) requires the Secretary of the Treasury to oversee an interagency initiative to establish a "single portal system," to be known as the "International Trade Data System" (ITDS) and to be operated by the United States Customs and Border Protection. This unified data system is to electronically collect and distribute import and export data required by government agencies that license or clear the import or export of goods. Section 405 requires the President to submit an annual report on the ITDS to the Committee on Finance of the U.S. Senate and the Committee on Ways and Means of the House of Representatives. The report is to include:

- (A) the status of the ITDS implementation,
- (B) the extent of participation in the ITDS by Federal agencies,
- (C) the remaining barriers to any agency's participation,
- (D) the consistency of the ITDS with applicable standards established by the World Customs Organization and the World Trade Organization,
- (E) recommendations for technological and other improvements to the ITDS, and
- (F) the status of the development, implementation, and management of the Automated Commercial Environment (ACE) within United States Customs and Border Protection.

## EXECUTIVE SUMMARY

There has been progress on the International Trade Data System (ITDS) project during the past year. Significant steps toward building ITDS import functions have been taken. An aggressive program for building ITDS export functions has begun. Challenges remain in the form of funding limitations and competing priorities.

### Overview

ITDS is a project to build an electronic “single-window” for reporting imports and exports to the government. Currently, traders must make redundant reports to multiple agencies (often on paper). When completed, ITDS will allow traders to make a single electronic report, and the relevant data will be distributed to the appropriate agencies. Costs will be reduced for business and government. Agencies will obtain data more quickly, be able to process cargo more expeditiously, and be better able to identify unsafe, dangerous, or prohibited shipments.

ITDS is not a separate standalone system. ITDS is being built as part of the ACE (Automated Commercial Environment) trade processing project of U.S. Customs and Border Protection (CBP).

Currently, 48 agencies, including CBP, are working together to implement ITDS. The interagency ITDS Board of Directors, chaired by the Treasury Department, coordinates interagency participation in ITDS. CBP is responsible for building and operating ITDS.

### Imports

The past year has seen significant progress toward implementation of basic ITDS single-window functions:

- **Collect ITDS Data Electronically:** CBP has built the capability to collect data elements required by other agencies by adding a “**PGA (Participating Government Agency) Message Set**” to the information that can be transmitted through the Automated Broker Interface (ABI). CBP expects to test this new capability in 2012.
- **Accept “Images” of Documents:** CBP has built the “**Document Image System**” to accept electronic transmission of “imaged” documents, documents that currently must be submitted on paper. CBP will invite importers and brokers to test this capability by electronically submitting APHIS, EPA, and NOAA forms that are required for importing certain products.
- **Establish System-to-System Communication among ITDS Agencies:** CBP has built the capability to transfer data it collects to other agencies’ electronic systems using “**Interoperable Web Services**” based on standard protocols. This capability was successfully tested when CBP transmitted entry and entry summary data to the Consumer Product Safety Commission.

The bulk of the work on these three steps has been completed. Once implemented, they will provide the basic electronic trade data interchange system for imports that is mandated by the SAFE Port Act. Testing and implementation are planned for 2012.

Electronic collection and delivery of these data will make agencies better able to interdict unsafe cargo. This progress should discourage proliferation of redundant electronic import reporting systems, and reduce collection of paper documents, making importing less expensive. Finally

these steps will provide the necessary foundation for more advanced “value-added” ITDS functions, such as the automated processing of data and interagency electronic communications facility that are envisioned for Cargo Release.

## **Exports**

In 2010, the ITDS Board recommended building on existing export systems in order to achieve **ITDS export capability**. CBP and the Department of Commerce (which maintain the current export commodity reporting systems), agreed to expand these systems to include data elements required by other ITDS agencies to enhance their processing capabilities and to support their export-related missions. In addition, CBP has decided to “re-host” the Automated Export System (AES) on a modern hardware platform, in part to facilitate authorized sharing of data with other trade-processing systems.

Inbound and outbound manifests contain largely the same information, about the means of transport and shipments. In 2010 the ITDS Board also suggested that an **automated export manifest** system be based on the work already done for an inbound manifest system, which is nearly complete. CBP has decided to use that work as the basis for a new automated export manifest system, which would include single-window capability to deliver data to other agencies, and to link data from that system, to export commodity data from AES to improve export enforcement.

Finally, an interface is planned between these export systems and USXPort, a Department of Defense automated export licensing application system, which is being expanded under the President’s Export Control Reform Initiative to provide a single-window licensing platform for all agencies that license exports.

## **Challenges**

Funding limitations have resulted in a reduction of contractor support for the ITDS program, and a consequent loss of knowledge and expertise. Competing priorities have also seen ITDS funds redirected for other uses. The best use of remaining funds can be achieved, however, by focusing on basics and by building on existing capabilities. For example, the ACE Portal, an existing website which allows agencies to obtain data collected by CBP, can be enhanced to provide easier access to more data. The Interoperable WEB Services tool can also be used to provide agencies data they currently do not receive. Basic import processing, such as license verification and notification of clearance, can be a focus in CBP’s work to develop cargo release and simplified entry processing.

## RECOMMENDATIONS

1. **CBP should complete and make operational the three import priorities, (PGA Message Set, Document Imaging System, and Interoperability Web Services), so other agencies and import filers can begin to use single-window filing.**
2. **The ACE Portal, a website through which ITDS agencies can view data collected by CBP, should be enhanced to include the additional PGA Message Set data elements. The capacity of the search function should be enhanced to allow retrieval of more data in a single search.**
3. **CBP and other ITDS agencies should use the “Interoperable Web Services” capability to expand sharing of data already collected by CBP.**
4. **ITDS agencies should complete listing of their export data and processing requirements. CBP should ensure necessary staffing to prepare for development of ITDS export functionality.**
5. **CBP and other ITDS agencies should accelerate completion of Memoranda of Understanding and Interconnect Security Agreements, the legal steps required for sharing data.**
6. **CBP should provide basic admissibility and release processing, such as license verification and notification of release, as early deliverable, for Cargo Release and Simplified Entry.**



## INTRODUCTION TO ITDS

Importers or exporters must often file separate and redundant reports to various agencies that regulate trade. The International Trade Data System (ITDS) is intended to eliminate redundant reporting and paper reporting by means of a “single-window” electronic system, which will obviate the need for multiple filings. Relevant data will be electronically collected and distributed to the appropriate agencies, enabling them to process those data electronically.

In addition to reducing costs by eliminating redundant reporting and systems, ITDS will enhance agencies’ ability to identify risky cargo, persons, and conveyances, to collect more accurate, complete, and timely trade data, and to speed cargo processing.

The SAFE Port Act of 2006 requires all “agencies that require documentation for clearing or licensing the importation and exportation of cargo” to participate in ITDS. Also, the SAFE Port Act directs the Secretary of the Treasury to coordinate interagency participation in ITDS through a steering committee consisting of the agencies participating in ITDS and the Office of Management and Budget (OMB).

ITDS is not a separate system, rather it is a package of functions built and funded as a facet of the Automated Commercial Environment (ACE) project, an effort to modernize and expand the automated systems for processing imports and exports operated by U.S. Customs and Border Protection (CBP). Work on ITDS has been underway since the mid-1990’s; details of the early history of ITDS can be found in the Appendices to this report.

Currently, 48 agencies, including CBP, participate in the ITDS project. All agencies required to participate in ITDS by the SAFE Port Act are included. Treasury chairs the interagency ITDS Board of Directors (the interagency steering committee required to be established by the SAFE Port Act). CBP, working with other ITDS agencies, is responsible for identifying and documenting agency requirements for ITDS and for building the ITDS component of ACE.

Fundamentally, the ITDS project is about data interchange:

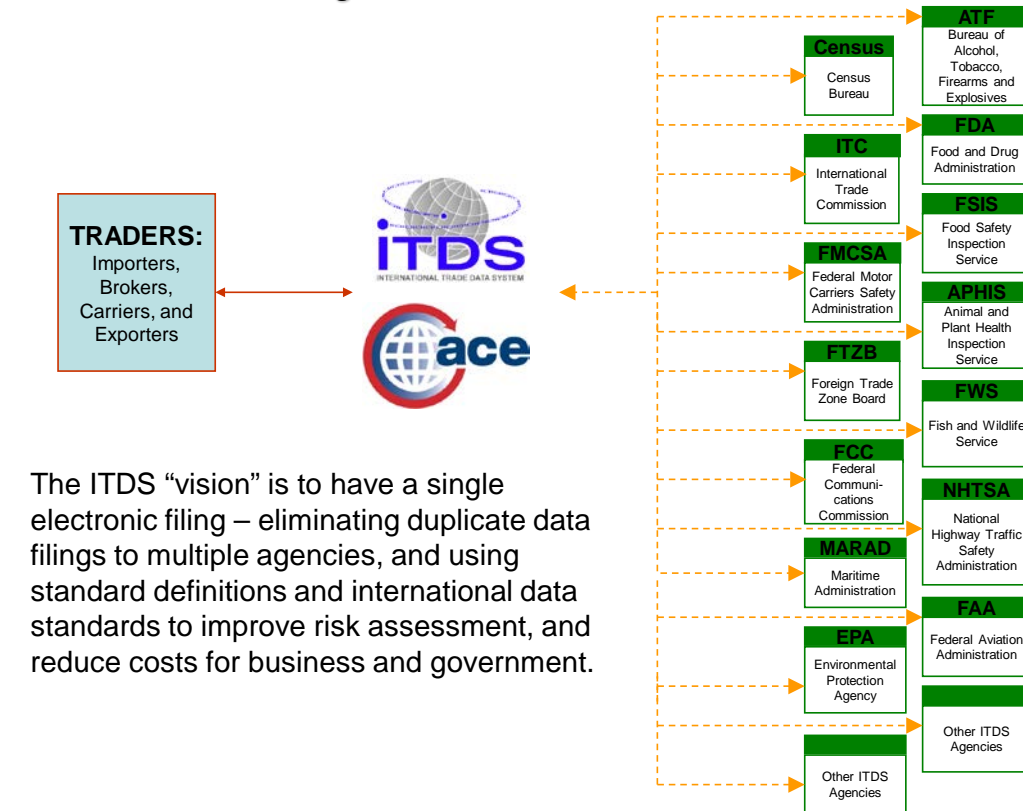
- Agencies agree to standardize their data requirements, eliminating duplicative reporting requirements,
- Standardized data are transmitted to CBP by traders and stored in the “ACE Data Warehouse,”
- CBP transmits relevant data to appropriate agencies, or agencies obtain the data through a web-based interface, the ACE Portal,<sup>1</sup> and
- Agencies with a border control function provide information, operational instructions, or advice to CBP via ACE.

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<sup>1</sup> The ACE Portal is a secure web-based interface which an agency analyst can access through the internet and obtain detailed data on imports.

ITDS is intended to facilitate cooperation between agencies on border operations. ITDS will provide agencies with processing capabilities incorporated into ACE, such as tracking licenses, and targeting shipments based on risk analysis, and also communication capabilities for transmitting messages between agencies and with traders.

## Single Window to the Government



The ITDS “vision” is to have a single electronic filing – eliminating duplicate data filings to multiple agencies, and using standard definitions and international data standards to improve risk assessment, and reduce costs for business and government.

## STATUS OF ITDS IMPLEMENTATION

### ***Implementing the Basic ITDS Infrastructure for Imports – Three Priorities***

There has been progress on the ITDS project during the past year. Significant steps toward building ITDS import functions have been taken. An aggressive program for building ITDS export functions has begun, including development of an automated export manifest.

The past year has seen significant progress toward implementation of basic ITDS single-window functions needed to create a data interchange system for imports:

- **Collect ITDS Data Electronically:** CBP has built the capability to collect data elements required by other agencies by adding a **“PGA Message Set”** to the information that can be transmitted through the Automated Broker Interface (ABI). CBP expects to test this new capability in 2012.
- **Accept “Images” of Documents:** CBP has built the **“Document Image System”** to accept electronic transmission of “imaged” documents, documents that currently must be submitted on paper. CBP will invite importers and brokers to test this capability by electronically submitting EPA and NOAA forms that are required for importing certain products.
- **Establish System-to-System Communication among ITDS Agencies:** CBP has built the capability to transfer data it collects to other agencies’ electronic systems using **“Interoperable Web Services”** based on standard protocols. This capability was successfully tested when CBP transmitted entry and entry summary data to the Consumer Product Safety Commission.

By implementing the basic electronic infrastructure for ITDS, these three initiatives will:

- Enable import safety agencies to be better able to interdict unsafe shipments,
- Discourage proliferation of parallel import reporting systems,
- Eliminate the need to collect some paper documents, allowing remote filing of supplemental forms, and
- Provide a foundation for electronic screening and admissibility processing to be implemented as part of the ACE “Cargo Release” Module.

### ***ACE Import Manifest***

The ACE Vessel – Rail Manifest Release (M1) is scheduled to become operational in 2012 after several years of delay. Several ITDS agencies are looking forward to receiving data collected through the manifest process. Several ITDS agencies will also be involved in the user testing and deployment of ACE Vessel – Rail Manifest.

### ***Import Processing: Cargo Release and Simplified Entry***

The envisioned “Cargo Release” functions in ACE will automate tasks related to the admissibility of imports, enhance the capacity of agencies to determine if reporting requirements have been met, and provide a platform for communication between agencies and traders. These functions also include capability for automated review of shipments that staff now review (or do not review, because of lack of resources), which should accelerate admissibility and

release determinations. Many ITDS agencies are keenly interested in delivery of these functions. While CBP and the other ITDS agencies have begun work to verify the operating requirements for Cargo Release, funds have not been appropriated to complete all of the work envisioned for Cargo Release. We expect that funds will be prioritized and different features will be implemented step-by-step in accordance with their importance and cost.

### ***Import Processing: Simplified Entry***

In fiscal year 2012, CBP plans to introduce a simplified entry procedure, requiring fewer data elements. (CBP would obtain certain data from other sources such as the Importer Security Filing (ISF).) CBP plans to allow the new PGA Message Set to be used in conjunction with the new simplified entry procedure. This will enable collection of data for ITDS agencies prior to the release of cargo, when many admissibility determinations are made. CBP also has plans to include, to some extent, automation of data processing related to admissibility within the work on the simplified entry project. This may result in early delivery of some functionality that had been planned for cargo release. Basic import processing, such as license verification and notification of clearance, may be provided through this work.

### ***ITDS for Exports - Commodity Report and Processing***

A significant change in the ITDS program is expanded attention to exports. Until last year, little work had been done on an export component for ITDS. In 2010, however, the ITDS Board recommended building on existing export systems in order to implement ITDS export functionality relatively quickly and inexpensively.

Currently, exporters file electronic export information (commodity information) through the Automated Export System (AES), which is maintained by CBP and the Census Bureau. (AESDirect, maintained by the Census Bureau, provides a web-based conduit into AES for filing by mostly small to medium-sized companies.) AES currently captures data about commodities being shipped, including some license information, and can check data against conditions in an export license approved by a licensing agency. Currently, only State and Commerce Department export licenses are checked in this manner.

Expanding the AES data set to collect data required at export by other authorized ITDS agencies and using "Interoperable Web Services" or other mutually acceptable methods to transmit those data to other ITDS agencies' automated systems would create a basic single window for exports. Enhancing AES will improve tracking of export-controlled items, and support the export missions of several ITDS agencies.

Now is an opportune time to begin work on incorporating export capability in ITDS. The Census Bureau plans to enhance AESDirect. USXPort, the Department of Defense automated system for processing export license applications, is being expanded to provide a single-window for processing all agencies' export licenses. An interface between AES and USXPort would facilitate AES validation of export licenses, which would advance the goals of the Export Control Reform Task Force of the National Security Council. Additionally, ITDS export functions will support the President's National Export Initiative by eliminating costly, redundant paper filing requirements.

CBP has responded to the ITDS Board's (the Board) recommendation with an ambitious 18-month schedule for deployment of export functions that goes beyond the Board's recommendation. In addition to expanding the AES data set to meet ITDS agency reporting requirements, and providing appropriate validations, CBP and the Census Bureau would maintain the "front-ends" (input processing platforms) of AES and AESDirect, and also enable exporters and ITDS agencies to view data through a web portal (subject, of course, to obtaining a National Interest Determination from the Census Bureau). Costs could be reduced for business and government by replacing paper reporting with electronic filing, and the oversight of controlled exports could be strengthened.

### ***ITDS for Exports - Manifest Report and Processing***

AES and AESDirect capture commodity information reported by U.S. exporters, but data (port of export, departure date and conveyance) on the actual departure of exported commodities are reported by the exporting carriers. When commodities leave the country, the usual practice is for the exporting carrier to file an export manifest with CBP (usually on paper). An automated export manifest system connected with AES could improve export enforcement through electronic processing and use of risk management systems.

In 2010 the Board suggested that an automated export manifest system be built, based on the work already done for the inbound manifest. Inbound manifests and outbound manifests contain much of the same type of data, for example, with regard to means of transport and shipments.

Work on the inbound manifest system is in its final stages. CBP has decided to use that work as the basis for a new automated export manifest system, including single-window functionality for other agencies, and to connect that system to the data from AES and AESDirect in order to improve export enforcement. Some design work for an export manifest has already been done. CBP has recently worked with several ITDS agencies to identify and develop high level export business processes.

### ***Challenges for the Export Initiatives***

CBP's proposal, which is larger and more complex than that originally contemplated by the Board, entails additional risk, but because export reporting requirements are more limited than import reporting requirements, that risk should be manageable. Among the areas that may entail risk are synchronization with any changes the Census Bureau may implement in AESDirect, coordination with USXPort and other agency licensing systems, and rapid identification of ITDS agencies' data, processing and operational requirements.

The results of the Board's export survey last spring indicate that, while the requirements for AES to gather additional data will be less extensive than the requirements for gathering import data requirements, many agencies are far from developing detailed plans for ITDS export functionality. Given the aggressive schedule contemplated by CBP, this work should begin immediately. And because budget limitations are likely to result in a reduction in contractors available to support the ITDS project, much of this work will likely have to be done by CBP and other ITDS agency staff rather than information technology specialists hired on contract.

A brief description of ITDS agencies' export missions and plans for using ITDS are outlined later in this report in the section, Agency Export Functions and Plans.

### ***Current Data Sharing – The ACE Portal***

Many ITDS agencies already review, through the web-based ACE Portal, certain data that CBP collects electronically.<sup>2</sup> Other agencies currently with ACE Portal access (or that could have Portal access) could probably take more advantage of the data available through ACE. However, some uses of the Portal have been limited because software for retrieving data has not yet been perfected, has capacity limitations, or does not supply data of interest to some agencies.

### ***Additional Data Sharing – Interoperable Web Services***

The data that agencies now access through the ACE Portal are primarily entry summary information. The system-to-system communication function that has been developed as one of the current three priorities (Interoperable Web Services) provides a way to share other information that CBP collects, as well as information that CBP will collect, on behalf of other agencies. CBP is already testing the Interoperable Web Service, which could be expanded to include inbound manifest information.

The Food Safety Inspection Service of the Department of Agriculture, the Department of Transportation, and the Consumer Product Safety Commission are launching new automated systems which will rely on data feeds from ACE. Establishing system-to-system communication is essential to providing these agencies with the information required from CBP.

### ***CBP Automated Screening and Targeting Available for Other Agencies***

CBP has invited other government agencies with border missions to use CBP automated screening and targeting systems. CBP already works together with a number of agencies (CPSC, APHIS, FSIS, FMCSA, EPA, ICE, FDA) using CBP systems. This approach should reduce costs and enhance interdiction efforts.

### ***ACE Delays and the Impact on ITDS***

The past several years have seen repeated delays in the ACE Vessel and Rail Manifest (M1) system. Progress, however, accelerated during 2011, and implementation of M1 is expected in 2012. ITDS functionality scheduled for this release was delayed, but until recently work on ITDS had progressed largely unimpeded by delays in M1.

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<sup>2</sup> It should be noted that some "single-window" functionality has been operational for years. Although the a complete "single window" for reporting by importers, exporters, and carriers does not yet exist, several agencies already use data filed with CBP. For example, information used by the Census Bureau to compile national import statistics has long been collected jointly and electronically from filings with CBP. Information used by the FDA has also been collected from electronic filings with CBP. But no new specific data required by other ITDS agencies are being collected, and "single-window filing" functionality has not yet been implemented through the ACE/ITDS project.

However, testing of the capability to collect data elements on behalf of other agencies, which had been expected in the first quarter of 2012, has been delayed six months because necessary resources are being used to complete M1 testing, instead of testing the PGA Message Set. This will delay plans by the Food Safety Inspection Service to implement its Public Health Information System for imports and may delay other agency plans to move to the electronic collection of data.

Work on the Entry Summary Accounts and Revenue (ESAR) component of ITDS has also been delayed.

### ***Extent of Participation by Federal Agencies***

Forty-eight Federal agencies (CBP and all other agencies required to participate in ITDS by the SAFE Port Act) currently participate in ITDS. While some agencies have a well-developed plan for automating their business processes and have completed preparations to receive and use data, other agencies are at an earlier stage of planning. (See Table of ITDS Milestones.)

### ***Border Interagency Executive Committee***

One important development has been the establishment of the Border Interagency Executive Committee (BIEC). This interagency group grew out of the 2010 Import Safety Conference which involved 10 agencies with a border safety mission, and was hosted by CBP, CPSC, and FDA. The BIEC, currently chaired by CBP, addresses issues related to interagency border cooperation and administration. The current BIEC work program covers a number of issues referred from the ITDS Board, including information sharing and electronic acceptance of imaged documents.

### ***Interagency Operations Plans and Agreements***

Most agencies participating in ITDS must develop a plan ("Concept of Operations") describing how each agency will implement ITDS. That plan is reviewed by CBP and ultimately agreed to by both CBP and each agency. Work on a number of agencies' Concept of Operations plans is still to be completed. (A table showing the status of agency Concept of Operations plans can be found in the Appendices to this report.)

Each agency participating in ITDS is also to agree on a Memorandum of Understanding (MOU) with CBP (and with the Census Bureau for exports) specifying in detail the information that the agency expects to receive through ACE/ITDS. In addition, some agencies also develop, with CBP, separate MOUs detailing plans for cooperative operations with CBP.

Completion of MOUs has lagged. Both CBP and other ITDS agencies must redouble their efforts to complete this necessary legal step. (A table outlining the status of each MOU can be found in the Appendices to this report.)<sup>3</sup>

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<sup>3</sup> For more information on Concept of Operations plans and MOUs see <http://www.itds.gov/>.

A description of ITDS agencies' *import* missions and plans for using ITDS are in the 2010 Report to Congress on the International Trade Data System available at [www.itds.gov](http://www.itds.gov).

### ***Product Identification and Classification (PIC) Codes***

Another area with potential for reducing costs is the standardization of product identification and classification codes. Several agencies require traders to provide a product classification code, in addition to a tariff number. Tariff codes are not precise enough for many agencies' purposes particularly those related to product purity and safety. ITDS agencies are exploring the use of international product classification codes to obviate the need for traders to use multiple codes in reporting the same product and to eliminate the cost to the government of maintaining multiple agency-specific code systems.<sup>4</sup>

The identification of specific products using a globally unique product number known as the Global Trade Item Number (GTIN) also has cost saving potential. A GTIN (also known to consumers as the Universal Product Code (UPC), the bar code on nearly all retail products) can be linked to details about the individual product. One GTIN number, rather than several data elements, may be all a trader would need to report for an adequate description of a product.

Several ITDS agencies have conducted table top pilots to assess the usefulness of product identification codes. Tests on toys, cut flowers, and meat products have been completed and evaluated. The information from these tests has been shared with the trade community. The PIC initiative could provide a useful addition to CBP efforts to simplify entry reporting.

### ***Business Community Involvement in ITDS***

The ITDS Board of Directors includes in its meetings representatives of private sector advisory groups involved in international trade, including the Trade Support Network<sup>5</sup> and the Customs Operations Advisory Committee,<sup>6</sup> whom we would like to thank for their time, their advice and, their service. The Board also invites trade associations and representatives of industry sectors to address the Board on topics of mutual interest.

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<sup>4</sup> Agencies also endeavor to use standard codes already adopted by industry wherever possible. OMB Circular A-119 directs agencies to use voluntary consensus standards in lieu of government-unique standards except where use of such voluntary standards is inconsistent with law or otherwise impractical.

<sup>5</sup> The Trade Support Network (TSN) is a group of trade representatives who provide input into the design and development of modernization projects, such as ACE.

<sup>6</sup> The Customs Operations Advisory Committee is an advisory committee established in accordance with the provisions of the Federal Advisory Committee Act. The committee provides advice to the Commissioner of U.S. Customs and Border Protection (CBP), the Secretary of the Treasury and the Secretary of the Department of Homeland Security (DHS) on all matters involving the commercial operations of CBP and related functions within Treasury and DHS.



## ITDS MILESTONES

AGENCY  MILESTONES		Completed <span style="color: red;">Not Completed</span> <span style="color: #d9ead3;">Future Work</span> <span style="color: #f5f5dc;">Not Applicable</span>																																														
		Agriculture					Commerce					Defense		Energy				Interior		Justice		Labor	HHS		DHS		State				Transportation						Treasury				Independent Agencies							
		AMS	APHIS	FAS	FSIS	GIPSA	BIS	Census	FTZB	IA	NMFS	USACE	DCMA	EIA	OFE	OGC	ENERGY	FWS	ATF	DEA	BLS	CDC	FDA	TSA	USCG	A/LM	DDTC	OES	OFM	BTS	FAA	FHWA	MARAD	NHTSA	PHMSA	FMCSA	FinCEN	IRS	OFAC	TTB	CPSC	EPA	FCC	FMC	ITC	NRC	USAID	USTR
Import Milestones	CONOPS	Concept of Operations Completed																																														
	DATA MOU	Completed Draft MOU																																														
		Agreement on MOU																																														
	PGA MESSAGE SET	Required Data Elements in Standard Data Set																																														
		Translated Paper forms into PGA Message Set Record Samples																																														
		Provided Reporting Codes for Standard Data Set and PGA Message Set																																														
		Developed PGA Message Set Guidance Documentation for the Public																																														
	INTERCONNECTIVITY WITH CBP	Portal User																																														
		Documented Interface Requirements																																														
		Agency System for Receiving ITDS Data Developed																																														
		Completed Draft Interconnect Security Agreement																																														
		Agree with CBP on Interconnect Security Agreement																																														
		Completed Technical Interface Tests																																														
		Agency System Actively Receiving Data																																														
DOCUMENT IMAGING	Registered Image types for DIS																																															
	Initiated Pilot for use of DIS (CBP FRN 12/2011)																																															
Export Milestones	Basic Operations Concept/Operational Export Process Requirements Provided																																															
	Data Requirements Provided																																															
	Export Forms Provided																																															
	Reporting Codes Provided																																															
	Inform Public about Automated Reporting Procedures																																															
	Agency System for Processing ITDS Data Developed																																															
	Completed Draft Interconnect Security Agreement																																															
Agree with CBP on Interconnect Security Agreement																																																

## **BUDGET ISSUES**

### ***Funding Sources***

Funding for ITDS comes almost exclusively from CBP's Automation Modernization appropriation. On occasion, funding from other agencies in the ITDS program has been transferred to CBP via an interagency agreement. In addition, several agencies participating in ITDS fund their own automated systems that will interface with ACE/ITDS.

The ITDS account began FY 2012 with a balance of \$38.5 million from prior years. Because of budget limitations, no new appropriation was requested for FY 2012, and current spending plans will result in a zero balance at the end of FY 2012.

### ***Cost Allocation***

In order to delineate the funding responsibilities of the participating agencies, the following funding assumptions have been made in the past:

- 1) If participating agency requirements are included in the core set of CBP requirements, then the resulting capabilities are provided to ITDS agencies at no cost to them or the ITDS program,
- 2) If requirements are shared by more than one agency, the cost of the required ACE capabilities are borne by the ITDS program, and
- 3) If requirements are unique to an agency, the cost of meeting them is borne by the agency.<sup>7</sup>

On occasion, CBP has temporarily reprogrammed funds from the ITDS account for uses not allocable to ITDS under these funding assumptions. For example, in FY 2008, \$4 million was temporarily reallocated and subsequently returned to the ITDS account in FY 2010. In FY 2011, \$7.2 million was temporarily reallocated largely for development of targeting functions. (See budget tables.)

In addition, report language for the 2012 DHS budget indicates that prior year balances for ITDS are available for other priorities.

### ***Expenditures, Available Funds***

The ITDS account, part of CBP's IT accounts, currently has \$38.5M in "no-year money" (if not spent in the year appropriated the money remains available to be spent in subsequent years). No additional funds were requested for FY 2012.

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<sup>7</sup> "Requirements essential to ACE core functions, including CBP-specific requirements, requirements shared by CBP and other agencies, and the common user interface for ITDS are funded directly by the CBP Automation Modernization appropriation. Requirements that are common to multiple agencies, but are not specifically CBP requirements are funded by the ITDS Board using CBP Modernization Automation funding earmarked for ITDS. Finally, agencies will fund any modifications to agency systems or processes undertaken to integrate with ITDS, as well as the cost of any agency-unique requirements in ACE." FY 07 OMB 300 for ITDS.

In FY 2011 approximately \$5 million was spent on the three priorities for implementing ITDS for imports, and about \$2 million was spent on gathering requirements in preparation for work on Cargo Release functions and on contract support. In addition, approximately \$7.2 million was transferred from the ITDS account on a reimbursable basis to be used for development of targeting functions for ACE.

In FY 2012, CBP anticipates spending

- \$2.6 million for completion of work on the three ITDS import priorities,
- \$4.5 million for specifying details of other agency requirements for enhancing the Automated Export System,
- \$1 million for enhancements of existing ITDS capabilities,
- \$700,000 for CBP staff salaries,
- \$7.5 million for building an electronic Export Manifest,
- \$22.1 million for building Cargo Release capabilities (total ITDS related expenditures for Cargo Release are estimated to reach at least \$22.1 million, although not all spending planned for Cargo Release in FY 2012 would be allocable to ITDS under the cost allocation funding assumptions noted above).

Under these plans, funds should be adequate for completing the three import priorities that will implement basic ITDS single-window and data interchange capability for imports. Funds should also be sufficient for implementing enhanced export commodity processing and for building an export manifest.

Additional funds will be needed, however, to build all the functions that have been contemplated for Cargo Release, including functions related to admissibility, which are important to a number of ITDS agencies. The \$22.1 million of ITDS funds will be used in part for CBP's general cargo release functions which would not have been funded from the ITDS account under the budget assumptions noted above. These expenditures will lead to a zero balance in the ITDS account at the end of FY 2012.

Because of budget limitations, the number of contractors working on requirement gathering has been starkly reduced. Contractor support for the ITDS Program Office, which includes work on data and operational requirements, will be eliminated. CBP and the other ITDS agencies must ensure that appropriate government staff are available to complete this work.

With limited budgets and competing priorities, it is critical that the remaining resources be applied to ITDS priority projects identified by the ITDS Board of Directors, in association with CBP. Limited budgets will be best stretched by building on the deployment of ACE functions and other automated tools that already exist. For example, the document imaging capability that CBP deployed, one of the three ITDS import priorities, is based upon existing CBP technology. ITDS agencies are also beginning to use targeting capability already existing in CBP's Commercial Targeting and Analysis Center (CTAC).

Table 1

International Trade Data System (ITDS) Program Financial Summary					
Description	2008 (Actual)	2009 (Actual)	2010 (as of 9/30/10)	2011 (Actual)	2012 (Planned)
<b>ITDS Program Budget</b>					
• Budget Appropriation	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000	\$ 16,000,000	\$ -
• Balance Carried Forward (from prior FY)	\$ 11,051,593	\$ 5,249,163	\$ 18,583,069	\$ 36,516,069	\$ 38,439,226
• Other (De-obligation from prior year ITDS Support Contractor contract)	\$ 1,093,611	\$ -	\$ -		
• Other (Reimbursement of funding (see "Other" below) available for use in FY 10)			\$ 4,000,000		
<b>Sub-Total</b>	\$ 28,145,204	\$ 21,249,163	\$ 38,583,069	\$ 52,516,069	\$ 38,439,226
<b>ITDS Obligations</b>					
• ITDS Program Office - ACE Operating & Maintenance Support	\$ 1,714,120	\$ 1,148,775	\$ 605,000		\$ 700,000
• ITDS Program Contractor Support/2012 Cargo Release – Develop/Maintain High Level Participating Government Agency (PGA) Business Requirements (2012 Cargo Release)	\$ 10,488,390	\$ 48,505	\$ -	\$ 1,710,625	\$ 22,139,226
• ITDS Program Sponsored Operational Enhancements and ACE Production Support – Develop/Deploy Operational Enhancements	\$ 443,086	\$ 335,964			\$ 1,000,000
• ITDS Program Sponsored Construction of PGA Requirements – Design ACE Cargo Release Capabilities for Requirements, Commissioner Import Priorities (DIS and PG Message, and IWS), Exports	\$ 6,250,445	\$ 1,132,850	\$ 1,462,000	\$ 5,153,750	\$ 14,600,000
• Other – transferred for use in ACE development of non-PGA requirements - pending consultant to C1 contract	\$ 4,000,000	\$ -	\$ -	\$ 7,212,468	
<b>Sub-Total</b>	\$ 22,896,041	\$ 2,666,094	\$ 2,067,000	\$ 14,076,843	\$ 38,439,226
<b>ITDS Program Budget</b>	\$ 28,145,204	\$ 21,249,163	\$ 38,583,069	\$ 52,516,069	\$ 38,439,226
<b>ITDS Program Obligations</b>	\$ 22,896,041	\$ 2,666,094	\$ 2,067,000	\$ 14,076,843	\$ 38,439,226
<b>ITDS Program Balance</b> (carried forward to next FY)	\$ 5,249,163	\$ 18,583,069	\$ 36,516,069	\$ 38,439,226	\$ 0
<b>Percentage of ITDS Budget Obligated</b> (cumulative)	95.5%	83.7%	70.4%	76.1%	

Table 2

<b>ITDS FY 11 Obligations and Transfers</b>		
FY 11 Budget Appropriation	16,000,000	
Prior Year Balance Carried Forward	36,516,069	
<b>Beginning FY 11 Balance</b>	<b>52,516,069</b>	
		<b>Doc Date</b>
<b>FY 10 Carryover - ITDS - Initial Distribution</b>	<b>36,516,069</b>	10/20/2010
*Move \$5,153,750 from TA400 to TASPO for Commissioner Priorities	<b>-5,153,750</b>	6/30/2011
<b>Prior Year Funds Subtotal</b>	<b>31,362,319</b>	
CR 3737 - ODC	-5,025	2/28/2011
ACE Cargo Release Requirements 5/1/11-10/31/11	-1,305,600	4/29/2011
ITDS Contract Extension - EXT 5/28-31/11-11/27/11	-400,000	5/27/2011
<b>FY 11 Obligations against Prior Year Funds</b>	<b>-1,710,625</b>	
<b>Subtotal of Prior Year Carryover</b>	<b>29,651,694</b>	
<b>**Transfer \$7M to OA for Targeting Requirements</b>	<b>-7,000,000</b>	8/18/2011
Consultant to Commissioner (pending, but to be reimbursed to ITDS)	-212,468	
<b>Balance of Prior Year Carryover</b>	<b>22,439,226</b>	
<b>FY 11 Budget Appropriation</b>	<b>16,000,000</b>	
<b>Total Available ITDS Funds as of 9/6/11</b>	<b>38,439,226</b>	
*Commissioner (ITDS) Priority Initiatives (TASPO)	FY11	
<i>Document Image System (DIS)</i>	1,120,000	
<i>Inter-Operability Web Services</i>	3,010,000	
<i>Standard Data Set(SDS) Ingestion &amp; Participating Government Agency (PGA) Data Sharing</i>	1,023,750	
<b>Total</b>	<b>5,153,750</b>	
**ITDS Carry-over is reduced by \$7M because \$7M was transferred to OA for Targeting.		

Table 3

<b>ITDS FY 12 Estimated Obligations and Transfers</b>	
FY 12 Budget Appropriation	
Prior Year Balance Carried Forward	38,439,226
<b>Beginning FY 12 Balance</b>	<b>38,439,226</b>
<b>Estimated Expenditures</b>	
Cargo Release (CCR) Drop 1	22,139,226
Exports and Link Export Cargo Processing to ACE	7,500,000
Commissioner Import Priorities	2,600,000
ITDS Enhancements	1,000,000
ITDS Exports Requirements (Conops and ORD documentation)	4,500,000
ITDS Maintenance and Government Salaries	700,000
<b>Total Projected Estimated FY 12 Obligations</b>	<b>38,439,226</b>

## CONSISTENCY OF ITDS WITH INTERNATIONAL STANDARDS

### *Benefits of International Standardization*

Today, countries have different data requirements and electronic data formats for essentially similar customs processes. Standardizing these reporting requirements could reduce costs for traders, who now must use a different format for each country and invest in different software for reporting to each country. In the current environment, however, the greatest potential benefit of adopting international standards may be to enhance security. Providing a platform for customs administrations to share information and providing advance notice of risky shipments could effectively extend our enforcement perimeter beyond our borders. Moreover, obtaining export data reported to authorities in the country of export may provide a less costly alternative to requiring advance filing of import data. (Sharing of U.S. export information from the AES with other countries may require changes in Commerce Department regulations.)

### *World Customs Organization (WCO) Data Model*

The SAFE Port Act requires the ITDS Board of Directors to ensure that the ITDS data requirements are compatible with the WCO Data Model. The WCO Data Model consists of standardized data requirements, data definitions, reporting codes<sup>8</sup>, and “messages” for transmitting data from traders to governments.<sup>9</sup>

The ITDS Standard Data Set conforms in part to WCO standards. CBP has recently worked with WCO and Canadian authorities to review the compatibility of ITDS data requirements with the WCO data model. However, CBP has taken no concrete steps to implement the WCO standard messages within ACE. Implementation has been notionally considered as a second reporting option, to be developed after other ACE functions are completed.

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<sup>8</sup> “Reporting Codes” relate to the reporting of particular data or information. For example, when the country of export is reported, the reporting code might be UK (for United Kingdom) or MX (for Mexico).

<sup>9</sup> The WCO messages are a version of the UN/EDIFACT Customs messages (CUSCAR, CUSDEC, etc.) which are the functional equivalent to the entry, entry summary, and manifest messages currently required by CBP. The WCO messages have been agreed to by the WCO member countries, including the United States. In both the WCO Framework Agreement and in G-7 communiqués, the United States has committed to implement the WCO messages.

## PROGRESS ON PAST RECOMMENDATIONS

### *Progress on 2010 Recommendations*

- 1. Using ITDS funding already available, CBP should finish work by the end of fiscal year 2011 on the three priority projects contained in Recommendation 2009-1.**  
Completing this work quickly will accelerate interagency cooperation and provide immediate benefits to both the government and the private sector.  
Result: Work on the PGA message Set, the Document Imaging System, and Interoperable Web Services is nearly complete and testing has begun.
- 2. CBP should complete the necessary work for the ACE Cargo Release business case by the spring of 2011.**  
Result: Work in preparation for Cargo Release continues.
- 3. By the summer of 2011, CBP, Census, and other appropriate agencies should examine the potential for enhancing the Automated Export System to provide functionality for additional ITDS agencies, including a detailed examination of ITDS agencies export requirements.** Introducing enhancements to these systems could have minimal impact on ongoing work in the import systems.  
Result: CBP and Commerce have developed an aggressive plan to enhance AES and to build an electronic export manifest.
- 4. CBP should use the functionality developed for system-to-system communication to transmit data CBP already collects to other ITDS agencies.** This will enable agencies to obtain data that supports their mission objectives without waiting for further deployment of additional ACE functionality.  
Result: CBP has begun testing data transmission between CBP and some ITDS agency systems.

### *Progress on 2009 Recommendations*

**Recommendation 2009-1: CBP should immediately add data elements required by other agencies to the major import reporting messages (manifest, entry, entry summary).**

Result: CBP has built the PGA Message Set, the vehicle for collecting data required by other agencies. The PGA message Set remains to be tested and implemented.

**Recommendation 2009-2: CBP should develop the capability to accept transmission of “imaged” forms (such as .pdf files) which may currently only be submitted on paper.**

Result: CBP has developed and tested a Document Imaging System.

**Recommendation 2009-3: CBP should complete its plans for ITDS and make decisions related to the technical interoperability with other agencies’ systems, in order to allow other agencies to continue with their plans for using ITDS and investing in automated systems to work with ACE/ITDS.**

Result: CBP has completed work on its Concept of Operations for operating in the ITDS framework. CBP and other agencies have developed and tested an Interoperable Web Services facility for exchanging data between systems.

### ***Progress on 2008 Recommendations***

**Recommendation 2008-1: The ITDS Board of Directors should ensure adequate resources are devoted to completing the harmonization of agency data requirements.**

Result: Adequate resources were devoted to data harmonization to complete the PGA Message Set. Additional resources may be needed in the future if additional agencies' requirements are added to the message set and for work on ITDS export functionality.

**Recommendation 2008-2: CBP should make all import data it currently collects electronically available to agencies through the ACE Portal.**

Result: No additional data have been made available.

**Recommendation 2008-3: CBP and the other participating government agencies should use a widely accepted standard identifier, such as the Data Universal Numbering System (DUNS) Number as an alternative to identify parties in ACE transactions and CBP should build that capability into ACE in order to reduce the reporting burden on traders, obtain more accurate and complete identification of parties to international trade transactions, and enhance compliance, security, and safety.**

Result: More agencies are considering use of the DUNS Number.

**Recommendation 2008-4: Agencies participating in ITDS that require product codes should strive to use standard product codes based wherever possible on commercial or other consensus standards in compliance with OMB Circular A-119.**

Result: Some agencies are exploring using the GTIN as a product identifier.

**Recommendation 2008-5: The ITDS Board of Directors should be directly represented in the appropriate bodies making decisions regarding the ACE schedule and priorities.**

Result: No action taken.

**Recommendation 2008-6: To enhance the effectiveness of the OMB E-Government tracking of agencies' plans to implement interfaces to ITDS, the dates associated with the milestones for those plans should be adjusted to reflect changes in the ACE schedule. To make the monitoring more accurate and effective milestones should be set and tracked at the component-agency level while maintaining accountability at the department level.**

Result: OMB had adjusted the milestones dates to reflect ACE schedule changes.

**Recommendation 2008-7: The ITDS Program Office and the ACE Team should ensure that agencies' requirements for data, data processing, and communication are fully documented and tracked (in a manner transparent to ITDS agencies and the ITDS Board of Directors) throughout the development and implementation process. Particular attention should be paid to the handoff from the ITDS Program Office to other ACE entities that will implement agency functionality.**

Result: ITDS requirements are now stored in DOORS, an appropriate repository tool.



**Recommendation 2008-8:** The ITDS Program Office should take the lead in establishing a Board within CBP to review MOUs and Concept of Operations plans and to establish a schedule for review of those documents. Such Board should include the appropriate CBP Headquarters staff. The ITDS Program Office working with each agency should identify responsible persons in those agencies to meet with this Board as appropriate.

Result: CBP has published the CBP ITDS Concept of Operations to be used as the foundation for Cargo Release process decisions. CBP has established a Board to review Memoranda of Understanding and Concept of Operations plans.

**Recommendation 2008-9:** CBP should implement in ACE the ability to report transactions in a manner consistent with the WCO Data Model international standards. Standardization can reduce costs for traders and facilitate security cooperation between governments.

Result: No action has been taken.

### ***Progress on 2007 Recommendations***

**Recommendation 2007-1:** In 2007, we noted that several new agencies joined ITDS after the SAFE Port Act was enacted in October 2006, but that agency participation in ITDS had been uneven and that, although agencies are able to obtain detailed import information through the ACE Portal, not all agencies are taking full advantage of that information. ***We recommended that agencies, particularly those with an import safety mission, should accelerate development of plans for their participation in ITDS in order to take full advantage of ITDS capabilities.***

Result: OMB directed agencies to participate in ITDS. While all agencies required to join did so, participation remains uneven.

**Recommendation 2007-2:** ***We recommended that the ITDS Board of Directors should ensure that a Standard ITDS Data Set is established by January 1, 2008.***

Result: See Recommendation 2008-1 above.

**Recommendation 2007-3:** In 2007, we noted that development of the ITDS program requires the involvement of the appropriate policy and operational offices of all agencies. ***We recommended that agencies realign resources to accommodate the increasing ITDS workload and that the ITDS Board of Directors and OMB should take steps to ensure that agency participation is adequate and that ITDS Project Team resources are focused on the development of the ITDS IT infrastructure.***

Result: The Import Safety Working Group recommendations and OMB mandates spurred participation in ITDS, but participation remains uneven.

**Recommendation 2007-4:** ***We recommended that agency legal offices (including CBP) engage in drafting MOUs so that work on these documents is accelerated.***

Result: Initial progress has been made. MOUs were split into a Data MOU and an operational /policy MOU in order to prevent policy/operations issues from delaying work on the data interchange system. Some work on MOUs still lags.

**Recommendation 2007-5:** ***We recommended acceleration of plans to add all import information currently reported electronically to CBP to the ACE "Data Warehouse" so that it could be accessed by agencies through the ACE Portal.*** The ISWG made the same recommendation and OMB directed CBP to proceed.

Results: CBP explored this action but decided not to proceed. CBP is considering making some data already collected available to some agencies through ACS, CBP's current processing system.

**Recommendation 2007-6: *We recommended Implementation of software to limit users to specified classes of data, in order to control access to data and to limit the expensive higher-level security clearances required for wide access to data.***

Results: Access control software, or security filters, have not been implemented, and therefore, all agency personnel are required to obtain full background investigations in order to obtain access to the ACE Portal. The cost and time required to obtain these clearances have limited some agencies' use of ACE.

**Recommendation 2007-7: *We recommended accelerated implementation of World Customs Organization Data Model messages (international standard for customs reporting) in order to: Reduce costs for traders by promoting a single international format for communicating to replace each country's different electronic communication protocols, and facilitate exchange of data between authorities for enforcement cooperation and to extend our enforcement perimeter beyond our border.*** Implementation of the WCO Data Model is also an ISWG recommendation, an OMB mandate, and a requirement of the SAFE Port Act.

Result: No concrete steps have been taken to implement the WCO standard messages within ACE. CBP has taken steps to examine the cost of implementing WCO Data Model standards alongside the legacy standards currently being implemented in ACE, but this work has not been completed.

**Recommendation 2007-8: *We recommended that ITDS Agencies should determine which edits are critical for their purposes and provide timely input to the ACE development team.***

Result: After review by the Commerce Department, the International Trade Commission, and the private sector, some edits originally scheduled to be dropped from production have been reinstated.

**Recommendation 2007-9: *In 2007, we noted that some features to be used by ITDS agencies that were scheduled to be implemented had been delayed and recommended that ITDS Board of Directors be directly represented in bodies making decisions regarding the ACE schedule.***

Result: The ITDS Board of Directors is not represented in the CBP bodies making decisions regarding ACE priorities and schedules.

**Recommendation 2007-10: *We recommended that the ITDS Board of Directors continue to closely track program expenditures to ensure charges lead directly to delivery of IT capabilities, and that those capabilities are delivered on schedule.***

Result: The ITDS Board of Directors is monitoring expenditures and delivery.

**Recommendation 2007-11: *We recommended that agencies participating in ITDS ensure their capital planning and investment control processes incorporate plans for utilizing ITDS.***

Result: OMB instituted a tracking procedure of agency progress (since discontinued). The tracking exercise has focused attention on ITDS, and further coordination is underway between OMB, ITDS agencies, and CBP to enhance the effectiveness of each agency's implementation plan and milestones.





# **Agency Export Functions and Plans**





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## ITDS AGENCY EXPORT FUNCTIONS AND PLANS

### *U.S. Department of Agriculture*

#### *Agricultural Marketing Service*

The **Agricultural Marketing Service (AMS)** certifies shipments of fruits and vegetables to be exported, in order to meet those countries' inspection requirements and, in some cases, to meet the requirements of the Export Apple and Pear Act. The U.S. shipper requests USDA to inspect the shipment. USDA issues a certification to the shipper and any other financially interested parties. The U.S. shipper presents these certificates to the Canadian or other country agencies to meet those countries inspection requirements and ease the movement of fruits and vegetables.

#### *Animal and Plant Health Inspection Service*

USDA's Animal and Plant Health Inspection Service (APHIS), as part of cooperative arrangements with other countries, certifies the compliance of certain exported U.S. products with standards of the importing countries. Access to AES data would assist APHIS in its responsibilities for monitoring exports of these commodities.

#### *Federal Grain Inspection Service*

The **Federal Grain Inspection Service (FGIS)** which is part of the USDA's **Grain Inspection, Packers and Stockyards Administration (GIPSA)**, provides inspection and weighing services. The United States Grain Standards Act requires official inspection and weighing of grain exported from the United States and registration of all persons engaged in the business of buying, handling, weighing, or transporting grain for sale in foreign commerce. The Agricultural Marketing Act of 1946 provides for voluntary inspection of other agricultural commodities. To register as an exporter, potential exporters may visit FGIS's FGISonline Exporter Registration web application or download the FGIS-945 Application for Registration (pdf, fillable pdf, Word version). Inspections are provided at various locations (FGIS field offices, official state and private inspection agencies that are authorized to perform these services on behalf of FGIS, warehouses and rail, barge, and ship loading facilities.)

FGIS believes Export Manifest System data may help assure grain exporter registration and provide export data (ports of call, containers on vessel, exporter of record, importer of record) to aid in importer grain quality and weight complaint investigations as well as provide information for research and compiling reports.

#### *Food Safety Inspection Service*

The **Food Safety Inspection Service (FSIS)** certifies the wholesomeness of meat, poultry, and egg products exported from the United States. The FSIS provides certifications for export

shipments to over 125 countries, many of which require additional certification beyond the mandatory FSIS certificate, related to animal health and production practices, as well as assurances related to FSIS inspection activities and controls.

FSIS wants to be able to access the Automated Export System (AES) data, which will assist with its responsibilities for monitoring exports of these products. In particular, FSIS would like to receive transportation data and export departure information from an automated manifest system, as well as information on returned U.S. products.

## ***U.S. Department of Commerce***

### ***Bureau of Industry and Security***

The **Bureau of Industry and Security (BIS)** of the Department of Commerce administers the Export Administration Regulations, which set forth license requirements for the export of items which have chiefly commercial uses, but may also be used as weapons or for terrorist activities, or human rights abuses. BIS issues export licenses (generally valid for two years) and also has responsibilities for enforcing the Export Administration Regulations.

BIS receives license applications either electronically (through its SNAP-R system) or on a very rare occasion on a paper form (BIS Form 748P) obtained from the Department of Commerce. BIS uses export data reported to the Automated Export System for analytical and targeting purposes. In addition, those data are fed to CBP's Automated Targeting System for export enforcement targeting for the benefit of BIS among others. Also, CBP electronically notifies BIS's Export Control Automated Support System (ECASS), whenever AES indicates that an item has been shipped against a BIS license.

BIS provides CBP and the Census Bureau with information against which certain data reported to AES are validated (Export Classification Control Number (ECCN), License Code, License Number, Country of Destination). BIS maintains a consolidated proscribed entity list on [www.export.gov/ECR](http://www.export.gov/ECR). License numbers and the expiration dates of the license numbers reported to AES are validated against information resident in TECS. CBP and BIS have completed a work request in late December 2011 to expand these edits of the licenses. When errors are detected in AES submissions, filers are notified electronically.

Currently, the Census Bureau provides AES data on a monthly basis to BIS. In December 2011, BIS launched the BIS-AES Application, a new system containing AES information in a user-friendly environment that will enable BIS users to produce reports easily and run specialized queries. This system could also be the foundation for an analytical tool for other ITDS agencies, with authorization from the Census Bureau and BIS.



Additional capability that BIS seeks will:

- Provide the ability to customize reports from CBP's Automated Targeting System (which receives data from AES).
- Build an internal screening capability in AES to notify BIS whenever a person on any of the proscribed entity lists is reported to be involved in an export transaction.
- Move the BIS license file from TECS to AES so additional edits and validations against BIS licenses and BIS reasons for control can be implemented. These could include license decrementation, AES to BIS license ECCN and country matches, and additional or expansion of new or existing AES data fields, such as the end-user and the ECCN to the subpart level. Establish new edits and functionality as part of the Export Control Reform when select items currently controlled by the Department of State are transitioned over to BIS's Commerce Control List.

### ***Census Bureau***

The **Census Bureau** collects detailed information on exports, usually in advance of exportation, from exporters or their agents, and always electronically, to compile the official U.S. merchandise trade statistics. The data are used for research and planning, analysis of trade and transportation flows and trends, transportation infrastructure planning, and assessing the effectiveness of U.S. trade policies and agreements.

Information formerly reported on paper (the former Shipper's Export Declaration) is now collected only electronically either through the AES or through AESDirect. AES receives data through Electronic Data Interchange (EDI), is primarily used by large companies (928 in November 2011) and accounts for about 41.4 percent of all commodity declarations. AESDirect receives data through a web interface, is primarily used by small and medium sized businesses (45,374 in November 2011), and accounts for 58.6 percent of all commodity declarations.

Both AES and AESDirect edit and validate incoming data, and data collected through AESDirect are transmitted and stored in the AES database. Additional editing occurs in AES, and the responses generated are transmitted to filers through AES and AESDirect, depending on how the data were originally submitted. All data are ultimately stored and extracted from the AES database. Because of the constant interchange between the two systems, AES and AESDirect must remain synchronized.

### ***National Marine Fisheries Service***

The **National Marine Fisheries Service (NMFS)** issues permits for exports of certain seafood products. NMFS issues about 200 Antarctic Marine Living Resource permits (for toothfish) and about 250 Highly Migratory Species International Trade permits (swordfish, tuna) per year. NMFS is interested in access to export data to enable it to monitor exports of fishery products.

## ***U.S. Department of Defense***

### ***U.S. Army Corps of Engineers***

The **U.S. Army Corps of Engineers** uses export manifest information to obtain cargo and vessel movement information in order to develop the agency's annual priorities and budget. Timely, accurate and complete data describing the use of the U.S. waterways, locks, and channels are critical to the projection of future use and benefits of recommended navigation projects. In addition, data on past use are used to plan the continued maintenance of channels and to establish priorities among the different Army Corps projects. The waterborne import and export commodities and in-bond cargo movements and foreign vessel traffic comprise the majority of the coastal channel activity. The Corps requires information on all commercial inbound and outbound movements of cargo from the U.S. by vessel. This includes exports, export bills of lading, outbound in-transits (both IE and T&E), re-exports, and exports from Foreign Trade Zones. Further, carriers are required to submit outbound in-transit information to the Corps.

## ***U.S. Department of Homeland Security***

### ***Customs and Border Protection***

**Customs and Border Protection (CBP)** collects export manifests from shipping companies (vessel operators, motor carriers, air carriers, etc.) often on paper. CBP uses export commodity data from AES for enforcement purposes.

## ***U.S. Department of Interior***

### ***Fish and Wildlife Service***

The **Fish and Wildlife Service (FWS)** licenses exports of wildlife and also requires information upon export for most wildlife, in addition to that filed with AES. The information required upon export can be filed either on paper (FWS Form 3-177) along with a required accompanying document package that includes original wildlife permits, copies of invoices, packing lists, transportation documents, other government agency documents associated with the shipment such as the shipper's export declaration and health certificates, and any other documents accompanying the shipment. Filing can also be made through the eDecs system, an internet-based import/export filing system. Paper copies of accompanying documents may be required but some supporting documents can also be filed electronically as scanned document packages. In some instances, eDec filings can be completely paperless except for shipments that require protected species permits.

To achieve the ITDS single-window vision for exports with regard to FWS it would be necessary to add over a dozen data elements to AES for FWS. These data elements could then be transmitted to the FWS eDecs system using the Interoperable Web Services (IWS) functionality that CBP has developed to transmit data between ITDS agencies' systems, eliminating the need

for separate and redundant reporting by exporters. Most of these are data elements that other agencies do not require for exports.

## ***U.S. Department of Justice***

### ***Bureau of Alcohol, Tobacco, Firearms, and Explosives***

The Justice Department's **Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF)** requires the issuance of a permit, ATF Form 9 (5203.9), for exports of firearms not otherwise licensed by the Department of State. The number of such exportations is relatively low; only 853 exportations were licensed by ATF in 2010. ATF requires that the exportation is to be confirmed by a customs or postal official.

## ***U.S. Department of Labor***

### ***Bureau of Labor Statistics***

The **Bureau of Labor Statistics (BLS)** compiles and publishes statistics and price indices on internationally-traded goods and services. Among other uses, BLS import and export price indices are used to adjust import and export trade values for inflation when constructing estimates of GDP. BLS would like to obtain access to export manifest data particularly to assist in the production of price indices of exports of goods, as well as transportation services. While BLS will not require that additional data elements be collected, electronic collection of manifest information and correlation of that data with export declaration information reported through AES will facilitate more efficient production of the BLS statistics.

## ***U.S. Department of State***

### ***Directorate of Defense Trade Controls***

The **Directorate of Defense Trade Controls (DDTC)** in the Department of State is charged with controlling the export and temporary import of defense articles and defense services covered by the United States Munitions List. DDTC licenses exports of defense articles and services.

Currently, DDTC downloads data on permanent export licenses (DSP05) to AES to validate export shipments. In the future that download could be expanded to include temporary export licenses (DSP73) as well as amendments of both types of licenses.

AES currently decrements the total value of each license by the value of each shipment. Commodity quantity by line could also be decremented to ensure full compliance. In addition, if the export data were linked to import data, the system could track and "restore" license quantity and value when temporary exports of defense articles are returned to the U.S. DDTC also seeks the ability to run reports against fields such as country, registrant code, and commodity.

DDTC may seek expansion of some data fields that it downloads to AES and the addition of some other fields. DDTC also seeks the ability to securely share or transmit imaged documents in the field, and also to receive imaged documents from exporters and officers in the field.

## ***U.S. Department of Transportation***

### ***Bureau of Transportation Statistics***

The **Bureau of Transportation Statistics (BTS)** obtains “Transborder Freight Data” from the Census Bureau, which are primarily compiled from data provided by AES and Canadian import data provided by Statistics Canada. Transborder Freight Data contain data on freight flows between the United States and Canada and between the United States and Mexico by commodity type and by mode of transportation (e.g., rail, truck, pipeline, mail, air, vessel, foreign trade zone). Transborder Freight Data now also contain U.S. freight flows transshipped through Canada or Mexico. BTS releases the Transborder Freight Data to the public in multiple formats and produces in-depth analytical reports by combining these data with information from other sources.

### ***Maritime Administration***

The **Maritime Administration (MARAD)** collects and processes manifest information including paper bills of lading, information from CBP’s Vessel Management System (VMS), and export commodity data gathered by the Census Bureau. MARAD ensures compliance with cargo preference laws, which require certain percentages of U.S. Government cargo to be transported on privately owned, U.S. flag commercial vessels. MARAD also analyzes financial data associated with ocean freight revenue, taxes collected in the vessel environment, and certain fees such as harbor maintenance fees.

### ***Federal Aviation Administration/Pipeline and Hazardous Materials Safety Administration***

The **Federal Aviation Administration (FAA)** and **Pipeline and Hazardous Materials Safety Administration (PHMSA)**, of the Department of Transportation have regulatory authority/oversight over the transport and packaging of hazardous materials. Monitoring the transport of international hazardous materials shipments is part of their safety responsibilities.

DOT is particularly interested in linking commodity and conveyance to fill critical data gaps to ultimately obtain detailed information about shipping weight, origin of exports by state, in-transit shipments, and modes of transportation.

## ***U.S. Department of the Treasury***

### ***Internal Revenue Service***

The **Internal Revenue Service (IRS)** is interested in data related to fuel to ensure that the various excise taxes levied on fuels are assessed and collected, particularly data related to fuel movements throughout the fuel distribution system. Currently, the IRS reviews import data to track fuel movements and usage, but does not receive data related to exported products that would allow the IRS to validate report filings from registered facilities and provide a more complete picture of fuel movement and capacity. Integration of export data into IRS analyses could assist with collection of both federal and state fuel-related excise taxes.

### ***Independent Agencies***

#### ***Environmental Protection Agency***

The **Environmental Protection Agency (EPA)** has export licensing and/or reporting requirements for several types of commodities.

Pursuant to the Resource Conservation and Recovery Act (RCRA), the EPA requires an advance notification of exports of certain hazardous waste which the EPA relays to the importing country, and any intermediate countries of transit, all of which must consent to the export. The EPA provides the exporter with an “acknowledgement of consent” (AOC) documenting those countries’ consent. A transporter may not accept hazardous waste for export without documentation of that consent. 40 CFR 263. A Uniform Hazardous Waste Manifest (RCRA Manifest) must accompany an export shipment of certain hazardous waste. An additional tracking document must accompany certain other shipments. Upon export, CBP collects the RCRA Manifest and forwards it to the EPA. *Note: It may be possible, at a minimum, to automate checking of the AOC number reported to AES by forwarding information reported through AES and/or the export manifest to EPA.*

The EPA requires quarterly and/or annual reports from exporters of ozone-depleting substances. The EPA requires exporters of pesticides to register with the EPA and maintain records of the export at the place of production. In addition, the EPA maintains records of exports of unregistered pesticides and notifies the governments of the importing countries. Pursuant to the Toxic Substances Control Act, the EPA requires exporters to notify the EPA when they export certain chemicals in certain circumstances. The EPA then notifies the importing (receiving) country. *The EPA is considering the potential use of AES for export filings under some of these programs.*

#### ***Nuclear Regulatory Commission***

The Office of International Programs in the **Nuclear Regulatory Commission (NRC)** issues export licenses for certain nuclear material, components, and commodities. In some instances, pre-shipment notifications are required for export of radioactive by-product material. NRC transmits the notices to Customs and Border Protection (CBP) via email. NRC coordinates with

CBP to provide for safe disposition of cargo. NRC is developing a web-based license system that will initially support domestic possession and movement of NRC/Agreement state regulated materials and equipment, and eventually, imports and exports. No delivery dates for the final export/import license system are imminent. NRC intends to monitor relevant export transactions, through the ACE Portal.

### **Federal Maritime Commission**

The **Federal Maritime Commission (FMC)** seeks access to outbound vessel manifest and export (commodity) data for the purpose of monitoring and investigating potential violations of the Shipping Act or other agency statutes. Typical access would involve queries by various data elements such as exporter intermediate or ultimate consignee, authorized agent (Electronic Export Information (EEI) filing party), commodity description and Schedule B number. This information would help FMC confirm the accuracy and completeness of information reported for shipping and EEI purposes; to identify false or fraudulent commodity descriptions and shipping documentation; and to identify and deter companies and persons engaged in preparing such, as well as facilitating shipping transactions for which an FMC license and bond are required. The FMC does not anticipate downloading to or maintaining its own electronic database of information derived from AES data.





# **Appendices**







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## APPENDIX A.1: LIST OF AGENCIES – ALPHABETICAL BY DEPARTMENT

ITDS Agencies		
	Department or Independent Agency	Agency/Acronym
1	Agriculture	AMS, Agricultural Marketing Service
2	Agriculture	APHIS, Animal and Plant Health Inspection Service
3	Agriculture	FAS, Foreign Agricultural Service
4	Agriculture	FSIS, Food Safety and Inspection Service
5	Agriculture	GIPSA, Grain Inspection, Packers and Stockyards Administration
6	Commerce	BIS, Bureau of Industry and Security
7	Commerce	Census, Bureau of the Census
8	Commerce	FTZB, Foreign Trade Zones Board
9	Commerce	IA, Import Administration
10	Commerce	NMFS, National Marine Fisheries Service
11	Defense	USACE, U.S. Army Corps of Engineers
12	Defense	DCMA, Defense Contracts Management Agency
13	Energy	EIA, Energy Information Administration
14	Energy	OFE, Office of Fossil Energy
15	Energy	OGC, Office of General Counsel
16	Interior	FWS, U.S. Fish and Wildlife Service
17	Justice	ATF, Bureau of Alcohol, Tobacco, Firearms, and Explosives
18	Justice	DEA, Drug Enforcement Administration
19	Labor	BLS, Bureau of Labor Statistics
20	Health and Human Services	CDC, Centers for Disease Control and Prevention
21	Health and Human Services	FDA, Food and Drug Administration
22	Homeland Security	CBP, Customs and Border Protection
23	Homeland Security	TSA, Transportation Security Administration
24	Homeland Security	USCG, U.S. Coast Guard
25	State	A/LM, State Despatch Office, Office of Logistics and Management
26	State	OES, Bureau of Oceans and International Environmental and Scientific Affairs
27	State	OFM, Office of Foreign Missions
28	State	DDTC, Directorate of Defense Trade Controls
29	Transportation	BTS, Bureau of Transportation Statistics
30	Transportation	FAA, Federal Aviation Administration
31	Transportation	FHWA, Federal Highway Administration
32	Transportation	MARAD, Maritime Administration
33	Transportation	NHTSA, National Highway Traffic Safety Administration
34	Transportation	PHMSA, Pipeline and Hazardous Materials Safety Administration
35	Transportation	FMCSA, Federal Motor Carrier Safety Administration
36	Treasury	FinCEN, Financial Crimes Enforcement Network
37	Treasury	IRS, Internal Revenue Service
38	Treasury	OFAC, Office of Foreign Assets Control
39	Treasury	TTB, Alcohol and Tobacco Tax and Trade Bureau
40	Independent Agency	CPSC, Consumer Product Safety Commission
41	Independent Agency	EPA, Environmental Protection Agency
42	Independent Agency	FCC, Federal Communications Commission
43	Independent Agency	FMC, Federal Maritime Commission
44	Independent Agency	ITC, U.S. International Trade Commission
45	Independent Agency	NRC, U.S. Nuclear Regulatory Commission
46	Independent Agency	USAID, U.S. Agency for International Development
47	Independent Agency	USTR, U.S. Trade Representative

## APPENDIX A.2: LIST OF AGENCIES – ALPHABETICAL BY AGENCY NAME

ITDS Agencies		
	Agency/Acronym	Department or Independent Agency
1	AMS, Agricultural Marketing Service	Agriculture
2	APHIS, Animal and Plant Health Inspection Service	Agriculture
3	A/LM, State Despatch Office, Office of Logistics and Management	State
4	ATF, Bureau of Alcohol, Tobacco, Firearms, and Explosives	Justice
5	BIS, Bureau of Industry and Security	Commerce
6	BLS, Bureau of Labor Statistics	Labor
7	BTS, Bureau of Transportation Statistics	Transportation
8	CBP, Customs and Border Protection	Homeland Security
9	CDC, Centers for Disease Control and Prevention	Health and Human Services
10	Census, Bureau of the Census	Commerce
11	CPSC, Consumer Product Safety Commission	Independent Agency
12	DEA, Drug Enforcement Administration	Justice
13	DCMA, Defense Contracts Management Agency	Defense
14	EIA, Energy Information Administration	Energy
15	EPA, Environmental Protection Agency	Independent Agency
16	FAA, Federal Aviation Administration	Transportation
17	FAS, Foreign Agricultural Service	Agriculture
18	FCC, Federal Communications Commission	Independent Agency
19	FDA, Food and Drug Administration	Health and Human Services
20	FHWA, Federal Highway Administration	Transportation
21	FinCEN, Financial Crimes Enforcement Network	Treasury
22	FMC, Federal Maritime Commission	Independent Agency
23	FMCSA, Federal Motor Carrier Safety Administration	Transportation
24	FSIS, Food Safety and Inspection Service	Agriculture
25	FTZB, Foreign Trade Zones Board	Commerce
26	FWS, U.S. Fish and Wildlife Service	Interior
27	GIPSA, Grain Inspection, Packers, and Stockyards Administration	Agriculture
28	IRS, Internal Revenue Service	Treasury
29	IA, Import Administration	Commerce
30	ITC, International Trade Commission	Independent Agency
31	MARAD, Maritime Administration	Transportation
32	NHTSA, National Highway Traffic Safety Administration	Transportation
33	NMFS, National Marine Fisheries Service	Commerce
34	NRC, U.S. Nuclear Regulatory Commission	Independent Agency
35	OES, Bureau of Oceans and International Environmental and Scientific Affairs	State
36	OFAC, Office of Foreign Assets Control	Treasury
37	OFE, Office of Fossil Energy	Energy
38	OFM, Office of Foreign Missions	State
39	OGC, Office of General Counsel	Energy
40	PHMSA, Pipeline and Hazardous Materials Safety Administration	Transportation
41	DDTC, Directorate of Defense Trade Controls	State
42	TSA, Transportation Security Administration	Homeland Security
43	TTB, Alcohol and Tobacco Tax and Trade Bureau	Treasury
44	USACE, U.S. Army Corps of Engineers	Defense
45	USAID, U.S. Agency for International Development	Independent Agency
46	USCG, U.S. Coast Guard	Homeland Security
47	USTR, U.S. Trade Representative	Independent Agency

## APPENDIX B: AGENCY BOARD MEMBERS AND CONTACTS

AGENCY	ACRONYM	Board Member	Lead Contact	Sr. Official
Department of Agriculture	USDA			
Agricultural Marketing Service	AMS	Sonia Jimenez	Kimberly Coy	
Food Safety and Inspection Service	FSIS	Mary Stanley	Mary Stanley	William Smith
Animal and Plant Health Inspection Service	APHIS	John Payne	Cornelia Mueller	John Payne
Foreign Agricultural Service	FAS	Ron Lord	Patrick Parnell	
Grain Inspection, Packers, and Stockyards Administration	GIPSA	Bryon Reilly	Bryon Reilly	Randall Jones
Department of Commerce	DOC			
Bureau of the Census (Census)	CENSUS	Diane Oberg	Steve Bulman	Nick Orsini
Foreign Trade Zones Board	FTZB	Pierre Duy	Elizabeth Whiteman	Ronald Lorentzen
National Marine Fisheries Service	NMFS	Dale Jones	Chris Rogers/John Reghi	Paul Doremus
Import Administration	IA	Tom Futtner	Hillary Sadler	Stephen Claeys
Bureau of Industry and Security	BIS	Gerry Horner	Gerry Horner	Gerry Horner
Department of Defense	DOD			
U.S. Army Corps of Engineers	USACE	Doug McDonald	Doug McDonald	
Defense Contract Management Agency	DCMA	Erika Veney	Erika Veney	James Rardon
Department of Energy	DOE			Robert Corbin
Energy Information Administration	EIA	Michael Conner	Michael Conner	Douglas Macintyre
Office of Fossil Energy	OFE	John Anderson	Lisa Tracy	Guido Dehoratiis
Office of General Counsel	OGC	Laura Barhydt	Laura Barhydt	
Department of Health and Human Services	HHS			
Food and Drug Administration	FDA	Max Castillo	Max Castillo	Lori Davis
Centers for Disease Control and Prevention	CDC	James Seligman	Sheryl Shapiro/Vondguraus Mcclee	James Seligman
Department of Homeland Security	DHS			
Transportation Security Administration	TSA	Robert Moore		
U.S. Customs and Border Protection	CBP	Susan Dyszel	Susan Dyszel	Allen Gina
United States Coast Guard	USCG	Susan Henry	Susan Henry	Dana Goward
Department of the Interior	DOI			
U.S. Fish and Wildlife Service	FWS	Benito Perez	Sheila Einsweiler	Benito Perez
Department of Justice	DOJ			
Bureau of Alcohol, Tobacco, Firearms, and Explosives	ATF	Teresa Ficaretta	Scott Mendoza	Richard Holgate
Drug Enforcement Administration	DEA	Mark Via	Earlisa Roberts	
Department of Labor	DOL			
Bureau of Labor Statistics	BLS	Steven Paben	Jeffrey Blaha	William Alterman
Department of State	STATE			
Office of Foreign Missions	OFM	Cliff Seagroves	Cliff Seagroves	
State Despatch Office, Office of Logistics and Management	A/LM	Gerry Marandino	Gerry Marandino	
Directorate of Defense Trade Controls	DDTC	Patricia Slygh	Patricia Slygh	
Bureau of Ocean and Scientific Affairs	OES	David Hogan	Marlene Menard	
Department of Transportation	DOT			
Federal Aviation Administration	FAA	M.J. Fiocco	M.J. Fiocco	Chris Glasow
National Highway Traffic Safety Administration	NHTSA	M.J. Fiocco	Coleman Sachs	
Federal Motor Carrier Safety Administration	FMCSA	M.J. Fiocco	Marcelo Perez	
Maritime Administration	MARAD	M.J. Fiocco	M.J. Fiocco	
Bureau of Transportation Statistics	BTS	M.J. Fiocco	M.J. Fiocco	
Pipeline and Hazardous Materials Safety Administration	PHMSA	M.J. Fiocco	M.J. Fiocco	
Federal Highway Administration	FHWA	M.J. Fiocco	M.J. Fiocco	
Department of Treasury	TREAS			
Internal Revenue Service	IRS	Linda Morris	Linda Morris	Holly McCann
Alcohol and Tobacco Tax and Trade Bureau	TTB	Jerry Bowerman	Deborah Pereira	Robert Hughes
Office of Foreign Assets Control	OFAC	Dale Thompson	Dale Thompson	Liz Farrow
Financial Crimes Enforcement Network	FINCEN	Kate Zernes	Kate Zernes	
Board Chairman	TREAS	Tim Skud		
Independent Agencies				
Federal Communications Commission	FCC	Gabriel Collazo	Gabriel Collazo	
U.S. International Trade Commission	ITC	David Beck	David Beck	
Federal Maritime Commission	FMC	Sandra Kusumoto	Jim Carey	Peter King
Environmental Protection Agency	EPA	Andy Battin	Roy Chaudet	
Consumer Product Safety Commission	CPSC	Carol Cave	Jim Joholske	Carol Cave
U.S. Nuclear Regulatory Commission	NRC	Janice Owens	Steve Baker	
Office of U.S. Trade Representative	USTR	David Walters	David Walters	
U.S. Agency for International Development	USAID	Paul Vicinanza	Kenneth Kerttula	

## APPENDIX C: ACE PORTAL USERS

Employees Using ACE Portal as of December 2011	
Agency	Count of Agency
AMS	40
APHIS	136
ATF	20
BIS	1
BLS	9
BTS	4
CDC	1
CENSUS	23
CPSC	40
DOE	6
EPA	10
FAS	9
FCC	2
FDA	1
FMC	10
FSIS	37
FTZB	2
FWS	115
IA	119
ICE	3
IRS	2
ITC	5
NHTSA	1
NMFS	71
OFAC	7
OFM	9
Treasury	12
TTB	21
USCG	7
Grand Total:	723

29 Total Number of PGAs on Portal  
723 Total Number of PGA Users on Portal

## APPENDIX D: SAFE PORT ACT TEXT

H.R. 4954

### An Act

To improve maritime and cargo security through enhanced layered defenses, and  
for other purposes.

*Be it enacted by the Senate and House of Representatives of  
the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Security and  
Accountability For Every Port Act of 2006” or the “SAFE Port Act”.

#### SEC. 405. INTERNATIONAL TRADE DATA SYSTEM.

Section 411 of the Tariff Act of 1930 (19 U.S.C. 1411) is  
amended by adding at the end the following:

“(d) INTERNATIONAL TRADE DATA SYSTEM.—

“(1) ESTABLISHMENT.—

“(A) IN GENERAL.—The Secretary of the Treasury (in  
this subsection, referred to as the ‘Secretary’) shall oversee  
the establishment of an electronic trade data interchange  
system to be known as the ‘International Trade Data  
System’ (ITDS). The ITDS shall be implemented not later  
than the date that the Automated Commercial Environment  
(commonly referred to as ‘ACE’) is fully implemented.

“(B) PURPOSE.—The purpose of the ITDS is to eliminate  
redundant information requirements, to efficiently regulate  
the flow of commerce, and to effectively enforce laws and  
regulations relating to international trade, by establishing  
a single portal system, operated by the United States Customs  
and Border Protection, for the collection and distribution  
of standard electronic import and export data required  
by all participating Federal agencies.

“(C) PARTICIPATION.—

“(i) IN GENERAL.—All Federal agencies that require  
documentation for clearing or licensing the importation  
and exportation of cargo shall participate in the ITDS.

“(ii) WAIVER.—The Director of the Office of  
Management and Budget may waive, in whole or in  
part, the requirement for participation for any Federal  
agency based on the vital national interest of the  
United States.

“(D) CONSULTATION.—The Secretary shall consult with  
and assist the United States Customs and Border Protection  
and other agencies in the transition from paper to  
electronic format for the submission, issuance, and storage  
of documents relating to data required to enter cargo into  
the United States. In so doing, the Secretary shall also  
consult with private sector stakeholders, including the  
Commercial Operations Advisory Committee, in developing  
uniform data submission requirements, procedures, and  
schedules, for the ITDS.

“(E) COORDINATION.—The Secretary shall be responsible  
for coordinating the operation of the ITDS among  
the participating agencies and the office within the United  
States Customs and Border Protection that is responsible

for maintaining the ITDS.

“(2) DATA ELEMENTS.—

“(A) IN GENERAL.—The Interagency Steering Committee (established under paragraph (3)) shall, in consultation with the agencies participating in the ITDS, define the standard set of data elements to be collected, stored, and shared in the ITDS, consistent with laws applicable to the collection and protection of import and export information. The Interagency Steering Committee shall periodically review the data elements in order to update the standard set of data elements, as necessary.

“(B) COMMITMENTS AND OBLIGATIONS.—The Interagency Steering Committee shall ensure that the ITDS data requirements are compatible with the commitments and obligations of the United States as a member of the World Customs Organization (WCO) and the World Trade Organization (WTO) for the entry and movement of cargo.

“(3) INTERAGENCY STEERING COMMITTEE.—There is established an Interagency Steering Committee (in this section, referred to as the ‘Committee’). The members of the Committee shall include the Secretary (who shall serve as the chairperson of the Committee), the Director of the Office of Management and Budget, and the head of each agency participating in the ITDS. The Committee shall assist the Secretary in overseeing the implementation of, and participation in, the ITDS.

“(4) REPORT.—The President shall submit a report before the end of each fiscal year to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives. Each report shall include information on—

“(A) the status of the ITDS implementation;

“(B) the extent of participation in the ITDS by Federal agencies;

“(C) the remaining barriers to any agency’s participation;

“(D) the consistency of the ITDS with applicable standards established by the World Customs Organization and the World Trade Organization;

“(E) recommendations for technological and other improvements to the ITDS; and

“(F) the status of the development, implementation, and management of the Automated Commercial Environment within the United States Customs and Border Protection.

“(5) SENSE OF CONGRESS.—It is the sense of Congress that agency participation in the ITDS is an important priority of the Federal Government and that the Secretary shall coordinate the operation of the ITDS closely among the participating agencies and the office within the United States Customs and Border Protection that is responsible for maintaining the ITDS.

“(6) CONSTRUCTION.—Nothing in this section shall be construed as amending or modifying subsection (g) of section 301 of title 13, United States Code.

“(7) DEFINITION.—The term ‘Commercial Operations Advisory Committee’ means the Advisory Committee established pursuant to section 9503(c) of the Omnibus Budget Reconciliation Act of 1987 (19 U.S.C. 2071 note) or any successor committee.”



## APPENDIX E: HISTORY OF ITDS

### 1993: Origins

The original concept for ITDS is documented in the 1993 Future Automated Commercial Environment Team (FACET) Report. Customs commissioned FACET to make recommendations for the redesign of its commercial processing systems. Customs directed the team to examine international trade processes from both the government and the trade community perspectives and to employ modern information management technologies.

The FACET Report included the following key recommendations:

- Original commercial data should be used as the basis for government trade processing.
- Import and export requirements should be standardized and integrated.
- Integrated government oversight of trade.

An integrated trade database and processing infrastructure should address both the needs of the various government agencies as well as the public's need for international trade information.

### 1995: ITDS Established

In June 1994, the Office of the Vice President issued a report of the National Performance Review entitled *Creating a Government That Works Better and Costs Less - Reengineering through Information Technology*. That sub-report identified thirteen Information Technology initiatives expected to provide "the essential infrastructure for government of the 21st century...and give citizens broader, timelier access to information and services through efficient, customer-responsive processes."

A multi-agency task force was formed representing 53 agencies to address the sixth recommendation that calls for the implementation of an **International Trade Data System**. This system is to meet the needs of the Federal Government agencies involved in international trade, those of the business community, and the general public.

This report led to Vice Presidential Memorandum IT-06 on September 15, 1995, which chartered the ITDS Project Office in the Department of the Treasury. The project office oversaw the federal government information technology initiative that was tasked to implement an integrated, government-wide system for the electronic collection, use, and dissemination of international trade data. ITDS would provide a single window through which the trade community would submit its commercial data, promising to create a government that works better and costs less by:

- Reducing the cost, and burden of processing international trade transactions for both the private trade community and the government
- Improving the enforcement of and compliance with government trade requirements (e.g., public health, safety, export control, etc.)
- Providing access to more accurate, thorough, and timely international trade data and information

A memorandum from then Vice President Gore chartered the ITDS Board of Directors (ITDS BoD). The ITDS BoD was charged with the responsibility of implementing the ITDS vision by working with federal agencies with missions tied to international trade and transportation on policymaking, planning, and management activities. The ITDS BoD charter was reaffirmed in the February 1997 report "Access America: Reengineering through Information Technology". The ITDS BoD reported to and received authority from, the Government Information Technology Services Board.

### **1999: ITDS Project Office is Transferred to the U.S. Customs Service**

By September 1998, significant progress had been made in understanding and documenting ITDS requirements, and a formal Design Report and Concept of Operations (CONOPS) (along with many other documents) were produced. The multi-agency ITDS BoD gave approval to begin work on a pilot system. The ITDS pilot was called the North American Trade Automation Prototype (NATAP) and was the proof of concept for ITDS demonstrating not only domestic harmonization/sharing but also international harmonization with Canada and Mexico. As the work began, it became obvious that ITDS would provide benefits to multiple federal agencies, especially the U.S. Customs Service. As a result, in November 1999, the ITDS Project Office was transferred from the Department of the Treasury headquarters to the U.S. Customs Service.

### **2001: The Short-lived ITDS Pilot Goes Live**

ITDS design and implementation were integrated with Customs modernization and the Automated Commercial Environment (ACE) design and development in early 2000, under the joint oversight of the Customs Modernization Office (CMO) and the ITDS BoD. Under this arrangement, the goals for the ITDS pilot were refined to fit better into the Customs operational environment and to reduce the impact on filers who needed to continue to use the Automated Commercial System (ACS) for the vast majority of their electronic interactions with Customs. In August 2001, the ITDS pilot project went live in Buffalo, New York. However, it was suspended on September 11, 2001 due to operational considerations at the port following the terrorist attacks, and not re-implemented.

## **2003 & Going Forward: The ITDS Vision to be Fulfilled Through PGA Integration into ACE**

In March 2003, the ITDS Project Office moved to the Department of Homeland Security (DHS) with the creation of U.S. Customs and Border Protection (CBP). The ITDS BoD and CBP are working together to aid these participating government agencies (PGAs) in making use of ACE to support their border security, national safety and international trade missions. Today, ITDS is the program that assists the PGAs as they prepare for, integrate their business requirements into, deploy, and sustain ACE. In addition, the program provides guidance on the legal implications of PGA integration into ACE and serves as a forum for agency issues. True to its domestic and global harmonization roots, the ITDS program also spearheads the development and maintenance of the ACE/ITDS Standard Data Set (SDS). This SDS is intended to provide the data needs of the collective PGAs within the ACE development effort as it applies to the collecting and processing of import, export and transportation-related transaction information. The SDS will be aligned to the international standards set by the World Customs Organization (WCO). The goal is to eliminate redundant and obsolete reporting requirements. This allows ACE to offer single window filing to the trade community and supports the WCO's efforts to facilitate the exchange of information between those government agencies that regulate international trade worldwide.

## **2006: The SAFE Port Act Provides Statutory basis for ITDS**

In October 2006, Congress recognized the value of the ITDS concept in the SAFE Port Act, (P.L. 109-347, October 13, 2006) which directed the Secretary of the Treasury to oversee the establishment of an electronic trade data interchange system to be known as the 'International Trade Data System' (ITDS) with the purpose of eliminating redundant information requirements, to efficiently regulate the flow of commerce, and to effectively enforce laws and regulations relating to international trade, by establishing a single portal system, operated by CBP, for the collection and distribution of standard electronic import and export data required by all participating Federal agencies. The Secretary of the Treasury was directed to coordinate interagency participation, in consultation with an interagency committee that included agencies participating in ITDS and the Office of Management and Budget. The Act mandated that all "agencies that require documentation for clearing or licensing the importation and exportation of cargo" participate in ITDS, unless granted a waiver by OMB.

## APPENDIX F: STATUS OF MOUs

AGENCY	Completed MOU Template Submitted to CBP	MOU Signed
<b>FDA</b> HAVE A COMMODITY ANALYST ROLE	YES	NO
<b>FSIS</b> HAVE A LPC ADMIN. ROLE	YES	NO
<b>CDC</b>	YES	NO
<b>APHIS</b> HAVE A LPC ADMIN. ROLE	YES	NO
<b>CPSC</b> HAVE A COMMODITY ANALYST ROLE	YES	NO
<b>EPA</b> HAVE A COMMODITY ANALYST ROLE	YES	NO
<b>NRC</b> --- Nuclear Regulatory Commission	YES	NO
<b>ATF</b> HAVE A LPC ADMIN. ROLE	YES	NO
<b>DEA</b>	YES	NO
<b>TTB</b> HAVE A LPC ADMIN. ROLE	YES	NO
<b>FWS</b> HAVE A COMMODITY ANALYST ROLE	YES	NO
<b>FCC</b> HAVE A LPC ADMIN. ROLE	NO	NO
<b>NMFS</b> HAVE A COMMODITY ANALYST ROLE	YES	NO
<b>AMS</b> HAVE A LPC ADMIN. ROLE	YES	NO
<b>DOS</b> – Foreign Missions	YES	NO
<b>IA</b> (non-ISWG) HAVE A COMMODITY ANALYST ROLE	YES	NO
<b>Dept. of Transportation -</b> NHTSA FAA BTS MARAD HAVE A LPC ADMIN. ROLE	YES Will be part of combined MOU with DOT.	NO
<b>BLS</b> – U.S. Bureau of Labor Statistics HAVE A COMMODITY ANALYST ROLE	YES	NO
<b>Census</b>	YES	NO
<b>FMC</b> HAVE A LPC ADMIN. ROLE	YES	NO
<b>FMCSA</b>	YES	NO
<b>FTZB</b>	YES	NO
<b>IRS</b> HAVE A COMMODITY ANALYST ROLE	YES	NO
<b>ITC</b>	NO	NO
<b>OFAC</b> HAVE A LPC ADMIN. ROLE	YES	NO
<b>USACE</b> HAVE A COMMODITY ANALYST ROLE	NO	NO
<b>DDTC</b> (Directorate of Defense Trade Controls, Dept of State) Research & analysis role	NO Submitted letter requesting establishment of Letter of Exchange.	NO