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MEMORANDUM

TO:ClientsFROM:Edward D. Greenberg

DATE: July 31, 2015

RE: CBP EXTENDS AIR CARGO ADVANCE SCREENING ("ACAS") PILOT PROGRAM

In the fall of 2010, in response to an attempted terrorist attack, U.S. Customs and Border Protection (CBP) and the Transportation Security Administration (TSA) initiated the Air Cargo Advance Screening (ACAS) pilot project to enhance air cargo supply chain security by jointly targeting air cargo shipments inbound to the United States.

The pilot program was first announced on October 24, 2012 was initially supposed to run for six months. Subsequently, CBP published several notices extending the pilot period and the most recent notice published on July 27, 2015, extended the pilot period through July 26, 2016 and reopened the application period for new participants through October 26, 2015.

The ACAS pilot is a voluntary test in which participants agree to submit a subset of the required data elements (the "ACAS data") such as air waybill numbers, quantity, weight and description of cargo and shipper's and consignee's names and addresses, at the earliest point practicable prior to loading of the cargo onto the aircraft destined to or transiting through the United States. These data elements were selected because they are available to air carriers and other participants early in the lifecycle of a cargo transaction and allow the ACAS risk assessment to be completed early in the supply chain for the purpose of enhancing security while minimizing disruption to the movement of goods.

Participants are required to send the ACAS data to CBP through Air Automated Manifest System ("AMS") or via other available means. In addition, the participants must: (1) mitigate according to TSA screening protocols any threat which is identified by the TSA and the CBP based on the information; (2) respond promptly with complete and accurate information when contacted by the CBP and the TSA with questions regarding the submitted data; (3) follow any Do Not Load instructions; and (4) partake in regular teleconferences or meetings established by the CBP to ensure that all issues relating to the pilot are communicated and addressed. Participation in the pilot program does not impose any legally binding obligations on CBP, TSA

or the participant. In addition, CBP does not intend to enforce or levy punitive measures if ACAS pilot participants are non-compliant with the conditions of participating in the pilot.

CBP is seeking participation from various parties, including freight forwarders. From CBP's standpoint, the agency believes there are a number of benefits associated with participation in the ACAS pilot, such as:

- Gains in efficiencies by automating the identification of high risk cargo for enhanced screening before it is consolidated and loaded on aircraft;
- Establishment of mitigation protocols for high-risk shipments;
- Facilitation of corporate preparedness for future mandatory implementation of the ACAS submission requirements; and
- Reduction in paper processes related to cargo screening requirements.

If you are interested, you can submit an email to CBPCCS@cbp.dhs.gov, stating your interest, qualifications. If you have any questions, do not hesitate to contact us.