



A History of ACE

In April of 2001, the U.S. Customs Service announced the move toward Customs Modernization by taking the first steps to implement the **Automated Commercial Environment (ACE)**. ACE is not only a replacement system for the **Automated Commercial System (ACS)**, it is also an effort to streamline business processes to facilitate the growth in trade and foster participation in global commerce, while ensuring compliance with the U.S. laws and regulations.

This modernization includes reengineering of Customs operational processes and the development of new technology infrastructure, computer systems and software applications to support these processes. ACE is intended to streamline import operations and deliver dramatic benefits to both Customs and trade users by addressing and integrating commercial, enforcement and administrative operations.

There are many facets of **ACE that affect not only ocean carriers, but ports, truckers, customs brokers, airlines, terminal operators, railroads, container freight stations etc., and ACE will facilitate the dissemination of Customs data to all.**

ACE could not have moved forward without the participation of **CESAC – the Customs Electronic Systems Action Council**, of which Vilden has been a very active member. While largely unknown to the shipping industry, CESAC's impact has been far reaching on day-to-day cargo operations and the way electronic businesses interact electronically with Customs.

Through CESAC, Vilden participates as a volunteer in a working level group of industry leaders who know their business, understand Customs business, and electronic-data-interchange (EDI) processing. CESAC meets quarterly in Washington D.C., and as part of our service to our customers, Vilden bears the entire expense of participation. Over the years we have influenced policy development with Customs and helped to ensure in some cases that the industry's position and concerns are considered even before new Customs policies and procedures are drafted.

In 2003, Customs announced the beginning of their web portal design, the first step in the development of ACE. The ACE portal was initially open to approximately 40 importers chosen from a list of qualified applicants. The primary benefit at that time was to provide a single on-line access point to Customs data and improve communication capabilities between CBP, the trade community and other Participating Government Agencies (PGAs).

By June of 2004, over 145 importer and broker accounts had been established through the ACE Portal and Periodic Payments, allowing importers or designated brokers to participate in filing entries and making payment of duties and fees via ACH Credit or ACH Debit.

In early 2005, CBP eased the requirements to participate in ACE testing by eliminating the need to be C-TPAT certified, opening the door to increased usage of ACE. By the end of that year, both Northern and Southern borders were accepting e-Manifest truck manifests via ACE.



In February 2008 Vilden joined the Multi Modal Manifest group (MMM) and CBP's plans for the roll out in ACE were scheduled as follows:

- M1 – Ocean and Rail Manifest transitioned from Sea AMS and Rail AMS into the ACE Multimodal Manifest during October 2008
- M2.1 - Air cargo processing transitioned in the first half of 2009
- M2.2 - eTruck Manifest is transitioned into the Multimodal Manifest in the second half of 2009
- M2.3 - the ACS cargo selectivity process moved into MMM

Vilden was selected as one of eight companies invited to participate in the initial testing of M1. We began our system modifications to comply with the new technical aspects of ACE, which required approximately three months of programming. Our goal was to make this change transparent to our client users.

In July of 2008, CBP announced the delay of ACE/M1 by at least six months, primarily because of problems discovered during software testing and the addition of new requirements to the project.

In February 2009 Vilden began actual testing of EDI format changes, however, implementation was again delayed by CBP. Testing was suspended for a short time while CBP worked on software modifications.

Finally, in the second half of 2011, Customs began conducting M1 trade testing with a small number of early adopters. This testing was to measure ACE/M1's ability to handle the various transactions involved in the processing of import ocean carrier manifests. On July 1, M1 successfully passed the trade testing criteria, and the pilot phase of ACE/M1 was scheduled for mid-September 2011.

Vilden successfully completed certification testing in September 2011. Due to the variety of customers represented by Vilden and the various roles they play in the shipment process, Vilden continued to 'stress test' with CBP to ensure that all aspects of transmission, sent and received, are processed properly. **We expect our full migration to the ACE platform no later than the latter part of first quarter 2012.**

It is anticipated that in the first quarter of 2012, CBP will publish the Federal Register announcement that ACS and the manifest processing system, AMS, will be decommissioned. After that announcement, CBP trade partners will have six months to make their transition to ACE.

There are additional changes coming in 2012, affecting IT, IE and T&E shipments, additional enhancements to the ACE Portal, and discussions, design and development of the transition of paper export manifest filing to an EDI process. Vilden continues to be an integral part of these developments to ensure that all our applications are compliant long before the mandatory requirements.