



**U.S. Customs and
Border Protection**

Port of Philadelphia
200 Chestnut Street
Philadelphia, PA 19106

OCTOBER 2, 2006

SERVICE PIPELINE 2007-01

VESSEL AMS – “GATEOUTS”

In furtherance of recent discussions with the trade community concerning instances of “gateouts”, where containers targeted and held for inspection by CBP are released without authorization from CBP and thus not examined, U.S. Customs and Border Protection wishes to remind interested parties that as part of CBP’s risk assessment process, manifest and entry information may be reviewed several times as the shipment travels through the supply chain. Based upon these reviews, a shipment may be placed on hold at any time, even after arrival of the vessel. It is important to note that **all** holds must be removed before the cargo is allowed to enter the commerce. To ensure that the trade community is aware of all cargo authorization messages, holds, and releases, one electronic method of communication is provided – Vessel Automated Manifest System (AMS).

The Trade Act of 2002 Final Rule identified the Vessel Automated Manifest System (AMS) as the system of record for electronic submission of manifest data to CBP. As such, absent extraordinary circumstances, AMS will be the primary mechanism used to provide CBP manifest hold and release information to the carriers and other interested parties such as terminal operators. AMS participants receive immediate notification of all messages, holds, and releases. As the system of record, all messaging to and from the carriers is transmitted electronically via Vessel AMS. **Accordingly, it is strongly encouraged that all terminal operators become AMS participants.**

CBP has also initiated a review aimed at streamlining the current electronic messaging between CBP and the carriers to eliminate the sometimes-complicated array of container movement authorization messages that may contribute to incidents of unauthorized releases. Further information on these changes will be forthcoming shortly.

If you are already an AMS participant, you should immediately notify carriers using your terminal to provide AMS status notifications to you. Currently, CBP supports two means by which a terminal operator can receive status notifications and based on their business needs one or the other is chosen.

1. The terminal operator may elect to have the carrier input his FIRMS or SCAC as a secondary notify party on each bill of lading transmitted.
2. The terminal operator may request that they receive all the notifications from a carrier in a particular port. This option requires that the terminal operator be configured as a service center and that flags are established in the system to automatically route notifications to a party. In addition, this option requires that each carrier request in writing that their status notifications are sent to a particular party in a particular port and the CBP Client Representative will take the appropriate action regarding the establishment of system records.

The carriers will need to contact the terminal operators that they do business with to determine how the operator has elected to receive status notifications. In either case above, this will provide real time access to holds and releases of specific shipments. You should also adjust your procedures for viewing AMS information to ensure that no shipment leaves your terminal if a hold has been placed on it. This procedure should address shipments that leave your terminal by truck, rail and barge.

If you are not an AMS participant, it is strongly recommended that you become a participant, preferably as soon as possible but within 90 days. If you wish to do so, you may send a letter of "intent to participate in Vessel AMS" to:

U.S. Customs and Border Protection
Office of Information Technology
Client Representative Branch
Beauregard, 7681 Boston Blvd.
Springfield, VA 22153

The Client Representative Branch can be reached at 703-650-3500 should you have any questions on the process of becoming an AMS participant. If you choose not to participate in AMS, you are still required to have electronic procedures in place to ensure that no shipment leaves your terminal if a hold has been placed on it. This procedure should address shipments that leave your terminal by truck, rail and barge.

All terminal operators are reminded that 19 U.S.C. 1595a(b) allows for issuance of civil penalties equal to the value of the cargo against any party who facilitates the unauthorized release of cargo from CBP. Penalties will be issued against carriers and terminal operators alike for every container released from CBP custody without authorization. At time of penalty mitigation, a review of the control mechanisms in place at time of occurrence, including AMS participation or not, may be considered an aggravating or mitigating factor. If "gateouts" recur, CBP will increase enforcement activities at the terminal exit points, including a check of every shipment against AMS as cargo leaves the terminal. These increased enforcement actions will likely lead to longer exit times and negatively impact the efficiency of the terminal involved.

If you have any operational questions about this notice please contact SCBPO Paul Nardella at 215-717-5951.

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Philadelphia