



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

September 26, 2005

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**CLEVELAND AREA PORT PIPELINE**

TO All Importers, Brokers, Carriers, Bonded Warehouse Proprietors,  
FTZ Operators, and Other Interested Parties

SUBJECT: Automation of Foreign Trade Zone Admission Process

The Office of Information and Technology (OIT) is currently automating the Foreign Trade Zone (FTZ) admission process. The automation effort will enable Foreign Trade Zone admission applicants to submit to Customs and Border Protection (CBP) an electronic version of CBP's Form 214 ("Application for Foreign Trade Zone Admission and/or Status Designation") via the Automated Broker Interface (ABI) for merchandise reported to CBP via air, sea, and rail manifest. OIT intends to develop future functionality, which will allow for electronic FTZ admission applications for merchandise reported to CBP via truck manifest.

We will be implementing the automated foreign trade zone admission process under a voluntary national test program on a date to be determined. Training material for CBP Officers is being developed by OIT and will be disseminated prior to commencement of the test program.

There are no application procedures to participate in the test program. Eligible participants include FTZ operators, FTZ admission applicants, and agents of FTZ applicants. Parties not participating in the test may continue to file CBP Form 214 in a paper format pursuant to existing FTZ procedures.

Test participants must request permission to admit merchandise into a FTZ by electronically transmitting CBP Form 214 data elements to CBP via ABI. The data transmission may cover a single shipment of merchandise or be a consolidated transmission that covers multiple shipments to a single zone. CBP must receive the electronic CBP Form 214 before the merchandise can be released for admission into the FTZ unless the test participants are authorized to use direct delivery procedures.

The test program will also incorporate transmissions of data on merchandise that is transported to a FTZ or from a FTZ if the data transmission is made via a CBP Form 7512 in-bond transaction or its electronic equivalent.

Test participants, including those approved to participate under direct delivery procedures, must comply with prior notice reporting requirements stipulated in the Bioterrorism Act.

If authorized to use direct delivery procedures, test participants may transmit the required data to CBP on an electronic CBP Form 214 no later than the close of business on the business day following receipt of the merchandise into the FTZ inventory control and recordkeeping system. Exceptions to this rule are as follows:

1. As previously stated, direct delivery participants are subject to prior notice reporting requirements stipulated in the Bioterrorism Act.
2. For inter-port movements of merchandise, direct delivery participants must submit a paper CBP Form 7512, or its electronic equivalent, to CBP before the merchandise can be released for admission.
3. For intra-port movements of merchandise, a permit to transfer request must be electronically transmitted to CBP before the merchandise can be released for admission.

Under the test program, a FTZ operator will be able to accept or reject the merchandise, assume custodial responsibility for the accepted merchandise and report discrepancies between the documents covering the merchandise and the merchandise itself, admit zone status merchandise transferred from another zone, change zone status, admit domestic status merchandise, and transmit post admission inventory adjustment transactions via ABI.

Electronic FTZ admission applications will initially be screened by the automated FTZ system for data sufficiency. A test participant whose FTZ admission application is rejected by CBP may correct the reported error by retransmitting the entire admission application through ABI.

Subsequently, the electronic FTZ admission applications will be processed through cargo selectivity. If there are not positive findings by cargo selectivity, automated approval of an electronic CBP Form 214 not authorized for direct delivery will be transmitted to the FTZ operator authorizing admission of the merchandise into the FTZ. Procedures for CBP Officer action related to processing an electronic CBP Form 214 when there are positive findings by cargo selectivity will be provided in the training material being developed by the Office of Information and Technology.

After CBP receives notice of an FTZ operator's decision to grant or deny admission, electronic approval/denial to transfer the merchandise into the FTZ will be transmitted to the test applicant or the applicant's agent, and to the carrier of the merchandise. CBP will also provide electronic notice to these parties as to whether the merchandise is subject to CBP examination.

If any aspect of the test program conflicts with regulatory requirements governing the FTZ admission application process, the affected regulatory provisions will be suspended for the duration of the test.

We will notify you of the implementation date of the FTZ automation test program and related issues when they become available. If you have any questions concerning the FTZ automation process, please contact Patricia Murray at (440) 891-2536 or Clint Littlefield at (440) 891-3801.

A handwritten signature in black ink, reading "Marc A. Hurteau". The signature is written in a cursive style with a prominent initial "M" and a long, sweeping underline.

Marc A. Hurteau  
Area Port Director