



PACER STACKTRAIN

NEWS ALERT

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RAIL SHIPMENTS AT U.S./MEXICO AND U.S./CANADA BORDERS ***AUTOMATED MANIFEST SYSTEM - Update to Stack Facts #188 April 26, 2001***

To Pacer Stacktrain Customers:

This notice is to serve as an update to the issues around the new AMS process implemented by U.S. Customs. Effective May 2, 2001, customers were required to include additional information in their rail billing to Pacer Stacktrain on northbound Mexico and southbound Canada shipments.

SUMMARY OF AMS SYSTEM:

U.S. Customs' Automated Manifest System (AMS) is an electronic system that automates the customs clearance process for rail import shipments. Whether moving northbound from Mexico or southbound from Canada, shipments can be processed for clearance with U.S. Customs in advance of physical interchange.

AMS permits Rail Carriers (EDI transactions), Brokers (ABI System), and U.S. Customs via AMS to electronically exchange shipment information, allowing Customs to review documentation and determine in advance whether shipment merits examination or release.

For the new process to work, customer shipments arriving from Mexico or Canada must be billed prior to departure from the origin ramp.

Requirements for AMS Implementation: COMPLETE SHIPPING INFORMATION

- Equipment initial and number
 - Shipper name, street address, city, province/state, postal/zip code
 - Ultimate consignee, street address, city, province/state, postal/zip code - Importer name, street address, city, province/state, postal/zip code
 - Customs broker's name and city, province/state - Total number of pieces and unit of measure
 - Total weight and unit of measure
 - Complete and accurate description of all goods (as example "FAK" is no longer acceptable)
 - Country of origin of the goods
 - Value and currency (to be provided by Broker) - Complete rail routing
 - If shipment moving in-bond specification needs to be made if IT or T&E.
- If an IT shipment, a U.S. Broker will be required at destination ramp.
- If shipment is hazardous then advance notice is required

*SHIPMENTS MUST BE BILLED PRIOR TO DEPARTURE FROM THE ORIGIN RAMP.

*ENTRIES MUST BE FILED BY U.S. BROKER WITH U.S. CUSTOMS PRIOR TO DEPARTURE FROM THE ORIGIN RAMP.

There are SIX entities participating in the process in an integral way.

IMC/Customer
Pacer Stacktrain
TFM Railroad
UP Railroad
U.S. CUSTOMS
U.S. CUSTOMS BROKER.

PROCESS:

1. The container is loaded by the shipper. The IMC sends Pacer Stacktrain the EDI billing. The container is drayed back to the ramp for train loading. The cargo must clear with Mexico Customs in order to transmit the billing to UPRR.
2. Pacer transmits the information to UPRR to create a waybill# or master bill of lading (BOL).

3. UP assigns waybill# by container and transmits to Customs (AMS).
4. Customs reviews all of the information, and accepts the transmission if they have complete data. Any containers with insufficient or incorrect information are rejected.
5. For all accepted containers, Customs sends a notification to U.S. Customs Brokers in Laredo in the form of a download.
6. U.S. Customs Broker assigns a pre-file number and advises Pacer. The Broker must present the working papers (import declaration form) before Customs can validate the pre-file number.
7. Once Pacer obtains the pre-file number, we proceed to load the container and create a loading plan for TFM Railroad that includes the pre-file number.
8. TFM generates a 'Consist' and transmits it to UPRR to offer the rail cars for interchange.
9. UPRR creates their 'Consist' and transmits it to Customs. UPRR has the capability to check the AMS system to define if any container was rejected before the train arrives to the border.
10. If a container is rejected by AMS due to some discrepancy between the information provided by the rail carrier and the U.S. Customs Broker, TFM cuts off the rail car on which it is riding at Nuevo Laredo. This allows the rest of the rail cars on the train to cross the border without delay.
11. U.S. Customs may identify a container subject to inspection before the arrival of the train. If this is the case, the rail car on which it is riding is cut off, sent to Port Laredo, and the container is unloaded. The rest of the containers on the rail car will continue their movement on the following day.

As described, the main issue around implementing the AMS system in Laredo is the complete transmission between systems among all the parties involved in each transaction. The closure of the process is the final acceptance of the Broker's prefile to U.S. Customs.

Some of the issues identified with the process and the suggestions to resolve are as follows:

1. IMC's EDI billing does not have sufficient information.

We urge you to evaluate your current systems and upgrade to the EDI version 004010 software if you are not already compliant. A copy of this version is available upon request from Pacer Stacktrain. This version contains all the requirements to meet the U.S. Customs process on a 404 transaction set.

The software used by several customers does not have enough characters and fields to provide all the information required by AMS. The temporary solution that Pacer created was the updated Rail Billing Form which was given to all customers prior to the AMS implementation. The manual rail billing form presents double work for both the customers and Pacer Stacktrain. If the customer is not EDI compliant with the new system, Pacer has to manually enter and transmit the rail billing to the railroad. If the information is missing, Pacer has to make corrections to the rail bill after retrieving the information from the customer. This process can and does add delay to the shipment movement.

2. Pacer Stacktrain and UPRR systems groups are working closely to resolve the problems that have been identified since the AMS implementation.

3. U.S. Custom Brokers in Laredo have also experienced system problems. According to U.S. Customs in Laredo, there are only two Custom Brokers with advanced software that can obtain the validation of their pre-file numbers through electronic transmission. All others are using an older software package that is capable of receiving the download from AMS, but is not capable of validating their pre-file number assigned to the containers. This is because they have to physically present all their paperwork to U.S. Customs prior to the transmission.

Pacer Stacktrain has met on numerous occasions with U.S. Customs, the Brokers, TFM and Union Pacific railroads to resolve the issues with the AMS process.

We are receiving support from the railroad personnel to help expedite the movement of our containers through Mexico and across the border. We have hired additional help to assist in this process. In addition, we have held meetings in Mexico and Laredo with our customers and brokers to provide assistance and education to work through the opportunities. We also plan to schedule more meetings with our customers to ensure that our systems are communicating and will work through the challenges with you.

We thank you for your support and we are committed to making this process work for all involved and to expedite the transit of containers shipped out of Mexico.