

Customer Success Story

Geodis Wilson

AMS and 10+2: Moving into the Future by the Numbers

U.S. as well as Canadian Customs and Border Protection (CBP) recently changed their regulations to require certain shipment information 24 hours before goods are loaded aboard a vessel destined for their shores. This is leading to significant changes to the way we work today, but it is also resulting in long-term savings and additional service field for Geodis Wilson.

As you are all aware, U.S. and Canadian Customs drastically changed their customs procedures. We are now required to either file our manifest information directly with U.S. and Canadian Customs via an AMS system, or turn over all our pertinent shipment information to the carriers to file on our behalf.

Together with Descartes, a global logistics solutions provider, Geodis Wilson has decided to develop its own direct filing system for AMS to comply with customs requirements. U.S. and Canadian Customs require receipt by electronic transmission of 13 essential data elements via EDI to comply with AMS. The next phase will be to expand into the 10+2 requirements.

What is AMS (Automated Manifest Service)?

Today, companies must comply with the U.S. Department of Customs Container Security Initiative (CSI) 24-hour reporting rule. Manifest information, including shipper details, must be provided to comply with the customs regulations.

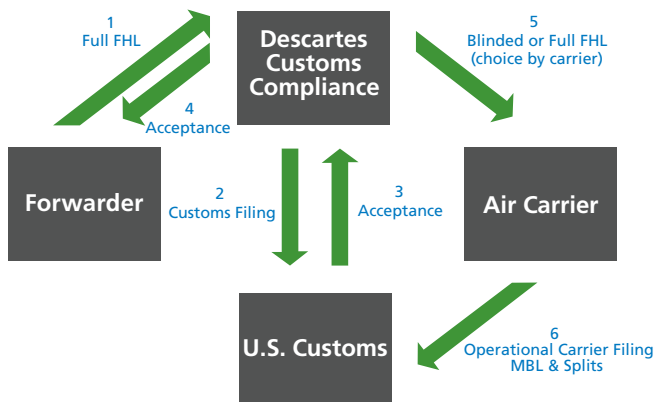
Why 24-hour advance filing?

Customs hopes that with this advanced notification they will be able to reject a suspicious shipment at its origin before allowing it to physically reach U.S./Canadian shores, thereby reducing the risk of future terrorist attacks through commercial channels.

What is 10 + 2 Importer Security Filing (ISF) Service?

U.S./Canadian Customs now require the electronic transmission of additional data elements to current AMS filing 24 hours before the cargo is placed on the vessel to improve high-risk targeting, and to do so they have implemented a new program called 10+2. As announced on January 2, 2008, CBP's proposed regulations, referred to as 10+2, will require 10 data elements from importers or their agents 24 hours prior to vessel departure. The objectives of 10+2 are clear: to automate and standardize this business process across all parties involved, to provide interpretation and understanding of the final Importers Security Filing (ISF) rules and their impact on the industry, to provide insight into optimal data and work flow options between the importer, forwarder, broker, carrier, other agents and CBP, and to provide guidance on future complementary solutions to assist in further streamlining international trade.

The ISF consists of data elements such the master bill of lading number, the container number, the vessel name and voyage number, the names and address of manufacturers, sellers and buyers, receiving party, container stuffing location, consolidator and more, including, of course, the country of origin. This is serious business – if everything isn't in place according to the required time periods and filing systems, importers will be assessed liquidated damages equal to the value of the goods. Loopholes in the system are virtually non-existent, and even goods entering the U.S. by rail or truck through Canada will soon be included in the 10+2 system.



Geodis Wilson's Four-Phase Approach

The transition will be conducted in four phases, starting with AMS handling before moving fully into the 10+2 system. Phase one will consist of AMS Air Freight, because our service provider Descartes already handles most of this information today. Geodis Wilson will review the information currently available through Descartes, adapt a new workflow model into the environment and create a Setup Error Handling procedure within our operations, implementing it locally.

"We expect a pretty simple handover in Phase 1, especially for axsfreight countries," says Frank Baranski, Process Director at Geodis Wilson Headquarters. "Phase 2 will be AMS Ocean Freight, which started at the beginning of 2009. This will involve the same process adaptations, as well as ensure an electronic data exchange from the current various transport management systems out to the Ocean Carriers." Once this has been achieved Geodis Wilson will move into Phase three – the full 10+2 program for Ocean Freight, which will involve reviewing the requests for the 10+2 data elements, building up processes and new interfaces especially designed to receive and handle the new information including local error handling. Phase four will round off the process as the same situation is set up for Air Freight.

What does AMS Airfreight mean for Geodis Wilson?

Baranski explains the impact this will have on our company. "Most of the information for AMS Airfreight is already available and used today. In the past, Geodis Wilson passed this information on to the carrier, who provided it to customs. Customs checked the information, and when an issue arose, they told the carrier what needed to be cleaned up according to the AMS-required information. The biggest change to our shipping procedures is that we will be using a company called Descartes to provide our information to customs."