



U.S. Customs Service

610 S. Canal Street
Chicago, IL 60607-4523

Pipeline 02-03
January 17, 2002

TO : Customhouse Brokers, Importers and Others Concerned

SUBJECT: Quota Preprocessing Program

The Quota Preprocessing Program (QPP) was developed as a prototype and initiated at the ports of Los Angeles and New York. The QPP allows entries for merchandise subject to absolute quota, classified in Chapters 61 and 62 of the HTSUS, to be filed, reviewed for admissibility, input into the quota module of ACS, and processed through cargo selectivity prior to arrival of the carrier. Effective January 1, 2002, this program will be expanded to the Port of Chicago.

The goals of the prototype are:

- 1) To reduce the processing time of quota entries;
- 2) To process quota entries submitted as part of the preprocessing program in the same amount of time as non-quota entries;
- 3) To increase the quantity of quota entries released within one calendar day of the arrival of the carrier; and
- 4) To equalize the submission of quota entries over the five-day work week.

Only importers who currently import apparel through the Port of Chicago may participate in the prototype. Participants will not be permitted to alter their importing patterns in order to take advantage of Quota Preprocessing. During the prototype Customs will monitor import volumes for significant increases through the prototype ports. Customs will only accept consumption entries of apparel merchandise subject to quota (types 02 and 07) for preprocessing which meet the following criteria:

- 1) The entry must be filed using ABI;
- 2) Payment must be made electronically through the Automated Clearinghouse (ACH);
- 3) Arriving carriers must use the Automated Manifest System (AMS);
- 4) The quota category must be less than 85% full;
- 5) The entry must contain at least one line classifiable in Chapter 61 or 62 of the Harmonized Tariff Schedule of the United States (HTSUS); and
- 6) The entry must be submitted at the Port of Chicago, and identified as "QPP" on the CF3461.

TRADITION



SERVICE



HONOR

If an importer submits a quota entry for Quota Preprocessing and it does not meet all of the above criteria the entry summary will be rejected back to the

filer and may not be resubmitted to Customs until after the carrier has arrived.

Under this prototype, when the documents are filed prior to arrival of the merchandise the term "**time of entry**" shall be the time the merchandise arrives within the port limits. The term "**time of presentation**" shall be the time of delivery in proper form of the entry/entry summary for consumption for which a valid scheduled statement date for the estimated duties payable has been successfully received by Customs via the ABI. A valid scheduled statement date must be within 10 days of the estimated date of arrival of the merchandise. The ACH payment is then due within 10 days of the **estimated** date of arrival of the merchandise. Payments received outside this time period will be considered late and will be subject to liquidated damages.

Upon arrival of the freight by the carrier in AMS, merchandise covered by a preprocessed entry will be released unless Customs decides to perform an examination. The customhouse broker would be notified of the need for examination.

In order to participate in the QPP, the importer is required to submit an application to the program coordinator at each port the applicant intends to submit quota entries for processing. Customs must then provide the importer with a written notification of the approval or denial to participate in QPP.

The application must include the following:

- 1) The specific port, or ports, included under the prototype, where the entries of qualifying quota merchandise will be filed.
- 2) The importer of record numbers, including suffixes, and a statement of the importers/filers electronic filing capabilities.
- 3) The names and addresses of any entry filers, including customhouse brokers, that will be electronically filing entries at each port under the prototype on the behalf of the importer.
- 4) The total number of consumption entries filed at each of the prototype ports, during the preceding 12 month period, and the estimated number of entries, eligible under the QPP, that is expected to be filed at each prototype ports, through the expiration of the prototype.

Applications and inquiries should be directed to the attention of Bonita B. Hooks, Branch Chief, Centerpoint, (847) 616-4060, ext. 112.

Robyn Dessaure
Port Director