Commercial Customs Operations Advisory Committee (COAC)

Government Issue Paper: Revenue Modernization (Rev Mod)

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U.S. Customs and
Border Protection

Action Required: Informational

Triennial Broker Fee Payments Online: Announce to the broker community that for this year's triennial broker fee payments, the Revenue Modernization Program has made online payment via Pay.gov an option.

Background:

The Revenue Modernization Program (Rev Mod) aims to 1) reduce or eliminate labor intensive manual processes surrounding revenue collections, 2) increase online and electronic payment options for payment of duties, taxes and fees, and 3) provide revenue collections data at the transaction level for improved reporting and analysis.

The Rev Mod Program is engaging with the trade and travel community to:

- Share Rev Mod's findings regarding the capability gaps, challenges, and modernization requirements around CBP's revenue collections processes, and solicit the trade and travel community's feedback to finalize requirements

- Solicit the trade and travel community's feedback on their fee and duty collection experiences with other countries, identifying the most favored international approaches, and determining whether those international methods of payment can be duplicated here

- Help refine and implement Rev Mod's To-Be vision of revenue collections

- Gain input on locations for Rev Mod's experiments and technology demonstrations, and, as these demonstrations start, solicit feedback to determine what changes should be made to improve efficiency or address any issues

- Discuss the feasibility of potential or proposed legislative changes needed to support Rev Mod improvements

- Engage the COAC to help disseminate important Rev Mod updates relevant to the trade and travel community

Issue:

CBP's current revenue collection processes are slow, inefficient, and opaque because they are supported by fragmented and decentralized databases, manual spreadsheets, and manual labor-intensive processes. Rev Mod seeks to eliminate these inefficiencies and provide:

- Benefits to the trade and travel industries and the U.S. economy by providing modern electronic online billing, collection and payment options that are secure, accurate, and can be directly deposited

- Operational efficiencies at the ports of entry (POEs) through the use of mobile applications, improved cash register software, intelligent safes, etc., and allowing CBP Officers to focus on their mission critical law enforcement and trade and travel facilitation duties

- Access to real-time, reliable financial and operational data to inform decision-making and comply with existing and emerging reporting requirements

Current Status:

To address the issue at hand, Rev Mod is conducting multiple experiments and technology demonstrations based on a thorough business analysis and requirements vetted by CBP staff at POEs. Current and planned technology demonstrations include:

- **Mobile Collections and Receipts (MCR)** automates the manual paper receipt process for maritime arrival fees (forms 368 Collections and 1002 Tonnage Tax receipts) and will provide the Trade with the ability to pay vessel arrival fees online. Rev Mod is evaluating MCR at four ports and measuring its success as a basis for planning future added functionalities.

- **Smart Safe** reduces the labor-intensive manual processes around cash handling at ports of entry. Smart safes are safes that count cash, eliminating the need for multiple time-consuming cash re-counting for reconciliation purposes. The safe also scans cash to avoid accepting counterfeits. As cash is fed into the safe, the cash is automatically deposited in the bank. The service includes an armored car courier that retrieves cash from the safe and takes it to the bank. Some types of smart safes (recyclers) have the ability to make change, alleviating another challenge for Officers doing this work. Rev Mod is evaluating smart safes at two ports, measuring its impact on officers' time.

- **Electronic Payment Option (EPO)** provides online payment options allowing brokers, agents, vessel owners, Trade and Travel representatives or individuals to pay (non-entry-summary) fees, taxes or duties electronically or online. Rev Mod is currently focusing on processing Triennial Broker Fees collected online.

- **Point of Sale (POS)** provides a software upgrade on cash registers at the POEs. The new software will contribute to improving revenue collections data at the transaction level for improved reporting and analysis.

- **Agricultural Inspection Overtime Reimbursement Bills** automates overtime billing, and has resulted in bills being submitted within two weeks of the pay cycle in which overtime was charged. It has saved 1,700 CBP labor hours for more than 20,000 bills created to date. This effort has added more billing details to the reimbursable bills as of August 2017.

Next Steps:

- Encourage the COAC to spread the word to the broker community about paying Triennial Broker Fees online.

- COAC's Trade Modernization Subcommittee has issued recommendations in March 2017 and Rev Mod is actively working with other offices within CBP to track who is working on implementing these recommendations and identifying gaps where no effort is underway.

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