

**Commercial Customs Operations Advisory Committee
Secure Trade Lanes Subcommittee
Executive Summary**

June 2024

COAC

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

Commercial Customs Operations Advisory Committee (COAC)
June 2024

Report of the Work of the COAC
Subcommittee on Secure Trade Lanes

Trade Co-Chairs

Angela Cook – General Motors Tax Staff - Global Customs
Stephen Simmons – Canadian Pacific Kansas City Railroad

Secure Trade Lanes Subcommittee Members:

Brian Barber, Dave Corn, John Drake, Tom Gould, Mary Hodges, Heather Litman, Kerry Novak, Julie Pojar, Cynthia Roller, Craig Seelig, Travis Skinner, Matt Zehner

Background:

The Secure Trade Lanes subcommittee has seven (7) active working groups focused on areas aimed at modernizing import/export processes, improving trade intelligence, and maximizing efficiencies. These groups are working to enhance trade partnership programs, improve management of imports and exports, and deploy authentication technologies to reduce supply chain barriers.

The following working groups make up the Secure Trade Lanes Subcommittee:

- 1) Export Modernization Working Group, chaired Cynthia Roller
- 2) Trade Partnership and Engagement Working Group, co-chaired by Angela Cook, Kerry Novak, and Julie Pojar
- 3) Cross-Border Recognition Working Group, chaired by Stephen Simmons
- 4) Pipeline Working Group chaired by Mary Hodges
- 5) De Minimis Working Group chaired by Craig Seelig
- 6) Centers Working Group co-chaired by Heather Litman and Cynthia Roller
- 7) Foreign Trade Zones/Warehouses co-chaired by Tom Gould and Julie Pojar

All subcommittee objectives and scope are consistent with the official charter of COAC.

Summary of Work

The Secure Trade Lanes Subcommittee has the responsibility of focusing on areas aimed at modernizing import/export processes, improving trade intelligence, and maximizing efficiencies. The Secure Trade Lanes sub-committee has met twice this quarter to discuss the ongoing efforts in the seven active working groups areas. This quarter there are three (3) recommendations to put forth.

Export Modernization Work Group

The Export Modernization Working Group (EMWG) has met on a bi-weekly basis since our last public meeting on March 6, 2024 with CBP, Census and BIS to continue to push for the development and rollout of the Electronic Export Manifest (EEM) for all modes of transport and progressive filing.

Our immediate attention this quarter is the continued push for the release of regulations for rail, air and vessel and to continue to build support for pilot participants with the release of the EEM document on CBP.gov. We also plan to further discuss the impacts and expectations for progressive filing. The Working Group has also held additional smaller mapping sessions for documenting progressive filings for the various modes.

The Drawback Task Force has met three times this quarter. This task force continues to focus on review of the drawback regulations and modernization of the drawback program. Our recommendation this quarter focuses on the administrability of the drawback program, limiting accelerate payment of smaller drawback claims. This was extensively reviewed with the group and CBP validated the proposed impact via statistical analysis of availability of current and recent claims.

The EMWG has one (1) recommendation for the June 26, 2024 public meeting, specifically from the Drawback Task Force.

Trade Partnership and Engagement Working Group

The Trade Partnership and Engagement Working Group was able to meet three (3) times since the March public meeting. The leadership team met once to discuss goals and objectives with the new CTPAT Director, Dina Amato. The COAC is looking forward to working with Director Amato in the remainder of the 17th term. COAC has suggested to Director Amato that the remainder of the term should focus on a detailed review of the current Minimum Security Criteria (MSC) and proof of benefits for both the Security and Trade Compliance programs.

The TPE WG has no recommendations this quarter.

Cross-Border Recognition Working Group

Since the last public COAC meeting in March, the CBRWG has met three (3) times. In these meetings, CBP gave updates on the 16 Unified Cargo Processing (UCP) programs and how they have engaged with the Mexican agencies that support this effort. CBP also provided an update on agriculture automation initiatives with Mexico's SAT.

The working group continues to focus on identifying and documenting opportunities to mitigate impacts on the supply-chain in order to allow all POE's on the southern border to remain open to process legitimate trade.

The Cross-Border Recognition Working Group will not have any recommendations for the June 2024 Public COAC meeting.

De Minimis Working Group

The De Minimis Working Group met three (3) times this past quarter. In these meetings we discussed several issues including the CBP published compliance measurement and PGA exceptions for De Minimis filings. The De Minimis working group does have two (2) formal recommendations for the June 26th public meeting.

Pipeline Working Group

The PWG has met three (3) times since the March 2024 COAC public meeting. The PWG is pending the ability to conduct the pilot intended to operationalize DID/DLT technology for CBP oversight of pipeline-borne hydrocarbon importations. The PWG will not have any recommendations for the next COAC public meeting.

Centers Working Group

The Centers Working Group (CWG) meets twice a month. These sessions have included robust discussions concerning the interaction of the Centers of Excellence (“Centers”), the Ports, and the Trade.

The CWG has recently established three Sub-Groups (“SG”) to focus on specific areas of consideration. An Operations SG, that will focus on the Centers’ coordination with the Ports, FP&F, drawback, and broker management. A Structure SG, that will consider of the number of Centers, the branches within the Centers, and workload equity amongst the Centers. This includes consideration of potential structural changes to help with the Centers’ expanded responsibility in admissibility reviews such as with UFLPA and EAPA investigations. The Structure SG will also consider how information within CTPAT may be better leveraged to help the Centers with these reviews. A Communications SG, which will consider IT/ACE solutions (including webpage) to facilitate communications for CBP internally and externally with the trade.

The Centers WG has no recommendations this quarter.

Foreign Trade Zones/Warehouses

The Foreign Trade Zones/Warehouse Working Group met three (3) times this past quarter. In these meetings we discussed how to structure the review and potential modifications to the previous recommendations and regulatory package changes that had been put forward. The Working Group will meet bi-weekly to discuss each Part of 19 CFR 146 and the prior work product to bring forward recommendations. Additionally at this time, the Working Group will address IT challenges that Zone operators face and FTZ functionality within the bounds of CTPAT.

The Foreign Trade Zones/Warehouses Working Group will not have any recommendations for the June 2024 Public COAC meeting.

Conclusion

The Secure Trade Lanes Subcommittee will continue to leverage its existing working groups and trade subject-matter experts to provide feedback on the various challenges facing CBP and the Trade and collaborate to help CBP achieve its dual goals of trade facilitation and enforcement.