

**The Advisory Committee on Commercial Operations  
to U.S. Customs and Border Protection (COAC)**

**January 2016  
Report of the Work of the COAC  
Subcommittee on Trade Enforcement and Revenue Collection  
Co-Chairs  
Lisa Gelsomino - Avalon Risk Management  
Kevin Pinel - Microsoft Corporation**

**Background**

At the March 6, 2013, meeting of the 13<sup>th</sup> Term Commercial Operations Advisory Committee (COAC) in Washington, D.C., the Committee established the Trade Enforcement and Revenue Collection Subcommittee, a blending of the Intellectual Property Rights, Bonds, and AD/CVD Subcommittees from the 12<sup>th</sup> Term of COAC, and also adding Regulatory Audit. The objectives for the Subcommittee are to generate advice and develop recommendations pertaining to improving enforcement of the trade laws of the United States and the collection of duties and fees. Enforcing U.S. trade laws adds not only to the security of the global supply chain and our nation, but expedites products into the marketplace. Identifying and expediting compliant trade by enforcing our trade laws adds to both our national security and facilitation efforts. With compliant trade identified and appropriate fees and duties assessed, CBP can then focus its limited resources on non-compliant and higher risk commerce.

Given the above objectives, COAC's Trade Enforcement and Revenue Collection (TERC) Subcommittee developed a Statement of Work which outlines its focus for this term.

**Outline of Work**

It is expected that, during the lifespan of this Subcommittee, the focus will be on providing advice and recommendations that cover, but will not be limited to, the following areas: Intellectual Property Rights, Anti-Dumping and Countervailing Duties, Bonds and Regulatory Audit.

Each of these issues will be further refined and discussed in its Working Group that in turn will report back to the larger Subcommittee. These Working Groups will be supported by a broad range of stakeholders and the advice provided will incorporate the views and address the concerns of industries impacted by the projects.

**Summary of Work**

Since launching the TERC Subcommittee, four (4) Working Groups have been opened including a Regulatory Audit Working Group, an Intellectual Property Rights (IRP) Working Group, a Bond Working Group, and an Anti-Dumping/Countervailing Duty (AD/CVD) Working Group.

The TERC Subcommittee continues to conduct calls to discuss CBP's requirements under the Trade Facilitation and Trade Enforcement Act of 2015 (HR 644) and expects to formalize a Working Group in 2016, once the direction of this bill is better established and the Centers of Expertise and Excellence (CEEs) are fully operational to focus on Trade Enforcement.

### **Anti-Dumping/Countervailing Duty (AD/CVD) Working Group**

The AD/CVD Working Group (AD/CVD WG) continues to host monthly calls to monitor the progress CBP has made on the four (4) recommendations made at the COAC public meeting held in February 2015. Since the last COAC meeting held in October 2015, the AD/CVD WG has held three conference calls and has confirmed that three (3) of the four (4) recommendations have been partially implemented and in progress as follows:

**Recommendation #13118** COAC recommends CBP utilize CSMS messaging to more actively push out AD/CVD information in the following circumstances:

- (1) When a petition is initially filed with the Department of Commerce (DOC) and at the time of initiation. *Per below CSMS messages, implemented on November 30, 2015:*  
[CSMS# 15-000890-New Investigation on Iron Mechanical Transfer Drive Components–Canada and China](#)  
[CSMS# 15-000891-New Investigation on Circular Welded Carbon-Quality Steel Pipe Pakistan, Philippine](#)
- (2) For every scope review determination by the DOC, with efforts made in conjunction with the DOC to summarize the scope ruling in the most readable and understandable way possible. CSMS messages should also contain links to the DOC case in question and contact information at CBP and DOC for questions. *To date, various CSMS messages have been issued to assist with scope rulings, and CBP stores CSMS messages pertaining to AD/CVD on its website for easy reference. This recommendation remains in progress.*  
[CSMS# 15-000103-U.S. Department of Commerce Scope Ruling on Wooden Bedroom Furniture Chests](#)  
[CSMS# 15-000895-Scope Ruling and Anti-circumvention Determ Summaries for Active AD/CVD Orders](#)  
<http://www.cbp.gov/trade/priority-issues/adcvd/admin-messages>

**Recommendation #13119** COAC recommends CBP work with specific industry sectors to develop additional industry outreach related to AD/CVD issues with particular emphasis on reaching further down the supply chain beyond the traditional importer and domestic industry community. This outreach should include additional coordination with other agencies such as the Department of Commerce, the Department of Justice and ICE/HSI, as well as harnessing and building upon the expertise at the Centers of Excellence and Expertise.”

*The nature of this recommendation is ongoing, however CBP continuously works in partnership with the partner government agencies and specific industry sectors to share enforcement efforts and gather trade intelligence. CBP is engaged with the partner agencies and the trade community through regular meetings and joint training sessions. Additionally, CBP's Centers of Excellence and Expertise have provided a greater opportunity to build upon and leverage industry subject matter expertise for both facilitation and enforcement. An example of CBP's efforts in this regard was highlighted in an article about the solar industry, see <http://www.cbp.gov/frontline/2015/06/frontline-july-2015>.*

**Recommendation #13120** COAC recommends CBP undertake a dedicated communications initiative to further develop and improve information systems currently communicating AD/CVD information to stakeholders. Specific areas of focus should include:

- (1) More prominent highlighting of AD/CVD information on the current [cbp.gov](http://www.cbp.gov) website  
*CBP has updated the website with AD/CVD Case Search functionality, AD/CVD CSMS messages, etc. and continues to do so with new information as it arises, please see AD/CVD Website Page at <http://www.cbp.gov/trade/priority-issues/adcvd>*
- (2) Communicating additional case-specific information such as “fraud alerts” and other appropriate “concerns for the trade.” *CBP established eAllegations to report fraudulent activity to <https://eallegations.cbp.gov/Home/Index2>. CBP has also sent fraud alerts to the trade via CSMS messages and updates to the website, such as AD/CVD Scam Alert at <http://www.cbp.gov/trade/priority-issues/adcvd/scam-alert> and AD/CVD Enforcement Updates at <http://www.cbp.gov/trade/priority-issues/adcvd/outreach>.*
- (3) Better coordination of AD/CVD web portals/web content currently managed by other agencies. *This initiative is ongoing and CBP currently includes links to the DOC and ITC from its main AD/CVD Website Page.*
- (4) Continued development of FAQs working in conjunction with the trade and other agencies. *CBP and the ITC have posted FAQs to the CBP website, see links as follows: <http://www.cbp.gov/document/faqs/adcvd-frequently-asked-questions-0> [http://www.usitc.gov/faqs/import\\_injury\\_faqs.htm](http://www.usitc.gov/faqs/import_injury_faqs.htm)*

**Recommendation #13121** COAC recommends consideration in the longer term of the idea of a single, multi-agency managed website dedicated to AD/CVD. AD/CVD has a unique and particularly complicated set of laws, regulations and policies with multiple agencies involved in management of the AD/CVD process. The existence of one single website or other communications portal dedicated as an umbrella for AD/CVD information could provide significant long term value for all stakeholders.

*CBP has held several meetings with the partner government agencies regarding a single website for AD/CVD information. CBP considers the development of the ACE single window an opportune time to bring together the pertinent AD/CVD information into one website and CBP’s Office of Trade Relations has taken the lead in this effort.*

The AD/CVD WG consists of a wide range of stakeholders (importers, customs brokers, domestic industry, consultants, etc.) to act as a standing forum of subject matter experts that can be called together by CBP when any issue on AD/CVD matters arise to solicit feedback and advice from the trade. The AD/CVD WG will continue to maintain regular calls to discuss ongoing challenges with AD/CVD matters and brainstorm new initiatives to help with enforcement and revenue collection. The AD/CVD WG will also continue to have ongoing discussions on how CBP, the Department of Commerce (DOC) and trade can work together to implement more effective communication and education tools to improve enforcement and facilitate legitimate AD/CVD importations.

## **Bond Working Group**

Since the last COAC meeting in October 2015, a Bond Working Group (BWG) has been created and the first conference call will be held on Thursday, January 21, 2016. The BWG consists of a wide range of stakeholders (importers, customs brokers, sureties, etc.) and will consider the revisions to Bond Directive 3510-004, which contains monetary guidelines for setting bond amounts. The BWG will also consider the rewrite to 19CFR113, Drawback Bond Revisions, AD/CVD Bonding, and/or additional topics that CBP may present to COAC for review.

## **Intellectual Property Rights Working Group**

The Intellectual Property Rights Working Group (IPRWG) continues to host monthly calls to discuss the areas of focus as outlined in the Statement of Work. Since the last COAC meeting held in October 2015, the IPR WG has held three conference calls to review and develop a Known Importer Program that could offer CBP better targeting, while providing facilitation benefits to the trade. The group has a working draft that it is reviewing and will solicit from feedback CBP and other stakeholders in order to put forth a recommendation to CBP to pilot a Known Import Program.

The working group has also received an update from CBP on the Abandonment (Express) Pilot. Based on feedback from CBP on the pilot, the IPRWG will consider what suggestions or further recommendations might be given to move this out of pilot and expand the program.

The IPRWG consists of a wide range of stakeholders (importers, customs brokers, carriers, lawyers, etc.) to act as a standing forum of subject matter experts that can be called together by CBP when any IPR issues arise to solicit feedback and advice from the trade. The group will continue to meet on a regular basis to present, discuss, and develop ideas to assist with the enforcement of Intellectual Property Rights and the facilitation of legitimate trade.

## **Regulatory Audit Working Group**

At this time, the Regulatory Audit Working Group is on hiatus until such time as CBP presents the COAC with additional topics for review.

## **Summary**

It is expected that all of the Working Groups will continue to address new, existing and carry over topics from the previous COAC term in its efforts to collaborate with CBP to improve enforcement of the trade laws of the United States and the collection of duties and fees.