

Commercial Customs Operations Advisory Committee (COAC) 1USG Subcommittee – Draft Recommendations

November 17, 2016

COAC

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

COAC IUSG North America Single Window Working Group
Draft Recommendations
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Recommendation #1

Side by side comparison of US/CA/MX – Import and Export Manifest Data Elements (Rail, Truck, Air, Ocean)

- A. Determine descriptions
- B. Common definitions for data
- C. Discuss Discrepancies
- D. Take into consideration responsible parties
- E. Harmonize data
- F. Agreed upon data

Data elements must be consistent between the participating countries. Element definitions and the purpose for having those elements in place must be known and understood, and the proper parties and timelines for transmission of each element logically determined, such that negative impacts on legitimate commerce are reduced. The COAC recommends CBP continue the detailed work with Canada and Mexico, to the greatest extent possible, harmonize all data elements being required by all countries for the import and export manifests, and ensure that all data elements are in accordance with the WCO SAFE Framework. It is also recommended that all three participating countries formalize the process of extracting the data they are authorized to access from a single source, thereby requiring the carrier to only submit one manifest transaction for both the import and export manifests.

Recommendation #2

Synchronization of manifest filing times as far as possible

Since not all countries have developed requirements for export and import manifests, COAC sees an opportunity in this area for harmonization. By example, as the U.S. implements export manifest requirements for all modes, COAC recommends that the U.S. work with Canada and Mexico to harmonize wherever possible all data required for U.S. export with Canada's import manifest and Mexico's not yet developed import manifest as well as synchronize the timing requirements for filing.

Recommendation #3

Agree upon on authorized parties (to collect and transmit)

Submissions to Customs generally come in three parts, the advance security filing, the manifest, and the release and summary submissions. Further, the advance security filing can be divided into two basic "types". One is designed to protect the security of the transit or destination country, such as the U.S. Importer Security Filing (ISF) found in the ocean environment. The other is found in the air environment and is designed to protect the conveyance itself prior to its arrival in the transit or destination country, such as the U.S. Air Cargo Advanced Screening (ACAS) and CA Pre-load Advance Air Cargo Targeting (PACT) pilot programs.

For all of these submissions, COAC recommends CBP work with the three countries to place the filing requirement for each on the party most qualified to do so. Qualified parties are those who most likely have the best information, and can be held accountable to the various governments if the data is incorrect or false.

For advance security filings similar to ACAS and PACT, COAC recommends CBP consider and work with Canada and Mexico to ensure these filings be made by the party who issued the lowest level transport bill, or, in the absence of the ability to regulate that party, by the carrier.

The manifest information consists of two parts – that convey substantive information about the shipments themselves, and information about the arriving conveyance. For shipment-level information, COAC recommends CBP consider and work with Canada and Mexico to ensure these filings be made by the party who issued the transport bill or, in the absence of the power to regulate that party, by the carrier. Transport information should be provided by the carrier only, as the carrier is the only party who can identify with certainty which shipments have been loaded onto a conveyance. A manifest may be filed by any party, however the master of the conveyance is the party held accountable for the correctness of the filing. Manifest data can be verified upon arrival, while the master is still in possession of the cargo, so the governments have available the party accountable when conducting their verification.

Recommendation #4

Common data elements that are unique to each country should be internally translated within the single window. (i.e. U.S. SCAC codes = Canadian Carrier ID)

When identifying the common data elements that are uniquely translated within the U.S., Canada, and Mexico, COAC recommends the data elements must be translated into the WCO data model III for standardized Customs and other border control agency import and export messages. Examples of this might be carrier codes. In the U.S., they are identified as SCAC codes whereas in Canada they are Canadian Carrier IDs using a different format. Standardizing unique code sets will help standardize the data sets which will, in turn, standardize the message sets to be used within the North America Single Window. Standardization using fewer common data elements to achieve a good risk management solution should be the goal. This would include the naming conventions of parties in the transaction are limited – i.e. a consignee, importer, ultimate consignee, manufacturer, shipper, exporter etc share a common definition and location in the mapping process.

Recommendation #5

Prioritize PGA/OGD participation

- Hold release authority
- Permit and licenses

COAC recommends CBP work with all three nations' government agencies who have authority over imported products to meet and harmonize their individual requirements to collect advanced data to make determinations in advance as to whether cargo can be released upon arrival, examined, or held for further research and testing. COAC also recommends CBP work with Canada and Mexico to identify agencies which have release/hold authority and prioritize harmonization efforts. This harmonizing process should start with the most basic data elements like the identification of the carrier (SCAC code) and then the identification of the parties. Along with harmonizing the parties, a common definition of the parties should be agreed upon for the three countries. For example, what is a manufacturer?

COAC recommends CBP work with the other government agencies to examine all permits and licenses required for import and export to determine any redundancies or areas where there are similar requirements and harmonize where possible. For example, one government agency's export exam may serve as an adequate exam for import into the other country due to the similarity of the agency's concerns.

Recommendation #6

Reach out to the Beyond the Border working group that have been working on this. What PGAs/OGDs?

COAC recommends CBP review work completed to date on both the U.S.-Canada Beyond the Border initiative as well as the U.S.-Mexico High Level Economic Dialogue and 21st Century Border Management initiatives. Much work has been accomplished in the areas of harmonization and sharing of data for cross-border cargo transportation. CBP should leverage work completed specific to border operations by various Partner Government Agencies (PGAs) and Other Government Departments (OGDs) relevant to North American trade. Data harmonization, integrated cargo security strategy, true mutual recognition of trusted trader partners are some of the key areas among many that still need to be finalized within these joint initiatives. COAC should encourage CBP to fully engage with Canada and Mexico to finalize and implement such initiatives.

Recommendation #7

Involve the World Customs Organization (WCO) for a global view

The North America Single Window recommendations must be based upon the World Customs Organization (WCO) International Convention on the simplification and harmonization of Customs procedures and the WCO Safe Framework of standards to secure and facilitate global trade. This international framework enables standardized Customs procedures, electronic data exchange, standardized Customs messages, coordinated border management, single window, authorized economic operators (trusted traders) and mutual recognition arrangements between nations in order to expedite the movement, clearance and release of goods crossing international borders. When CBP is analyzing advance data and all message sets for the North America Single

Window, COAC recommends the WCO Data Model III should be used as a basis to build any future data and message sets between the U.S. Canada, and Mexico

Recommendation #8

Look at advance security and admissibility data.

COAC recommends CBP work with Canada and Mexico to identify how each country describes advance security and admissibility data. This should provide a general overview to include modes impacted, time frames to submit, the responsible party that can present and/or submit advance security and admissibility data as well as a current and future end state for each country. In doing so, CBP should work with Canada and Mexico to develop: 1) uniform advance aviation security data elements for the air mode, similar to those already required in the U.S. Air Cargo Advance Screening – ACAS pilot program (and the Canada Pre-Load Advance Air Cargo Targeting – PACT pilot) for air shipments into the U.S.; and 2) uniform advance security data elements for the ocean mode of transportation similar to those already required in the U.S. for the Importer Security Filing (ISF). Both ACAS and ISF have been determined to be best practices by the World Trade Organization (WTO) and World Customs Organization (WCO). Providing an identical data set across the three countries in each of these modes of transport will allow security requirements to be met uniformly across all borders. To the extent possible under national legislation, these same data elements can also be used for admissibility requirements across borders when filed as a unified entry/release including both advance security data elements and classification at the HTS 10-digit level for admissibility purposes.

COAC further recommends CBP work with Canada and Mexico to develop uniform advance manifest data elements in both the truck and rail modes of transport to allow sharing of manifest data unilaterally across each border. To the extent possible under national legislation, the uniform advance manifest data elements in each mode can also be used for admissibility purposes when accompanied by the required submissions for each country’s entry/release process and export reporting requirements. As the data required for these modes of transportation expands beyond harmonized manifest elements, COAC further recommends CBP develop a tri-lateral program for standardized advance security data elements that can also be used as a unified filing similar to how ISF operates for ocean in today’s U.S. environment to provide for a unified, simplified security data and entry process (security filing, cargo release, and entry summary).

Recommendation #9

Consider recognizing existing PGA/OGDs unique identifiers (i.e. PIC, G-TIN, UPC code).

Certain numbering schemes like the G-TIN are recognized globally, and provide greater specificity in identifying products beyond HTS and product coding like the U.S. FDA product coding. Where possible, COAC recommends CBP work with Canada and Mexico to accept globally recognized product identifiers when submitted by an importer or exporter to describe the imported or export product. Because these codes are more specific and more descriptive of the product, the codes should be preferred over the specific agency’s other types of identifiers.

Recommendation #10

Side by side comparison of PGA/OGD data that could be harmonized between countries

To streamline the requirements for importing and exporting and to assist all three countries' government agencies with oversight over imported and exported products, COAC recommends CBP work with Canada and Mexico to begin the process of harmonizing their PGA/OGD data and their definitions of each data element.

Recommendation #11

Incorporate AES filings, Canadian Automated Export Declarations (CAED) and Export Pedimento

There are multiple document and filing requirements for shipments from one North American country to another. Many of the data elements are common among the countries and regulatory agencies. COAC recommends CBP combine the data elements, where possible, required from the various filing requirements into a single set of data and single filing to benefit importers and/or exporters as well as to the various regulatory agencies and work with Canada and Mexico to do the same.

Some of the benefits for the importers/exporters include:

- Less data handling resources needed to prepare separate records for the various agencies and governments.
- Fewer opportunities for error since a single set of records can be used for multiple purposes.
- Possible use of a single identification number to identify the shipment among the various agencies and governments.

Some of the benefits for the various regulatory agencies include:

- Consistency in data.

Recommendation #12

The single window is to incorporate multi modal concepts that includes simple bills, master bills, and house bills of lading

COAC recommends CBP work with Canada and Mexico so the single window data set accommodates the most specific shipment references available. All modes of transportation may transport consolidated shipments of cargo; therefore, the single window data set should accommodate simple bills of lading, master bills of lading, house bills of lading and sub-house bills of lading even though each mode of transportation may use different terminology. Government agencies are ultimately interested in knowing the identification of who has requested the shipment to be shipped and the parties involved in the importation for the merchandise. Another guideline is to recognize the level of shipment at which a customs entry is expected to be filed against. Systems should have the flexibility to receive the data from the most appropriate party.

Recommendation #13

Assessment and Harmonization of e-Commerce processes among 3 nations

Anticipating a rapid growth of eCommerce in the next few years, COAC recommends CBP consider the WCO guidelines as they evolve, and encourage the three nations to examine their current processes for eCommerce including entering, and screening low value importations, not just to facilitate trade, but also to have adequate screening processes to ensure the health and safety of the citizens of the three countries. COAC recognizes that each country may establish a different value threshold for goods allowed under the de minimus, but screening by PGAs and CBP for health and safety should be similar.