

# Commercial Customs Advisory Committee (COAC)

## Quarterly Meeting – Summary Minutes

April 27, 2016      Washington, DC



U.S. Customs and  
Border Protection

Commercial Operations Advisory Committee (COAC)  
U.S. Customs and Border Protection

Executive Summary

9:30 a.m. – 1:46 p.m.  
Wednesday, April 27, 2016  
Washington, District of Columbia

**Committee Welcome and Committee Roll Call**

Maria Luisa Boyce welcomed everyone to the meeting and began the committee roll call. The committee members present are as follows: Cindy Allen, Brenda Barnes, David Berry, Heidi Bray, Celeste Catano, Lenny Feldman, Lisa Gelsomino, Susie Hoeger, Vincent Iacopella, Alexandra Latham, Amy Magnus, Liz Merritt, Julie Ann Parks, Kevin Pinel, Adam Salerno, Madeline Digo, Michael White, and Michael Young were present.

Ms. Boyce then introduced Commissioner Gil Kerlikowske for opening remarks.

**Opening Remarks by Gil Kerlikowske, Commissioner of CBP**

Commissioner Kerlikowske thanked everyone for being present. He also thanked Kim, his co-chair. The Commissioner then thanked and welcomed Dan Ragsdale from Immigration and Customs Enforcement who was representing Director Sarah Saldana, and Christa Brzozowski, who is representing assistant secretary Alan Bersin. The Commissioner stated that he was delighted to be there and delighted to have everyone. He said that with every COAC meeting he's been to; he continues to be so impressed with the participant's willingness to do so much. The Commissioner told the group that he was delighted to have this participation and willingness, as they try to work closely with Congress to finalize a bit of reorganization in CBP with Brenda Smith, Todd Owen, and Eugene Sheath.

The Commissioner introduced Cynthia Whittenburg, as deputy to Brenda. He congratulated her in this role as the acting deputy EAC in the Office of Trade. He also congratulated Sandra Bell on her retirement after little over 30 years of service. Commissioner pointed out that the percentage for the entry summary had increased from the previous day, encouraging everyone to push.

Commissioner Kerlikowske was thrilled to go to the Oval Office and watch the president sign the Trade Facilitation and Trade Enforcement Act. Having been done, this begins all authorities together and not scattered amongst the treasury or the Immigration and Naturalization Act. He mentioned that after receiving phone calls from members of

Congress, after the Act was passed, emphasizing the need for enforcement in a variety of ways. After doing three withhold release orders, he stated that they are going to continue on with that. He also wanted to make it very clear, that their role is to work with the group to gather information and to make sure that they recognize those who are doing their due diligence with contractors, subcontractors, et cetera. There's certainly more work to do, both internally and externally, but for those that have been up and fully operational, the benefits of the results have been seen. This doesn't mean that they won't listen to the information that COAC has that can make CEEs better.

Commissioner also talked about keeping the relationship and communication strong that many organizations and stakeholders have with their own port directors.

Commissioner Kerlikowske talked about World IP Day held on April 26<sup>th</sup>. The DHS released a set of enforcement statistics that were made public. Cynthia conducted interviews with members of the press in Boston, showing a 25 percent increase in seized counterfeit goods. It's still a huge industry and there's still work that can be done, but 29,000 IPR seizures for the fiscal year '15; approximate value was 1.35 billion MSRP. Seizing of products that posed health or safety risks increased, including batteries, automotive parts, cigarettes, pharmaceuticals, and consumer electronics. The Commissioner talked about the importance of the IPR program and how helpful and time saving it has been. This was a COAC inspired initiative, showing ninety percent of IPR seizures were made in the express consignment and mail environments.

He talked about how critical the relationship with the air cargo carriers is and how to figure out ways to gather information data more accurately. Commissioner ended with the collaboration that we have with ICE, and other government agencies, leading to arrests and prosecution has been very helpful.

### **Opening Remarks by Christa Brzowoski for Trade Policy and DHS**

Ms. Brzowoski wanted to touch on just a couple of things that she sees as trends that are encouraging, and ones that we want to continue and promote. She noted that the collaboration among CBP and other agencies has intensified, which is very laudable. She stated a lot of this comes from the efforts associated with the Single Window. She talked about the shift in using the IT system, and how groups like this are instrumental. It is allowing bottlenecks in the system to be identified and improved upon, perhaps eliminated, because of the new capabilities that Mr. Landfried and his team are providing. She appreciated the technical expertise that reside in CBP, in the agencies.

She stated they are looking forward to figuring out how to grow and amplify the gains and the accomplishments. Some of the ways to do this is to embed these principles and policies at the national level. They are also looking to figure out how to better

understand and measure the impacts of this modernization. Another area that DHS, Brzowski thinks, helps support is to bring the CBP concepts.

### **Remarks by Tim Skud for Department of Treasury**

Tim Skud focused his comments of the first item on the agenda; the work of the Trade Enforcement and Revenue Collections Subcommittee. He talked about a few issues of concern with the Treasury Department. The first, Intellectual property enforcement. CBP has the roles to protect citizens and businesses from pirated and counterfeit goods, all whilst not hindering the flow of legitimate trade. Skud also talked about Anti-dumping and counter-veiling, making sure they collect all due duties under a law that presents the challenge of permitting importations that aren't fully bonded against all potential duty collections. Mr. Skud touched on the collection exercise, and customs modernizing its revenue functions.

### **Remarks by Dan Ragsdale for ICE**

Mr. Ragsdale thanked the Commissioner and was very happy to be at this first COAC meeting. He stated that his agency, within DHS, is looking at enforcement with a particular lens. Noting that the enforcement has to be a pyramid, with a level of gradation. He reported that the Intellectual Property Rights enter is a model of industry collaboration. He noted the importance of the IPR, using pharmaceutical goods and its threat to the public, as an example. Ragsdale reported the importance of investigating, citing the investigation after the Paris attacks, and how it showed there was IP theft activity supporting terrorist operations. Working, from DHSs perspective, will protect the revenue and also make sure our national security and counter terrorism mission is also honored as an important mission.

### **Remarks by Vince Iacopella and Julie Parks**

Mr. Iacopella thanked the commissioner, Skud, and welcomed new partners at the table. He is very excited with the passage of the Customs Reauthorization Bill. It is the first piece of legislation since 2003. He stated that it gives COAC a place in the trade landscape which can help greatly. He is very eager to work with CBP and align their recommendations going forward. He stated the Trade Modernization Subcommittee will have very detailed strategize recommendations on the CEE. He noted that the CEEs are mentioned in the bill. Mr. Iacopella stated that there are about 37 recommendations on 19CFR 111, Broker Regulations. It's the culmination of three COACs, several trade groups, NCBFAA, and PCC. Iacopella talked about the value the customs brokerage license has to the CBP, the importing community, and the U.S. consumer.

Mr. Iacopella also noted that they file 97 percent of the data that CBP uses for trade enforcement and trade facilitation. He also pointed out lighter recommendations on the One U.S. Government Subcommittee from the last three COACs. He's very encouraged

by the statistics that were mentioned on ACAs participation, stating that it was a pretty successful deployment with minimal amount of disruption to the commercial environment to the trade. He pointed out the great job Adam Salerno did on Pipeline. He then turned the presentation over to Julie Parks.

Julie Parks started by thanking the efforts of the COAC members. She pointed out some of the wickets that need to be gone through to make sure that recommendations are streamlined. She talked about two topics that are in progress. The trusted trader strategy, or what she referred to as the trusted trader master principles document and the way forward on post-departure filing are two examples in that area.

Parks went on to talk about the both subcommittees considering the bill's impact on the topics. She thanked customs for their engagement and honesty in the dialogues.

She then turned to their work on enforcement matters, the Trade Enforcement and Revenue Collections Subcommittee to align their work to the new legislation. She closed by stating the change and how it runs the entire continuum of the change topic spectrums. She insisted that everyone, not just from the trade community, but customs and border protection to show action.

### **Trade Enforcement and Revenue Collection Subcommittee**

Troy Riley thanked the subcommittee working group. They put in a lot of hours on this and a lot of discussion to look at our needs from an informed compliance process.

Lisa Gelsomino expressed they've been quite busy at TERC since the passage of HR-664. She thanked the CBP for providing so many updates to the TERC subcommittee on the various enforcement provisions of the bill. She gave a brief update on anti-dumping. They've had very robust discussions in this working group. Updates sent from the CBP outlined how the centers are really working closely with domestic industry to level the playing field against trade evasion. Ms. Gelsomino also thanked the customs brokers from the anti-dumping working group, pointing out their involvement in conducting outreach with the Department of Commerce and CBP.

Kevin Pinel reported that the working group has reached out to a number of associates to seek their input. The working group received feedback from about half of the associations that they reached out to, and the feedback was diverse. Mr. Pinel also reported that the IPR working groups is planning to hold a face to face meeting to work through and discuss in detail the current proposal. The solid recommendation for a product can be brought to the next COAC meeting. He said the working group is bringing a recommendation forth on the e-Allegations tool.

Ms. Gelsomino hopes to have some recommendations before the July meeting. She talked about the major initiative of TER, which has been to enhance trade transparency.

The trade continues to find CSM messaging a very valuable tool to push out information. They want CBP to realize the importance of that to those who are trying to comply. She reported the recommendation does include sending out port pipelines and notifications from the Centers of Excellence. She recognized that CBP's trade enforcement vision strives to focus on the more substantial enforcement areas, such as AD/CVD and IPR trade priorities. The second recommendation encourages the CBP to really focus their resource allocation decisions on the more substantial fraudulent and egregious violations.

Ms. Gelsomino talked about the third recommendation, recommending that CBP provide more specific deadlines for issuing liquidated damage claims. The more they are on time, the more the trade can better comply and respond. The fourth recommendation is that CBP review and update its mitigation guidelines, noting they haven't been updated since 2004. She then went over the anti-dumping recommendations. She talked about establishing what they are calling Russia feeds, so that as updates are made to the website, those can automatically be pushed out. She also suggested that CBP utilize this to advise the trade of new AD/CVD orders.

She also made a recommendation that the centers collaborate with the trade under industry expertise. They also recommend that CBP provide an updated document to the trade that provides clear definition of what is meant by terminated versus inactive cases. It's difficult challenge, currently, in ACE to customs brokers. So, in accordance with Section 432 of HR-644, they are recommending that CBP consult with the COAC anti-dumping working group to further assess its legal ability to provide a public summary of AD/CVD investigations under the Enforce and Protect Act of 2015.

The last recommendation is that the anti-dumping working group actually consider all the updates that have been made to the CBP web site and complete what is recommendation number 13121 to develop a single multi-agency managed web site.

Mr. Pinel gave the IPR recommendation that states that corporate recommends that CBP conduct outreach to the appropriate means so that trade can be better informed of the e-Allegations tool and how it facilitates and enhances CBP processes in identifying and enforcing IPR related issues.

Ms. Boyce asked Mr. Pinel to read the recommendation again, in which he restated.

Mr. Skud had a comment to share about the first recommendation. He stated CSMS seems like a powerful tool. He stated that sometimes it's not detailed as guidance in regulations or directives that gets more complete vetting. He asked for a better idea of what the group thinks the problem is that we're trying to fix in recommendation two.

Ms. Gelsomino spoke on recommendation one and CSM messaging, stating that it's not meant to replace any law or regulation. As for the second issue that Mr. Skud

brought up, she stated that they are looking at centers being account managed and account based management. In this case, claims get issued against a trusted partner that may be 99.8 percent compliant. They are looking to penalize some of their most compliant trading partners. She stated they are asking for a balance.

Motions were read again by Ms. Boyce. First motion came from Mr. Kevin Pinel. Lenny Feldman second the motion. The motions carried.

### **Trusted Trader Subcommittee**

Alexandra Latham reported that in the last quarter was focused primarily on the Trusted Trader strategy which was a recommendation from the January COAC meeting. She gave a couple of highlights from the document.

The first, contemplates global roles in the supply chain such as exporters, importers, carriers, et cetera. It contemplates alignment with AEO programs for international interoperability, the incorporation of the PGAs and streamlined processes and benefits that provide tangible and measureable advantages to Trusted Traders.

The draft is anticipated to be finalized by the July COAC meeting. They have talked with the global supply chain subcommittee in regards to the upcoming work on the minimum security criteria for C-TPAT.

Ms. Latham stated in the past quarter, the Trusted Trader pilot was discussed and has now concluded and is pending CBP evaluation they are anticipating two work efforts to be the results of that pilot. The first pilot, being the development and input on the new compliance program. The second being a focus on benefits with a recommendation.

Recommendation: COAC recommends CBP focus Trusted Trader strategic and tactical objectives on developing compelling benefits for voluntary participation in Trusted Trader programs, and should outweigh the cost of participation.

Benefits must be aligned with Section 101 of HR-644.

Ms. Latham motioned. The second motion was by Susie Hoeger. The recommendation was moved.

Liz Schmelzinger followed up with the passage of HR-644 and the specific requirements for the focus on Trusted Trader development. She believes the intersection between the TT subcommittee and the work that they called for during the last COAC to take a critical look at updating the minimum security criteria for the CTPAP program. She thinks there is a good path forward within the global supply chain security subcommittee to achieve the update to the MSC.

Ms. Boyce asked for comments from the public. There was a comment from the web. Steve Gertern read the comment.

Comment from web: This comment is from Sandra Fallgatter. Will there be a final report on the Trusted Trader pilot? And when do you anticipate changes to the ISA to be implemented?

Ms. Schmelzinger responded: Just by way of an update, we are in the final stages of phase 1 of the TT pilot, which is really that indoctrination into ISA and that process. The second phase of the pilot is the attribution of the benefits that were attributed in the FRN originally, several years ago.

She noted that some of the benefits listed in the FRN aren't even relevant anymore, because technology and the automation has really surpassed the need to apply that. For the next six months, the intentions are to examine that aspect of the TT pilot. She added the endgame of the pilot is to develop the trade compliance portion of the TT portfolio for CBP.

Ms. Boyce asked for comments from the group, no response was heard.

### **Trade Modernization Subcommittee**

Cindy Allen opened up, focusing on the role of the broker recommendations.

Recommendation One: Really, this proposes a transition to a single permit framework. So, we're going to move away from district, move away from national and go to one single permit.

Recommendation Two: is to fall back to the COAC recommendation previous that provided sufficient authority to conduct the business on a national level with just the one permit.

Recommendation Three: recommends that CBP work with all brokers to transition specifically those who do not have a national permit and who do not operate on a national level. We want to make sure that all existing companies can operate into the future.

Recommendation Four: merely eliminates the need for permit waivers for many companies, customs brokerage companies who cannot find someone who wants to work in Pembina, North Dakota or you know, the outskirts of Minnesota. This will eliminate the need to do that and allow us flexibility in putting personnel where we need them rather than a bio-geographical constraint.

Recommendation Five: requites that brokers provide satisfactory evidence of how they

intend to exercise responsible supervision and control.

Recommendation Six: calls for enhances to ACE so that we can identify the name of the responsible part for the brokerage operations.

Recommendation Seven: We are outlining only the changes to those 10 factors.

Ms. Allen then stated some of the factors; factor five is reference material allowing those to be electronic in our operations. Number six is the availability of an adequate number of individuality licensed brokers necessary for the consultation and the broker's employees. Number seven is the frequency of supervisory contact, which is currently in the factors and being expanded to virtual. Number eight is the frequency of audits and reviews conducted, which is currently in the factors. Factor nine removes the district in national permit language.

Recommendation Eight: We're asking that CBP should really set forth best practices in a policy document, preferably the broker handbook.

Recommendation Nine: deals with a license examination. It really recommends that we administer an electronic exam and in the long term, completely automate the exam.

Recommendation 10: allows us to have automated access to the exam material, the reference material that we have.

Recommendation 11: Moves the exam. The current dates are problematic in many ways, so we are recommending the fourth Monday in April and the fourth Monday in October.

Recommendation 12: is looking toward industry as you currently do to assist in developing the broker exam questions.

Mr. Feldman took over the slide presentation for Ms. Allen. He grouped recommendations 13-15 and 16-17, which all deal with record keeping, record retention and confidentiality.

Recommendations 18-21: Involves employee and status reporting. What we are trying to do is modernize that process; make it less cumbersome. Instead of having a paper process, needing to report terminated employees.

Recommendations 22-24: Relationships between brokers and importers. We felt it was necessary to take these provisions to really indicate that the relationship should be achieved between the broker and the importer directly.

Recommendations 25-28: concerning fees. Currently in the regulations in part 111,

there are specific fees that are mentioned. These fees, CBP felt and the trade felt they may need a change from time to time. Let's not codify them. Let's put them in other sources such as CBP.gov or policy directives that indicate what those fees are, while recognizing that some fees CBP indicated and the trade would understand, need to be increased in certain types or circumstances.

Recommendations 29-32: Obtaining and vetting importer information.

Recommendations 33-34: continuing education. Forty annuals during the triennial cycle for customs brokers. This is not a new recommendation. We are reiterating COAC's recommendation 13010 requiring such education.

Mr. Feldman paused for motion (discussion off record). He returned for any comments.

Ms. Boyce stated Mr. Skud would like to have some comments before they finished the presentation.

Mr. Skud stated: So, one, you mentioned that you didn't think this (Recom 15-16) was currently being enforced. In what way?

Mr. Feldman responded: Okay, so currently, some of the rulings that are out there indicate that when it comes to confidential information, you need a waiver, if you will, from your importer client to be able to release or provide confidential information. The importers want you to be able to do that for clearance purposes and for release purposes.

Ms. Boyce opened for motion and public comment.

Ms. Cindy Allen set the motion. Seconded by Mike Young.

Mike Mullen posed a question about the measurement of the IPR seizures occurring in the express and mail environment. He pointed out the increasing number of seizures in the express environment are due to a great degree, to the extraordinary level of cooperation between the express environment and CBP which ranges from the numerous meetings.

Motions were accepted and moved.

Mr. Gentner read a couple of comments regarding the recent recommendations. Ms. Sandra Fallgatter is asking how you define accredited continuing education. And Steve Fodor has asked, will the training that brokers take to meet the 40-hour requirement need to be certified by some agency, or will there be flexibility in designing our own training.

Mr. Feldman responded, saying that they thought it was very important to provide that flexibility in the recommendation. Number two, there was no specific recommendation indicating there needs to be accreditation.

Ms. Allen proceeded with the next recommendation.

Recommendation 36: Ensure customs business as performed by a customs broker may only be conducted within the customs territory of the United States with the issuance of a permit.

Recommendation 37: regarding recordkeeping, record retention, and confidentiality. Record electronic customs records to be stored in an electronic format within the customs territory of the United States. The records must be available and retrievable by a broker upon the request by CBP to the parties addressed in 1-11-24. Duplicate records may be stored in a non-customs territory of the United States.

Lenny Feldman motioned. Second by Celeste Catano.

Discussion about Recommendation 37 was prompted by Mr. Salerno. Ms. Parks followed with Recommendation 36.

A break was motioned for the group. Recess started at 11:38 a.m.

Back on the record at 11:58 a.m.

Mr. Feldman said they've been very busy at the Trade Mod. He thanked Maria Luisa and the team. They conducted biweekly calls late last year 2015. They were able to have a one-and-a-half-day meeting with stakeholders.

Feldman stated that centers could range anywhere from 2,000 to 75,000 importers or record. He stated they came up with recommendations.

Susan Thomas was given the floor. She started at saying her work group was really quite beneficial in terms of where the agency was and in terms of transitioning the center. As of March 2016, all 10 centers have been brought to full operability through transitioning the trade processes. Six of those 10 centers just became operationally expanded in late March.

Ms. Thomas stated their next steps include transitioning the entry specialists and working towards the realization of full account based processing for all importers. They will continue to process applications under the test, which moves both CBP and the trade towards the common goals. Discussions with the group were found quite informative and provided his team real-time feedback. He expressed the center's industry expertise and how it's essential to not only CBP and the entities within, but also

the trade community and partner agencies.

Mr. Feldman, then, started on the recommendations, which were divided into four key areas. The first 11 recommendations all pertain to the concept of uniformity, outreach, communication, and informed compliance.

Recommendations 1-3: These recommendations state that there should be collaboration between centers. They should not operate in silos with headquarters' involvement; that we feel that a reporting function, measurements and metrics should be analyzed, should be provided. In addition, we thought it was important for CBP to clarify the benefits of being a participating account.

Recommendations 4-7: This group is basically an idea. Each center should have a website on CPB.gov. Not to recreate the wheel, but to serve as a repository for some key involved that would be industry focused and useful to the trade community. We also felt it would be important for there to be some bio-directional, education and information. In addition, if they are recorded webinars, participating at symposiums, the working group felt that would be very helpful from an outreach component.

Mr. Feldman then proceeded to the last slide on uniformity and communication: Webinars and the outreach should be geared to small and medium sized entities and importers who might not have the resources to be a partner yet; to be a C-TPAT or ISA member. In addition, to look at ACE, and how it could play a role and visibility to the customs decision making process.

He stated one of the interesting recommendations was the role of the national import specialist; CBP should look at having them report to the center chain of command. Aligning them with the centers could bring them more to the forefront of these decision making processes. Also the entry specialist suggests and encourage CBP to see the role that they could align with the customs broker community to provide focused guidance to the brokers.

Recommendations 12-18 (second group): Here, we looked at the levels of service and the Trusted Partner or Trusted Trader status. A very strong and passionate discussion as to how the centers could serve the Trusted Partners. we thought it was very important for the national account managers to be accessible to those partner accounts for that messaging internally with the national account managers and centers to grow, as well, also, to see if the centers could play a role with the C-TPAT program; if there could be some synergies there along the commodity lines; that the industry were seeing or aligning with the centers -- could that possibly translate to the CTPAP piece. And also, from the fines and penalties piece -- if there were enforcement actions, if there was a petition that was filed, could a center provide some guidance as to the account, the partner as to the role they play, and maybe some nuances to that industry that the FP&F office may not be aware of.

And finally on this piece, when we go to 16 through 18, we encourage the centers to play a role in the development of the Trusted Trader program, as it involves C-TPAT, ISA and PGAs in particular to have Trusted Traders receive benefits as those are ironed out from the standpoint of PGA decisions -- perhaps expedited entry or screening, sampling issues, hold should be expedited, if possible, that the centers could help facilitate with their industry knowledge.

And of course, once the Trusted Trader program develops and matures, to really have the centers recognize who those trusted partners are and provide them with additional benefits.

Ms. Allen took over the presentation at this point, and continued on with the recommendations.

Recommendations 19-25: The first one really deals with formal lines of communications being established between port officials in the centers. I think there's some challenges that we face, specifically in the Foreign Trade Zones. It's such a unique and specialized operation that we face challenges as operators in some of those areas, and we'd like to strengthen those ties and utilize the centers as a real center of information and center of understanding of the accounts that have foreign zones and operate in that manner, and also, training and outreach.

We believe that there is an opportunity for an industry based training and outreach for Foreign Trade Zones, and that the zone audits be shared with the centers, so that there is a facilitation of communication both ways between the ports and the centers, and through the centers to each of their participants moving forward.

We also are recommending a single automated platform to communicate enforcement issues such as seizures, penalties, liquidated damages to the trade so that there is one point of reference for the account, so that they can go to one point on an ACE portal that is secure and understand where they are for compliance purposes. We're asking CBP to develop protocols where the center should serve as a resource for port officials, not just from the trade perspective, but also internally because of their account-based knowledge that they have been able to develop and continue to develop with the delivery of the remaining centers to full capacity.

Recommendations 26-30: deals with participating government agencies. CBP should work together with the participating government agencies through the Border Interagency Executive Council, or the BIEC. We really would like a study or a report to be initiated to evaluate the operational and financial impacts of having the PGAs participate in the center on an ongoing basis.

There are benefits, we feel, from the trade that would be manifest if that were looked at, and we'd like to have some data to surround that and support that. And also, working with the centers and applying account and risk management to their prospective agency efforts.

We also would like CBP to work with the BIEC as a liaison for the PGAs to the centers. We feel that the centers should have some direct communication with the BIEC, so that

they can understand on the agency levels that they deal with, some of the challenges that they are facing, and how to work more effectively moving forward, especially once all of the ACE capabilities are rolled out. And also, standard protocols for handling pending and conditional release. We would like CBP to work with PGAs to further define that, especially as other agencies come on board. We have noticed in the past, you know, and I'm sure my One U.S. government colleagues can attest to, there are challenges in understanding what may proceed means in every environment.

There are two other recommendations, and we do recognize that these have really strong ties to other sub-groups here in COAC. But the first one is that CBP should develop a paperless process for penalty notices and electronic means for filing those types of petitions similar to those for the e-protest module, and work through the centers to develop that.

And then, the second one is that CBP should provide FTZ and bonded facility security recommendations consistent with C-TPAT. So, we would like some understanding of how FTZs and bonded facilities can participate in C-TPAT, and we think that the centers could play a role in that. So, those are the recommendations.

Ms. Boyce asked Mr. Skud if he had any questions.

Mr. Skud had one question: On the FTZ stuff, quick characterization of the kind of problems you think you're having in the FTZs?

Ms. Allen replied with: I think the main challenge as FTZ operators that the trade has is the expertise that's required to really manage that process within CBP.

I think that you know, because you have officers that are rotating, or inspectors, or whatever they're called now -- they're rotating through duty assignments -- that expertise is lost. So, we do have some challenges on an ongoing basis with some of these specific types of operations that a high degree of knowledge to really navigate that process is needed, both from the trade side and the CBP side.

And I think with the number of officers that you have, that it's sometimes a challenge to spread that knowledge over everyone who may touch those Foreign Trade Zone areas. So, I think that was the bulk of our concerns. I don't know if my colleague, Heidi Bray, wants to further elaborate on any of those.

Ms. Bray then elaborated: the big concern that they have is that when a good comes into a Foreign Trade Zone and it comes out as something other than how it went in, the customs folks have real concerns and they have questions. And it's the same questions being asked over and over again, as there's turnover at customs, and not understanding the manufacturing operations that could go on in the Foreign Trade Zone.

And that lack of knowledge of what goes on in a Foreign Trade Zone in a certain port is really the difficulty that some of these FTZ folks are having; is that turnover of the lack of knowledge of understanding of what manufacturing operations for certain industries go on within a Foreign Trade Zone. What comes in doesn't necessarily come out the

same way.

Mr. Feldman added to the same answer: And I was just going to add one more consistency between different FTZs throughout the country, and I think a lot of our focus was, how can the centers provide uniformity and consistency? How can they provide transparency, and how does automation play a role in how centers can interact with the trade community? And in this case, consistency came up.

Mr. Skud, then asked: if you think if it's useful, is if there's a simpler way to administer the Foreign Trade Zone process that we can provide the benefits that are intended by the Foreign Trade Zone Act, and have the same kind of you know, revenue and other agency compliance concerns met.

I know some other countries; they provide similar to Foreign Trade Zone benefits largely through bookkeeping exercises. You know, the EU has this process called entry in records and things like that. If you have any recommendations about how we can make the process simpler, reducing costs for you and costs for customs, that could be useful.

Ms. Allen added that she thought it was a great suggestion and that they will take that up and talk with CBP partners about how they can really examine that.

Ms. Boyce added a comment about recommendations 31-34: One of the conversations that we had with COAC was, can you divide by short-term, mid-term and long-term, what is the universe of the possible. Right? What can we do today? What can be done mid-term or short-term? What can those centers that are more mature and ready be able to do that we can learn, and maybe as the others are coming into term?

Mr. Feldman answered: I think that would be a very visible way to show what the centers are doing, to clarify that, and to reference, if you will, not only the CBP information that's available, but to have those links -- here is the FDA information. Here is NHTSA. Here is APHIS. Here is census, you know, as we get into those issues, as well. I think that's what the trade is really asking for in the shorter term, as plausible.

Ms. Thomas then deferred to Mr. Riley, who's been leading the effort on the CREATE study.

Mr. Riley stated the study is not completely finalized yet. We're going through our internal review of it, but I think it's promising that we could share some of the information. Again, it does not bring in all the other aspects. It's really just looking at the centers that were initially stood up, the three, and some of the immediate metrics and benefits from that.

Ms. Boyce motioned, Mr. Feldman moved, Vincent Iacopella seconded. She then opened the floor for comments from the public.

Steve Gentner had a comment from Sandra Fallgatter: When will national imports specialist and reconciliation be fully integrated into the seas? And from Steve Fodor: How can small and medium-sized importers become partners with these Centers of Excellence and Expertise?

Ms. Thomas answered: Sure. So at this point, with all 10 centers brought to full operability, all 10 centers are processing entry summaries for all importers. At this point, as I mentioned earlier, we're still working towards the true account-based processing for all of the importers, so if you're a participating account, we are processing their entry summaries, utilizing account-based principles.

The other work is moving to the centers still at the tariff level, but it's important to note that no matter what commodity you're bringing in, your entry summary is being reviewed by a center as of now. That's all size importers.

Ms. Bray then added her comment: So again, I just wanted to reiterate publicly that Susan, you and the team there are doing an excellent job, and the centers has been a real success story for us. So, I would just like to say thank you and expand them as quickly and as much as possible.

Ms. Boyce asked for all of those in favor. None opposed or abstained. The motion was carried out.

Mr. Feldman concluded that we still have the international engagement piece that has not been forgotten about. He looks forward to furthering the dialogue.

Ms. Boyce reminded the group that the Trade Modernization Subcommittee is going to be working on with us is on our revenue modernization area. She then asked Ms. Jaye Williams but what are the efforts that we're looking at on revenue modernization? So, I don't know, Jaye, do you want to go first, or go directly to Sherri?

Ms. Williams deferred to Sherri.

Ms. Sherri Jordan greeted all COAC members and talked about the last COAC meeting in January where CFO Williams provided you a detailed overview of the revenue modernization initiative. She then stated she would provide a quick summary of the benefits to the trade and travel communities.

First focus: The initial focus of rev mod will address improvements in automation of collections and fees, duties and taxes at the ports of entry and examine solutions that will benefit both CBP and the trade community.

CBP's rev mod initiative will consolidate, automate and streamline fragmented and manual revenue collection processes as we know them today, allowing CBP officers to spend less time collecting payments and revenue, and more time on mission operation

to include customer facing and enforcement duties. The rev mod program office will regularly solicit your feedback on the following items. In the area of business process re-engineering, rev mod will solicit your input and feedback on paying points to the industry and potential process and system improvements to better understand the revenue collection process to the trade community. As it relates to international and private industry best practices, we welcome your feedback on your experiences with revenue collection processes with other countries in order to gain insights into global best practices, and we're also looking at legislative impacts, and we'll engage the trade community on discussions to evaluate feasibility potential or proposed legislative changes needed to support the revenue modernization improvements.

She then gave an update on the status of the program, stating that back in January and the February timeframe, our team conducted several site visits to ports of entry to understand the as is business processing system or lack of system integration and any manual processes in an effort to help us understand as is in order to figure out what should be the process improvements we should look to for the future. We have also been working heavily right now with the Office of Field Operations, Office of Information Technology and Treasury to develop potential pilots and looking at solutions that we can implement in the port of entries in order to improve CBP's revenue collection process.

Ms. Boyce opened the floor for public comment, no response was heard. This concluded the Modernization subcommittee.

### **One U.S. Government at the Border Subcommittee**

Ms. Boyce introduced those under the subcommittee and thanked them for being at the COAC meeting. She congratulated the team on their numbers, stating for all the public, we are at 75.55 percent finding cargo relief, and almost 98 percent filing on entry summary -- a very different number than we were in February, when we had our last COAC meeting.

Ms. Hoeger touched base on the last meeting where we presented some very grave concerns at the time regarding what was the February 28<sup>th</sup> mandatory date, CBP has asked the subcommittee to compile a list of recommended carve-outs that would provide some relief to the trade.

We turned around pretty quickly and gave a list of 12 carve-outs which included, among other things, quota entries, type 6 FTZ entries, FDA regulated entries, NHITSA, as well as a request that certain FDA elements be made optional instead of mandatory.

Ms. Hoeger is very pleased with the role the BIEC has played from both a strategic standpoint as well as being an escalation point. She stated, in regards to the previous meeting, she had surveyed her industry colleagues on their level of readiness from an

importer standpoint. At that time, all respondents answered that they would not be ready for the February 28<sup>th</sup> date, and all expected a fairly material impact on their supply chain. So in preparation for this meeting, I resurveyed the industry asking the same questions: Do you expect to be ready for the yet unannounced mandatory filing date for FDA; meaning have you collected the new data elements and will your broker be ready? And what's your level of concern?

Hoeger's response was outlined as: In addition, I asked for their level of readiness in percentage terms and whether any other PGAs were causing concern. The good news is that 25 percent of respondents, including myself, said that they felt ready, and for their entries that have been transmitted via ACE, importers are seeing faster FDA release than in the Legacy system, even though more data is required. So, that's very good news. Another 25 percent said they may be ready, depending on what the mandatory date is and whether their broker will be ready systems-wise. But a somewhat alarming 50 percent indicated that they still do not feel ready. So, we were asked to share some of the specific concerns that were noted, so I will go and do that.

Some of the specific concerns included broker readiness. Some brokers are frustrated by systems issues where entries don't go through an ACE and have to be rekeyed and re-transmitted in ACS. This additional work load without compensation has caused some apparent reluctance by brokers to file the initial entry in ACE in the first place. Some brokers are also reportedly holding back on investing additional resources, or at least that's what the importers are being told, until FDA announces the mandatory date. She spoke on how dangerous this could be, and that some obligation should be on importers.

Another concern is the perception that the FDA dataset isn't yet firm. When the trade hears that another revision to the supplemental guide is pending, they assume it will alter the dataset and underlying programming, so again, people are holding back. The dataset is locked down, and any changes to those supplemental guides are just minor in nature and should not impact anything material, additional messaging in that case would be valuable.

Another concern is the perception, right or wrong, that there will be a significant increase in entries that go to FDA manual review causing backlogs and clearance delays. The trade is looking for some reassurance that the ports will not be impacted, and if there is a large increase in the level of manual reviews, that FDA has some contingency plan for mitigating the impact on supply chains.

For those already filing in ACE, we've actually seen faster FDA release in most cases, but people are still worried about what will happen as volumes increase.

Another concern is the uncertainty regarding the four FDA data elements that were, thankfully, changed from mandatory to optional. Industry has received conflicting information on this point in terms of whether those elements are only temporarily

optional, or whether that's a long-term thing. The trade has also noted that complicated entries, such as active pharmaceutical ingredients that are used for multiple uses or research and development materials aren't working properly in ACE.

Another issue relates to the FDA status messages for multi-line entries. People are seeing conflicting status messages at the header and line level, and although this was corrected, the issue has since re-emerged. Another concern is regarding low value quarterly PEAs that are currently submitted in spreadsheet format to the industry Center of Excellence. Historically, for ACS entries, CBP has just kept these quarterly PEA submissions on file, but hasn't actually amended the entries. We are now hearing from our brokers that we will now be required to key these individual corrections into ACE. These have negligible revenue impact, if any, and the errors by nature are clerical in nature, so it simply doesn't make sense that importers and filers will be required to key in these minor corrections when CBP themselves haven't historically felt it worth the effort. This issue requires further discussion by COAC, but in the meantime, we urge CBP to reconsider this approach. It's a lot of additional work with no value add.

A final industry concern is that the Automated Invoice Interface, or All, isn't ready in ACE. Some importers and filers transmit electronic invoices to CBP via this interface, but since the functionality has not yet been made available in ACE, brokers are having to manually prepare a set of shipping documents, scan them and submit them via DIS, again, without additional compensation for that work load. If I may quote one of my survey respondents, we are begging CBP to reinstate All as soon as possible.

Finally, with regards to USDA vet services for animal dried materials, the agency is still currently requiring original documents, such as vet certificates, but is also requiring the information to be coded into ACE. Ms. Hoeger would like to urge CBP and the agencies to announce their mandatory filing dates as soon as possible so the trade's own migration timelines can be locked down.

Amy Magnus took over the presentation at this time, pointing out some issues.

First Issue: particularly in the land border environment where we have a 24/7, very short timeline to get the information and to get the cargo released. We have the broker's software system. We have the CBP software systems. And by that, they have their manifest. They have the CBP release process, and then, they have the interface with the other government agencies, particularly FDA in this case. And then, we also have the document imaging system.

And all of these systems are functioning simultaneously, and there are instances that I could document for you where the communication among the systems that I just outlined don't seem to work well. And I don't know the cause, and I certainly don't know the remedy. But I do know that there are still problems with the communication, particularly as it relates to the release process and the FDA back and forth communication.

Issue Two: There's still some hiccups in the release process, too, even when it doesn't relate to FDA alone. There is still -- we get all kinds of funky things -- I guess that's a technical term -- that we don't understand, you know, where we get suddenly long lists of entries where release has been suspended, and it appears to be through no fault of our own, but we really don't know that.

So, when we start troubleshooting internally as a filer, we start first of all, pointing the finger at our software provider and trying to tell our software provider, there's something wrong with your software. So, that's the initial phase of our troubleshooting, which then escalates, if it's not the software.

Issue Three: The other thing that I want to discuss, and this relates to our recommendation around the BIEC, but not exclusively around the BIEC, also around automation. As we are transmitting more and more information not just to CBP, but to participating government agencies, and it is all in an electronic format, we do need to have very, very clear rules and very clear requirements.

And I'm going to just mention Section 321, or what is call the de Minimis in the new legislation. This is not just some minor thing. This is a big deal. And it relates directly to e-commerce. I don't want anybody to interpret this as well, the express consignment versus the big brokers. It has nothing to do with that. We are aligned in the need for us to have clear direction from CBP and from each participating government agency, exactly what they are going to require in terms of an electronic transmission to cover their goods depending on the value.

Issue Four: With the Single Window, we're looking forward to a lot of the post release functionality that I hope will be discussed a little bit here, because there's some very exciting things coming up. But my colleague, Michael Cerny, is not here, so I do want to mention drawback -- the importance of drawback, and also, to make sure that that stays on track; that we do not want to have to do retroactive reporting of line level drawback information for entries that have already been cleared a long time ago.

Ms. Magnus then alluded to the good news pointing out under the One UUSG Committee, we also have the North American Single Window approach. And we have been meeting with Canadian and Mexican representatives from their customs, from our customs, from the brokerage communities and from the importing communities to discuss how our processes and our procedures and the Single Window functions in all three nations. She also mentioned that the National Customs Brokers and Freight Forwarders, has just come away from their annual conference, where they had signed an agreement of understanding between the Mexican broker's associations. They intend to do the same with the Canadian representatives.

Ms. Magnus then listed their recommendations.

Recommendation One: We recommend that as soon as possible, CBP announce the mandatory ACE filing dates for the PGA or entry types which mandatory filing dates

have not yet been announced.

Recommendation Two: We recommend that the Border Interagency Executive Council, the BIEC, established under the executive order 13659 and recognized by the World Customs Organization as a best in class border management approach, be permanently established with a continued focus on cross agency collaboration with the goal of promoting economic competitiveness through enhanced trade facilitation and enforcement.

Motion set by Ms. Boyce. Motion by Amy Magnus. Second by Brenda Barnes.

Mr. Skud added on to the PGA filings that aren't already in ACS, noting the filing doesn't exist in ACS. It will only be available in ACE. He challenged them to think of it more as an opportunity than mandatory.

Ms. Magnus responded: From a broker's point of view, we need to know when we are going to be required to submit electronic data for the PGAs, and we need to know exactly when it's going to be required, so that we can stage our programming efforts and our training efforts. For example, we knew about NHITSA, the National Highway Transportation and Safety Administration, and we knew about Lacey -- the Lacey Act requirements.

Mr. Skud responded: Here is my issue. The way this is phrased now, somebody who doesn't appreciate those particular concerns might read this and say, oh, you mean I have to file electronically. That's the options that will be available, say, in July for EPA.

Ms. Hoeger stated the spirit of the recommendation in question recommendation is for anything where ACE filing will be the only option by the end of the year, we need to know those dates.

The recommendation was motioned by Miss Amy Magnus. Second by Ms. Brenda Barnes.

Mr. Genter read a question from the webinar: This is a question from Heather Conner-Garofalo. Would CBP please consider permitting electronic Automated Invoice Interface messages, transmissions to be supported in ACE cargo release entries?

Ms. Boyce eluded to Ms. Magnus' previous answer.

Hun Quach added a comment: We appreciate the fact that there are several partner government agencies that have been involved in ACE, and we appreciate the time and the efforts there. I think one of the big questions that we would appreciate the COAC and maybe CBP looking into, and I think this is already on your radar, is just overall data creep when it comes to sort of CPSE, NOA, Department of Energy.

Really, utilizing the ACE system, which we all have relied upon, but making sure that CBP is working with your partner (Inaudible) agencies in any sort of rulemaking proposal that will require the use of ACE. Additional data obviously, is important for agencies to be able to regulate and track shipments, but I just wanted to make sure that that comment was referenced at this meeting.

Ms. Smith Responded: I think CBP has been given the opportunity, along with our esteemed colleague at the Department of Treasury over the last many years to really provide a forum for interagency collaboration. And for us, it's been both an honor and a privilege. It's also been an education for us to learn about the missions and the service that other government agencies provide the American public. What I'm often impressed by is the passion that those agencies bring to that mission, whether it's protecting animals and plants, or protecting young children from unsafe toys or the elderly around unsafe pharmaceuticals.

Mr. Skud added that he's been in a discussion about this, about limiting data creep. Adding, organizationally and he'd say legally, sort of the issue revolves around OIRA in the Office of Management and Budget.

Mr. Salerno added the intent of the original executive order, which is obviously a great thing, and one of the authors is in the room, commanding her for her actions on this. But it was to have commercially meaningful impact, and not a negative commercially meaningful impact, a positive.

Ms. Boyce called for a vote. The motion carried.

Ms. Augustin added a comment on the subject matter saying that CBP remains committed to delivering all the core trade processing capabilities in ACE in order to meet the objectives of the president's Single Window executive order by December, 2016. Their priorities through the end of this year include completing the actions for continuing to divest the legacy automated commercial system, so we are shifting resources now from ACS to supporting efforts for ACE deployment and readiness efforts. She reminded the group that we do have the quota capabilities available in CERT and they have been available now for many months. There was a recommendation made with respect to '01 entries with multiple sold to parties less than \$2,500 per individual sale and type 11 low value entries. We did respond to that by issuing interim guidance on March 22<sup>nd</sup> through the CSMS message number 16-000223. There was also another recommendation made by the COAC to provide some sort of war room capability during the transition period. So, we did have a war room stood up (sic) around the March 31<sup>st</sup> transition. We are planning to do that again for the upcoming May transition date.

Domenic Veneziano added: First of all, I also want to thank the COAC and the 1 USG for all their feedback on the issues that we have. I also do want to recognize as well,

CBP and FDAIT staff, as well as the other PGAs for all their work in trying to resolve some of the issues. We want to actually assure that when used appropriately, entering information into ACE actually reduces release times. FDA is prioritizing ACE entries over ACS entries, and data over the month of April has demonstrated that those release times are actually faster and with fewer problems.

We also do recognize that there are issues currently ongoing, and we wanted to make sure that people understand that we have implemented a 24/7 call center. It's not up and running as of yet, but the contract is in place and will be operational very soon. Its job is to deal with IT concerns, so if you do submit an entry through ACE and you want to know where it stands, you can call them on a 24/7 basis, and they will look into it immediately. I do also want to recognize that there are opportunities that we can work with operationally.

Finally, I want to clear up the misunderstanding with the four data elements and the belief that you will get additional holds by going through ACE. That is not true. We are conducting admissibility decisions as we do normally, and if you provide information that's missing in ACS or that's missing in ACE, we have done our review under the normal process.

Ms. Hoeger posed the question: Domenic, is it FDA's intent to keep those as optional, or will those revert to mandatory? Because I think there's been some mixed messaging in that.

Mr. Veneziano answered: I think it's going to be a combination.

Mr. Skud added a comment: Debbie and her team and Phil and his team have just been working so hard on this to do a good job for you. And I'd also like to associate myself with that very kind comment of Christa's boss, Deputy Secretary DHS, with the Commissioner HHS commending the trade community. We realize the additional work that you early adopters are doing, and the work that early adopters are doing is critical to making this a success, and it's really appreciated.

I wanted to make one other comment about -- with regard to the change in 19 USC 1321, the duty free sort of limit increase from 200 to 800. It did nothing to change the applicability of other agencies' regulatory requirements. So, if you had a requirement to report to that agency, it still exists. So, that's kind of the immediate guidance.

Amy Magnus added an additional comment: Can I just make a comment to your comment? We engaged in an interesting exercise which is still remaining out there unanswered. The NCBFAA created a spreadsheet, and we listed all of the PGAs that now require or that will soon require electronic release information, and we asked them to spell out specifically what their requirements are.

And we did get some very specific information back from FDA, and we got some very

specific information back from Lacey, but we got some vague and unclear information back from a number of other agencies.

### **Export Subcommittee**

Ms. Merritt talked in regards to Exports Subcommittee from the manifest side, as stated at the January meeting. She stated it was a very productive year in terms of policy discussions, particularly in the elaboration of the progressive filing model and its provisional acceptance by CBP. And as predicted at that meeting that 2016 was going to be much more of a slog in terms of a lot of practical work to get these pilots up and running. And it has been a lot of work, a lot of moving parts, but a lot of progress has been made, and we're right now on the cusp of production data being delivered in the Air, Ocean and Rail Manifest Pilots. On the Truck Manifest side under Mike White, their work plan has been set out, which will begin with a detailed analysis of data submissions and manifest processes on the northern border, as well as sort of a division of labor plan between their work and the work of the North American Single Window working group.

Ms. Bray added that they have done a lot of work on the tabletop exercise. She noted that it consists of several components. They took CBP's risk document and incorporated an ISA type of trusted partner type of piece to this. They also looked at what it would look like in the events manifest world using a progressive filing model.

The next steps are to reach out to the non-manufacturing community to get their input as to this can affect their business, how they can continue to participate in post departure filing, and how can we mate CBP's needs for risk and for moving forward. There were no recommendations at this time. They expect to have some in July, once they get additional input from the other stakeholders.

Mr. Swanson thanked the work group that put the post departure filing tabletop together.

Mr. Swanson added: So, we're looking at how we can tie that together now across all the industries; not just against the manufacturing, but the non-manufacturing segments, as well. So, we're looking to have another round of those kinds of discussions again with the rest of that group. And the other big piece is, we also realized that we are not interested or are ready to take on another major program in terms of a Trusted Trader for export stand-alone project looking at post departure filing and managing that. And the third piece of that really kind of ties into that, and that is that we will be looking to next step, which is, we were hoping to be able to identify from our pre-departure manifest pilot and some of the folks that are going to be engaged in looking at the post departure filing who are already post departure filers. We're hoping to be able to begin a lay down of data that allows us to walk through, beginning to end from a -- even if it's

just a couple of exporters, where we can begin to look at that beginning to end process, assess the risk and be able to come up with some real metrics around what that actually means.

### **Global Supply Chain Subcommittee**

Brandon Salerno jumped right in and talked about three updates. Spending most of the time on pipelines.

First Update: We continue to engage CBP in industry and move forward with a pilot program starting the first half of 2016. We have an agreement on a basic outline of the pilot, and for several months, several in industry have been providing detailed information to CBP to develop the necessary procedures and guidelines for the pilot program.

Second Update: At this time, industry is still awaiting guidance from CBP, but we do have assurances that it's coming very soon. Industry continues to see this pilot as a win-win. CBP gets the key information that they need on pipeline movements, and industry gets the resolutions on longstanding issues, whether it be on in transit movements or on consistency at the ports, which is also a huge priority for us.

Third Update: Our goal is to move quickly, because in our medium and long-term goal is to automate these procedures. The cost to comply can be high. The time to comply with the new pilot can be high, so automating is a priority in the short to medium term. And let's face it, automation requires investment as well, so the sooner we get to that, the better off we are. Industry looks forward to seeing the guidance language soon, and we have confidence again, that it will come soon. We have talked at great lengths on our calls, and we feel that it's coming soon, and hopefully, we can start this pilot sometime very early May.

Mr. Swanson Added: Those who have already been providing me data, starting May 1<sup>st</sup>, we will -- for the April timeframe, we will waive -- we are looking to not require the entry that some ports have been requiring for U.S. goods being transited through Canada, consistent with the other part of the regulations that allows for that U.S. Canada movement. The guidance will be out before then, and we will begin to identify other parties, and they can jump on -- they can begin to work on this. He noted it's an efficiency issue.

He added going forward, the petroleum C will be engaged heavily in helping the ports identify the very technical issues associated with the measurement and the movement of petroleum and the grading of petroleum, and all those things that come out of this. The group will be heavily involved in kind of helping us establish the parameters going forward.

The next topic Mr. Salerno brought up was the C-TPAT minimum security requirements. He mentioned that they were asked obviously, to look at minimum security requirements for C-TPAT. They were very excited to do that.

Ms. Schmelzinger gave an update that we are finalizing our plan of action to sort of you know, tackle the beast that is the minimum security criteria for C-TPAT. She asked for participation, expertise, brain power, and energy to help get this large volume of work done. She noted that she would like it done within a year.

### **ACAS Updates**

Liz Merritt was given the floor. She started by noting that she was very pleased that the ACAS emporium has made its way out of CBP over to DHS. ACAS is considered to be an ideal product. It's agile, flexible, risk based, and intelligence based. It provides real security benefit while imposing minimal cost and supply chain disruption. It is fully expected that the test to the emporium is going to comport with the experience of the pilot thus far, and with the extensive recommendations that were made by COAC in the 13<sup>th</sup> term.

Ms. Boyce added, on behalf of Mr. Jerry Herner, that because of the efforts that the Experts Subcommittee has done, and the work that we're doing together with the BIS FACA (phonetic) committee, DDTC, OFAC, DOD and BIS are looking at a single license approach. They're already starting that conversation.

Maria Luisa Boyce adjourned the meeting at 1:46 p.m.