

# Commercial Customs Operations Advisory Committee (COAC) Exports Subcommittee – Trade Executive Summary

August 23, 2017

# COAC

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COMMERCIAL CUSTOMS OPERATIONS  
ADVISORY COMMITTEE

**Commercial Customs Operations Advisory Committee (COAC)**  
**Subcommittee on Exports**  
**Status Report**  
**August 2017**

**Background:**

The Export Subcommittee was established on March 6, 2013, during the 13th term of the Advisory Committee on Commercial Operations to Customs and Border Protection (COAC), with its objectives and scope consistent with the official charter of COAC. The 14<sup>th</sup> term COAC, at its first quarterly meeting on April 24, 2015, determined that the Export Subcommittee would continue its work during the 14<sup>th</sup> term.

COAC: Heidi Bray, Member and Elizabeth Merritt, Member  
CBP: Rich DiNucci, Executive Director, Cargo and Conveyance Security, Office of Field Operations  
Deborah Augustin, Executive Director, ACE Business Office, Office of International Trade

**Export Subcommittee Update – August 2017:**

Although the Export Subcommittee's work and working groups are divided along a "commodity/manifest" line, due to the significant overlap among topics, the maximum possible exchange of information is encouraged via crossover in working group membership. At present, there are two active work streams: the Post-Departure Filing (formerly known as "Option 4 Filing") Work Group and the Manifest (Export Process) Work Group.

**Post-Departure Filing Work Group**

The Post-Departure Working Group shared its desktop exercise at the November 2016 COAC. The desk top exercise integrates the Group's post-departure filing (PDF) proposal with CBP's Advanced Export Manifest Pilot, reflecting the fact that the two are inextricably linked. The desktop establishes a flexible manifest and PDF process that conforms to exporters' existing PDF processes yet achieves CBP's security-related goals. The desktop exercise was developed over the course of almost a year in close, ongoing consultation with multiple industry sectors as well as CBP.

The WG has prepared an implementation plan for a limited test of the Post Departure filing proposal in conjunction with advanced export manifest. The development plan includes three phases for rolling out the Post-Departure filing proposal, they include:

- Phase I – Identifying the Proof of Concept Trade Participants, the Exporter Registration and Vetting process for the post-departure filing pilot participants. The Exporter Registration seeks to provide CBP with predictive data derived from the previous 12 months of export activity. This phase will also assist CBP in determining what additional data elements, if any, may be required to complete a risk assessment of the pilot participants.
- Phase II – Incorporating the Post-Departure filing in the advanced e-manifest pilot. This phase seeks to test whether the pilot participants can successfully implement post departure filing into the advanced e-manifest pilot using preliminary manifest data.
- Phase III – Periodic USG Reviews to be conducted periodically by requesting additional information and/or conducting physical inspections prior to departure. This phase will assist the USG in determining whether an exporter is in compliance with US Export Laws and other concerns related to post-departure filing.

The PDF WG is establishing contact with carriers participating in the Advanced Export Manifest Pilot to begin testing the proposal to ensure the needs of industry and USG are met.

In the spirit of co-creation, we urge CBP to continue to take a proactive role in standing up the PDF proposal by implementing the steps identified in the Implementation Plan.

### Manifest Export Process Work Group

- The Manifest Work Group consists of representatives from the Air, Ocean, Rail and Truck modes of transport, CBP and Census. The Work Group has been on a brief hiatus following the presentation of extensive recommendations, primarily focused on the Truck mode of transport, at the March 1, 2017 COAC meeting. The work group will continue its review/analysis of pilot empirical data and outstanding policy issues in September, including a resumption of monthly calls.
- Progress continues, albeit slowly, in ramping up the air, ocean and rail electronic export manifest pilots.
  - Current status on the Air, Ocean and Rail pilots will be examined in detail when the Export Manifest Work Group reconvenes in September.
- Prior work has identified the following priority items for follow-up when the Manifest Work Group reconvenes in September:
  - Further examination of centralized versus port-level targeting to ensure:
    - i) the earliest possible targeting (thereby minimizing the risk of undue supply chain disruption and unnecessary burdens on US exporters, carriers and their agents); and
    - ii) the minimization of geographic variation in risk assessment, targeting resources, and export processing.
  - Identification of Census regulations that require revision (procedural, not substantive) in order to align with the progressive filing model.
  - The proper apportioning of export reporting responsibilities, in line with the Trade Act of 2002.
  - Identification and cataloging of outstanding IT, process and policy issues in all of the export manifest pilots, including (but not limited to) filing timelines, required data elements, and any multi-modal complexities.

### Subcommittee 13<sup>th</sup> Term Accomplishments:

- Given the statement of work, past subcommittee findings, and pending export regulatory changes, the Export Subcommittee began with the basics of export process mapping for each unique export type, producing an Education Package that identified pain points, areas of opportunity and potential solutions.
- Engaging a variety of members across the government and trade, a Master Principles Document was produced for One U.S. Government at the Border Cooperation for Exports. With the key concerns of the trade in mind, the document was designed to ensure the efficient management of cross border issues in a manner that reduces the cost of doing business. The principles establish a government/trade foundation upon which to build the future of data exchange, the determination of engagement expectations, and the development of a cooperative approach to achieve the appropriate risk-based strategies and standards that secure cargo movement and facilitate trade at the speed of business.
- The Export Process Work Group was established and charged with further analyzing the process flows and areas of opportunity identified in the export mapping exercise, and with providing specific recommendations for consideration by the subcommittee. The EPWG was designed to address the 3 commodity types (licensed, non-licensed, and “Option 4”), and the 4 modes of transport (air, ocean, rail and truck) mapped in the 2013-14 exercise.

- The licensed commodity sub-group completed its work and delivered 18 specific recommendations (all approved) during the 13th Term final COAC Quarterly Meeting on February 11th, 2015.
- The air manifest sub-group began its work during the 13th Term, delivering one recommendation (approved) regarding freight forwarder participation in the electronic export manifest pilot during the 13th term COAC quarterly meeting on October 7, 2014.