

**Commercial Customs Operations Advisory
Committee (COAC)
Trade Enforcement and Revenue Collection
(TERC) Subcommittee Executive Summary**

July 2017



**U.S. Customs and
Border Protection**

**Commercial Customs Operations Advisory Committee (COAC)
August 2017**

**Report of the Work of the COAC
Subcommittee on Trade Enforcement and Revenue Collection (TERC)**

Co-Chairs

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Background

During the first quarterly meeting of the 14th Term of COAC held on April 24, 2015, it was decided that topics from the 13th Term of the Trade Enforcement and Revenue Collection (TERC) Subcommittee would continue to be worked on in the 14th Term. This includes the Anti-Dumping and Countervailing Duty (AD/CVD), Bonds, and Intellectual Property Rights (IPR) Working Groups. The Regulatory Audit Working Group that was established in the 13th Term continues to be on hiatus until further notice from U.S. Customs & Border Protection (CBP). In July 2016, a new Forced Labor Working Group (FLWG) was also established. All subcommittee objectives and scope are consistent with the official charter of COAC.

Summary of Work

Since launching the TERC Subcommittee in April 2015, four (4) Working Groups have been operating. The AD/CVD, Bond, Forced Labor, and IPR Working Groups consist of COAC and non-COAC members representing over 100 different stakeholders from the trade including importers, domestic industry, U.S. manufacturers, brand holders, customs brokers, sureties, attorneys, ABI vendors, carriers, consultants, various trade associations as well as participants from CBP and other Partner Government Agencies (PGAs).

The TERC Subcommittee continues to focus on all aspects of the enforcement provisions under the Trade Facilitation and Trade Enforcement Act (TFTEA) that passed in February 2016. In particular, the past quarter was spent engaging the AD/CVD, Bond and IPR Working Groups on the Presidential Executive Order (EO) to establish “Enhanced Collection and Enforcement of Antidumping and Countervailing Duties and Violations of Trade and Customs Laws.” <https://www.whitehouse.gov/the-press-office/2017/03/31/presidential-executive-order-establishing-enhanced-collection-and>.

Since the EO was passed on March 31, 2017, CBP held over 15 calls with the TERC Subcommittee and AD/CVD, Bond, and IPR Working Groups. CBP also held in person meetings on May 1-2 with the Customs Surety Executive Committee (CSEC). Through these meetings and conference calls, the trade provided input on CBP’s response to the EO which was due to the White House within 90 days. CBP met the 90-day deadline as required by the EO and awaits a more formal response.

Once a response is received from the White House, COAC recommends that CBP continue to engage with the TERC Subcommittee and underlying working groups to collaborate prior to implementing any policy and/or statutory changes required by the EO, especially in the areas of heightened enforcement and bonding that could have a substantial impact on the trade. The

TERC Subcommittee will continue to host monthly calls and engage the various working groups as necessary to response to TFTEA and the EO.

AD/CVD Working Group

In addition to discussing the EO over the past quarter, the AD/CVD Working Group also explored revisions to CBP’s AD/CVD FAQ and recommended that CBP work with the Department of Commerce to develop educational papers and best practices for managing critical circumstances and AD/CVD entries that have a 0% deposit rate.

Forced Labor Working Group (FLWG)

In addition to the AD/CVD, Bond, and IPR Working Groups, the FLWG was established on July 13, 2016, and provided recommendations to CBP at the November 2016 meeting. CBP is currently reviewing these recommendations to provide responses to the FLWG and expects to kick off new discussions after the COAC meetings in San Diego this coming August.

Summary

Looking forward, the TERC Subcommittee will continue to collaborate with CBP and other government partners on the various TFTEA provisions to improve enforcement of U.S. trade laws and protect the revenue with a focus on CBP’s Priority Trade Issues (PTIs). The TERC Subcommittee also looks forward to establishing a new Working Group that will formulate recommendations on CBP’s Mitigation Guidelines in the near future.

TERC Draft Recommendations
August 4, 2017

- 1) COAC recommends that CBP continue to engage with the TERC Subcommittee and underlying working groups to collaborate prior to implementing any policy and/or statutory changes required by the Presidential Executive Order on Enhanced Collection and Enforcement of AD/CVD and Violation of Trade and Customs Laws, especially in the areas of heightened enforcement and increased bonding that could have a substantial impact on the trade.

- 2) COAC recommends that CBP work with the Department of Commerce to develop educational papers and best practices for handling critical circumstances and AD/CVD entries that have a 0% deposit rate at the time of entry. The AD/CVD Working Group also provided various updates to CBP's FAQ document and recommends incorporating some of these newer educational tools into the FAQ.