

Commercial Customs Operations Advisory Committee (COAC)

Government Issue Paper: Revenue Modernization (Rev Mod)

August 2017



U.S. Customs and
Border Protection

U.S. Customs and Border Protection, Office of Finance

Revenue Modernization Program (Rev Mod)

August 23, 2017

Action Required: Informational

Background:

The Revenue Modernization Program (Rev Mod) aims to reduce or eliminate labor intensive manual processes surrounding revenue collections, increase online and electronic payment options, and provide revenue collections data at the transaction level for improved reporting and analysis.

The Rev Mod team is engaging with the trade and travel community to:

- Share Rev Mod's findings regarding the capability gaps, challenges, and modernization requirements around CBP's revenue collections processes, and solicit the trade and travel community's feedback to determine any missing requirements and additional considerations of needs
- Solicit the trade and travel community's feedback on their fee and duty collection experiences with other countries, identify the most favored international approaches, and determine what methods of payment are most desirable
- Help define Rev Mod's To-Be vision of revenue collections
- Gain input on locations for Rev Mod's experiments and technical demonstrations, and, as these demonstrations start, solicit feedback to determine what changes should be made to adjust efficiency or address issues
- Discuss the feasibility of potential or proposed legislative changes needed to support Rev Mod improvements

Issue:

CBP's current revenue collection processes have not been updated in years and continue to be supported by manual, labor-intensive processes and procedures. Rev Mod seeks to eliminate these inefficiencies and provide:

- Benefits to the trade and travel industries and the U.S. economy by providing modern electronic online billing, collection and payment options that are secure, accurate, and can be directly deposited
- Operational efficiencies at the ports of entry (POEs) through the use of mobile applications, improved cash register software, intelligent safes, etc., and allowing CBP Officers to focus on their mission critical law enforcement and trade and travel facilitation duties
- Access to real-time, reliable financial and operational data to inform decision-making and comply with existing and emerging reporting requirements

Current Status:

To address the issue at hand, Rev Mod is conducting multiple experiments and technical demonstrations based on a thorough business analysis and requirements vetted by CBP staff at POEs. Current and planned technical demonstrations include:

- **Agricultural Inspection Overtime Reimbursement Bills** automates overtime bills, and has resulted in bills being submitted within two weeks of the pay cycle in which overtime was charged, and saved

1,700 CBP labor hours for more than 20,000 bills created to date. This effort plans to add more billing details to the reimbursable bills by August 6, 2017.

- **Mobile Collections and Receipts (MCR)** automates the manual paper receipt process for maritime arrival fees (forms 368 Collections and 1002 Tonnage Tax receipts) and provides the Trade with the ability to pay vessel arrival fees online
- **Smart Safe** reduces the labor-intensive manual processes around cash handling at ports of entry. Smart safes are safes that count cash, eliminating the need for multiple time-consuming cash re-counting for reconciliation purposes. The safe also scans for counterfeits. As cash is fed into the safe, the cash collection deposit data is automatically recorded at the bank. The service includes an armored car courier that retrieves cash from the safe and takes it to the bank. Some types of smart safes (recyclers) have the ability to make change, alleviating another challenge for Officers doing this work
- **Electronic Payment Option (EPO)** provides online payment options allowing brokers, agents, vessel owners, Trade and Travel representatives or individuals to pay (non-entry-summary) fees, taxes or duties electronically or online.
- **Point of Sale (POS)** will contribute to improving revenue collections data at the transaction level for improved reporting and analysis

Next Steps:

- COACs Trade Modernization Subcommittee has issued recommendations in March 2017 and Rev Mod is actively working on implementing them.

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