

# Commercial Customs Operations Advisory Committee (COAC)

November 17, 2016 Quarterly Meeting Executive Summary

The logo for the Commercial Customs Operations Advisory Committee (COAC) features the letters 'COAC' in a bold, serif font. The 'C' and 'A' are blue, while the 'O' and 'C' are red. The letters are positioned above a horizontal line that is blue on top and red on the bottom.

COMMERCIAL CUSTOMS OPERATIONS  
ADVISORY COMMITTEE

**Commercial Customs Operations Advisory Committee**

**(COAC)**

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

Quarterly Meeting

November 17, 2016

Washington, DC

12:30 p.m. - 4:30 p.m.

**Executive Summary**

**Opening Remarks**

Maria Luisa Boyce began by thanking everyone for joining the COAC meeting and conducting a roll call. Members present: Vince Iacopella, Julie Parks, Cynthia Allen, Brenda Barnes, David Barry, Heidi Bray, Celeste Catano, Lenny Feldman, Brandon Fried, Lisa Gelsomino, Suzanne Hoeger, Alexandra Latham, Amy Magnus, Elizabeth

Merritt, Kevin Pinel, Adam Salerno, Michael White and Michael Young. Absent: Madeleine Veigel.

Ms. Boyce then turned the meeting over to Commissioner R. Gil Kerlikowske for opening remarks.

Commissioner Kerlikowske welcomed Chief William Woody of the U.S. Fish and Wildlife Services (FWS) Office, pointing out the tremendous work Fish and Wildlife does. After stating this would be his last COAC meeting, Commissioner Kerlikowske expressed his gratitude to COAC members and the sponsoring organizations, noting that as of the moment, Deputy Commissioner Kevin McAleenan would be taking his place. After, he briefly touched on other COAC happenings.

Treasury Department Deputy Assistant Secretary Timothy Skud was next to speak, updating on ITDS functionality, Trade Facilitation and Trade Enforcement Act (TFTEA), and Revenue Modernization. DHS Deputy Assistant Secretary Christa Brzozowski gave remarks, focusing on Single Window and saying that "we are well positioned

to claim success for the Single Window." She also stressed the need to ensure the continuation of COAC's efforts into the next administration.

Deputy Director Daniel Ragsdale, Immigration and Customs Enforcement/Homeland Security Investigations (ICE/HSI) then spoke on the Intellectual Property Rights (IPR)Center, saying it and its 23 federal and national partners were needed to make an effective enforcement program. COAC Trade Co-Chair Julie Ann Parks also gave remarks, including pointing out a desire to see automation and policy start to solidify and align.

#### **One U.S. Government Subcommittee Discussion**

Subcommittee Co-Chair Susie Hoeger opened this discussion by commending U.S. Department of Agriculture (USDA) and Animal and Plant Health Inspection Service (APHIS) on the ACE Core Data Set, saying there was minimal additional burden on importers. She also pointed out that importers or filers only need to provide the permit number, not the permit, and then commended the Help Desk.

She did have some concerns, which included a significant increase in the number of shipments being caught in the "Fish and Wildlife net," the complex disclaim mechanism used in the pilot, and new data elements requested at the time of entry. Also of concern were the restriction on ports of entry and the elimination of the Non-Designated Port Exemption Permit (non-DPEP).

Ms. Hoeger then gave one formal recommendation for Fish and Wildlife. Ms. Brenda Barnes seconded the **motion, which ultimately carried unanimously**, and the discussion was opened up for comments. (**Note: Recommendations in full are following this report**) Mr. Jonathan Gold of the National Retail Federation (NRF) thanked the COAC for putting forth the recommendation and voiced areas of concern. Member Lenny Feldman added to Mr. Gold's concerns, and Mr. Chris Smith of IKEA voiced support for working through industry concerns.

Chief Woody, FWS, spoke next, acknowledging the concerns he had received, and then turned the floor over to Acting Executive Director Jeff Nii, CBP, who began by noting that his group is moving to extend the Border Interagency Executive Council (BIEC) beyond December 2016. He suggested harmonizing the foreign entities and the product descriptor codes. CBP Executive Director Deborah Augustin commented that they were looking forward to using the pilot period as a learning opportunity.

Subcommittee Co-Chair Amy Magnus then reported on the North American Single Window Working Group (NASW), and she and Ms. Hoeger read 12 recommendations into the record, including suggestions on harmonizing data elements, the responsibilities of parties on different issues, recommendations relating to trade between the U.S., Canada, and Mexico, and consideration of WCO guidelines. Member Mike Young seconded, and the **motions ultimately carried unanimously. (Note: Recommendations in full are following this report)** Ms. Boyce opened the meeting for comments and gave a framework for the

discussion, noting the Working Group's thorough work in mapping out the import/export process between the U.S., Canada, and Mexico.

CBP Executive Director Deborah Augustin, ACE Business Office, Office of Trade, then gave a brief update on the ACE implementation effort, observing that the Single Window was on track to meet the December deadline and that six of seven primary ACE deployments had been accomplished. She also spoke on the retirement of some of the Legacy technologies and priorities for capabilities.

CBP Executive Director Robert McMullen, Office of Information and Technology, picked up the conversation, touching on what's been learned from the Air Manifest. He then gave more detail on the ACE Availability Dashboard, noting 96- to 98 percent availability over the past few months.

**Trade Enforcement and Revenue Collections  
(TERC) Subcommittee Discussion**

Subcommittee Co-Chair Lisa Gelsomino began this part of

the meeting with a brief update on the TERC, pointing out that they had been handling a lot of TFTEA issues. She stressed TERC's goal of looking at those issues to help strengthen enforcement laws. Ms. Gelsomino also touched on the Antidumping/Countervailing (AD/CVD) Working Group, thanking CBP for publishing the August 22nd Enforce and Protect Act (EAPA) provisions timely and reminding everyone to provide comments before the December 20<sup>th</sup> deadline that CBP extended. Lisa then mentioned the Bond Working Group was on hiatus.

Subcommittee Co-Chair Kevin Pinel stepped in to give an update on the IPR Working Group. He said there's been a lull while Customs reviews the Working Group's July recommendations, although the group hopes to have more updates at the next meeting.

Ms. Gelsomino picked back up, alluding to a future working group for Mitigation Guidelines that will be delayed until the next quarter. She then talked about the Forced Labor Working Group, officially formed on July 13th with over 35 members, including different

trade associations, Customs brokers, importers, consultants, a variety of Government agencies, and civil society organizations (CSOs).

She reported on the difficulties of having many different viewpoints and said they tried to come to a consensus on the recommendations, which she then read and Member Celeste Catano seconded. **The motions ultimately passed, although two members abstained from the vote. Abstained: Members David Berry and Heidi Bray.** (Note: Recommendations in full are following this report) Some of the recommendations were: developing a mapping of the forced labor process, conducting further outreach, leveraging technology to be transparent on forced labor laws and processes, adding forced labor questions to the COAC survey, encouraging participation of the Centers of Excellence and Expertise (Centers) within the forced labor process, and development of an Informed Compliance Publication and Forced Labor Resource Guide

When **public comments** were invited, Ms. Annik Febrey

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with Human Rights First voiced overall support for many of the recommendations and emphasized some points, including requesting CBP self-initiate investigations and giving her support of recommendations that would increase transparency in the allegation and investigation process. Ms. Kristen Abrams of Humanity United also voiced support for many of the recommendations but added her concerns about COAC being the principle means by which recommendations on Tariff Act enforcement are made and putting a time limit for CBP to respond to forced labor investigations.

Director Bruce Foucart, ICE/HIS, from the IPR Center then had an update. He touched on the establishment of subject matter expert training and how there would be one agent in each office handling only forced-labor-related investigations.

### **Global Supply Chain Subcommittee Discussion**

Subcommittee co-chair Adam Salerno was first in this discussion, and he talked about the review of the C-

TPAT Minimum Security Criteria (MSC). He noted that over the last 15 years the global supply chain has seen monumental changes in technology infrastructure, e-commerce, mutual recognition, and most recently, the WTO TFA and that it appears appropriate to review the MSC.

He noted that any changes to the current program would have a broad impact, so strong communication with representative C-TPAT membership companies was necessary. He noted that the conversation should include a concurrent review of the benefits that provide value to participants as a trusted partners. Mr. Salerno explained that they wanted to find the appropriate mix between prescriptive language, best practices, and performance-based goals. This would allow industry to develop their own path that best suits their industry and would be scalable for companies of all sizes. He commented that a much larger group of industry should provide comments and that only at that time should the group begin to look towards a staged and piloted implementation. He then invited co-chair Brandon Fried to read the

Subcommittee's recommendations.

Mr. Fried read the 10 recommendations, which were seconded by Mr. Feldman and **ultimately passed unanimously.** (**Note: Recommendations in full are following this report**) The recommendations included 1. CBP to maintain the focus of the C-TPAT program on supply chain security, and additional MSC should be focused on minimizing risks in the supply chain; 2. CBP allowing for a 90-day comment period for C-TPAT participants to comment on the proposed new MSC and to integrate that feedback; 3. CBP and COAC working together to review and update program benefits and establish metrics, finding ways to offset program costs; 4. development of a cost/benefit analysis; 5. CBP conducting a pilot phase of the new Criteria to evaluate operational feasibility, as well as allow sufficient time for implementation; 6. streamlining of requirements and removal of redundancies with existing MSC; 7. engagement with international trade partners to ensure alignment of new requirements with AEO Standards; 8. provision of training and reference

materials on the new MSC; 9.development and issuance of updated guidance to C-TPAT partners and CBP including Tier 3 best practices and validation process; and 10.expansion and inclusion of C-TPAT participation, for example, domestic entities such as drainage carriers, rail carriers, and warehouses..

**Public Comments:**

Mr. Doug Schneider of the World Shipping Council supported and concurred with the recommendations. He did express concerns relating to the possible addition of significant and potentially costly new criteria.. He questioned what specific security or procedural problems the proposed C-TPAT revisions would address, and he asked that any new obligations be developed in partnership with the affected C-TPAT partner type well before any changes are finalized. He noted that the C-TPAT is not a regulatory regime, however failure by C-TPAT partners to comply can result in expulsion from the program, which can force a company out of business.

CBP Director Liz Schmelzinger, Office of Field Operations, responded to the World Shipping Council's

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comments, pointing out that CBP reached out to approximately 40 C-TPAT program members for assistance. She promised CBP would not be in a position to take a work group product and publish it as a final document or make business decisions based on a draft. She said the litmus test for a final product is achievability, affordability, and whether it's articulable. She reiterated CBP's commitment to making any changes in partnership with the trade and gave her concurrence with COAC's recommendations, noting that it might take several years to accomplish the last one which involves domestic entities that have a NEXUS with the international supply chain. She noted that there is a tremendous amount of work to be done.

Member Lenny Feldman commented that everybody's participation would be required to make this work. He also highlighted the issue of homegrown extremists and domestic terrorism, saying this was something that has to be addressed and that bringing in domestic entities such as warehouses and trucking companies are something we have to get to.

Director Schmelzinger emphasized that this work is still at its very beginning stages and appreciates the interest and the commitment of the COAC and its C-TPAT Working Group.

### **Exports Subcommittee Discussion**

Subcommittee co-chair Elizabeth Merrit briefed the meeting attendees on manifest developments, saying Ocean and Land each have a few participants and have been going on for a few months. She noted that Air is now underway and that there have been a couple of test production system transmissions.

She then spoke on the two current tasks of the Manifest Working Group, the first one being identification of multi-modal pain points, with a goal of easy multi-modal transfers. The second task involves the Truck Manifest. The goal is to develop an efficient outbound manifesting process that provides the Government with

needed information for targeting yet imposes as little burden as possible on the trade. Ms. Merrit stated their work needs to be aligned with that of the North American Single Window Working Group so that things like data elements and timelines are as harmonized as possible between the U.S., Canada, and Mexico.

Subcommittee co-chair Heidi Bray then spoke on Post-Departure Filing (PDF), pointing out that it allows supply chain flexibility, making companies globally competitive. She explained how a Desktop Exercise completed by the PDF Working Group integrates the PDF proposal with CBP's Advanced Export Manifest pilot. According to Ms. Bray, the Desktop Exercise establishes a flexible manifest and PDF process that conforms to exporters' current PDF processes while achieving CBP's security goals.

Next was her presentation of a slideshow. She only briefly touched on the slides because the slides would be posted to the website. She did stress the importance of allowing continued PDF, as well as mentioning some

of CBP's concerns about PDF.

She pointed out a proposal that sought to provide information that would address CBP's identified risks and create a solution that was minimally disruptive to current business practices. Ms. Bray said this proposal would open Post Departure Filing (PDF) to additional exporters. She then listed the four elements of progressive PDF: eligibility to apply, exporter registration, USG validation, and periodic USG shipment inspections and audits.

Ms. Bray concluded by offering a recommendation of the development of a detailed plan for PDF pilot implementation based on the Working Group's proposal and that the pilot be launched in the next 6 months in the Air and Ocean modes. Member Julie Ann Parks seconded the motion, and it ultimately carried unanimously. **(Note: Recommendations in full are following this report)**

Next, CBP Director Jim Swanson, Office of Field Operations, voiced his appreciation for the level of work that went into this, saying he felt as if the same language was finally being spoken. He then noted that the President mentioned export promotion as well as enforcement when he signed the executive order. Mr. Swanson said although they're not an export promotion agency, the facilitation of all process would help promote exports. He then concluded with the desire to operationalize some of the Export Manifest pilots and provide some benefit to the participants.

CBP Executive Director Augustin stepped in and said CBP has completed all development work on their side and that four PGAs currently have open pilots. Ms. Parks then thanked Ms. Bray for leading the effort for the mapping process and commended the export agencies for working together, saying the leveraging of automation was a good example of how to get things done quickly and collaboratively. Ms. Barnes voiced her appreciation of an "ag-focused group" and thanked those who did the survey, and Ms. Boyce mentioned CBP Director Bill

Delansky's thinking outside the box to help things move forward.

### **Trade Modernization Subcommittee Discussion**

Subcommittee co-chair Cindy Allen was first in this discussion, and she began by saying the Subcommittee was less active than it had been at the beginning of the year, when it submitted 50+ recommendations. She mentioned one working group still in continuance, two working groups to be looked at over the next quarter to two quarters, and a goal of making recommendations at the next COAC meeting. Before asking CBP Director Susan Thomas to speak on the status of the recommendations, she encouraged CBP to go through the review process and get out any Federal Register notices resulting from the recommendations so some of the changes could be implemented.

CBP Director Thomas, Office of Field Operations, began by giving one of her primary goals for the past year, which was to set a foundation for continued growth and

evolution, which involved establishing a permanent management structure in the Centers. By the end of the fiscal year, she said, all ten Center directors were selected, and nine of them were in place, with the final one coming on board in a few weeks. She announced that all 10 permanent Center Directors would be at the East Coast Trade Symposium, hosting round table sessions with the trade.

She then moved to future goals, including continued operational expansion. She voiced her desire to see the Revenue Modernization Group's work in modernizing the work done by Entry Specialists. Ms. Thomas also mentioned going to account-based processing for all importers, stressing the need for clarity. She and her staff with input from Regulations and Rulings have delivered a Regulations package that is currently with DHS. It will provide clarity as to who is responsible for what such as where are documents submitted, who will review them and who will be making decisions.

Some of the COAC's Center recommendations regarding Participating Government Agencies, Trusted Trader and Levels of Service within a Center are longer term

projects.

Ms. Allen then asked her co-chair Lenny Feldman to step in. Mr. Feldman noted that they were looking forward to seeing what CBP could do to get the International Engagement and Trade Facilitation Working Group off the ground and that it consists of a very talented group that will look at various regions of the world to see where the best practices are and well as where there are some irritants. They intend to develop helpful suggestions.

Mr. Feldman noted that the newly formed Rulings and Decisions Improvement Working Group were looking forward to looking at ways to possibly reduce the time in rulings issuances and make the process more transparent. He also noted that it is key to our trading partners to have certainty and uniformity and to an extent, harmonization globally. He intends to get recommendations to COAC from this WG early in 2017.

Co-chair Cindy Allen picked back up with an update on

the Revenue Modernization Working Group, which is looking at how to modernize payment processes. She expressed her hopes that the Group could improve the process so that CBP, instead of collecting cash, could focus on where they need to be.

Ms. Boyce then invited CBP Executive Director Alice Kipel's comments, and she began by saying CBP's system of rulings contributes to worldwide economic wellbeing but that they were listening to feedback on the timeliness of some rulings. She also acknowledged that processes could be improved by using automation and technology.

Continuing the discussion, CBP Director David Dolan, Office of International Affairs, started by mentioning that the International Engagement and Trade Facilitation Working Group (IETFWG) had considered the significance of the Trade Facilitation Agreement (TFA). He mentioned the Dublin Resolution, issued by the World Customs Organization (WCO), which pledged support of the Customs community and established a Trade Facilitation Agreement Working Group to support the

TFA. implementation.

Mr. Dolan noted that Ms. Boyce and Ms. Augustin recently, went to the WCO, to a joint session of the Permanent Technical Committee and the Trade Facilitation Agreement Working Group and they presented on our experience with Single Window.

Mr. Dolan briefly spoke on the WCO Mercator program, which positions the WCO to consolidate and promote its efforts in trade facilitation support. They have a network of, 50 accredited Mercator program advisors. CBP has eight people that have gone at least through the pre-accreditation process, which is very intensive. Mr. Dolan also spoke on six Office of Trade regulatory auditors who are pre-accredited to go on WCO missions. The IETF WG will be looking at the actual situation on the ground, utilizing our stakeholders that will be in the working groups, but also making sure USAID, USTR, USITA, and other major players can give feedback. We will identify the issues and then share best practices to help other countries to truly implement the TFA, in a good way.

Next, CBP Assistant Commissioner Mark Koumans, Office of International Affairs, briefly touched on the WCO Policy Commission agenda, stating this group was looking at what direction they wanted the WCO to go. He then moved to the North American Single Window, mentioning the security agenda and combatting evasion.

CBP Director Sherri Jordan, Office of Finance, then stepped in to talk about improving the revenue collection processes. She said they've gone to ports of entry to find out the pain points and where those people would like to see improvement, with the goal of getting CBP officers back to focusing on security and enforcement, not revenue collection. Ms. Boyce noted that this working group would coordinate with the User Fee Advisory Committee (UFAC) to gather information and make recommendations.

### **Trusted Trader Subcommittee Discussion**

Subcommittee co-chair Alexandra Latham said that since the last COAC meeting, the Trusted Trader framework

document had been released, so the Subcommittee was on hiatus while CBP evaluates the pilot. Subcommittee co-chair Michael Young then noted that feedback received on the pilot process would give insight on things such as program strengths, weaknesses, and benefits.

Finally, CBP Director Liz Schmelzinger stepped in with an update on the Trusted Trader pilot activity, noting they were transitioning the Importer Self-Assessment program into the equivalent of a trade compliance program that aligns with the Authorized Economic Operator (AEO). She mentioned mutual recognition arrangements for security with 11 countries and said there is interest from other countries in developing AEO programs. She also pointed out that they're working with pilot participants to gain understanding on participants' experiences of program benefits.

As the meeting drew to a close, Ms. Boyce urged the attendees to never forget the value of being able to disagree and still continue moving forward, and Mr. Skud then concluded the meeting.

November 17, 2016

## FINAL RECOMMENDATIONS

### ONE U. S. GOVERNMENT AT THE BORDER (1USG) SUBCOMMITTEE

**010099**

#### **Recommendation #1**

In the spirit of streamlining America's Imports and Exports and coordinated border management, COAC recommends that CBP work with the Fish & Wildlife Service (FWS) to minimize data creep in the FWS PGA message set and increase process coordination. Data not used for admissibility decisions before, including forms that were kept in broker files but rarely requested by the PGA, should not be used for that purpose now. The agency should collect this data post-entry, if necessary, and it should be based on risk management principles in order to not impede the entry process.

COAC further recommends that CBP work with FWS to minimize the number of HTS codes that are flagged and limit the flags to those HTS codes that truly have a high likelihood of covering goods that are subject to the agency's requirements. In addition, CBP should work with FWS to align their disclaim process with that of other agencies and reinstate the FW1 flag. Finally, CBP should work with FWS to maintain the Non-Designated Port Exemption Permit (DPEP) or develop another way to ascertain the admissibility of goods while allowing regulated cargo to flow through all US ports of entry.

COAC recommends CBP share these recommendations with the Border Interagency Executive Council (BIEC).

#### **North America Single Window**

**010100**

#### **Recommendation #2**

COAC recommends CBP continue the detailed work with the U.S., Canada and Mexico, and to the greatest extent possible, harmonize all data elements being required by the countries for 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 import and export purposes.

## **010101**

### **Recommendation #3**

**As the U.S. implements export manifest requirements for all modes, COAC recommends that CBP work with the U.S., Canada and Mexico to harmonize, where possible, the data required for U.S. export with Canada's import manifest and Mexico's not-yet-developed import manifest, and synchronize the timing requirements for filing.**

## **010102**

### **Recommendation #4**

For advance security filing, manifest, and cargo release, COAC recommends CBP work with the three countries to place the relevant filing requirement on the party most qualified to do so. Qualified parties are those most likely to have the best information and who 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 work with Canada and Mexico to ensure these filings are 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.

For shipment-level information, COAC recommends CBP work with Canada and Mexico to ensure manifest filings are 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, as the carrier is the only party who can identify with certainty which shipments have been loaded onto a conveyance.

## **010103**

### **Recommendation #5**

When identifying common data elements used by the U.S., Canada, and Mexico, COAC recommends the use of a standard naming convention aligned with the WCO Data Model III for standardized Customs and other border control agency import and export message. Using minimal common data elements to achieve an effective risk management solution should be the goal.

Furthermore, 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 among the U.S., Canada, and Mexico.

## **010104**

### **Recommendation #6**

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 should 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.

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.

## **010105**

### **Recommendation #7**

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 21<sup>st</sup> Century Border Management initiatives. 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. COAC recommends CBP fully engage with Canada and Mexico to finalize and implement initiatives such as data harmonization, integrated cargo security strategy, and true mutual recognition of trusted trader partners.

## **010106**

### **Recommendation #8**

COAC recommends CBP work with Canada and Mexico to identify how each country defines advance security and admissibility data. This should provide a general overview to include modes impacted, time frames to submit, the responsible party who can present and/or submit advance security and admissibility data as well as a current and future end state for each country. To the extent possible under national legislation, these same data elements should be used for admissibility requirements across borders when filed as a unified entry/release including both advance security and admissibility data elements.

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 should 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 transport 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).

**010107**

**Recommendation #9**

Where possible, COAC recommends CBP work with PGAs/OGDs in the U.S., Canada and Mexico to accept globally recognized product identifiers, such as G-TIN, when submitted by an importer or exporter to describe the imported or exported product. Because these codes are more specific and more descriptive of the product, the codes should be preferred over other types of identifiers used by specific agencies.

**010108**

**Recommendation #10**

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 the U.S., Canada and Mexico to begin the process of harmonizing their PGA/OGD data and their definitions of each data element.

**010109**

**Recommendation #11**

COAC recommends CBP work with the U.S., Canada and Mexico to align, where possible, the data elements required for export filings into a single data set and single filing to benefit importers and/or exporters as well as the various regulatory agencies.

**010110**

**Recommendation #12**

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.

**010111**

**Recommendation #13**

Anticipating a rapid growth of e-commerce 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 e-commerce 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 minimis, but screening by PGAs and CBP for health and safety should be similar.

## **TRADE ENFORCEMENT AND REVENUE COLLECTION SUBCOMMITTEE**

### **Forced Labor Working Group – Communications Team**

**010112**

#### **Recommendation #1**

COAC recommends CBP develop a forced labor mapping process similar to what was created for the Enforce and Protect Act (EAPA) for anti-dumping and countervailing duty (AD/CVD). While the process should focus on CBP roles and responsibilities, it should also include other government requirements, including those of the U.S. Department of State, U.S. Department of Labor, U.S. Immigration and Customs Enforcement (DHS-ICE), and additional relevant Partner Government Agencies (PGA), and Other Government Agencies (OGA). The mapping process should identify pain points and potential recommendations for resolving them.

**010113**

#### **Recommendation #2**

COAC recommends CBP conduct a series of webinars to educate all stakeholders including Civil Society Organizations (CSOs), importers, customs brokers, etc. about forced labor laws and relevant issues to increase awareness and compliance. These webinars should include the following perspectives:

- a) Industry specific webinars with CBP's Centers of Excellence and Expertise (CBP Centers)
- b) Efforts by the trade industry to address forced labor laws by industry/sector
- c) CSO efforts to help the trade industry identify forced labor within the supply chain
- d) Joint trade industry and CSO efforts to address forced labor

## **010114**

### **Recommendation #3**

COAC recommends several updates to CBP technology used to communicate forced labor updates, including:

- a) CBP should promote the [trade.enforcement@cbp.dhs.gov](mailto:trade.enforcement@cbp.dhs.gov) email address for stakeholders to submit forced labor questions and develop an automated auto reply process.
- b) CBP should use these questions to update a Frequently Asked Questions document on a quarterly basis and post the updates to [cbp.gov](http://cbp.gov).
- c) CBP should Update its forced labor web page on [CBP.gov](http://CBP.gov) and provided meaningful tools to clarify how importers can comply with forced labor laws. The Forced Labor Working Group has provided feedback for CBP's consideration in Appendix A.
  - e) CBP should modify the CSMS messaging fields to allow selection of "Trade Policy Updates" on forced labor and RSS feeds when the forced labor page on [cbp.gov](http://cbp.gov) is updated (similar to the COAC recommendations made for AD/CVD).

## **010115**

### **Recommendation #4**

COAC recommends CBP add new forced labor questions to the existing COAC survey to gauge the trade industry's knowledge of these issues, and share the survey results with the trade industry. The Forced Labor Working Group has provided sample questions for CBP's consideration in Appendix B.

## **010116**

### **Recommendation #5**

COAC recommends CBP develop a catalog of available resources that have been developed to address forced labor. The catalog should be organized by Government, CSO, and Business resources. The Forced Labor Working Group has provided a sample Resource Catalog for CBP's consideration in Appendix C.

## **010117**

### **Recommendation #6**

COAC recommends CBP-HQ work through the CBP Centers to develop referral resources on forced labor for industry-specific sectors where applicable, and publish these resources on cbp.gov.

**010118**

**Forced Labor Working Group - Legal Challenges Team**

**Recommendation #7**

COAC recommends the CBP Commissioner leverage the resources of the appropriate CBP Center, which has knowledge of the industry and is responsible for managing importer accounts, when making an allegation assessment or the decision to issue, revoke, or modify a withhold release order (WRO).

**010119**

**Recommendation #8**

COAC recommends the CBP Centers engage in ongoing outreach and bi-directional education with all stakeholders active in preventing the importation of goods made with forced labor, including the importing community, PGAs, OGAs, CSOs, and other non-government organizations (NGOs). CBP-HQ and the Centers should also invite CSO and NGO representatives to take part in industry outreach efforts.

**010120**

**Recommendation #9**

COAC recommends CBP modernize the current forced labor regulations in 19 C.F.R. 12.42-44 and provide for a public comment period. In addition to updating the regulations to remove the consumptive demand provision, CBP should consider the following updates:

- a) In regards to Proof of Admissibility requirements per 19 CFR 12.43, rely less on reference to specific documents that are obsolete or may become so in the future.
  
- b) Currently, forced labor regulations require an importer to respond to a WRO within 90 days, but do not specify when CBP must provide a reply. When detaining merchandise in other cases, CBP is required to respond within a specified timeframe. COAC recommends that CBP establish an appropriate timeframe to respond to an importer's proof of admissibility as a result of a WRO, and this timeframe should be incorporated into the revision of the regulations.

## **Forced Labor Working Group – Strategic Leadership Team**

**010121**

### **Recommendation #10**

COAC recommends CBP work with key stakeholders to develop and publish an Informed Compliance Publication (ICP) on Forced Labor. The Forced Labor ICP should include a detailed process for stakeholders (both CSOs and the trade industry) to understand how the current forced labor process works from CBP's perspective. In order for the trade industry to become strategic leaders in the field, the ICP should also include resources and guidance from CBP and other PGAs for industry to follow. The Forced Labor Working Group has provided a suggested outline and resources to include in the ICP for CBP's consideration in Appendix D.

## **GLOBAL SUPPLY CHAIN SUBCOMMITTEE**

### **C-TPAT Minimum Security Criteria Working Group**

**010122**

Minimum Security Criteria (Minimum Security Criteria) Purpose: The C-TPAT program is a voluntary program with a specific purpose of achieving the highest level of supply chain security and facilitating legitimate trade. As such, COAC recommends that CBP maintain the focus of the program on supply chain security and additional Minimum Security Criteria should be focused on minimizing risks in the supply chain. The COAC recognizes the need of the Minimum Security Criteria to be periodically reviewed and updated as global security threats shift and evolve, the underlying goals of the C-TPAT program should be maintained.

**010123**

**Additional Feedback:** COAC commends CBP for taking steps to update Minimum Security Criteria as this process facilitated a productive interactive dialogue leading to a framework for the future of C-TPAT. In light of the fact that the Minimum Security Criteria will have a significant operational and financial impact on partners, the COAC recommends that CBP reach out to C-TPAT participants giving them 90 days to comment on the proposed new Minimum Security Criteria and allow CBP to integrate feedback. Given the proposed substantial changes to the program, the current process warrants additional outreach to C-TPAT participants.

**010124**

**Benefits:** COAC recommends that CBP work with the COAC working group to review and update program benefits and assist in establishing metrics. The goals are to facilitate trade, secure the supply chain, and maintain and encourage increased participation. To achieve these goals, it is necessary to find ways to offset the program costs.

#### **010125**

**Cost-Benefit Analysis:** In conjunction with developing the Minimum Security Criteria, COAC recommends that CBP work with C-TPAT participants to develop an analysis of the cost and benefits.

#### **010126**

**Staged Implementation:** Since the C-TPAT program's creation in 2001, and with current participation of over 11,000 companies, the existing Minimum Security Criteria have been widely adopted and institutionalized in business practices. As such, COAC recommends that CBP conduct a pilot phase of the new criteria to evaluate the operational feasibility. In addition, CBP should allow sufficient time for business to implement the new Minimum Security Criteria once they are finalized.

#### **010127**

**Eliminating Redundancy:** COAC recommends that prior to finalization and implementation of new Minimum Security Criteria, the Minimum Security Criteria should be reviewed in their totality to streamline requirements, remove potential redundancies with existing Minimum Security Criteria or any overlap with existing laws and regulations, and focus both CBP and Trade resources on areas of highest risk.

#### **010128**

**International Obligations:** The COAC recommends that CBP engage with international trade partners to ensure that any new requirements align with Authorized Economic Operator (AEO) standards to meet mutual recognition obligations.

#### **010129**

**Outreach:** COAC recommends that CBP provide training and reference materials on the new Minimum Security Criteria to ensure C-TPAT participants understand the objectives, risk, and requirements of each new Minimum Security Criteria well in advance of implementation.

#### **010130**

**Uniformity & Transparency:** COAC recommends that CBP's plan include the development and issuance of updated guidance to both C-TPAT partners and CBP including a transparent and uniform Tier 3 / best practices and validation process.

**010131**

**Supply Chain Entities:** In light of recent security threats, CBP should consider expanding C-TPAT participation to include other entities in the international supply chain currently ineligible for participation, e.g., domestic entities such as drayage carriers, rail carriers and warehouses

## **EXPORTS SUBCOMMITTEE**

### **Post Departure Filing Working Group**

**010132**

COAC recommends the development of a detailed plan for implementing the PDF pilot based on the proposal developed by the WG and we respectfully request that CBP engage with the PDF Working Group to develop and launch that pilot in the next six months both in the air and ocean modes.