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

March 1, 2017

COAC

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

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 14th term COAC, at its first quarterly meeting on April 24, 2015, determined that the Export Subcommittee would continue its work during the 14th 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 – November 2016:

The Export Subcommittee's work and working groups generally divide along a "commodity/manifest" line. The significant overlap between the topics addressed in these two "divisions" is kept in mind at all times, and the maximum possible exchange of information is accomplished by ensuring sufficient 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

At the last COAC meeting, the Post-Departure Working Group shared its desktop exercise, which 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 one year and in close, ongoing consultation with multiple industry sectors as well as CBP and Census.

The WG is preparing a development plan for a limited test as a proof of concept for the Post Departure filing proposal in conjunction with advanced export manifest. In addition, CBP has presented a list of comments and questions regarding the criteria to be used for the new PDF pilot. The responses to virtually all of the questions posed by CBP can be found throughout the desktop exercise.

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 spirt of co-creation, we urge CBP to take a more proactive role in standing up the PDF proposal.

<u>Manifest Export Process Work Group</u>

- The Manifest Work Group, consisting of representatives from the Air, Ocean, Rail and Truck modes of transport, continues to meet monthly for conference calls. Progress continues, albeit slowly, in ramping up the air, ocean and rail electronic export manifest pilots.
    - o Air: although CBP successfully completed necessary profile programming to allow participants to begin connecting to and testing in the certification environment in late 2016, an additional problem arose on the CBP programming side with regard to the proper sorting of import and export messages being transmitted under a single originator code. As soon as this is resolved, industry and CBP have come to a basic agreement on a "quick start guide" to get at least one participant up-and-running in each of the 4 potential formats.
    - o Ocean: 1 ocean carrier is transmitting data in production, and a further 2 are in test. One NVOCC continues testing in certification.
    - o Rail: 1 rail carrier is in production, 1 is in test.
- The COAC Manifest Work Group is maintaining close, ongoing communication with the air, ocean and rail pilot participants in order to catalog issues and track progress.
- The Truck subgroup has coordinated its work with the North American Single Window Working Group under the One U.S. Government Subcommittee. Bi-weekly calls are have been taking place since late 2016. Thus far, the truck subgroup's work includes:
    - o Completion of the first work product – an evaluation of CBP's initial proposed data elements for the automated export truck manifest, with particular attention paid to the concordance of those elements with Canada's highway e-manifest. Several proposed recommendations on this topic will be presented to COAC for the March 1st meeting, and work will continue to examine the Canadian e-manifest data elements to identify any further concerns, which will be notified to the North American Single Window Working Group.
    - o Progress on the second work product – a catalog of "multimodal pain points" in order to identify the areas where the future modal manifest systems should interact in order to provide for seamless intermodal movement. Specifically, the group is working to identify i) areas where intermodal system linkages are required, ii) the necessary elements to accomplish the linking, and iii) the proper party/parties to provide the linking data. Several proposed recommendations on this topic will be presented to COAC for the March 1st meeting, and work will continue to ensure all pain points have been identified and solutions proposed. Additional recommendations may be presented at the May COAC meeting.

<u>Subcommittee 13th Term Accomplishments:</u>

- 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.

- o 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.
- o 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.