

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

November 14, 2017



**Commercial Customs Operations Advisory Committee (COAC)**  
**Subcommittee on Exports**  
**Status Report**  
**November 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: Denis McKenzie, Acting 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 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 and an accompanying Implementation Plan to CBP in April 2017. This document seeks to lay out the strategy for full post departure filing (PDF) participation for any current PDF filer interested in testing the steps laid out in the proposal. The goal is to have the PDF proposal work in both the current manifest environment and the future state of the Advanced Export Manifest Plan.

Pursuant to Step One of the proposal, CBP has identified some potentially eligible participants. Step two covers the Exporter registration process including having the eligible participant provide predictive data to CBP. There has been some movement in this area also.

In order to obtain some 'quick wins' it's important to open the participation to those exporters who may or may not be using a carrier currently testing the Advanced Export Manifest pilot, especially as there are limited carriers participating. The recommendation to CBP is to utilize a dual path, test in the current manifest environment and in the Advanced Manifest test.

In using the current manifest filing requirements, once the vetting process is complete the exporter will continue to file post-departure, but CBP will have addressed their concerns surrounding the current process. CBP will have knowledge of the exporter's past shipment history, it will know what commodities are being exported and to whom, based on predictive data from the previous 12 month period. Additionally, CBP is assured the exporter understands the export regulations from their review of the internal procedures.

Once the test participant begins using a carrier capable of filing advanced export manifests, then the work CBP has done previously can be transferred to the advanced manifest pilot. This will allow CBP to know in advance

from a 'trusted exporter' what will be on the vessel and can be followed up with the updated manifest. An AES filing will be submitted up to five days after the vessel leaves the US.

Now that we are in the testing phase of the Proof of Concept, it is recommended that the Post Departure filing Working Group be sunset.

### Manifest Export Process Work Group Update

The Manifest Work Group consists of representatives from the Air, Ocean, Rail and Truck modes of transport, CBP and Census. The Work Group was 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, and resumed its work in late September.

The current status of the air, ocean and rail electronic export manifest pilots has been reviewed by the Work Group. CBP has expressed a desire for increased participation in these pilots, but the Work Group has identified a number of factors that discourage the entrance of new participants and the expanded participation of current pilot participants. Recommendations on necessary changes to increase pilot participation will be presented at the November COAC meeting.

In March 2017, the following items were identified as priority items for follow-up by the Work Group once it reconvened: i) data submission timelines, ii) the export targeting regime and hold process, iii) the regulatory filing regime, and iv) the penalty regime. These items will be examined by the working group in the order listed above.

- Data submission timeline recommendations for the air and ocean modes will be presented at the November COAC meeting.
- Discussion of the targeting regime and hold process commenced in early November. Recommendations on this topic will likely be delivered at the February 2018 COAC meeting.
- Discussion of the regulatory filing and penalty regimes will kick off in early 2018, with the goal of delivering recommendations to COAC at the February 2018 COAC meeting. This discussion will include the identification of Census regulations that require revision (procedural, not substantive) in order to align with the progressive filing model.

Finally, the Work Group managed extensive discussions on AES filing citations, bringing in representatives of all export pilot participants to ensure maximum informed input and allowing an industry-led decision – in conjunction with Census and CBP – on the best/most rational system of citation formats to be made.

### 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.