

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

February 28, 2018

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. Below the letters are two horizontal lines, the top one red and the bottom one blue.

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

Commercial Customs Operations Advisory Committee (COAC)
Subcommittee on Exports
Status Report
February 2018

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: Dennis 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 – February 2018:

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. For most of the current COAC term, there have been 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 Update

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 a year in close, ongoing consultation with multiple industry sectors as well as CBP.

The WG prepared a development plan for a limited test as a proof of concept for the Post Departure filing proposal in conjunction with advanced export manifest. Currently, we are testing the proof of concept with one ocean carrier. Both the Post-Departure Filer and the carrier will continue to review the results of the proof of concept to ensure the needs of both the industry and USG are met. Additionally, expansion to other participants will be required in order to have a comprehensive result that covers all types of industries.

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. Over 2017, the EPWG focused on the Truck mode of transport, providing several recommendations at the March 1, 2017 COAC meeting, and on high-level and specific lower-level, tactical recommendations regarding all modes of transport, but particularly air and ocean, at the November 14, 2017 COAC meeting.
- The current status of the air, ocean and rail electronic export manifest pilots is under continuous review by the Work Group. While CBP has expressed a desire for increased participation in these pilots, the Work Group identified a number of structural factors that discourage the entrance of new participants and the expanded participation of current pilot participants, therefore recommendations on the provision

of i) enhanced IT support, ii) pilot process documentation, and iii) regulatory “strawman” documentation were presented at the November 2017 COAC meeting.

- In addition, in early 2017 the EPWG identified the following items as priority items for research, analysis and recommendation drafting prior to the end of the current COAC term: i) data submission timelines, ii) the manifest filing regime, iii) the export targeting regime and hold process, and iv) the penalty regime. These items have been examined by the WG over the course of 2017-18, and recommendations have been / will be drafted and presented to the full COAC as follows:
 - Data submission timeline recommendations for the air and ocean modes - November 2017.
 - Filing regime recommendations for the air and ocean modes – November 2017 and February 2018.
 - Targeting regime, hold process, and penalty recommendations – February 2018.
- 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. Recommendations on this topic were delivered at the November 2017 COAC meeting.

Subcommittee 13th 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.