

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

August 01, 2018

The logo for the Commercial Customs Operations Advisory Committee (COAC). The letters 'C', 'O', 'A', and 'C' are arranged horizontally. The first 'C' and 'A' are blue, while the 'O' and the second 'C' are red. The letters are in a bold, serif font. Below the letters are two horizontal lines: a top blue line and a bottom red line.

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

CUSTOMS COMMERCIAL OPERATIONS ADVISORY COMMITTEE

Trade Modernization Subcommittee Executive Summary – Trade Progress Report July 2018

Background

As the Trade Modernization Subcommittee (Subcommittee) transitions from the 14th to 15th COAC we are pleased to provide the following update of its work. The Subcommittee’s objective is to enhance a public/private partnership through a shared strategic vision to enhance predictability, transparency and efficiency relevant in today’s progressive trade environment that strengthens U.S. businesses as well as our economy.

14th Term Chairpeople

Cindy Allen	VP Regulatory Affairs and Compliance, FedEx Trade Networks
Lenny Feldman	Senior Member, Sandler, Travis & Rosenberg, P.A.

Completed Working Group Priorities

With regard to the Subcommittee’s prior work groups, we have set forth the following priorities:

1. **Broker Regulations:** We request CBP to act on the Broker Modernization recommendations that have been made in the past three COACs that simplify, modernize and standardize processes on a national level.
2. **Centers of Excellence & Expertise Uniformity:** For the Centers, we prioritize the continued development of uniform as well as enhanced partnership account-based levels of service, informed compliance educational outreach regarding CBP and PGA initiatives, and transparent, focused and streamlined post entry enforcement.
3. **International Engagement:** For international engagement, we request CBP to promote risk based systems to simplify and standardize required documents and data elements, encouraging data sharing and harmonization where practicable, as well as pre-arrival processing to decrease inspections and improve release times with an emphasis on post-clearance reviews and/or audits.
4. **Rulings and Decisions Improvement:** Regulations and rulings modernization actions should be taken to automate, increase transparency and speed up the rulings and decisions process that is still very paper intensive and slow moving.
5. **Section 321 De Minimis:** CBP should provide trade guidance and execute the section 321 recommendations pertaining to CBP and the PGAs that were made in the 14th COAC as this impacts industries across the trade environment.

Active Working Groups

1. E-Commerce

This working group has actively been meeting to focus on broader e-commerce issues and policy set forth in a new Statement of Work, which includes:

- i.) how the changes in e-commerce are affecting each segment of the business, the current and future challenges to each segment of the industry and through a supply chain process flow exercise to identify the needs of industry and CBP considering new supply chain models and changes.
- ii.) how the trade and CBP can adequately address the growth of e-commerce, while understanding and addressing partnership opportunities and enforcement needs.
- iii.) how the industry and CBP can enhance facilitation, outreach and education and impact e-commerce on an international basis to address the opportunities and challenges domestically and internationally throughout the supply chain.

Stakeholders from all critical verticals (e.g., customs brokers, carriers, express couriers, importers, suppliers and e-commerce platforms) are engaged in these discussions to focus on challenges and opportunities from the public, private and international/WCO perspective.

2. Regulatory Reform

This working group has been actively meeting, once in person and through numerous calls, through three teams to review Title 19 Code of Federal Regulations to work with CBP to address Executive Order 13771, “Reducing Regulation and Controlling Regulatory Costs,” and Executive Order 13777, “Enforcing the Regulatory Reform Agenda,” that the President issued in early 2017.

The working group is identifying regulations and requirements appropriate for modification or repeal to achieve savings of time and money for the trade community. The working group includes stakeholders from the various segments of the supply chain that the regulations impact to maximize the number of identifiable regulations and requirements and, hence, achieve cost savings.

3. Foreign Trade Zone Modernization

This working group has been actively meeting, once in person and through numerous calls, through three teams to conduct an in-depth review of 19 C.F.R. Part 146 regulating foreign trade zones. The objective is to find ways to modernize and update the FTZ regulations to align them with the commercial realities in utilizing such facilities and the integral role they play in international trade. Stakeholders, representing FTZs, importers, exporters, brokers, sureties, attorneys and consultants have been actively participating.

Conclusion

We appreciate the dedication of the numerous officials from CBP Headquarters and the field as well as members from the trade community representing all the links of the global supply chain operating throughout the U.S. for their input on these numerous trade modernization initiatives. We look forward to CBP's further implementation of the Subcommittee's recommendations and future suggestions ahead as we transition into the 15th COAC.