

# Commercial Customs Operations Advisory Committee (COAC) (Part 146 – FTZ Regulatory Reform Working Group)

(October 3, 2018)



U.S. Customs and  
Border Protection



Office of Field Operations, Cargo and Conveyance Security  
Part 146 (FTZ) Regulatory Reform Working Group  
October 3, 2018

**Action Required:**

- Informational Only

**Background:**

- CBP and COAC identified a need for a Regulatory Reform Working Group to work on modernizing regulations consistent with Modernization Act requirements, updated automation of process and current efforts to reduce the scope and size of regulations undertaken by the Administration.
- Previous efforts with the FTZ industry in 2015 had led to a draft set of regulations that needed additional updating and revision that established a head start for this effort. As a result, COAC created a separate group to focus on Part 146 of the regulations.
- The Working Group was established in Spring 2018 and several teams were established to evaluate and provide recommendations for different portions of the revised regulations. These teams met via conference call several times and completed their initial assessments early in July 2018.
- The full Working Group met on July 18-19, 2018 in a face to face session to bring all of the recommended language to the table for consensus discussion and to additionally develop a set of COAC recommendations
- Additional work is being done on various sections to finalize the recommended language and a set of COAC recommendations are being developed for the September 2018 meeting at the earliest.

**Issue:**

- By utilizing both CBP Subject Matter Experts and a varied group of industry experts, this workgroup was established to identify and draft recommendations that will allow for modernization of Title 19, Part 146 (Foreign Trade Zones).
- The goal is to provide streamlined and modernized regulations that provide for full automation, more efficient processes and reduced transactional oversight based on risk.
- While the work product of this group will include draft regulatory language provided by the trade partners, the final authority for regulatory text will remain with CBP.

**Next Steps:**

- Continue to finalize language and provide recommendations for COAC at the September 2018 meeting.
- Finalize a proposed regulatory draft with the work group to allow for CBP to begin the regulation writing process

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