

**Commercial Customs Operations Advisory Committee (COAC)
Trade Modernization Subcommittee,
Regulatory Reform Working Group**

October 2018



**U.S. Customs and
Border Protection**



Office of Trade, Regulations and Rulings
Regulatory Reform Working Group

Action Required:

- The Regulatory Reform Working Group (RRWG) formed in February 2018 to address Executive Order 13771, *Reducing Regulation and Controlling Regulatory Costs*.
- The goals of the RRWG are to provide high-level recommendations to COAC on trade processes and their supporting regulations that still need to be modernized, even after the deployment of core ACE. The RRWG will also provide a prioritized list of regulations to help CBP focus and begin regulatory initiatives that will produce the most cost savings for both the public and private sectors.
- The RRWG is comprised of representatives from COAC, other industry experts, and staff from Office of Field Operations, Office of Trade, and Office of Chief Counsel.
- The group used as its starting point the comments received on a *Federal Register* Notice published in September 2017 soliciting suggestions for regulatory reform.
- The group is working through all of Title 19 of the Code of Federal Regulations, titled Customs Duties, to identify CBP regulations that are outdated, obsolete, require paper-based processes, or make little operational sense in a modern business environment.
- The group meets approximately monthly, with three teams conducting more detailed activities outside the main calls.
- The RRWG met in-person in April 2018 for an intense deep dive into major sections of the regulations, and is finalizing the deep dives by the end of September 2018.

Background:

- Current deregulatory efforts that have been made public through the DHS Unified Agenda include:
 - The modernization of customs broker regulations
 - I-418 process modernization in vessel environment (the I-418 is a passenger and crew list, and CBP is able to obtain this information from the Coast Guard rather than gathering it separately)
 - Updating the regulations to specify ports with a Vessel Repair Unit (New Orleans is the sole remaining site; the other ports will be removed from the list)
- Additional deregulatory efforts that are not yet public include:
 - Revenue modernization
 - Modernizing the vessel arrival process to be automated and streamlined
 - Updating the regulations to account for eBond functionality in ACE
 - Free Trade Zone modernization (also a COAC working group)
 - Advance Electronic Data for international mail
 - Export manifest modernization
 - Changes to the in-bond process (also a COAC working group)
 - Bonded warehouse modernization
 - Liquidation process modernization
 - Updating regulations for ACE functionality

Next Steps:

- Next steps will be to consolidate findings, to begin the effort to prioritize regulations that are promising candidates for modernization, and to draft COAC recommendations.
- The RRWG's aim is to present its recommendations at the December 2018 COAC meeting.

Submitted by: Elena Ryan, OT:RR, Elena.D.Ryan@cbp.dhs.gov

Date: September 12, 2018