

**Commercial Customs Operations Advisory  
Committee (COAC)  
Rapid Response Subcommittee**

August 21, 2019

**COAC**

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COMMERCIAL CUSTOMS OPERATIONS  
ADVISORY COMMITTEE

**Commercial Customs Operations Advisory Committee (COAC)  
August 2019**

**Report of the Work of the COAC  
Subcommittee on Rapid Response (RR)**

**Co-Chairs**

**Brenda Barnes – Geo. S. Bush & Co., Inc  
Brian White – The J.M. Smucker Company  
Kathy Wilkins – Alliance Operating Services**

**Rapid Response Subcommittee Members:**

Cindy Allen, Brenda Barnes, Barry Baxter, Celeste Catano, Lenny Feldman, Lisa Gelsomino, Warren Hastings, Amy Magnus, Madeleine Veigel, Brian White, Kathy Wilkins.

**Background**

As a new subcommittee in the 15<sup>th</sup> term, the COAC Rapid Response subcommittee was formed to work with CBP to formulate new topics and ideas to be discussed and address emerging issues. There are several issues that the RR subcommittee would like to focus on in 2019 including USMCA, the tariff challenges with Section 232, 201 and 301 and the exclusion/exemption processes and other developing topics.

All subcommittee objectives and scope are consistent with the official charter of COAC.

**Summary of Work**

The Rapid Response Sub-Committee has the responsibility of looking at opportunities to enhance the trade and government processes, policies and programs, enabling the trade and CBP to be better positioned for the future. Our Sub-Committee currently consists of one Northern Triangle Working Group and an informal group of COAC members providing input on the approach to supporting CBP's 21<sup>st</sup> Century Customs Framework.

**21<sup>st</sup> Century Customs Framework (21<sup>st</sup> CCF):** CBP recently solicited volunteers from the COAC to see who would want to serve on two of three new working groups: Unified Entry Processes (UEP), Autonomous Operations (AO) and Intellectual Property Rights (IPR). IPR will fall under the IE subcommittee, the AO will fall under Secure Trade Lanes subcommittee and the UEP will fall under Next Gen Subcommittee.

UEP was one of the bigger out puts on the initial 21CCF hearing back in March, according to Director Blank. The big challenge is how to modernize to the customs entry process. We have a few ideas and are in the process of drafting a statement of work. Premised on the idea to collect data that can be used further for all processes earlier the supply chain or in advance of importation. This will help harmonize procedures across the USG. This is a transformational idea. The key output we are hoping to achieve is to develop a process to allow the USG to make earlier decisions,

enhance facilitation and more predictability for both USG and the trade community. This will lead to better risk analysis.

The leadership of the WG had their first call August 1, 2019 to discuss next steps in getting the group together. It is an interesting concept and CBP has eluded to some leeway to review some statutory and regulatory changes that may be needed.

As the UEP working group has shifted to the Next Generation Subcommittee, this will be the final report from RR on this WG under 21<sup>st</sup> CCF.

**Northern Triangle Working Group:** COAC and CBP brought together over fifty stakeholders to form the working group in May. It includes representation from CBP, USAID, UNICEF, DOC, DOS, USTR and other NGOs and private sector companies regularly conducting business in the region representing the apparel, agricultural, mass merchandising, shipping, express courier and other industries.

The COAC Statement of Work (SOW) was circulated by CBP on May 14, 2019 and the kick-off call was held May 15, 2019. CBP and COAC leads provided an overview of the working groups objectives, deliverables and anticipated work.

Throughout June 2019, CBP and COAC hosted several educational sessions telephonically with all NTWG stakeholders. CBP and PGA working group members presented content to provide context to the existing environment in the Northern Triangle and to provide a baseline to develop recommendations.

During the same period, NTWG leadership requested members to identify barriers/practices in the Northern Triangle countries. We received over thirty pages of content from working group members. In an effort to organize the work, NTWG leadership organized the work into five key themes:

1. Trade Finance and Economic Growth - (banking and foreign direct investment, tax system)
2. Trade Facilitation – (customs and non-tariff trade barriers, legal and regulatory, Free Trade Agreements and regional integration)
3. Infrastructure - (ports/roads, congestion, technology, energy)
4. Security and Corruption – (smuggling/counterfeit trade, transparency, AEO, admin/judicial process)
5. Capacity Building – (trade education, building manufacturing base, in- country and external engagement)

The working group held calls nearly once a week and convened for a two-day face to face meeting in Washington, D.C. in early July. The purpose of this in person meeting was to validate the content received as aligned with the five key themes; discuss timeframes, feasibility, enhancement steps and relevance; capture the collective knowledge of all participants to fully distill all the information; and develop practical solutions that will deliver a meaningful impact.

As a result, the COAC NTWG is delivering a comprehensive report and associated recommendations as provided in the Statement of Work. This report includes a summary of our findings, in addition to challenges and opportunities for each of the five key themes.

## **Conclusion**

The Rapid Response Subcommittee has formed two new Working Groups for two very important topics facing CBP and the trade community. The 21<sup>st</sup> CCF program is a large and extensive representation of topics that COAC can work with CBP to modernize the future of the trade environment. The COAC appreciates the opportunity to provide input and support the program as well as continued coordination and collaboration with CBP and its partner departments and agencies.

We are pleased to deliver a comprehensive report of the COAC Northern Triangle Working Group initial findings and associated recommendations. The COAC is indebted to the public and private sector members of the NTWG that expended such effort in a short period of time to contemplate and strategize how to continue to address the push factors impacting North Triangle migration to the U.S. We are hopeful that the accompanying recommendations as explained in further detail within the initial report will meaningfully impact trade facilitation and flows in a manner that enhances the economic and day to day well-being of those living throughout the Region.