

# Commercial Customs Operations Advisory Committee (COAC) Next Generation Subcommittee, CPB Paper Regulatory Reform Working Group

7-1 0010



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through all of Title 19 of the Code of Federal Regulations, titled Customs Duties, to identify CBP regulations that are outdated, obsolete, require paper-based processes, or make little operational sense in a modern business environment.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 group has been taking final steps to consolidate findings and prioritize regulations that are promising candidates for modernization and intends to present recommendations at the next COAC meeting.
- The RRWG did not meet between December 26, 2018, through January 28, 2019, due to the federal funding hiatus.

**Background:**

- Current deregulatory efforts that have been made public through the DHS Unified Agenda:
  - Updating the regulations to specify ports with a Vessel Repair Unit (New Orleans is the sole remaining site; the other ports listed were removed from the regulations), published on November 29, 2018.
  - 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).
- 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
  - Foreign Trade Zone modernization (also a COAC working group)
  - 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:**

- The RRWG's aim is to present its recommendations at the next COAC meeting.
- Additional working groups (similar to the FTZ Working Group) may be formed under the Next Generation Subcommittee to begin the task of overhauling specific rules identified for reform by the RRWG.

Submitted by: Elena Ryan, OT:RR, [Elena.D.Ryan@cbp.dhs.gov](mailto:Elena.D.Ryan@cbp.dhs.gov)

Date: February 11, 2019