

Commercial Customs Operations Advisory Committee (COAC)

Government Issue Paper

Pipeline Working Group

February 2019



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

Office of Field Operations, Cargo and Conveyance Security
Pipeline Working Group
February 2019

Action Required:

- Informational Only

Background:

- CBP has collaborated with pipeline industry stakeholders at the national level for several years to address the pipeline industry's concerns over a lack of consistency in reporting requirements for pipeline crude oil and natural gas pipeline importations, movements, and processing procedures;
- An internal working group was established made up of various CBP components to identify a framework for the development of regulations, national policy and automation to address pipeline uniformity issues for pipeline shipments.
- The framework was established based on CBP business practices and regulations for other modes of transportation to facilitate training, processes and automation development.
- In addition to the normally scheduled working group calls, CBP hosted a face-to-face meeting of the group in Washington DC on June 15-16, 2017.
 - CBP discussed different models that could be applied to pipeline importations that would provide a Bill of Lading number for carrier identification, a bond to cover movement without entry and a link to entries, FTZ admissions and exports to provide CBP system automated traceability and auditing enhancement.
 - The models discussed included a bonded warehouse model and an in-bond model.
 - After discussion, the working group is moving to create a pilot/test utilizing automated in-bond generation.
- The working group has agreed to a test of the functionality in principle and completed a walkthrough of test functionality with CBP and trade participants. The walkthrough will help establish automated procedures, test messaging, timeframes, and refine SOPs needed for a pilot process.
- CBP has agreed that OFO will establish single points of contact for participants regardless of crossing location to enhance standardization and facilitation. This is not using the Center for port business but establishing a parallel process for this limited exception where CBP is not usually physically present to observe or control the physical movement of these shipments over several days/weeks.
- OFO is preparing national guidance to standardize entry and in-bond processes, document requirements, communication protocols and points of contact. OFO has agreed to share a draft version of this guidance with the working group for feedback prior to issuance.

Issue:

- By utilizing both operational and center Subject Matter Experts and a varied group of industry experts, this workgroup has established that by leveraging existing processes and reimagining their utilization, new processes can be efficiently and inexpensively developed and implemented.

- The work of this group has advanced the efforts to automate all aspects of CBP work and will contribute to the goal of account based processing with improved risk management through CBP auditability of process for low risk, high value industries like petroleum.

Next Steps:

- Utilizing the results of the walkthrough and proof of concept, establish a business process for use by any pipeline operator.
- Recommend that the official workgroup be sunset and the technical work be moved to the ACE MMM working group for implementation.
- Any identified regulatory changes from the MMM group should be referred to the Regulatory Reform workgroup for work towards crafting the appropriate regulations with the appropriate subject matter experts.

Submitted by: James Swanson, Director Cargo Security and Controls OFO/CCS

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