

**Commercial Customs Operations Advisory
Committee (COAC)
Next Generation Facilitation Subcommittee**

April 2020

COAC

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

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Report of the Work of the COAC
Subcommittee on Next Generation Facilitation

Co-Chairs

Cindy Allen – FedEx
Madeleine Veigel – Expeditors International
Barry Baxter – Walmart

Next Generation Facilitation Subcommittee Members:

Luisella Basso, Celeste Catano, Amy Magnus, Brenda Barnes, Brian White, Erika Faulkenberry, Jose Gonzalez, Kathy Wilkins, Mike Young, and Alexandra Latham

Background

The following working groups make up the Next Generation Facilitation Subcommittee:

- 1) Emerging Technologies, co-chaired by Celeste Catano and Barry Baxter
- 2) 1USG co-chaired by Luisella Basso, Warren Hastings and Madeleine Veigel
- 3) 21st Century Customs Framework: Unified Entry Processes Working Group (UEP), co-chaired by JD Gonzalez and Kathy Wilkins
- 4) E-Commerce, co-chaired by Lenny Feldman, Cindy Allen and Luisella Basso

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

Summary of Work

The Next Generation Facilitation 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 four working groups, though the E-Commerce working group is currently on hiatus. Each have had substantial tasks over the last few months and continue to work on recommendations.

Emerging Technology:

The Emerging Technology working group will continue to offer practical strategic approaches, solutions/suggestions and recommendations in areas related to new and emerging technologies related to Trade. Since the December COAC meeting the Emerging Technology working group had monthly meetings during January and February where the key topic was the IPR Blockchain Proof of Concept report that was finalized. The report was the result of the IPR Blockchain pilot and a survey of trade and government officials that participated in the pilot. The overall results of the audit was very positive. The pilot was able to test out key elements of a blockchain that could be used by CBP and the Trade to elevate compliance standards as well as bring additional efficiencies to both the public and private sectors.

Key results of the IPR Blockchain POC:

- Demonstrated increased efficiency in the evaluation of imported products based on licensed Intellectual Property (IP)
- Showcased emerging standards in blockchain technology, identify verification and entity relationship security
- Facilitate real-time messaging between CBP and trade participants
- Enabled users to perform blockchain to blockchain communications without the use of standard Application Program Interfaces (API), an entirely new blockchain capability

Going forward, the Emerging Technology working group will shift focus on other new and inventive methods to could be used to enhanced trade facilitation and compliance.

1USG (One United States Government):

The 1USG (one United States government) working group has been established to collaborate with CBP on efforts between government agencies and industry stakeholders.

Since the last COAC public meeting in December 2019, the 1USG working group have held 4 group calls where different PGAs updated the WG on various initiatives impacting the trade. Specifically, the WG received details and provided feedback on the following:

- US Fish and Wildlife Services' deployment of the new PGA Message Set to the Automated Commercial Environment (ACE). FWS test is to become operational as of Monday April 6th 2020 and will be open to a limited number of participants at the beginning. During the call with FWS, members got an overview of the new timeline and the PGA message set requirements, in addition to information on what the pilot will entail, as per the recently published Implementation guide.
- APHIS updated the working group on the full implementation of APHIS core message set flags starting August 3rd 2020. APHIS provided an overview of the requirements for submission of the message set, and documents that will still need to be provided in paper form. They also announced they will be putting on a series of webinars to help the trade community familiarize with the APHIS core message set for different commodities.
- The WG had also the opportunity to review and provide feedback on the PGA Sect 321 guidelines document which is being drafted by various partnering government agencies. It was explained that the document, as it stands today, is intended in the near term to give the trade community more guidance on how to use the newly deployed entry type 86 in relation to PGA flagging and disclaims.

The 1USG working group has also focused on identifying the next priorities that the members would want the group to work on. PGA Trusted Trader program and integrating the PGAs into the 21st Century Customs Framework were rated the highest priorities within the work group and as a result, a deeper dive will be done with FDA and their current data entry requirements.

21st Century Customs Framework: Unifed Entry Processes Working Group (UEP):

The UEP Working group has had fifteen session so far to determine the pain points in the entry process, along with the various data elements that are required to be reported to CBP and the PGAs throughout the entry process. Now that the data elements have all been identified, the

work has begun to determine when throughout the supply-chain the data not only becomes available, but also the likelihood of each data element to change. Having completed and documented the whole process from point of purchase through Entry Summary, the group will hold a virtual working session April 8th and 9th to work to streamline the process and determine when and where to capture the data elements at first creation. This exercise will also work to eliminate redundant data filings. The weekly call sessions are scheduled to resume April 23, 2020.

E-Commerce:

The e-Commerce working group is currently on hold. We look forward to reconvening the COAC e-Commerce working group in the near future to support this vital endeavor.

Conclusion

The Next Generation Facilitation Subcommittee will continue to leverage the existing working groups and its many trade stakeholders to provide feedback on the various challenges facing CBP and the Trade and collaborate to help CBP achieve its dual goals of trade facilitation and enforcement.