

**Commercial Customs Operations
Advisory Committee (COAC)
Secure Trade Lanes Subcommittee
Executive Summary**

December 16, 2020

COAC

**COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE**

Commercial Customs Operations Advisory Committee (COAC)
December 16, 2020

Report of the Work of the COAC
Secure Trade Lanes Subcommittee

Subcommittee Government Co-Chair
Executive Director Thomas Overacker

Subcommittee Trade Co-Chairs
Jose Gonzalez – JD Gonzalez Customs Broker
Alexandra Latham – Costco Wholesale Corporation
Mike Young – OOCL (USA), Inc.

Secure Trade Lanes Subcommittee Members
Heidi Bray, Erika Faulkenberry, Warren Hastings, Jody Swentik, Kate Weiner, Brian White,
Mike White.

Background

During the quarterly meeting of the 15th Term of COAC held on October 3, 2018, CBP announced the restructuring of the COAC Subcommittees and underlying working groups to align with CBP's Trade Strategy 2020. This strategy focuses on four areas aimed at modernizing import/export processes, improving trade intelligence, and maximizing efficiencies. These areas are to enhance trusted trader, manage imports and exports through the 1USG single window, deploy authentication technologies to reduce supply chain barriers, and ensure e-commerce shipments are secure.

Under the Secure Trade Lanes (STL) subcommittee, the following active working groups are in place:

- In-Bond Working Group, co-chaired by Director James Swanson, Mike Young and Jose Gonzalez.
- Trusted Trader Working Group co-chaired by Director Manuel Garza, Alexandra Latham and Erika Faulkenberry.
- Export Modernization Working Group co-chaired by Director James Swanson, Kate Weiner and Brenda Barnes
- Remote and Autonomous Cargo Processing Working Group co-chaired by Director Daniel Randall, Heidi Bray and Jody Swentik

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

Summary of Work

Since the last COAC meeting on October 7, 2020 the STL Subcommittee has held two (2) conference calls to review the activity of the active working groups as outlined below.

In-Bond Work Group

Since the October 7th COAC public meeting, the In-Bond Working Group has held five (5) full working group conference calls, and one Sub Committee call. The discussions focused on the items identified within the now publicly issued In Bond White Paper that defined the issues identified by

each of the “modes” on the specific trade pain points on moving cargo under bond. The white paper was refined and divided into “pillars” to more effectively redefine the categories that the WG will address and to isolate the Technical items for submission to the TSN for their In-Bond WG. The white paper for TSN has been completed and will be submitted to TSN to allow the TSN to stand up their WG to commence work on the potential technical solutions to address the recommendations made within the COAC WG. The team also compared all the strategic / regulatory elements in the white paper against the previously issued In Bond recommendations to ensure all the items in the white paper were documented as specific recommendations. The COAC WG will now look to address and identify the best options to address the regulatory issues identified and where Recommendations need more clarification on the forward direction to support Trade requirements and CBP 21st Century development

There was one additional recommendation identified as a result of the white paper review and will be presented at the December 16th Public COAC meeting.

Trusted Trader Work Group

Since the last COAC meeting on October 7, 2020, the Trusted Trade Work Group (TTWG) held three (3) conference calls and one (1) leadership call. With the release of updated Forced Labor Trusted Trader White Paper, the calls focused on the proposed requirements and objectives for a forced labor component of the CTPAT Trade Compliance program. The working group provided feedback on the program requirements and we plan to continue these discussions on requirements and benefits in the next quarter.

Export Modernization Work Group

Since the last public COAC meeting, the Export Modernization Work Group (EMWG) has met 2 times as a working group to discuss the outline and key topics of the white paper on export modernization we first mentioned during the October 2020 COAC. This white paper is shaping up to be very comprehensive and the working group members are highly engaged in contributing phenomenal content culminating in years of collective work on this subject. Additionally, we will follow the leadership of the overall COAC and continue to work with CBP and others on implementing current and past recommendations.

Remote and Autonomous Cargo Processing Working Group

Since the last COAC meeting on October 7, 2020, the Remote and Autonomous Cargo Processing Working Group continues to meet bi-weekly and held five (5) Working Group conference meetings and one (1) leadership meeting with the Emerging Technologies Working Group leaders. The group continues to review various modes of transportation and the impact remote and autonomous conveyances would have on cargo processing. With input from industry experts, the Working Group has identified several challenges and opportunities to building efficiencies and ultimately saving costs to both traders and Customs and Border Protection.

Conclusion

Going forward, the STL Subcommittee plans to focus in the following areas.

In-Bond Work Group

The IB working group will continue to focus on addressing areas to improve visibility, automation and regulatory reform as well as addressing future In-Bond processes and strategy. This will include:

- The COAC WG will focus on the key regulatory reform issues identified and documented in the White paper towards generating potential solution and efficiencies.
- Coordinate with the TSN WG on the Technical solutions and ensure the recommendations are clear in the TSN white paper to ensure effective solutions. Some of the COAC WG members will also be members of the TSN WG to help facilitate the technical solutions
- Continue the determination of a cost benefit analysis / saving obtained through application of potential solutions to eliminate the pain point discussed and consolidated within the white paper and detailed in the individual mode specific pain point exercise.

Trusted Trader Work Group

Consistent with the Statement of Work and the identified priorities for the, the TTWG will continue to focus on the following objectives:

- Provide input on the CTPAT Study project planned with the University of Houston.
- Provide input regarding the implementation of Forced Labor requirements and associated benefits into the CTPAT Trade Compliance program, and more specifically, review and provide feedback to CBP's Forced Labor White Paper.
- Develop metrics that evaluate and mutually quantify benefit effectiveness for industry and government.

Export Modernization Work Group

The EMWG will continue to work in the following focus areas in the order listed below:

- Working with CBP and others, develop a comprehensive white paper to address multiple areas
- Working with CBP and others on implementing current and past recommendations.

Remote and Autonomous Cargo Processing Working Group

The RACP WG's is focused on various modes of transportation including but not limited to trucks, air, ship and trains with the goal of establishing a clear vision of autonomous conveyance in each environment and anticipate how customs operations should be built to afford efficiencies both to traders and to the U.S. government by addressing the following:

- Define key categories of autonomous technologies for each environment
- Identify which phases of the entry and conveyance process are most/least adaptable to automation
- Define which Trade and CBP processes need to adapt to facilitate implementation of autonomous conveyance technologies
- Provide a set of recommendations to CBP regarding the costs, benefits, and risks associated with implementation of autonomous technologies as it pertains to entry and conveyance processes