

Commercial Customs Operations Advisory Committee (COAC)

Secure Trade Lanes Subcommittee: Executive Summary

October 2020



U.S. Customs and
Border Protection



Commercial Customs Operations Advisory Committee (COAC)

October 7, 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 July 15, 2020 the STL Subcommittee has held three (3) conference calls to review the activity of the active working groups as outlined below.

In-Bond Work Group

Since the July 15th COAC public meeting, the In-Bond Working Group has held six (6) 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 main objective was to identify the key Technical issues that were documented within the white paper to facilitate the further review and development of the technical requirements through the TSN In Bond Working group. A separate document was developed to include all the technical items to create a working living document for TSN to begin addressing the technical solutions. 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. Additional recommendations were also identified based on the final review with the mode groups and will be incorporated within the white paper as the platform to monitor and control the requirements made for changes to the In-Bond process today.

These additional recommendations will be presented at the public COAC meeting in October to ensure visibility and control of all the identified recommendations being made by the working group.

The Working group will continue to work on the “non-technical” recommendations to further refine and address solutions in line with the 21st Century CBP direction – while coordinating with TSN on the technical solutions.

Trusted Trader Work Group

Since the last COAC meeting on July 15, 2020, the Trusted Trade Work Group (TTWG) held two (2) conference calls and one (1) leadership call. The calls focused on program benefits and the formal benefits methodology recommendations proposed at the July COAC meeting. In addition, the TTWG received updates and discussed other areas related to the work of the TTWG: a PGA engagement strategy, virtual validations, the University of Houston CTPAT study, and the Forced Labor Trusted Trader White Paper.

Export Modernization Work Group

Since the last public COAC meeting, the Export Modernization Work Group (EMWG) has met 7 times, including 3 extended 2-hour sessions, to complete the comparison of the previously completed mapping exercise of the EEI (Electronic Export Information) and manifest data filing requirements for Ocean, Air, and Rail. During this time, we also reviewed the list of issues collected from the trade over the past 2 years at events such as the Customs Symposium and the Agriculture Transportation Coalition Annual Conference. We are now in the position to make positive movement toward reforming export enforcement through the two recommendations we are making during the October 2020 COAC and a future “white paper” that we will be developing for a future COAC meeting.

Remote and Autonomous Cargo Processing Working Group

Since the July 15, 2020, public COAC meeting, the Remote and Autonomous Cargo Processing Working Group held five (5) web conference meetings. Four modes of transportation were identified to review; rail, truck, ocean and air. After focusing on rail and truck and providing recommendations for these modes, the working group has now turned to reviewing and assessing how advanced technology can be utilized within cargo processing applications for ocean and air. With input from industry experts in ocean and air, we are considering the challenges and opportunities of each mode with the goal of building efficiencies and ultimately saving costs to both traders and the US government.

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:

- Address some additional key regulatory reform issues identified and documented in the White paper towards generating potential solution and efficiencies.
- Leverage the White Paper to provide a TSN work document to address the Technical recommendation towards effective solutions in collaboration with TSN
- Determining 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 four modes of transportation that include, trucks, air, ship and trains with the goal of establishing a clear vision of autonomous conveyance in each environment and speculate 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 in order 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