

Commercial Customs Operations Advisory Committee (COAC)

Government Issue Paper: E-Commerce

June 2021



U.S. Customs and
Border Protection

E-Commerce

Action Required: Informational

Background:

- In 2019, CBP convened an E-Commerce Task Force (ETF) of industry participants covering all equities of e-commerce to more accurately identify the nature and origin of Section 321 shipments.
- In coordination with the ETF, CBP mapped business models specific to e-commerce, identified parties responsible for the sale and movement of goods, and established which parties had access to and could provide additional data with which to better assess e-commerce risk.
- This served as foundation for both the Section 321 Data Pilot and the Entry Type 86 Test.
- The goal of the test programs was to collect data that CBP could use to identify:
 - The entities responsible for the movement of Section 321 shipments;
 - The exact contents of these shipments, i.e., “what’s in the box”; and
 - Their final destination after arriving in the United States.
- The Data Pilot has reduced burden on the trade community by creating a pathway for trade facilitation benefits, such as time and cost savings, in the e-commerce environment.
- Section 321 Data Pilot participants who are providing seller information, product pictures, and other transactional details benefited from fewer CBP holds.

Issue:

- The overwhelming volume of small packages and lack of actionable data limits CBP’s ability to identify and interdict high-risk shipments that may contain narcotics, merchandise that poses a risk to public safety, counterfeits, or other contraband.
- Soon the United States will be importing around 1 billion de-minimis shipments per year.
- That is 1 billion shipments with insufficient data to properly determine risk. That is an unacceptable risk to the American people that CBP, despite the tremendous work from the front-line workers, is addressing with additional data.
- On June 3, 2021, CBP met with the ETF to outline the success of the Section 321 Data Pilot and Entry Type 86 Test and outline the next steps.
 - CBP’s Office of Trade and Office of Field Operations are working to formalize the success of the Section 321 Data Pilot and Entry Type 86 Test into a Notice of Proposed Rulemaking (NPRM). These efforts will:
 - Bring *de minimis* into the 21st Century.
 - Leverage results from – and will sunset – both the Section 321 Data Pilot and Entry type 86 Test.
- Feedback received from the trade community concluded that there is an estimated \$1.3 billion in time and cost savings associated with Entry Type 86 capabilities survey. They also found electronic release offered by Entry Type 86 highly beneficial.

Next Steps:

- Over the next few months, CBP will review the feedback received in the June 3rd ETF meeting as we draft the NPRM.