

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

March 17, 2021

COAC

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

**Commercial Customs Operations Advisory Committee (COAC)
March 17, 2021**

**Report of the Work of the COAC
Secure Trade Lanes Subcommittee**

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

Secure Trade Lanes Subcommittee Members:

Heidi Bray, Erika Faulkenberry, 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 December 16, 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 December 16th COAC public meeting, the In-Bond Working Group has held four (4) full working group conference calls, and one Subcommittee call. The discussions focused on improving visibility, automation and regulatory reform as well as addressing future In-Bond processes and key regulatory reform issues. These had all been identified and documented in the white paper with the objective towards generating potential solutions and efficiencies identified by each of the “modes” on the specific trade pain points. The WG also addressed and identified the best options to focus on the regulatory issues identified, and where recommendations needed more clarification on the forward direction of inbond cargo.

The COAC WG will continue to focus on determining the cost benefit analysis / savings obtained through application of potential solutions to eliminate the pain point discussed and consolidated within the white paper; solutions detailed in the individual mode specific pain point exercise, as well as a review of the regulations to streamline and consolidate the requirements within specific sections of the regulation. The WG will also continue to work with the TSN WG on the technical solutions and ensure the recommendations are clear in the COAC In-bond White Paper to support effective solutions on moving cargo under bond.

Trusted Trader Work Group

Since the last COAC meeting on December 16, 2020, the Trusted Trader Working Group (TTWG) held four (4) conference calls and one (1) leadership call. The working group held discussions with both the CTPAT and Regulatory Audit programs on the recommendations that were delivered at the December meeting regarding the Risk Analysis and Survey Assessment (RASA) purpose and process, as well as the need to review what audit tools CTPAT-Trade Compliance companies should be subject to or exempt from. Other calls focused on the continued input and refinement of the proposed requirements and benefits outlined in the draft Forced Labor Trusted Trader White Paper, which outlines a forced labor component of the CTPAT Trade Compliance program. Lastly, regarding PGA engagement, an effort led by the IUSG Working Group, the TTWG received briefings on the discussions with FDA to develop a pilot trusted trader program to streamline information sharing between agencies.

Export Modernization Work Group

Since the last public COAC meeting, the Export Modernization Work Group (EMWG) has met four (4) times as a working group to discuss the draft EMWG white paper on export modernization 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 in December, 2020, the Remote and Autonomous Cargo Processing Working Group continues to meet bi-weekly to take a deeper dive into the various modes of transportation and the impact that 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 U.S. 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.

The primary areas to be addressed include:

- Key regulatory reform issues identified and documented in the white paper toward generating potential solutions and efficiencies, as well as identifying anomalies within the regulations to create updated and streamlined regs to support the intended changes.
- Coordinate with the TSN WG on the technical solutions and ensure the recommendations are clear in the TSN white paper to support 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 is focused on four modes of transportation that include, trucks, air vessels, ships 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 to facilitate implementation of autonomous conveyance technologies; and
- 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.