

Commercial Customs Operations Advisory Committee (COAC) Government Issue Paper: E-Commerce

March 2022



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.
- The United States is seeing nearly 1 billion *de minimis* shipments imported 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 \$2.5 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:

- CBP is exploring the possibility of increasing the number of pilot participants to allow additional companies the opportunity to test the viability to gather data that CBP is looking to mandate.