

**Commercial Customs Operations Advisory
Committee (COAC)
Next Generation Facilitation Subcommittee**

March 2022



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Report of the Work of the COAC

Subcommittee on Next Generation Facilitation

Co-Chairs

Barry Baxter – Walmart
Tom Gould – Flexport
Jody Swentik – Spectrum Brands, Inc

Next Generation Facilitation Subcommittee Members:

Brian Barber, Angela Cook, Dave Corn, John Drake, Chris Everley, JD Gonzales, Mary Hodges, Kerry Novak, Julie Pojar, Cynthia Roller, Craig Seelig, Stephen Simmons, Travis Skinner, Michael Slonim, John Van Wallaghen, Brian White, Kathy Wilkins, Matt Zehner

Background

The following working groups make up the Next Generation Facilitation Subcommittee:

- 1) 21CFF Task Force
- 2) ACE 2.0 co-chaired by Tom Gould, Jody Swentik
- 3) One US Government co-chaired by JD Gonzalez, Craig Seelig
- 4) E-Commerce – Co-chaired by Amy Smith, Craig Seelig
- 5) Emerging Technologies –temporarily inactive

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

Summary of Work

The Next Generation Facilitation Subcommittee has the responsibility of looking at opportunities to enhance the trade and government processes, policies, and programs, enabling the trade and CBP to be better positioned for the future. The subcommittee currently consists of four active and one temporarily inactive working group. The subcommittee will leverage its four active working groups and trade stakeholders to provide feedback on the various challenges facing CBP and the trade and collaborate to help CBP achieve its dual goal of trade facilitation and enforcement.

Since the last COAC public meeting in June 2021, the RIEP Working Group issued an information white paper which the new 16th Term Next Generation subcommittee will review the proposed next steps and proceed accordingly.

No recommendations will be presented at the public meeting in March 2022.

21st Century Customs Framework

The 21st Century Customs Framework (21CCF) Task Force provides an opportunity for representatives from trade, industry, CBP and PGA's to share inputs and perspectives on the 21CCF draft legislative concept. The task force has completed a series of five joint interactive

deep-dive sessions reviewing proposed regulation changes and facilitation and benefits. In addition, a two-day trade only session is planned for the end of March at the time of this document. The intent of the trade only session is to gain alignment on ideas and recommendations to be put forward.

ACE 2.0:

ACE 2.0 Working Group (formerly the Unified Entry Processes and then Re-Imagined Entry Process (RIEP) Working Group) advises CBP with insight on how ACE 2.0 facilitates the entry process by identifying gaps covering entry, manifest, post entry, audit and export by ensuring collection of the best and most reliable date; enabling risk management and cargo decisions further in advance of cargo arrival; harmonizing procedures to enhance predictability and reduce friction for trade and government stakeholders; and utilizing the full potential of automation to scale critical operations. The objectives of the working group is to recommend an operational framework for an improved ACE 2.0 Customs process; Move data collections further in advance of cargo arrival and/or departure; and identify areas in the Customs process that will be benefit from automations and modernization. The working group leadership had an initial call in February and a full working group kickoff call is scheduled in late March 2022.

One US Government (1USG) at the Border:

The 1USG (one United States government) working group was established to collaborate with CBP on significant initiatives between CBP, its Partner Government Agencies, and the industry stakeholders. Since the last COAC public meeting held in June 2021, the 1USG working group has held two (2) working group webinars which focused on the introduction of the WG leads and statement of work as well as introduce several PGA guest speakers, who provided updates on the BIEC initiatives, Entry Type 86 developments, GBI pilot programs and presentations from APHIS organic and ePhyto programs. The 1USG WG will be advancing on progress provided by the 15th Term COAC as well as providing a structure for continued interagency engagement with the trade community, CBP, and the PGAs. The 1USG WG will discuss effective and technical developments to include CBP's Trade Strategy into the 21st Century Customs Framework (21CCF) where they impact more than a single U.S. government agency and/or international government entities.

E-Commerce:

With the sustained growth in e-commerce, CBP continues to pursue ways to manage risk in the small package environment. The unprecedented increase in import volumes of these low-value shipments requires evolving solutions to interdict illicit and dangerous products entering the United States, including narcotics, unregulated prescription drugs, brand counterfeits, and unsafe food and beauty products. On August 30, 2021, CBP extended the Section 321 Data Pilot through August 2023. The focus of this term will be on the data set, along with exploring the other CBP programs for the e-commerce space. One particular data element to be thoroughly discussed will be the HTS code on Section 321 filings. The committee will discuss if alternatives to the HTS code for Section 321 shipments could be used if proper safeguards are in place. We will need the help of the 1USG working group to get some of the PGAs involved in the discussions. In addition, the task force is looking at a technology piece to provide a pathway to multiple parties filing under one shipment ID.

Emerging Technology:

The Emerging Technology working group is inactive at this time. The Emerging Technology working group can be reconvened in the future if there is a need of support.

Conclusion

The Next Generation Facilitation Subcommittee will continue to leverage the existing working groups and its many trade stakeholders to provide feedback on the various challenges facing CBP and the Trade and collaborate to help CBP achieve its dual goals of trade facilitation and enforcement.