

**Commercial Customs Operations Advisory Committee
Next Generation Facilitation Subcommittee
Executive Summary**

March 2024

COAC

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

**Commercial Customs Operations Advisory Committee (COAC)
March 2024**

**Report of the Work of the COAC
Subcommittee on Next Generation Facilitation**

Co-Chairs

Tom Gould – Flexport
Kerry Novak – Emerson Electric Co.

Next Generation Facilitation Subcommittee Members:

Brian Barber, Angela Cook, Dave Corn, John Drake, Mary Hodges, Julie Pojar, Cynthia Roller, Craig Seelig, Stephen Simmons, Travis Skinner, Matt Zehner

Background:

Background information on the subcommittee, including its overall focus.

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

- 1) Automated Commercial Environment 2.0 (ACE 2.0-WG) co-chaired by Tom Gould
- 2) Broker Modernization Working Group (BMWG), chaired co-chaired by Brian Barber
- 3) Customs Interagency Industry Working Group (CIIWG), co-chaired by Craig Seelig
- 4) Modernization of Entry Processes Working Group (MEPWG), co-chaired by Brian Barber and Angela Cook
- 5) Passenger Air Operations Working Group (PAOWG), co-chaired by John Drake and Matt Zehner

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 five active working groups. The subcommittee will leverage its 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.

There is one recommendation that will be made from the working groups at the March 2024 public meeting.

ACE 2.0:

ACE 2.0 Working Group advises CBP with insight on how ACE 2.0 can better facilitate the entry process by identifying gaps covering entry, manifest, security, Import Security Filing (ISF), Air Cargo Advance Screening (ACAS), post entry, audit and export by ensuring collection of the best and most reliable data; 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 are 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 benefit from automations and modernization.

The ACE 2.0 Working Group met one time this quarter to review the ACE 2.0 CONOPS E-commerce scenario. The Working Group will review additional scenarios, including Export: Electronic Export Manifest (EEM), Foreign Trade Zone (FTZ), Information Technology (IT), and Collections and provide feedback on accuracy, identify gaps and discuss implications to the supply chain. Additional business cases may be reviewed if time permits. Ultimately, the goal of the session is to support the securing of the Automated Commercial Environment (ACE) 2.0 Acquisition and Concept of Operations. The working group was advised by CBP that the current plan calls for development of ACE 2.0 to begin no earlier than FY2026.

The ACE 2.0 Working Group has no recommendations to submit for the March 6, Public meeting.

Customs Interagency Industry (CII):

The CII working group met four times over this past quarter. We discussed several topics including the upcoming ACE requirements for USDA AMS Organics, EPA HFC and the CPSC beta pilot. We had some discussions around Entry Type 86 de minimus shipments and the accuracy of PGA data as well as CBP's expansion of the Global Business Identifier Evaluative Proof of Concept, which was announced in the February 12, 2024 Federal Register Notice.

The Customs Interagency Industry Working Group has no recommendations to submit for the March 6, Public meeting.

Passenger Air Operations:

The Passenger Air Operations (PAO) Working Group, was formed for industry to have the opportunity to identify modernized passenger processing rules and regulations, streamline the passenger experience at U.S. ports of entry, and identify challenges that impact operations.

Since the last public meeting on December 13, 2023, the Working Group had one virtual meeting. During this meeting, CBP and the industry continued conversations about the information provided related to the arrival of international flights and landing rights requests. This effort will require some changes to the existing regulations.

The Passenger Air Operations Working Group has no recommendations to submit for the March 6 public meeting.

Modernize Entry Process:

As part of the COAC's work under the 21st Century Customs Framework during the 16th term, The Next Generation Facilitation subcommittee has gained the newly formed Modernize Entry Processes Working Group (MEPWG).

The group met for an initial call this past quarter and a draft statement of work has been created. The group will work towards the goal of examining different aspects of the entry process, with a specific focus on post release processes.

The MEPWG has zero recommendations to be submitted during the March 6 public meeting.

Broker Modernization:

Under the 17th term, the COAC moved the Broker Modernization Working Group (BMWG) from the Rapid Response Subcommittee to the Next Generation Facilitation Subcommittee.

The BMWG met three times this quarter for 90-minute sessions to discuss modernizing the Customs Brokers Licensing Exam. The group has spent considerable time discussing the exam frequency, structure, and content in detail. Initial feedback has been provided to CBP and discussions remain ongoing.

An additional focus topic was Continuing Education for Licensed Customs Brokers. The final rule was published in the Federal Register on June 23, 2023. To date, CBP has published a Request for Information (RFI), hosted industry days for those who responded to the RFI and most recently published a Request for Proposal (RFP) seeking applications from those wishing to be accredited as a provider of continuing education. The BMWG remains ready to assist with implementation once accreditors are selected and a continuing education requirement is in effect.

The BMWG has one recommendation that will be submitted during the March 6 public meeting.

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.