

2014 COAC Trade Efficiency Survey Findings

Executive Summary

The COAC Subcommittees are organized to provide Customs and Border Protection (CBP) with advice and guidance on new, existing, or proposed compliance and operational matters. Since matters relating to facilitation and cost are key concern of CBP and the trade, and since the Centers of Excellence and Expertise creation in 2011/2012, COAC made a recommendation to CBP to establish baseline industry metrics. During implementation discussions, we jointly realized that a portion of the measurements were trade-owned. Therefore, beginning in 2012, COAC assumed responsibility to capture and report information from the trade using an annual trade efficiency survey. In 2012, the effort began as an imports-focused survey. In addition to integrating a few export strategic questions into the 2013 Trade Efficiency Survey, the newly-created COAC Exports Subcommittee introduced a separate and more detailed export survey in 2013. In this 2014 survey, COAC releases the first comprehensive Trade Efficiency report, inclusive of both imports and exports.

COAC conducts the Trade Efficiency survey to establish a benchmark for costs associated with importing and exporting goods into and out of the United States, understand the key cares of trade, strengthen inter- and intra- governmental operations to promote efficient compliance, and report trends¹. In essence, we measure how effective CBP and PGA trade facilitation efforts are at lowering the cost and burden associated with a company's compliance and operations efforts². Year-over-year, COAC's survey analysis concludes, and this year is no different, that those CBP and PGA programs or efficiencies that ultimately decrease entry lifecycle processing times and decrease freight dwell are significant motivators for the trade since they contribute to reducing the overall cost and complexity of doing business for those companies involved in this survey.

In this third annual survey, released in July 2014, COAC sought to ensure strategic outcomes by compressing the facilitation questions, and adding questions that relate to participating government agencies, and exports. This report organizes results into two categories: imports and exports. Consistent with all previous reports, we continue to organize the report into three subcategories beneath each category: Facilitation, Costs and Holds, and Customs and Border Protection (CBP) and Partner Government Agency (PGA) Satisfaction. Beneath each key area, you will find an overview of the findings and the detail of the particular applicable survey questions.

¹ The 2012, 2013, and 2014 COAC Trade Efficiency Survey results are only representative of the individual survey respondents and are not statistically representative of the underlying trade population. As such, comparisons between yearly survey results may not lead to valid conclusions.

² These assertions pertain to survey respondents; results are not representative of the overall trade industry.

About This Survey

Survey Type, Distribution, Timeline, and Rate of Response

The 2014 survey consisted of 84 multiple-choice and free-form response questions that touched on several different trade areas, including exam rates and hold times, number of CF 28's/inquiries received, estimated import and export cost and time expenditures, and CBP and PGA satisfaction. The 2013 survey consisted of 50 multiple-choice and free-form response questions that addressed PGAs in more detail, Centers of Excellence and Expertise more succinctly, included anti-dumping duty questions, and explored exports at a high-level (that same year, the COAC Exports Subcommittee also released a detailed Exports Survey). The 2012 survey consisted of 46 multiple-choice and free-form response questions specifically to CBP and generally to Participating Government Agencies (PGAs).

COAC distributed the anonymous survey to various networks, including trade associations, importers, brokers, attorneys, consultants, carriers, freight forwarders, using a secure web-based tool. Service providers were asked to respond on behalf of their collective, averaged customer base. Feedback from both importers/exporters and service providers was important, since cost and efficiency details are better reported by those entities with direct knowledge. In 2014, the survey inserted a time frame for the data; it was gathered from the calendar year 2013. Respondents also had the capability to preview the entire question list prior to executing the survey, and the open-to-close timeline allowed for a twenty-eight (28) day open response period (decreased from forty (40) day open response period which increased from thirteen (13) day open response period in 2012), and collected results from 1674 respondents (increased from 815 in 2013, which increased from 521 respondents in 2012).

The responses to each question are provided in three forms where relevant (see Table of Contents): 1) aggregate responses; 2) aggregate responses cross-tabulated by industry (according to survey's Question 2 results: based on the predominate number of imported products, please select the industry grouping below that most closely identifies your business); and 3) aggregate responses cross-tabulated by job type (according to survey's Question 1 results: Please select the area that best characterizes your expertise or area of responsibility).

Import Facilitation

Overview

In the 2014 survey, CBP's trade facilitation overall rating of "satisfied" among survey respondents increased from 81% in the 2013 survey to 83%. When divided by regions, trade facilitation ratings among respondents largely varied:

- Respondents indicated the highest level of satisfaction (48%) in the Pacific Region. Respondents linked to other regions expressed satisfaction ratings between 23% and 37%.
- Neutral ratings were 8% to 10%
- Dissatisfied ratings were 1% to 6%, with respondents most dissatisfied with the Pacific Region
- No contact ratings were 21% to 44%, with the South central region receiving the highest percentage of "No contact" ratings

Consistent with previous years, delays and exams were the highest rated trade facilitation concerns. When experiencing a delay, survey respondents expressed that they obtain the vast majority of knowledge of a delay through a broker (65%), followed by a third party logistics company (9%). When asked has your company experienced a noticeable change in CBP processing time of various forms in 2013, 5% to 11% of respondents cited a change of less than an hour and 3% to 4% noted a change of 1 to 2 hours.

Trade Modernization

When asked what benefits they would like to see as a part of CBP's Trusted Trader programs, respondents selected "Important" for "Faster cargo delay resolution" significantly more often than other responses (77%). Forty-three percent of respondents chose "Important" for "Combined C-TPAT/ISA program," 28% for "Single Window Government release," and 22% for "Simplified summary and payment."

Of the survey's respondents, 98% stated that they are C-TPAT members, while 11% participate in ISA.

When asked to rank the solutions to provide visibility to the importation process, "More descriptive messaging from CBP and/or the PGA" received the highest percent of top priority rankings (55%), followed by "Earlier messaging once entry is filed" (53%), and "Better communication with brokerage team" (38%).

Centers of Excellence and Expertise (CEEs)

In 2013, companies slowly joined the CEEs. Overall, 7% of respondents contacted the CEE when experiencing delays. Of the 115 respondents who were in contact with a CEE regarding a cargo delay, 81 were satisfied with the CEE's customer service, 25 were neither satisfied nor dissatisfied, and 9 were dissatisfied. The entities most often in contact with the CEEs according to survey results are brokers and importers.

Import Costs and Holds

Overview

The 2014 survey included a variety of questions that sought to determine the impact of shipment delays at the ports of entry on the Trade community, specifically exploring how often delays were experienced and the cost of those delays. Of the survey's respondents, 85% had experienced an exam of their shipments in 2013. The percentage of shipments held for exam was relatively low, with 63% of the respondents reporting that less than 1% of their shipments were stopped for exams. Only 9% reported that 5% or more of their total shipments were stopped for examination. This indicates a relatively low exam rate among respondents.

Delays

Of the survey's respondents, 59% had experienced a delay with the release of their shipments (down from 65% last year), while 32% experienced no delays with releases. Of the respondents that experienced delays, the majority of the delays (68%) were caused by CBP cargo exams, followed by Documents Required by CBP (42%), PGA cargo exams (25%), and PGA Documents Required (22%). Agriculture and Prepared Products respondents reported the highest percentage of delays on shipment release (70%) for a single industry, followed by Consumer Products and Mass Merchandising industry respondents (67%), and Machinery industry respondents (69%). Respondents who indicated involvement in all industries reported shipment release delays of 75%.

The majority of respondents (65%) said they received information about delays from their brokers, illustrating the importance of the relationship between the broker and the importer/exporter as a critical source of information. However, the results also indicate that respondents sometimes contact multiple resources to resolve a delay.

In total, 7% of respondents reported contacting the CEEs when they experience a delay (up from 3% in the 2013 survey), indicating that CEE participation has increased among survey respondents, but that the overwhelming majority of respondents are either not part of a CEE, or they do not contact the CEE regarding holds and exams. Respondents in the Petroleum, Natural Gas, and Chemicals industries contacted a CEE most frequently.

According to respondents, the length of time that shipments are held due to documents required messages was less in the 2014 survey than in the 2013 survey. In the 2014 survey, 45% of respondents said that a documents required message delayed the shipment less than 24 hours, while in the 2013 survey, 28% of respondents experienced a delay of less than 24 hours for a docs required message. For shipments that experienced holds, 54% of respondents in the 2014 survey experienced a delay of between 1 and 4 days, down slightly from the 2013 survey result of 63%.

Import Costs and Holds, Continued

The vast majority of respondents indicated that 20% or less of their entries are impacted by the following delays: cargo exams (76%), cargo holds (72%), documents required messages (72%), broker delays (67%), third party logistics delays (59%), and other (9%). Only a small percentage of the respondents indicated they are experiencing these impacts more frequently. While COAC recognizes that holds can be a result of either CBP or PGA activities, and determining cause is via a partnership with the broker, the data revealed difficulty in importers/exporters identifying the cause of holds.

Regarding delays, Questions 19 and 20 of the survey provide insight into CBP/PGA freight dwell time associated with documents required messages and holds. The results are shown in the table below:

Dwell Time	Documents required	Hold
<=4 hours	30%	20%
+4 hours – 24 hours	15%	10%
1-2 days	35%	36%
3 days +	5%	24%
N/A, Do not know, Skipped	16%	9%

There is a significantly longer delay resulting from PGA or CBP holds than documents required messages, with 24% of respondents reporting delays of 3 days or more for holds versus 5% for documents required messages. The cost of a single day delay was significant for many importers responding to the survey, especially those small to medium size importers, with 31% reporting costs of over \$1,000. The upper limit of the cost of a single day of delay has not been identified.

Exams

Almost all of the survey respondents (85%) stated that their cargo was stopped for examination in 2013; however, the percentages of entries held for exam were minimal. For example, 63% of respondents said exams impacted less than 1% of their entries. When exams did occur, the costs (both direct and indirect) were usually substantial, with only 9% of the respondents indicating that the average cost of their exam was under \$200. Twenty-six percent of respondents stated that the exam cost was between \$200 and \$599, 14% reported costs between \$600 and \$999, and 30% stated their exam cost was \$1,000 or more. The upper limit of these exam costs has not been determined. The data indicates that although the overall exam rate is low among respondents, there is still a substantial transaction cost to them on those shipments that are designated for exam.

Import Costs and Holds, Continued

Entry Lifecycle

When asked about the administrative costs associated with the lifecycle of an import entry process, 66% of respondents reported costs of \$0-\$399, while only 9% reported costs of \$400 or more. Seventy-one percent responded that the time personnel spend on an entry is four hours or less. Results showed that the time importers spend preparing answers to CBP Forms 3461 and 7501, which are associated with routine customs entry, require the least amount of time for preparation among respondents. Those forms requesting additional information, such as CBP Form 28, require much more work hours for an importer to prepare an adequate response, according to survey respondents. Similarly, those costs associated with the preparation of Forms 3461 and 7501 are commensurate to the number of hours needed for preparation and response, with CBP Forms 3461 and 7501 being the least costly, and CBP Forms 28, 29, and 19 being substantially more costly to respond to according to survey respondents.

Impacts

A variety of direct and indirect business impacts resulting from cargo release delays or holds that did not result in refusals during 2013 were reported, with a the majority of respondents (61%) experiencing supply shortages/back-orders/failure to fulfill commitments to customers, increased port storage/demurrage expenses (47%), manufacturing delays and plant shutdowns (34%), and increased administrative costs (47%). Some of the respondents experienced several of these impacts, undoubtedly increasing the negative impact on their business and increased costs associated with the delays and holds.

Twenty-five percent of the survey's respondents experienced increased business costs (lost revenue) as a result of increased dwell time and 23% experienced increased administration costs.

Additionally, the survey proposed a variety of solutions to occurrences of delays, which respondents gave a fairly equal level of importance: earlier messaging once the entry is filed (53%), more descriptive messaging from CBP and/or PGA (55%), and better communication with the brokerage team (38%). Based on these results, increased transparency and clarity in the reporting would benefit importers included in this survey.

Import CBP and PGA Satisfaction

Overview

Most respondents (83%) are satisfied with CBP's facilitation efforts, and the 2014 survey continues to show a higher concentration of satisfaction in the Pacific region. A number of the 2013 survey questions were retained in the 2014 survey and several questions were added to better understand trade facilitation from a PGA perspective. Survey respondents who indicated their merchandise was subject to PGA requirements were asked to complete 10 PGA-specific questions as they relate to their importations.

When asked about the respondents' overall level of satisfaction with the PGAs as it pertains to trade facilitation, on an aggregate basis, 46% of respondents who answered the question and have contact with a PGA were satisfied, 33% were neutral (neither satisfied nor dissatisfied), and 21% were dissatisfied. In the 2013 survey, only 40% were satisfied with PGA trade facilitation efforts, with 38% being neutral and 22% dissatisfied, so we have seen some improvement in the past year.

Most respondents (59%) indicated they had experienced a delay in the release of their shipments. When asked if the imported merchandise was subject to PGA regulations, 34% of respondents indicated "yes," 38% of respondents indicated "no," and 29% of respondents indicated "do not know." The vast majority of licensed customs brokerage firm respondents (79%) indicated that their merchandise was subject to a PGA regulation, 15% was not subject to a PGA regulation, and 6% of respondents indicated that they "do not know." In 2013, approximately half of the "no" responses were from Importers and Exporters/Importers, with most from regulated industries. We concluded there was a gap in knowledge of PGA requirements among respondents. In the 2014 survey, the gap in knowledge of PGA requirements still exists among respondents, with a surprisingly high number of "no" responses from highly regulated industry participants.

In the 2014 COAC Trade Efficiency Survey, respondents noted that the Food and Drug Administration (FDA), U.S. Department of Agriculture (USDA), Federal Consumer Product Safety Commission (CPSC) were the PGAs regulating most of their shipments. Several other PGAs, like the Environmental Protection Agency (EPA), Fish and Wildlife Service (FWS), National Marine Fisheries Service (NMFS), National Highway Traffic Safety Administration (NHTSA), Federal Communications Commission (FCC), and Bureau of Alcohol, Tobacco, Firearms & Explosives (ATF&E), regulated respondents' shipments, though to a lesser extent. When reviewed from an industry perspective, some PGAs play a more prominent role with importers than others (e.g., the USDA regulates a significant amount of shipments for agriculture and prepared products industry importers subject to PGA regulations).

When reviewing the PGA-specific question responses, we note that the majority of importers responding filed less than 3,000 entries per year, with most filing 1,000 to 2,999 entries annually. In comparison, most licensed customs brokerage firms filed between 10,000 and 99,999 entries in one year. We believe the Customs Broker has more experience with PGAs due to the larger number of entries they file in a given year, and is therefore more aware of PGA requirements.

Import CBP and PGA Satisfaction, Continued

When a delay was encountered, most respondents reported frequent contact with a broker (66%), the CBP port of entry (26%), or the individual PGA as applicable. Directly related, the highest customer satisfaction rating was given to the broker (68%).

In the 2013 survey, 3% of respondents indicated they contact a Center of Excellence and Expertise (CEE) regarding cargo delays, and in the 2014 survey, 20% indicated they have some or frequent contact with the CEEs when they experience a cargo delay. This correlates with CBP's work to expand the Centers by bringing in more ISA/C-TPAT members in the past year.

Survey respondents who knew their entries were subject to PGA regulations ranked the ability to file data electronically for U.S. imports as the most important issue when dealing with PGAs, followed by receiving entry admissibility decisions prior to the arrival of their cargo at the border, and receiving requests for additional information from CBP and/or the PGA in advance of their cargo arrival to facilitate release. Respondents also indicated that earlier messaging once entry is filed (as proposed by Simplified Entry) and more descriptive messaging on the type of delay (as proposed by Simplified Entry) are the most important solutions to providing visibility to the importation process. These responses stress the importance of communication between PGAs and importers responding to this survey.

Most of the importers who responded to the length of time a PGA exam delays the release of cargo either indicated the exam was less than one hour or 25 hours or more. Survey respondents stated that the majority of PGA cargo exams delayed the release of their merchandise by less than 1 hour; however, FDA and USDA cargo exams most often delayed survey respondents' shipments by 25 hours or more. PGA cargo exams mirror the cargo holds, with respondents claiming that most PGA cargo holds delay the release of their merchandise by either less than 1 hour or 25 hours or more. The greater the dwell time for PGA cargo, the greater the impact to the international supply chain. While survey respondents did not always know the cause for cargo exams or holds, the vast majority of respondents indicated that none of their PGA holds during 2013 resulted in an enforcement action.

Based on the results of the survey, COAC recommends that CBP share the survey information with PGAs, so that they have a better understanding of the impact of cargo delays and holds (dwell times and detentions) according to survey respondents.

Export Facilitation

Overview

As reported above, almost half of survey respondents (49%) indicated that they are very satisfied with CBP overall with regard to trade facilitation, with another 38% somewhat satisfied. Turning to the specific question of export facilitation, survey questions focused on AES requirements, PGA/licensing issues, export delays, export markets of interest, and trusted trader programs.

Automated Export System (AES) Requirements

- 51% of respondents have fewer than 2,999 shipments per year, and 62% of respondents have 999 or fewer shipments per year that are AES exempt (under \$2,500 filing requirement). Therefore, a majority of respondents report that roughly 1/3 of their shipments are exempt from AES filing requirements, which makes 2/3's of export shipments subject to AES filing requirements.
- 48% of respondents reported making EEI filings in AES, while 19% did not file in AES, and 20% did not know (14% indicated N/A or other). 36% of filing respondents report having weekly or monthly contact with the USPPi regarding an EEI filing, while 15% reported never having such contact, and 41% answered N/A. When such information is provided, it is usually by e-mail (54%), followed by EDI (37%) and "other" (8%), with only 1% taking place by phone.
- A majority of shipments filed under Option 4 travel via truck (43%), followed by ocean (32%), air (24%), and then pipeline (1%), with none moving by rail. Respondents with no EEI filing required opt to move their shipments by truck (45%), then air (36%), then ocean (19%).
 - Because of the large % of shipments subject to AES requirements, any facilitative measures applied in this area should have a significant overall positive impact on the export trade across the truck, ocean and air modes.
 - It is expected that development of the ACE electronic export manifest system and its integration with the ACE-hosted AES system will provide opportunities to both reduce the need for USPPis to make changes to their EEI filings (due to automatic updates of transportation data) and to improve the EEI information flow to USPPis.
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Trusted Trader Programs

- 94% of respondents participate in C-TPAT (import), and 70% of respondents would be interested in participating in a C-TPAT for exporters program.
 - Trade looks forward to reviewing data and analysis of the "C-TPAT for exports" pilot that is just kicking off.

Export Facilitation, Continued

Export Markets

- A majority of respondents are looking to expand into Mexico and South America (34%), followed by China (22%) and the EU (21%), then Canada (18%).
- A majority of respondents indicated that they would not benefit from additional MRAs (53%), while 47% indicated they would benefit.
 - Given that approximately one half of participants believe there are benefits to MRAs, perhaps an education opportunity exists.

Delays

See Exports: Costs and Holds

PGA and Licensing

See Exports: CBP and PGA Satisfaction

COAC is optimistic that continuing automation across all trade stakeholders will improve efficiency and promote the standardization of processes. We also anticipate the development of the automated export system, in particular the ability to transmit shipment-level data for targeting as early as possible (known as “progressive filing” in the air model) will allow export control issues to be resolved well in advance of planned export from the U.S., thus reducing any negative impact of export control on legitimate trade.

Export Costs and Holds

Overview

The 2014 survey included a variety of questions that sought to determine the impact of shipment delays at the Ports of Entry on respondents from the Trade community. A section of the survey was devoted to export operations, an area in which 332 respondents noted their involvement. Respondents ranked harmonizing with other agencies to deliver a risk based export model and align policies in accordance with identified risks (44%), eliminating paper in the export process-manifest (34%), and standardizing port practices (31%) as the most important export priorities for CBP. Streamlining the targeting and exam process was the least important CBP export priority among respondents.

Delays and Costs

Of the respondents, 59% had experienced a delay with their customers' export shipments while being scrutinized by U.S. Government export control authorities (49% reported seldom delays, 15% reported occasional delays, and 6% reported frequent delays). Respondents indicated that the majority of the delays were associated with inefficient terminal operations (19%), inconsistent port procedures (15%), and other reasons (16%).

When their shipment is held at the Port of Departure, most respondents (30%) reported that the U.S. Government releases the cargo within less than 1 day. Only 3% of respondents reported delays of over 4 days. Combining the responses from firms handling exports from all sectors, when asked what the average cost is to the exporter when a shipment is detained for export, 14% of respondents reported costs of less than \$100, 17% reported costs from \$101 to \$500, 8% reported costs from \$501 to \$1,000, and 8% reported costs of more than \$1,000. These results indicate that delays of exports can add considerably to transaction costs among survey respondents, depending on the total shipment value (for example, lower value exports will bear a higher transaction cost burden weighted to their shipment value).

Fifty-seven percent of respondents said that they are aware of holds/delays in the export process when they occur, while 19% are not aware. Most respondents (42%) received information about their export holds/delays from their customs brokers, while 35% received information from freight forwarders (35%) and CBP (17%). When the hold/delay is a result of government intervention, 30% of respondents said their broker notifies them of the delay, 17% stated a carrier notifies them, and 21% stated a freight forwarder informs them of the delay.

A majority of respondents (55%) reported that 1-5% of their shipments are delayed by U.S. Government export control authorities, while 34% reported that none are delayed, and 10% that 6-10% are delayed. Only 1% reported that over 11% of their shipments are delayed due to export control. A majority of respondents (52%) indicated that average delays are 1 day or less, 13% from 2-3 days, and 4% over 4 days, while 25% did not know.

When asked about the causes of export delays, respondents most often cited inefficient terminal operations (28% of respondents), inconsistent port procedures, and a lack of data elements required for filing (21% each). Less cited were overlapping regulatory interests (10%), insufficient CBP license knowledge (6%), and lack of consistent filing requirements (5%).

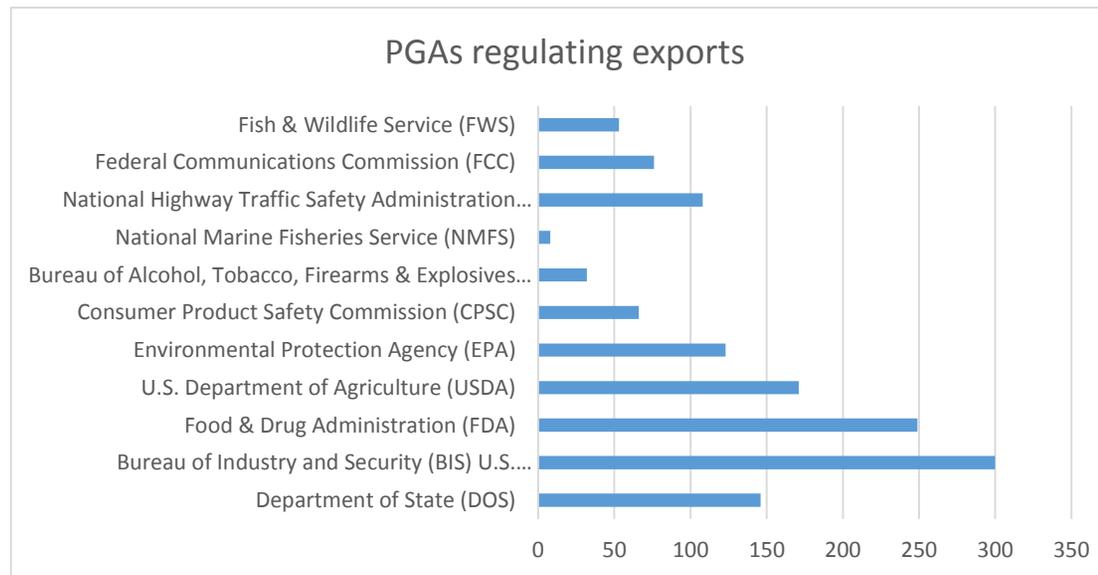
75% of respondents said that they are aware of when holds or other delays occur in the export process, with this information being provided primarily by customs brokers, freight forwarders, and CBP.

Export CBP and PGA Satisfaction

Overview

The socialization of the 2013 Export Subcommittee deliverables – Export Master Principles, Export Mapping, and 2013 Export Survey – began in February of 2014 with the Export PGA's and followed the expansion of the Border Interagency Executive Council (BIEC) to export agencies. This socialization allowed COAC a better understanding of agency key cares and an agency understanding of trade key cares and served as an overall foundation layer for our continued dialogue. We encourage the survey to follow the same path of collaboration, encouraging joint and continued analysis of these survey results beyond that which is provided below.

- A majority of respondents (55%) reported that 1-5% of their shipments are delayed by U.S. Government export control authorities, while 34% reported that none are delayed, and 10% that 6-10% are delayed. Only 1% reported that over 11% of their shipments are delayed due to export control. A majority of respondents (52%) indicated that average delays are 1 day or less, 13% from 2-3 days, and 4% over 4 days, while 25% did not know.
- When asked about the causes of export delays, respondents most often cited inefficient terminal operations (28% of respondents), inconsistent port procedures, and a lack of data elements required for filing (21% each). Less cited were overlapping regulatory interests (10%), insufficient CBP license knowledge (6%), and lack of consistent filing requirements (5%).
- 75% of respondents said that they are aware of when holds or other delays occur in the export process, with this information being provided primarily by customs brokers, freight forwarders, and CBP.
- 27% of respondents reported that their exports were largely regulated by the Bureau of Industry and Security (BIS), 22% by the FDA, 15% by the USDA, 13% by the Department of State, and 11% by the EPA. More specific details follow (summary of question 60):



Export CBP and PGA Satisfaction, Continued

- 55% of respondents reported that less than 20% of their shipments were routed transactions, with over half of these reporting 0 such shipments. 10% of respondents reported that over 61% of their shipments were routed transactions. Regarding obtaining the required authorization for routed transactions, 40% of respondents did not know whether they obtained an authorization, with the most commonly utilized forms of authorization being shipper's letter of instruction (29%), letter of authorization from the foreign principal (15%) and power of attorney from the foreign principal (15%). 8% of respondents indicated other types of authorizations were obtained.
- In terms of CBP's export priorities, 63% of respondents found harmonization with other agencies in delivering a risk-based export model to be important, while 51% and 47%, respectively, found the elimination of paper manifests and the standardization of port practices to be important.
- Respondents indicated that for regulated shipments, the PGAs most likely to be involved are BIS (21% of shipments), followed by FDA (17%), USDA (10%), Department of State (10%), and EPA (9%).
 - ***These results mirror those of the 2013 survey, highlighting the highly facilitative nature of harmonized, standardized electronic processes across agencies and across geography.***
- 37% of respondents reported no licensed shipments while 34% reported licensed shipments. The licensed shipment respondents reported 22% Commerce Control List and 9% United States Munitions List.
- Reviewing the responses by industry for those that reported licensed shipments, the shipment percentages appeared either at the high end, i.e. 81-100% of shipments were licensed, or at the low end, i.e. 1-20% of shipments. Industries that reported licensed shipments in the 81-100% range by response were: 17% industrial & manufacturing materials, 16% agriculture, 14% automotive and aerospace, 13% IT and consumer electronics, 10% base metals, 7% pharmaceuticals, health & chemicals, 6% consumer products & mass merchandising. Industries that reported licensed shipments in the 1-20% range by response were: 43% petroleum, natural gas, minerals, 34% pharmaceuticals, health & chemicals, 27% machinery, 21% textiles, wearing apparel and footwear, 21% IT and consumer electronics, 19% automotive and aerospace, 16% consumer products and mass merchandising, 15% base metals, 9% agriculture, 9% industrial & manufacturing materials.
- Most licensed material moves via truck (24%) followed by air (13%), ocean (10%), rail (1%) and then pipeline (1%).
- A majority of respondents (27%) indicated 1-20% of their shipments were Hazardous Material shipments.
- 68% of respondents resolve impediments in their current export process through compliance education for managers and employees, 42% resolved via internal controls (such as audit), 27% resolved via automated information sharing, 25% resolved via bi-directional events with CBP, and 9% resolved via bi-directional events with PGAs.

COAC is optimistic that continuing automation across all trade stakeholders will improve efficiency and promote the standardization of processes. We also anticipate the development of the automated export system, in particular the ability to transmit shipment-level data for targeting as early as possible (known as "progressive filing" in the air model) will allow export control issues to be resolved well in advance of planned export from the U.S., thus reducing any negative impact of export control on legitimate trade.

