

ADVISORY COMMITTEE ON COMMERCIAL OPERATIONS OF CUSTOMS AND BORDER PROTECTION

Global Supply Chain Subcommittee Executive Summary – Trade Progress Report July 2015

I. Background

The Advisory Committee on Commercial Operations of Customs and Border Protection (COAC) determined to carry on the work from the 14th Term COAC Global Supply Chain Subcommittee.

Mission Statement:

Advance priorities that promote trade facilitation, global customs modernization and global supply chain security, to enhance the competitiveness of our American businesses.

Trade Co-Chairs: Adam W. Salerno & Brandon Friedman

Government Co-Chairs: Michael Denning, Liz Schmelzinger, Jennifer McGill

Members: David Berry, Liz Merritt, Mike White, Kevin Pinel, Lisa Gelsomino, Vincent Iacopella, Vincent Iacopella, Michael Schreffler, Maria Luisa Boyce, Steven Graham, Sean Moon, Steven Krupinsky and Cheryl Bryce.

II. Summary of Work

Electronic Cargo Security Devices

U.S. Customs and Border Protection has been looking at Electronic Cargo Security Devices (ECSD) through pilots run in partnership with the U.S. Department of Science and Technology. The devices have significant up front and ongoing costs association with them. There are also some vulnerability including data management and third parties.

The Committee was asked to review the commercial viability of ECSDs and try to determine a return on investment, if any, from a trade facilitation and security perspective. Our initial thoughts surrounded the questions that have been raised in the past on these devices. What additional benefit to security do they provide? How could we change the border process to improve trade facilitation if companies invested in this process? Is there actually a return on investment? The COAC will be reviewing this request and bringing in additional experts to get a broad industry perspective.

Cross Border Pipelines

U.S. Customs and Border Protection have renewed an effort to review lack of uniformity at port of entry, automation procedures and modernize regulations with pipeline industry. Independent of COAC, the American Petroleum Institute (API) has set up a Working Group to look at what it would take to develop new regulations and automation.

The COAC will work with experts in industry, including API to provide recommendations on regulations and oversight in an effort to provide more effective and uniform enforcement.

Air Cargo Advanced Screening

The Air Cargo Advanced Screening (ACAS) was the first advanced data targeting initiative in the wake of the October 2010 Yemen incident in which terrorists shipped explosives in toner cartridges within printers on cargo flights to the United States. Since then, pilot security enhancement programs have been undertaken in the United States, EU and Canada with the understanding that the US would serve as a model from which other programs could be derived.

The ACAS subcommittee working group submitted numerous industry recommendations to CBP and TSA in the 13th COAC regarding data elements, flexibility in accommodating various business models, dual and self-filing models for express carriers and freight forwarders and the integration of ACAS and inbound air manifest requirements.

The ACAS Subcommittee Working Group looks forward to reconvening in the 14th COAC to provide its input on the Notice of Proposed Rulemaking expected from CBP in the upcoming weeks.

III. Next Steps

The Committee will begin work on all priority areas and provide recommendations for the Fall 2015 COAC meeting.