

**U.S Customs and Border Protection
Office of Field Operations
Cargo and Conveyance Security**

Action Required: Update Only

Issue: Pipeline Working Group, COAC Global Supply Chain Security Subcommittee (GSC)

Executive Summary:

The movement of crude petroleum and natural gas products through pipelines presents unique challenges to CBP and the trade community. The lack of specific regulations in 19 CFR, unique infrastructure for measuring and monitoring and limited automation to date, has resulted in an inconsistent location-by-location approach to the pipeline industry by CBP. Additionally, each pipeline operator uses company specific documentation for importations, movement of shipments and accounting procedures. The Pipeline Working Group was established under COAC GSC to help identify issues of mutual concern, establish standardize processes and create a framework for regulatory and policy change that meets the needs of both industry and CBP stakeholders. This working group has had fruitful discussions on several key issues and are working to both establish a new process to support US/Canada in-transit movement of petroleum in pipelines and identify regulatory needs. Detailed work on these issues will occur in the next COAC quarter.

Background:

- CBP has collaborated with pipeline industry stakeholders at the national level for several years to address the pipeline industry's concerns over a lack of consistency in reporting requirements for pipeline crude oil and natural gas pipeline importations, movements, and processing procedures;
- An internal working group was established made up of various CBP components to identify a framework for the development of regulations, national policy and automation to address pipeline uniformity issues for pipeline shipments.
- The framework was established based on CBP business practices and regulations for other modes of transportation to facilitate training, processes and automation development.

Moving Forward:

CBP requests that the focus of the COAC Global Supply Chain Security Pipeline Working Group over the next 30-60 days be on in-transit movements, including the following:

- Clear definition on in-transit movements;
 - Standard in-transit movements
 - Canada-US-Canada
 - US-Canada-US
 - MX-US-MX
 - US-MX-US
- Delineated timeframes for in-transit;
- Automation of the in-transit movement;
- CBP approved meters;
- In-transit manifests;

- All in-transit movements must be bonded; and
- Establishing a set of industry recommendations for in-transit movements.

We would like to request the working group to map out the current business processes for in-transit movements and identify areas of opportunity to improve the process.

We would also like to get input from the workgroup in the following areas:

- Automated submission of declarations/manifest by pipeline operator/carrier;
 - Establishment of the pipeline operator as carrier for CBP purposes;
 - Manifest data elements that may be required;
 - Pipeline delivery tickets data elements in lieu of manifest;
- Automated filing of entries;
 - Single and periodic entry/entry summary filing procedures; exports, e214s, export document, etc;
- Point of entry release and port of entry identification.
 - Reasonable determination of physical point where goods must be under bond to continue;
 - This would align to the ability of carriers to measure the throughput accurately;
 - Definition needed for regulation but would be determined by policy for each pipeline.
- Importer of record determination;
- Standardization of procedures and establishment of business model based processes;
 - Assignment of pipelines to specific ports for processing;
 - Transactional processing vs term processing
- Bonding requirements – Carrier Bonds

The input received from the working Group will help us establish uniform procedures from the industry.