

Advisory Committee on Commercial Operations of Customs and Border Protection (COAC)

U.S. Customs and Border Protection (CBP), Washington, D.C.

April 24, 2015

9:00 AM – 12:30 PM



U.S. Customs and
Border Protection

Committee Welcome and Roll Call

CBP: **Maria Luisa Boyce**
Senior Advisor for Private Sector Engagement
Office of Trade Relations
Office of the Commissioner
U.S. Customs and Border Protection



Opening Remarks

CBP: **R. Gil Kerlikowske**, Commissioner
U.S. Customs and Border Protection

Treasury: **Timothy Skud**, Deputy Assistant Secretary, Tax, Trade and
Tariff Policy, Department of the Treasury

DHS: **Ellen McClain**, Deputy Assistant Secretary, Trans-Border Policy
Department of Homeland Security

COAC: **Julie Parks**, Member
Vincent Iacopella, Member



Oath and Recognition of Incoming 14th Term COAC Members

CBP: **R. Gil Kerlikowske**, Commissioner
U.S. Customs and Border Protection



U.S. Customs and
Border Protection

Designated Federal Officer

Update on 13th Term Recommendations

CBP:

Maria Luisa Boyce

Senior Advisor for Private Sector Engagement

Office of Trade Relations

Office of the Commissioner

U.S. Customs and Border Protection



U.S. Customs and
Border Protection

One U.S. Government at the Border Subcommittee

CBP: **Cynthia Whittenburg**, Executive Director
Trade Policy & Programs, Office of International Trade

Debbie Augustin, Acting Executive Director
ACE Business Office, Office of International Trade

CPSC: **Carol Cave**, Assistant Executive Director, Office of Import
Surveillance, U.S. Consumer Product Safety Commission

COAC: **Susie Hoeger**, Member
Scott Boyer, Member
Amy Magnus, Member
Alexandra Latham, Member



One U.S. Government at the Border Subcommittee Statement of Work

Subcommittee Priorities and Key Elements:

- 1) ACE implementation and Single Window automation, including strategic discussions, communication and metrics.
- 2) Continuing the work with Partner Government Agencies, and identifying and determining steps to overcome regulatory and policy obstacles which impede efficient Customs and Border Protection and Trade border processes and prevent greater information sharing between Partner Government Agencies (PGA).
- 3) Focus on international interoperability, including greater information sharing between international trading partners.
- 4) Leveraging the subcommittee to develop questions for and obtain Trade Community feedback from the 2015 and 2016 COAC Trade Efficiency Surveys with a focus on internationally harmonized data, regulatory and policy obstacles impeding border processes and the Single Window initiative.



One U.S. Government at the Border Subcommittee CBP CPSC Working Group Report

Statement of Work

Purpose of the COAC 1 USG Consumer Product Safety Commission Working Group (1USG CPSC) is to facilitate a dialogue between CPSC, CBP and the broader trade community on the flow of information between the trade, CBP, and CPSC, assuring the potential data collected in a PGA message is streamlined affording CBP and CPSC strong risk assessment tools without causing significant disruption to the supply chain.



One U.S. Government at the Border Subcommittee CBP CPSC Working Group Recommendations

The 1 USG CPSC working group recognizes the need to have well defined and understood criteria for a CPSC alpha pilot within ACE / Single Window from both CBP and CPSC as the pilot relates to the various trade members (Carriers, Customs Brokers, Importers and other parties).

1) The COAC recommends that CBP and CPSC work with the trade community to ensure the Alpha Pilot includes a variety of importers (small, medium, large) as well as a variety of modes of transportation such as air, ocean, truck, rail, and courier. In addition the Alpha Pilot should test both manual data input to the registry and electronic batch upload data received directly from importers. Lastly, the Alpha Pilot should also test a full PG message set with all requisite data elements and a limited PG message set with only the Registry number provided.



One U.S. Government at the Border Subcommittee CBP CPSC Working Group Recommendations

2) The Alpha pilot will include many different stakeholders (e.g. quality assurance departments, trade compliance departments, customs brokers) who have traditionally not been involved with either the CPSC product safety requirements or the CBP import process. The COAC recommends that CBP, CPSC and the trade community work together to ensure, in a measurable way, substantial multi—directional training, engagement and outreach is conducted for all parties prior to the beginning of the Alpha Pilot.



One U.S. Government at the Border Subcommittee CBP CPSC Working Group Recommendations

3) The COAC recommends that CBP work with CPSC to strongly encourage that the proposed Alpha Pilot is consistent with the Executive Order on Single Window. The Alpha Pilot should be limited to the data that CPSC is currently authorized to collect with a focus on streamlining the flow of critical information CPSC needs in order to conduct effective risk assessment for admissibility purposes. It is important to note that currently the Certificates of Compliance are in paper form, and the trade community will undertake a significant burden and expense to translate those documents into a PG Message set for CPSC's risk analysis. CPSC should gather information from the TSN ITDS CPSC working group on the PGA message set data requirements prior to conducting the Alpha Pilot. CPSC should make every effort to evaluate the expense for software development and the import surveillance value of the pilot prior to developing the software for the Alpha Pilot, and trade facilitation benefits.



One U.S. Government at the Border Subcommittee CBP CPSC Working Group Recommendations

4) The COAC recommends that CBP work with CPSC and other PGAs through the Border Interagency Executive Council (BIEC) to develop a Trusted Trader program to create the opportunity for highly compliant importers to reduce the burden of the data collection and transmission. A Trusted Trader program should consider a tiered approach to data collection, the Registry process and import surveillance, with a view towards reduced examinations, and explore other defined benefits.

5) The COAC recommends that CBP work with CPSC to conduct a cost benefit analysis prior to the start of the Alpha Pilot to evaluate the expense and the import surveillance value of the pilot to CPSC, CBP, and to the trade and that CPSC should further consult with the trade prior to a Beta Pilot or final rulemaking.



One U.S. Government at the Border Subcommittee CBP CPSC Working Group Recommendations

6) The COAC recommends that CBP work with CPSC to establish a means for CPSC to be directly involved in the discussions with any future CPSC related working group engagement in order for the working group to be most effective.



Single Window Recommendations

The COAC strongly supports *the February 19, 2014 President Obama's Executive Order 13659: Streamlining the Export/Import Process for America's Businesses, specifically through the Automated Commercial Environment (ACE)* through strategic discussions, communication and metrics. This will help with the validation of Single Window and ACE implementation

1. To enable the trade to effectively plan for trade readiness and implement related contingency plans, CBP should collaborate with the trade on its own alternate risk mitigation plan and those of the PGAs as they relate to the November 1 mandatory electronic filing date. The COAC is concerned that reverting to paper will significantly slow the velocity of trade, especially given the pre-holiday peak season. We recommend that CBP make periodic assessments on trade and PGA readiness in advance of the November 1 mandatory filing date and adjust their implementation schedule accordingly.



Single Window Recommendations

2. To expedite the finalization of the PG message sets and ensure the timeliest receipt of the final data requirements and programming specifications by the trade in advance of November 1, CBP should strongly encourage that in the development of their respective PG Message Sets, the PGAs do not "data creep" by including new data elements that are not currently submitted electronically or via paper at the time of entry. Furthermore, new data elements defined as optional or conditional, such as production dates, should not impact the automated release of the goods.

3. CBP should work with PGAs who have original document requirements to alter rules to achieve some sort of PG message set capability to sufficiently support release/may proceed decisions. The agencies should be encouraged to modify the underlying regulations to make scanned copies acceptable alternatives to the currently mandatory originals, where the provision of originals does not impact the true admissibility of the goods.

Exports Subcommittee

- CBP:** **Michael Denning**, Advisor
Cargo and Conveyance Security, Office of Field Operations
- Debbie Augustin**, Acting Executive Director
ACE Business Office, Office of International Trade
- COAC:** **Elizabeth ‘Liz’ Merritt**, Member
 Heidi Bray, Member



Exports Subcommittee

Statement of Work

Subcommittee Priorities and Key Elements:

- 1) Look for existing programs that could be leveraged to achieve export goals, both within the U.S. Government and globally, with a focus on automation and account-based programs.
- 2) Assess current domestic export policies and the impact of international policies, and provide recommendations based on the findings from its work groups and on the Master Principles for Export developed during the 13th term.
- 3) Provide all requested support to CBP in its development of an export strategy.
- 4) Examine and document current export processes and provide recommendations for strategies to harmonize systems, streamline data collection, and share information. In particular, the subcommittee will continue the work of the 13th term Export Process Work Group (EPWG). The EPWG is charged with further analyzing the process flows and areas of opportunity identified in the export mapping exercise conducted during the 13th term, and with providing specific recommendations for consideration by the subcommittee.



Exports Subcommittee

Statement of Work

4a) The EPWG planned during the 13th term to create 7 sub-work groups – two of these sub-work groups were created: licensed commodities and air manifest. The Licensed Commodity group completed its work in February 2015. The Air Manifest group plans to complete its work during this term (it was delayed waiting for CBP to issue a Federal Register Notice for an air automated export pilot).

4b) The remaining 5 sub-work groups (for manifest - rail, ocean, and truck, and for commodity - option 4 and non-option 4 filing) will be established during the 14th term.

5) Continue working with other FACA committees that have similar concerns regarding export issues that fall under another agency's purview such as the President's Export Council Subcommittee on Export Administration (PECSEA) administered by the Bureau of Industry and Security (BIS), the Defense Trade Advisory Group administered by the Department of State Directorate of Defense Trade Controls, and the Advisory Committee on Supply Chain Competitiveness administered by the International Trade Administration.



Public Comment Period

Please send in your comments or questions via the Chat box in the webinar.

Your comments will be read into the public record and CBP will respond during the public comment period noted on the agenda if time permits.



Break

We will be taking a ten minute health break and will resume with the April 24th COAC meeting shortly.



Trade Enforcement and Revenue Collection Subcommittee

CBP: **Cynthia Whittenburg**, Executive Director
Trade Policy & Programs, Office of International Trade
Troy Riley, Commercial Targeting and Enforcement
Office of International Trade

COAC: **Kevin Pinel**, Member
Lisa Gelsomino, Member



Trade Enforcement and Revenue Collection Subcommittee Statement of Work

Subcommittee Priorities and Key Elements:

- 1) Intellectual Property Rights
- 2) Anti-Dumping and Countervailing Duties
- 3) CEE Trade Enforcement role and performance
- 4) Identifying meaningful Trade Enforcement metrics
- 5) Bonds



Break

We will be taking a ten minute health break and will resume with the April 24th COAC meeting shortly.



Global Supply Chain Subcommittee

- CBP:** **Michael Denning**, Advisor
Cargo and Conveyance Security, Office of Field Operations
- Ana Hinojosa**, Deputy Assistant Commissioner
Office of International Affairs
- Elizabeth ‘Liz’ Schmelzinger**, Director
Office of Border Initiatives, Office of Field Operations
- COAC:** **Brandon Fried**, Member
- Adam Salerno**, Member



Global Supply Chain Subcommittee Statement of Work

Subcommittee Priorities and Key Elements:

- 1) Customs and Trade Partnership Against Terrorism (C-TPAT)
- 2) Land ports of entry (Canada and Mexico):
 - a. Pilots and innovation at the border
 - b. Process Improvements
 - c. Data Sharing
 - d. In-Transit
- 3) Ocean Cargo
- 4) Air Cargo Advance Screening (ACAS)



Trusted Trader Subcommittee

CBP: **Michael Denning**, Advisor
Cargo and Conveyance Security, Office of Field Operations

COAC: **Alexandra Latham**, Member
Michael Young, Member



Trusted Trader Subcommittee

Statement of Work

Subcommittee Priorities and Key Elements:

This subcommittee is expected to help CBP develop an enhanced CBP trusted trader program and to continue to advise CBP on C-TPAT issues. By developing a program that includes trade compliance and enforcement, CBP is moving C-TPAT towards a true AEO program, thus creating an opportunity to both amend its current mutual recognition agreements (MRAs) and enhance its future MRAs by including trade compliance criteria and offering corresponding incentives for participants.

- 1) Trusted Trader Program
- 2) C-TPAT/AEO



Trade Modernization Subcommittee

- CBP:** **Cynthia Whittenburg**, Executive Director
Trade Policy & Programs, Office of International Trade
- Michael Denning**, Advisor
Cargo and Conveyance Security, Office of Field Operations
- COAC:** **Cindy Allen**, Member
- Lenny Feldman**, Member



Trade Modernization Subcommittee Statement of Work

Subcommittee Priorities and Key Elements:

- 1) Simplification of Customs and Border Protection processes
 - a. Role of the Parties
 - b. Regulatory Modernization

- 2) Customs and Border Protection Trade Expertise

- 3) International Engagement



Public Comment Period

Please send in your comments or questions via the Chat box in the webinar.

Your comments will be read into the public record and CBP will respond during the public comment period noted on the agenda if time permits.



Adjourn



U.S. Customs and
Border Protection



U.S. Customs and Border Protection

Our Mission

We are the guardians of our Nation's borders.

We are America's frontline.

We safeguard the American homeland at and beyond our borders.

We protect the American public against terrorists and the instruments of terror.

We steadfastly enforce the laws of the United States while fostering our nation's economic security through lawful international trade and travel.

We serve the American public with vigilance, integrity and professionalism.