

**ADVISORY COMMITTEE ON COMMERCIAL OPERATIONS OF
CUSTOMS AND BORDER PROTECTION**

**Trade Modernization Subcommittee
Executive Summary – Trade Progress Report
January 2016**

Background

The Trade Modernization Subcommittee (Subcommittee) of the 14th COAC now has actively launched two (2) working groups to forge a public/private partnership that will develop a strategic vision to enhance predictability, transparency and efficiency that is relevant in today’s progressive trade environment. The Working Groups (WG) are the Centers of Excellence & Expertise Uniformity WG and the International Engagement & Trade Facilitation WG. The Subcommittee now also announces its launch of the 2016 Broker Regulations WG.

Chairpeople

Cynthia	Whittenburg	Executive Director, Trade Policy & Programs, OT
Richard	DiNucci	Executive Director, Cargo & Conveyance Security, OFO
Cindy	Allen	CEO and Founder, Trade Force Multiplier, LLC
Lenny	Feldman	Senior Member, Sandler, Travis & Rosenberg, P.A.

Work Update

1. Centers of Excellence & Expertise Uniformity

The WG has held three (3) calls at this point with its members that include at least one representative from each of the ten (10) Centers, complemented with individuals from other critical industries (brokers, carriers, express couriers) that the Centers impact.

The WG’s objective, consistent with its Statement of Work (SOW) is to:

- identify areas for uniform treatment and transparency in an industry-focused account-based approach;
- expand the Centers to facilitate cargo release/entry, fines and penalties matters and rulings/protests/petitions;
- enhance interaction with PGAs; and
- increase communication and dissemination of informed compliance information and best practices.

Initial discussions have brought to light some of the following issues:

- encouraging regular communication and interaction (including webinars or seminars) between the Centers and their accounts leveraging technology where possible
- clarifying the role CBP Account Managers play in light of the Centers
- increasing on-boarding information to importers both joining/testing with the Centers and subsumed by them
- obtaining metrics to compare efficiencies between Centers and those accounts that joined the Center versus those that CBP placed in the Center
- centralizing reconciliation, drawback, FTZ and other processes
- adopting benefits for trusted trader accounts
- recognizing the uniformity issues/objectives applicable to all Centers, but uniqueness between Centers handling different commodities
- working with appropriate CBP officials/offices that can facilitate Centers expansion to address other facilitation and/or enforcement issues.

The WG intends to provide its recommendations at the April COAC meeting.

2. International Engagement & Trade Facilitation

The WG has held three (3) calls at this point with its members that include representatives from the importing, exporting, brokerage, forwarding, courier, consulting and legal industries conducting business around the world.

The WG's objective, consistent with its SOW is to:

- identify best practices/trends and worst practices/challenges that should be encouraged or discouraged, respectively, on a global basis;
- recognize real opportunities that maximize trade facilitation benefits (BRIC or FTA countries);
- propose methods to make customs controls and procedures more efficient and uniform; and
- engage critical government offices such as the USTR, ITA, ITC, USAID.

Initial discussions have brought to light some of the following issues:

- recognizing countries with commercial relevance that have a political will and a defined path to implement facilitation measures
- assessing current CBP, NGO and Trade levels of engagement to benchmark future opportunities
- leveraging trusted trader and SAFE Framework programs to pilot and/or implement facilitation

- encouraging replication of successful CBP and other programs abroad (e.g., single window, Customs Modernization Act, informed compliance, private sector engagement, account-based processing, risk assessment)
- identifying influential global and regional partners (e.g., usual suspects) to serve as trade facilitation force multipliers
- considering the role of technology, data exchange and e-commerce

The WG intends to provide its recommendations at the April COAC meeting.

3. 2016 Broker Regulations

Due to CBP's intent to issue a Notice of Proposed Rule Making (NPRM) on 19 CFR §111 addressing the role of broker, a Working Group now has been launched to address the open issues needed to modernize the customs broker regulations. WG participants include brokers, express couriers, importers and CBP officials across several disciplines to ensure adequate consideration of the commercial and regulatory impact of these potential regulatory changes.

The WG includes representatives from the 13th COAC who formulated prior recommendations to avoid duplication of efforts, particularly where CBP and the Trade already has reached consensus. Also, companies of all sizes (large, medium and small) handling various cargo volumes operating in differing regions across the country are participating.

It is anticipated that the WG will address the evolution of issues including:

- permit framework to maintain adequate supervision and control
- record recordation and confidentiality requirements,
- role of continuing education, and
- broker fees and reporting

Approaching the issue in a focused manner, the WG intends to provide its recommendations at the April COAC meeting.

Next Steps

The Subcommittee looks forward to continuing its efforts to address the Centers, International Engagement and Brokers Regulations. Not only will these efforts require support from CBP to bring forward the appropriate personnel from various offices and disciplines, including some in other Government agencies/departments but also support from COAC members leading and/or participating on other Subcommittees that impact these areas.