

**ADVISORY COMMITTEE ON COMMERCIAL OPERATIONS TO  
U.S. CUSTOMS AND BORDER PROTECTION**

**Trade Modernization Subcommittee  
Executive Summary – Trade Progress Report  
July 2015**

**Mission**

The Trade Modernization Subcommittee (Subcommittee) intends to focus on recommendations to CBP, and through CBP to Participating Government Agencies, with a future vision as to how the Government can enhance predictability, transparency and efficiency in the next five (5) years. We aim to take an innovative and entrepreneurial approach in assessing current regulatory and operational programs and identifying how such programs can optimally meet both the demands of the Trade and Government.

**Chairpeople**

Michael	Denning	Executive Director, Cargo and Conveyance Security
Cynthia	Whittenburg	Executive Director, Trade Policy & Programs
Cindy	Allen	Licensed Customs House Broker
Lenny	Feldman	Senior Member, Sandler, Travis & Rosenberg, P.A.

**Work Summary**

The Subcommittee will focus on four core objectives:

1. Simplification of Processes
2. Policy & Regulatory Modernization
3. CBP Trade Expertise Development
4. International Engagement

**Work Update**

The Subcommittee has held several conference calls to date and currently is in the process of formulating its first two (2) working groups. At this time, the Subcommittee envisions addressing its core objectives by rolling out working groups likely in the following order:

**1. Centers of Excellence & Expertise – Service Level Assessment**

The purpose of the working group (WG) is to validate the execution of the CEEs consistent with COAC's original concept and recommendations to ensure the centers are positioned for success. The WG will consider the uniformity in processes and decision-making within and among the CEEs as well as opportunities for flexibility based on specific industry needs. The WG will address the CEEs' baseline level of service and

possible opportunities for enhanced service levels to trusted traders. We suggest that this WG (now under formation) consists of at least one member from each of the ten (10) CEEs, complemented with representatives from other industries (brokers, carriers couriers) that the CEEs impact.

## **2. Role of the Parties in the Supply Chain**

CBP and the Trade has devoted much time and focus to the role of the broker with issues such as education, bona fide or known importers, responsible supervision and control, customs business, permitting, confidentiality, ACE, etc. This WG will take a look at the roles the other actors of the global supply chain play and the impact such changes to the role of the broker as well automation will have on them. We suggest that this WG (now under formation) consists of at least one member from each of the various nodes of the supply chain (importers, exporters, freight forwarders, carriers, warehouses, foreign trade zones, and couriers).

## **3. WTO Trade Facilitation & Multilateral Harmonization**

Particularly, in light of Ms. Anna Hinojosa's recent election as WCO Director, Facilitation & Compliance we intend to form a WG in late 2015 (prior to Ms. Hinojosa's departure) to consider how we can support her mission and that of the WCO and WTO. We expect to address development and deployment of a capacity building and assessment strategy to implement the WTO facilitation agreement. The WG may also consider how to best align U.S. stakeholders' needs with these international bodies and how to encourage the adoption of single window and other core trade facilitation measures with key U.S. trading partners.

## **4. Simplified CBP Processes**

We anticipate that this WG will consider the recommendations prepared by working groups outside of COAC in the areas of simplified entry summary (monthly summary, protest, drawback, etc.) and revenue/payment. The WG also will address these initiatives in light of ACE deployment and any relevant customs legislation that Congress may pass.

## **5. Sharpening Trade Expertise**

With the ever increasing need for well-trained CBP personnel to administer and enforce the myriad of laws and regulations under CBP's purview, this WG will engage government, academia and the trade to examine the best practices in trade facilitation and to conduct a comprehensive assessment of the professional education and training needs of government and business professionals that contribute to strengthening the global supply chain management processes. On July 30, 2015, in Chicago, CBP will be hosting a Trade Outlook 2020 Roundtable with the University of South California National Center for Risk and Economic Analysis of Terrorism Events (CREATE) and Center for Global Supply Chain Management (CGSCM). The Subcommittee will participate in the Roundtable to discuss how CBP can sharpen workforce expertise and hence become

more responsive to the needs of different industries and become more predictive rather than reactive to changes in trade trends, enabling improved resource allocation and preparation, ready access to knowledge in context and enhanced decision making.

### **Next Steps**

We look forward to taking immediate steps to formulate the Centers of Excellence & Expertise – Service Level Assessment and Role of the Parties in the Supply Chain working groups. We will continue to align our objectives for international engagement as well as policy and regulatory modernization over the coming months. Finally, we intend to build upon the upcoming Trade Outlook 2020 to begin to develop the sharpening trade expertise initiative.