

## **COAC EXPORT SUBCOMMITTEE**

### **General description**

#### **Objective/Goal of the subcommittee**

In support of the priorities and strategies of the President's National Export Initiative, the primary goal of the Export Subcommittee is to advise U.S. Customs and Border Protection (CBP) on issues related to export procedures, trade enforcement, and facilitation. Advice and recommendations will be given in an effort to increase information sharing, further enhance the Automated Export System (AES) Re-engineering, Advance Targeting System (ATS), and provide an understanding of the impact of national and international trade policies.

#### **Where does it fit in our trade transformation strategy?**

The Export Subcommittee created the Export Mapping Work Group and the One U.S. Government for Exports Work Group to support the following trade transformation initiatives and guiding principles:

- Automated Commercial Environment (ACE)
  - Modernization
  - Bi-directional Education
  - Consistency & Harmonization
  - Co-creation
- Comprehensive Trusted Trader Program
  - Bi-directional Education.

#### **Chairs/Co-Chair Names**

The current government subcommittee Co-Chairs are Michael Denning, Acting Executive Director, Cargo and Conveyance Security Division, Office of Field Operations, CBP; Debbie Augustin, Acting Executive Director, Automated Commercial Environment (ACE) Business Office, Office of International Trade, CBP; and Cynthia Whittenburg, Executive Director, Trade Policy and Programs, Office of International Trade, CBP. The trade subcommittee Co-Chairs are Julie Ann Parks, Senior Manager, Export/Import Operations, Raytheon Company and Elizabeth Merritt, Director, Cargo Services, Airlines for America.

#### **Number of participants from COAC**

The Export Subcommittee is comprised of 10 COAC members.

## **Highlights**

### ***Master Principles for a One U.S. Government at the Border Cooperation for Exports***

In February 2014, the COAC recommended that CBP use the Master Principles for a One U.S. Government at the Border Cooperation for Exports (finalized in March of 2014) as well as the Export Mapping Education Package in developing their U.S. Export Strategy. The COAC further encouraged CBP to lead the U.S. Government socialization of the foundational principles that the COAC believes are required to position the U.S. government to efficiently manage strategic cross border issues in a manner that reduces the cost of doing business.

### ***Advanced Export Information (AEI) pilot***

The *Advanced Export Information* (AEI) pilot for filing limited mandatory data elements pre-departure and remaining data elements five days post-departure is still a major interest for industry stakeholders. The Census Bureau issued a federal register notice (FRN) to solicit participation in a pilot on January 31, 2014, which was expected to begin in July of 2014. However, automation issues delayed starting the pilot. Census and CBP technical components worked together to resolve the technical problems.

Census sent acceptance notices to the applicants in early August. Once acceptance notices are received, participants have 60 days to have their systems ready to transmit live AEI data to the *Automated Export System* (AES) for a period of testing. CBP and Census anticipate full launch of the pilot in November of 2014.

This pilot is a revised option 3 process with enhancements that have been included in the Automated Export System (AES) re-engineering effort. The filing requirements are similar to the current Option 4 system that was established around 1998; there are currently 1,555 eligible filers. In FY 2013, only 1,223 filers utilized Option 4. If the AEI pilot is successful, Census may discontinue the Option 4 AES Post-Departure filing and offer an AEI filing option. The automotive and agriculture industries are the most vocal stakeholders in opposition to the AEI pilot. CBP and Census are looking to address these concerns through the AEI pilot. Both agencies are also committed to continue to meet with industry to learn more about their concerns and identify potential solutions for the submission of advanced export information.

## **Accomplishments**

To further the work of the Export Mapping Work Group, the Export Subcommittee established the Export Process Work Group (EPWG) in March of 2014. The EPWG plans to focus on prioritizing the areas of opportunities presented in the *Export Mapping Education Package*, and to identify potential solutions that may include automation, through the *Automated Export System* (AES) *Re-engineering* process, collaboration with the private sector, and other Federal government agencies to address and refine trade policy and regulatory issues. The EPWG also plans to create 7 (listed below) sub-work groups to conduct a more in-depth review of the main areas of opportunity identified in the mapping exercise:

- Air Manifest
- Ocean Manifest
- Truck Manifest
- Rail Manifest
- Commodity Licensing
- Commodity Option 4 Filing
- Commodity Non-Option 4 Filing

Two of the sub-groups have been formed and are conducting meetings. The first sub-group is the Air Manifest Work Group (AMWK). The AMWK was presenting the Progressive Filing Model developed during the export mapping exercise, which identified areas with issues along with suggested solutions.

The AMWG has held six meetings (06/13, 06/27, 07/10, 08/15, 08/29, and 09/22). Additionally, a separate government only meeting (07/15) was held to discuss responses to the proposal to include what regulatory changes would have to be made.

The group noted that a move to automation through the Single Window will allow cargo to move faster and will help solve some of the issues that exist. CBP has been developing a fully automated electronic export manifest. It will be completed incrementally by mode starting with the Air Manifest. The Air Manifest requirements are currently being programmed in ACE and will be tested via a pilot; an FRN to announce the pilot is under internal review.

The second sub-work-group formed was the Commodity Licensing Work Group. This group has met three times since it was formed (07/28, 08/18 (in person), and 08/27). It has been working through the areas of opportunity that it identified for licensed commodities during the export mapping exercise.

On June 18, 2014, OTR provided a briefing to the President's Export Council Subcommittee on Export Administration (PECSEA) administered by the Bureau of Industry and Security (BIS). Although several of issues in the export map have been addressed through the Export Control Reform Initiative (ECR), the PECSEA agreed to conduct a thorough review and propose possible solutions to other areas of concern. Additionally, the PECSEA decided to create a subcommittee aimed at working with the COAC, The Process Improvement and Trusted Trader Subcommittee. COAC and PECSEA leaders have met to strategize on how to best coordinate efforts between the two subcommittees.

On October 15, 2013, the Administration issued the first set of Final Rules that redefined how the U.S. Government protects sensitive technologies by regulating and enforcing exports of U.S.-origin defense products and services, a major milestone in the President's Export Control Reform (ECR) Initiative. The ECR has revised the list of some of the items regulated for export.

BIS and the Directorate of Defense Trade Controls (DDTC) worked with CBP to deliver instructor led training to Ports of export to ensure that CBP Officers (about 200) were up-to-date regarding all of the regulatory changes and requirements implemented under the ECR. After conducting the instructor led training, the Office of Field Operations (OFO) Export Control Division produced an instructional video to ensure that all CBP Officers working outbound operations were informed about the ECR changes. The video is posted on the CBP intranet.

## **Next Steps**

The next steps for the Export Subcommittee will include the following initiatives:

- The Export Process Work Group will create the other 5 sub-work groups to further review the areas of opportunity and propose possible solutions. This effort will be considered an ongoing process.
- The Export Subcommittee will explore opportunities presented by the implementation of the Single Window to streamline and facilitate exports.
- The Export Subcommittee will continue its collaboration with the PECSEA on joint areas of opportunity to develop and propose solutions.