

**Advisory Committee on Commercial Operations of  
Customs and Border Protection and Related Functions (COAC)  
Subcommittee on Exports  
Executive Summary – Trade Progress Report  
May 2014**

**Background:**

COAC established the Subcommittee on Exports in July 2012 during the 12th Term Advisory Committee on Commercial Operations of U.S. Customs and Border Protection (COAC). The subcommittee continued under the 13<sup>th</sup> COAC. Committee members represent the pertinent competencies involved in the exportation of materials, including importers/exporters, carriers, and brokers. Subcommittee leadership:

COAC: Julie Parks, Member and Elizabeth Shaver, Member

CBP: Augustine Moore, Acting Executive Director, Cargo and Conveyance  
Security, Office of Field Operations

Brenda Smith, Executive Director, ACE Business Office,  
Office of International Trade

Cynthia Whittenburg, Executive Director, Trade Policy and Programs, Office of International

Trade

**Objectives and Scope of Activities:**

After engaging in full deliberation and discussion, the subcommittee shall advise the COAC of any advice or recommendations related to export procedures, enforcement, and facilitation issues. Specifically, the subcommittee is expected to support the priorities and strategies of the President's National Export Initiative. The subcommittee will conduct its work throughout the 13th Term of COAC, to be extended if needed.

The work of the subcommittee will:

- Identify existing programs that could be leveraged, both within the U.S. Government and globally.
- Assess current export policies and the impact of international policies and provide recommendations based on the findings.
- Document current export processes and provide recommendations for a strategy to harmonize systems, streamline data collection, and share information.

## **Subcommittee 13<sup>th</sup> Term History:**

Given the statement of work, the past subcommittee findings, and the pending export regulatory changes, the tasking of the Export Subcommittee was to begin with the basics of export education. The achievement methodology was to uniquely discuss each export type and produce a presentation package containing: a current state process map, with trade trouble spots identified, and with potential solutions recommended. The mapping work product was delivered to CBP during the May 2013 meeting, along with four recommendations and a proposed delivery roadmap. The recommendations are summarized below:

1. We recommend that CBP, in conjunction with COAC, develop a combined Government approach to risk, process, guidance and correction by establishing a One US Government for Exports Work Group.
2. We recommend that CBP, in conjunction with COAC, create an Export Process Working Group (EPWG) to focus on prioritizing acknowledged opportunities for improvement, review the C-TPAT for exporter criteria in close alignment with the Trusted Trader COAC Sub-committee, and to focus on designing a future state export process that will serve to implement the developed One USG master principles for exports.
3. We recommend that CBP, in conjunction with COAC, create an Export Visibility, Amendments, and Controls Work Group to focus on delivering specific recommendations to promote supply chain visibility, USG transparency, and compliance. We envision these recommendations being realized via an automated single “system” applying best practices for internal assessment and controls monitoring.
4. We recommend that CBP engage with the trade to share the export education packages with CBP export and outbound roles in addition to other groups and forums. We encourage CBP to develop and share a list of enhancements as they are implemented as a result of this exercise. We further recommend CBP continue their dialogue with Census, BIS, and DDTC on the opportunities for improvement and continue to work with the trade on solutions.

In our November 2013 meeting, we clarified the mapping topics, review the roadmap, and agree to sequence the subcommittee work in three parts:

- A. Deliver the results of the Export Survey.
- B. Strategically develop One U.S. Government for Exports Master Principles.
- C. Retain the Mapping Work Group to deliver a foreign trade zone and bonded warehouse map, prioritize and draft recommendations on process improvements, and generate visibility, amendments, and controls draft recommendations on process improvements.

Also, in our November 2013 meeting, we provided the results of the Export Survey and associated recommendations made as part of the COAC survey review (Trade Efficiency Survey and Export Survey). The recommendations for both surveys follow:

### Visibility

- Recommendation 1: The COAC recommends that CBP and PGAs partner with the trade community to target PGA requirements training and promote visibility of holds in ACE/ACS. We recognize and encourage the implementation of the One US Government at the Border Single Window approach, coupled with the PGA Message Set will provide greater visibility to the trade community as to the reasons for the holds. We encourage the Partner Government Agencies to become early adopters of PGA Message Set, allowing for early submission of information so the PGA may make earlier risk assessment decisions on admissibility of cargo.

## **Subcommittee 13<sup>th</sup> Term History, continued:**

### Visibility, continued...

- Recommendation 2: The COAC recommends working with CBP to define delays and holds and ensure a process exists for those types that require data capture. In addition, once delays and holds are defined in accordance with 2013 operations, COAC recommends that CBP develop national import/export port metrics as a method a) to understand the complexities associated with goods release by mode of transport and region and b) to achieve standardization of best operating practices across ports. Further, we recommend sharing the results with the Centers of Excellence and Expertise via the Industry Working Groups to achieve industry-specific best practices.
- From 2012: With strategic efforts such as the implementation of CEE's, streamlining and integration of PGAs via trade processes, and the National Export Initiative and Export Control Reform, it is important for CBP to continue to collaborate with COAC to seek ways to measure and improve trade processes and reduce freight dwell. We recommend CBP provide the trade with web-based metrics regarding export and import delays and holds on a One USG basis. We additionally recommend the continuation of the Center Industry Working Group metric sharing to generate meaningful bi-directional dialogue that will generate successes in meeting the objectives of both CBP and the trade.

### Knowledge Sharing

- Recommendation 3: The COAC recommends that CBP share the survey information with the Partner Government Agencies (PGAs) to achieve a better understanding by the PGAs of the impact of cargo holds, detention and dwell times on the international supply chain.
- Recommendation 4: The COAC recommends that CBP share the results of the AD/CVD questions with relevant government entities when discussing issues related to the retrospective system of AD/CVD enforcement and collection. The 12th COAC made a formal recommendation based on several reasons that the AD/CVD system be changed to a prospective system similar to those utilized by all global trading partners. The feedback in this survey indicates that the larger trade community strongly supports this earlier COAC recommendation and would favor a prospective system. As this subject is often a topic of discussion in various forums in which CBP participates, the COAC recommends that CBP communicate this feedback in the appropriate forums.
- From 2012: When shipments are stopped or paused at the ports, the results tell us the respondents are favorable to dealing with CBP, as compared to the PGA (in general). COAC recommends that CBP champion a knowledge sharing exercise between PGA's and CBP specifically around holds / freight stops to align best practices and identify process improvements. Accomplishing this review in conjunction with the Centers will ensure positive benefits for the trade. We anticipate that the metrics will reveal the positive impact to the trade in the areas of decreased freight dwell, improved targeting, and increased customer service.

### Integrated Customer Service Model

- From 2012: We recommend CBP advocate for an integrated customer service model with the PGA's. Synthesizing the current customer service design of CBP and PGAs will benefit both trade and security. Additionally, using the Centers to aid in the integration of a service model is most beneficial to impact processing times and freight dwell.

### Annual Trade Efficiency Survey

- From 2012: We recommend the continuation of an annual COAC survey to assist in prioritization, measure success, obtain satisfaction feedback, and begin establishing trends.

During our February 2014 meeting we reviewed our achievements and made recommendations as follows:

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

Engaging a variety of members across the government and trade, the COAC produced the Master Principles for a U.S. Government at the Border Cooperation for Exports. The document is designed to establish the key cares of the trade to ensure the efficient management of cross border issues in a manner that reduces the cost of doing business. The principles establish a government/trade foundation upon which to build the future of data exchange, the determination of engagement expectations, and the development of a cooperative approach to achieve the appropriate risk-based strategies and standards that secure cargo movement and facilitate trade at the speed of business.

Recommendations:

1. The COAC recommends that CBP use Master Principles for a U.S. Government at the Border Cooperation for Exports as well as the Export Mapping in developing their U.S. Export Strategy. We further encourage Customs and Border Protection 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.
2. The COAC recommends the Customs and Border Protection's Export Strategy is shared with COAC for comment prior to finalization.

Export Education Mapping Package: Review of Foreign Trade Zones and In Bond Warehouses

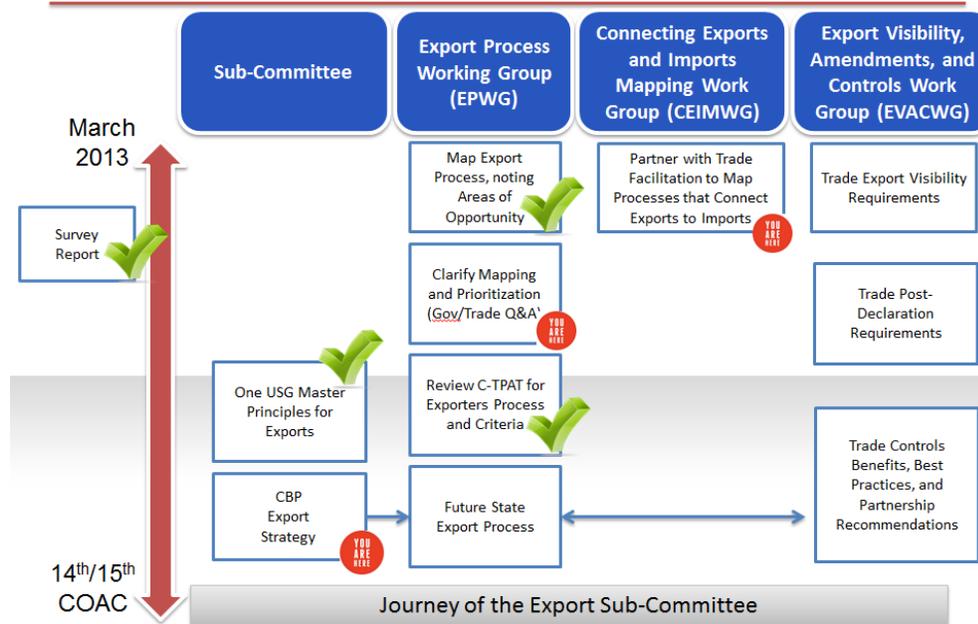
In posting the Export Mapping Work Group's Export Education Package, feedback indicated that there are benefits of addressing the areas of opportunity associated with foreign trade zones and bonded facilities. The Work Group was engaged to complete this update.

During the engagement, it was decided that a separate mapping package should be created to address those processes that require a connection between the US exports and US imports or vice versa. We were lead to this conclusion after discussing Foreign Trade Zones and In Bond Warehouses and understanding that the scope of discussion extends beyond US export maps and related areas of opportunity. Therefore, a new workgroup will be formed called the "Connecting Exports and Imports Mapping Work Group (LEIMWG)". The workgroup will be co-lead by the Exports Sub-Committee and Trade Facilitation Sub-Committee to ensure a complete deliverable. At this time, we plan on covering: Foreign Trade Zones, In Bond Warehouses, Drawback, Temporary Imports/Exports (TIB, Licensed), and Carnets.

## May 2014 Sub-Committee Update:

During the May 2014 meeting we provided an update on our roadmap as follows:

### The Roadmap



On the chart above, the green check marks denote completed activities to date, and include: Survey Report, the USG Master Principles Document, the Export Mapping Education Package, and the review of the C-TPAT Exporters Criteria.

New achievements of the Subcommittee include:

Completion of an Export Subcommittee briefing to the Directorate of Defense Trade Controls on the deliverables of the Subcommittee;

Completion of an Export Subcommittee briefing to the Border Interagency Executive Council (BIEC) External Engagement Subcommittee in April 2014 and the Process Coordination Subcommittee on the overall COAC work and in May 2014 on the specific Export Mapping deliverable of this Subcommittee;

A status briefing from the ACE Program office regarding the new AES implementation elements (FTR);

Completion of an Export Process (Mapping) Work Group call, beginning the work to clarify the mapping with the government agencies and work to assign priorities to the areas of opportunity;

and we are pleased with the progress the US Government is making in implementing the Executive Order.