

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

**COAC Global Supply Chain  
Co-chair: Jim Phillips General Motors  
February 2015**

**13<sup>th</sup> Term Highlights**

After deliberation and discussion between CBP and the COAC it was decided that a subcommittee on Global Supply Chain would be created. The objectives for the subcommittee are to generate advice and develop recommendations pertaining to the safe and expedited movement of cargo through the Global Supply Chain.

It is expected that, during the lifespan of this subcommittee, the focus will be on providing advice and recommendations in one or more of the following areas:

- Air Cargo Advance Screening (ACAS) pilot
- Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness.
- 21<sup>st</sup> Century Border Framework

Significant discussion took place and recommendations were passed on these topics. Highlights include:

**ACAS**

The ACAS Work Group prioritized its activities to focus on the issues considered most pressing—namely, those that would be included in CBP’s ACAS rule-making and would involve changes to the language of Title 19, Code of Federal Regulations. The WG’s analyses, commentary and recommendations were thus directed toward the fundamentals of the ACAS filing regime – both the overall governing philosophy of the regulations and key concrete details, including: the required data elements, the prerequisites for filing, the categories of filers, the regulatory responsibilities of each filing category, and the filing mechanisms most appropriate for the four most common air cargo business models. The two “single filer” models – i.e., of express carrier-filed shipments moving on express carrier aircraft and conventional carrier-filed shipments moving on conventional carrier aircraft, are relatively straightforward. Conversely, the two “dual-filer” models – i.e., express carrier-filed shipments moving on conventional carriers and freight forwarder-filed shipments moving on conventional carriers – present far greater complexity, and the mandatory implementation of ACAS in these models carries a much greater risk of operational disruption, added costs, and negative impacts on legitimate trade. The ACAS working group spent over 10 months carefully discussing and analyzing the dual-filer models, with the latest commentary on this topic delivered to CBP at the end of January.

The COAC ACAS WG drafted recommendations with the goal of promoting the most secure and efficient system possible, a minimally-disruptive mandatory implementation in the United States, and the ability to use ACAS internationally as the model for other countries considering similar

initiatives. The Work Group drafted and delivered to CBP a total of eight detailed and substantive documents addressing the issues outlined above (four of which have been made publically available in redacted versions on the COAC website), and put forth a total of six formal recommendations to the COAC Global Supply Chain Subcommittee, all of which were presented to the full COAC and approved.

Although the mandate given to the ACAS WG was fulfilled in terms of providing trade input prior to the drafting and publication of an NPRM, outstanding bigger picture items remain to be resolved that, while critical to the success of ACAS, also have larger impacts in terms of securing the global supply chain and promoting trade modernization. In particular, there is a need for greater CBP/TSA cooperation to better align security concepts and programs, not only in regard to the resolution of ACAS selectee screening holds, but also to promote a more efficient supply chain approach to air cargo security. There is also a need for expanded CBP advocacy and leadership on harmonization and inter-operability initiatives in the international arena, which are applicable not only to pre-departure risk assessment programs, but also to existing and planned post-departure manifest systems.

### **Beyond the Border / 21st Century Work Group**

Discussion and input was provided on a number of the initiatives. Examples include:

**Prince Rupert Pilot:** Excellent analysis led to several comments that include:

- 1) The improved flow of data has enabled the perimeter screening of cargo resulting in high risk cargo being inspected in Prince Rupert.
- 2) The flow of lower risk cargo, moving on the pilot trains, is saving time while still meeting security requirements.
- 3) Based on current constraints, International Falls is the best place to perform inspections other than security related examinations.
- 4) Based on the current constraints, there is not a compelling reason to move the inspections to Prince Rupert other than security related examinations.

**Peace Bridge Pre-inspection Pilot:** An historic pilot of an idea that has been discussed for many years. The pilot proved that processes could be put in place for pre-inspection close to the border that facilitates clearance into the USA. It is noted that in addition to automation it is clear that personnel on the bridge, that help manage traffic, add significant value.

**In-Transit Pilot:** Input was provided on minimizing data elements and suggestions on how to reach agreement data elements problematic to the trade. It is encouraging to hear that a pilot is expected in the near future.

Several recommendations will be submitted in February 2015 regarding the Beyond the Border and 21st Century Work Group.

## **February 2015 Recommendations**

### **Beyond The Border Action Plan**

On February 4, 2011, President Obama and Prime Minister Harper announced the United States-Canada joint declaration, Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness. Beyond the Border articulates a shared approach to security in which both countries work together to address threats within, at, and away from our borders, while expediting lawful trade and travel.

Since the signing of the agreement, good work has been completed on several of the initiatives as listed in the “2012-2014 PROGRESS REPORT: BEYOND THE BORDER ACTION PLAN.”

Work continues on several additional initiatives.

The COAC recommends that DHS/CBP continue to work with Canada on and complete Beyond the Border initiatives that include but are not limited to the following:

1. COAC recommends continued development and implementation of Single windows in each of our countries through which importers can submit all government-required information (filing data 1 time for multiple uses).
2. COAC recommends the implementation of the Integrated Cargo Security Strategy pending recommendations of the USA – Canada evaluation.
3. COAC recommends the completion of a preclearance agreement for all modes.
4. COAC recommends streamlined processing of temporary workers who support cross border operations or customers.
5. COAC recommends continued diligence on the harmonization of trusted trader programs.
6. COAC recommends implementation of the truck in transit pilot and program.
7. COAC recommends that DHS/CBP work with Canada to complete the updated implementation strategy with timelines and timely reporting against those goals to internal and external parties including the COAC.
8. COAC recommends that CBP consider lessons learned to facilitate trade and where beneficial apply to applicable US ports.
9. The COAC recommends that the USA - Canada border fee study be summarized to include study goals and conclusions. The COAC supports an additional study to analyze the overall cost of crossing the border.

## **21<sup>st</sup> Century Border Initiative**

In 2010, Mexico and the United States issued the Joint Declaration on 21st Century Border Management and committed to ensure that our common border promotes economic competitiveness and enhances security in both countries through the efficient, rapid and lawful movement of goods and people. Since the signing of the agreement, good work has been completed on several initiatives as listed under <http://www.dhs.gov/accomplishments-and-announcements>.

The COAC recommends that DHS/CBP continue to work with Mexico under the umbrella of the Joint Declaration on 21st Century Border (consistent with the Beyond The Border Initiative) on projects that include but are not limited to the following:

1. The COAC recommends that DHS/CBP work with Mexico under the umbrella of the Joint Declaration on the 21st Century Border (consistent with the Beyond The Border Initiative) to create a plan to mitigate border congestion and address port hour limitations.
2. The COAC recommends that DHS/CBP work with Mexico under the umbrella of the Joint Declaration on the 21st Century Border (consistent with the Beyond The Border Initiative) to create and disseminate a Plan of infrastructure improvements
3. The COAC recommends that DHS/CBP work with Mexico under the umbrella of the Joint Declaration on the 21st Century Border (consistent with the Beyond The Border Initiative) to create a communication plan between Mexico and the USA (example: unplanned and planned down time)
4. The COAC recommends that DHS/CBP work with Mexico under the umbrella of the Joint Declaration on the 21st Century Border (consistent with the Beyond The Border Initiative) to create single windows in each of our countries through which importers can submit all government-required information (filing data 1 time for multiple uses).
5. The COAC recommends that DHS/CBP work with Mexico under the umbrella of the Joint Declaration on the 21st Century Border (consistent with the Beyond The Border Initiative) to create an updated implementation strategy with timelines and timely reporting against those goals to internal and external parties including the COAC.
6. COAC recommends that CBP consider lessons learned to facilitate trade and where beneficial apply to applicable US ports.

## **Wait Time Metrics**

The GAO reported that CBP action is needed to improve wait time data and measure outcomes of trade facilitation efforts. Consistent with those findings:

1. COAC recommends that CBP determine and take steps to help ensure consistent implementation of existing wait time data collection methodologies.

2. COAC recommends that CBP assess the feasibility of replacing current methodologies with automated methods.
3. COAC recommends that CBP document its staff allocation process and rationale, and
4. COAC recommends that CBP develop outcome-oriented performance measures.
5. COAC recommends CBP develop Fast vs. Non-Fast lane metrics for CBP, Carriers and Importers to query through ACE. Metrics would include Fast lane usage by Importer entry, Carrier and Port. The intent is to better substantiate FAST lane advantages and enable best use of FAST lane capabilities by all stakeholders.