

**The Advisory Committee on Commercial Operations  
to U.S. Customs and Border Protection (COAC)**

**October 2015  
Report of the Work of the COAC  
Subcommittee on Trade Enforcement and Revenue Collection  
Co-Chairs  
Lisa Gelsomino - Avalon Risk Management  
Kevin Pinel - Microsoft Corporation**

**Background**

At the March 6, 2013, meeting of the 13<sup>th</sup> Term Commercial Operations Advisory Committee (COAC) in Washington, D.C., the Committee established the Trade Enforcement and Revenue Collection Subcommittee, a blending of the Intellectual Property Rights, Bonds, AD/CVD Subcommittees from the 12<sup>th</sup> Term COAC, and adding Regulatory Audit. The objectives for the Subcommittee are to generate advice and develop recommendations pertaining to improving enforcement of the trade laws of the United States and the collection of duties and fees. Enforcing U.S. trade laws adds not only to the security of the global supply chain and our nation, but expedites products into the marketplace. Identifying and expediting compliant trade by enforcing our trade laws adds to both our national security and facilitation efforts. With compliant trade identified and appropriate fees and duties assessed, CBP can then focus its limited resources on non-compliant and higher risk commerce.

Given the above objectives, COAC's Trade Enforcement and Revenue Collection (TERC) Subcommittee developed a Statement of Work which outlines its focus for this term.

**Outline of Work**

It is expected that, during the lifespan of this Subcommittee, the focus will be on providing advice and recommendations that cover, but will not be limited to, the following areas: Intellectual Property Rights, Anti-Dumping and Countervailing Duties, Bonds and Regulatory Audit.

Each of these issues will be further refined and discussed in its Working Group that in turn will report back to the larger Subcommittee. These Working Groups will be supported by a broad range of stakeholders and the advice provided will incorporate the views and address the concerns of industries impacted by the projects.

**Summary of Work**

Since the initial launch of the TERC Subcommittee, four (4) Working Groups have been opened including a Regulatory Audit Working Group, an Intellectual Property Rights (IRP) Working Group, a Bond Working Group, and an Anti-Dumping/Countervailing Duty (AD/CVD) Working Group.

The TERC Subcommittee continues to conduct calls to discuss CBP's requirements under the Trade Facilitation and Trade Enforcement Act of 2015 (HR 644) and expects to formalize a Working Group in 2016, once the direction of this bill is better established and the Centers of Expertise and Excellence (CEEs) are fully operational to focus on Trade Enforcement.

### **Anti-Dumping/Countervailing Duty (AD/CVD) Working Group**

The AD/CVD Working Group (AD/CVD WG) consists of a wide range of stakeholders (importers, customs brokers, domestic industry, consultants, etc.) to act as a standing forum of subject matter experts that can be called together by CBP when any issue on AD/CVD matters arise to solicit feedback and advice from the trade.

The AD/CVD WG continues to host monthly calls to monitor the progress CBP continues to make on the four (4) recommendations made at the COAC public meeting held in February 2015. The overall goal of the AD/CVD WG is to maintain regular calls to discuss on-going challenges with AD/CVD matters and brainstorm new initiatives to help with enforcement and revenue collection.

The AD/CVD WG will also continue to have ongoing discussions on how CBP, the Department of Commerce (DOC) and trade can work together to implement more effective communication and education tools to improve enforcement and facilitate legitimate AD/CVD importations.

### **Bond Working Group**

Since the successful deployment of eBond in ACE on January 3, 2015, the Bond Working Group (BWG) has been on hiatus. However, a BWG will be established in January 2016, to consider the revisions to Bond Directive 3510-004 which contains monetary guidelines for setting bond amounts. The BWG will also consider the rewrite to 19CFR113, Drawback Bond Revisions, and/or additional topics that CBP may present to COAC for review.

### **Intellectual Property Rights Working Group**

During the 13<sup>th</sup> term of COAC, the Intellectual Property Rights Working Group (IPRWG) suggested that COAC explore whether an IPR Known Importer program would offer CBP better targeting, while providing facilitation benefits to the trade. During the 14<sup>th</sup> term of COAC, the IPRWG was once again established to discuss and explore this topic and formulate a recommendation for the viability of an IPR Known Importer program going forward. The IPRWG consists of a wide range of stakeholders (importers, customs brokers, carriers, consultants, etc.) and will begin bi-weekly discussions of this topic, as well as act as a standing forum of subject matter experts that can be called together by CBP when any IPR issues arise to solicit feedback and advice from the trade. The IPRWG held its first call in October 2015 and will be focusing on the following issues to make an impact during the 14<sup>th</sup> term:

- 1) Known Importer Program to offer CBP better targeting and facilitate processing. The IPRWG will evaluate the benefit of establishing such a program and incorporating into Trusted Trader status.
- 2) Notifications to Rights Holders that will include a review of the notification process and challenges being experienced by the trade.
- 3) Abandonment (Express) Pilot 1. Based on feedback from CBP on the pilot, the IPRWG will consider what suggestions might be given to move this out of pilot and expand the program.
- 4) Trade Survey. The IPRWG will look to add specific IPR related questions to the COAC Trade Survey.

### **Regulatory Audit Working Group**

At this time, the Regulatory Audit Working Group is on hiatus until such time as CBP presents the COAC with additional topics for review.

### **Summary**

It is expected that all of the Working Groups will continue to address new and carry over topics from the previous COAC term in its efforts to collaborate with CBP to improve enforcement of the trade laws of the United States and the collection of duties and fees.