

## **PUBLIC REPORT**

### **EXPORT MAPPING WORK GROUP**

Aug 6, 2013

#### **Background:**

The EMWG has met 15 times beginning March 25, 2013. Regular participants have included the agriculture sector, freight forwarders, brokers, and manufactures of high technology. Government participation has included Bureau of Industry and Standards (BIS), Census, and CBP representatives from Office of Field Operations (OFO), Office of Trade Relations (OTR) and Office of International Affairs (INA). Having established an avenue of communication, the group has been working to come to a better understanding of the business realities and capabilities from a comprehensive trade community perspective. Employing a direct approach to isolate discrete export processes and map the order of flows that lead to export trade decisions, the group considered a range of export processes that included modes of transportation, trade policies, regulations, compliance activities, licensing requirements and filing options. Over the course of the group's efforts, the EMWG constructed, presented, and discussed educational packages that include licensed and non-licensed commodities for air, land and sea manifests as well as pre- and post- departure export filing.

To complement the mapping exercise, the COAC Export Subcommittee employed export centric surveys to solicit feedback from trade industry entities regarding their current export operations, root causes of trade impediments and their impacts to customers and/or the supply chain.

#### **Overall CBP Message**

- The EMWG's work products, particularly the process map, and the recommendations have been helpful for CBP in understanding the nuances and technical details of the export industry and the challenges that exist.
- This has been particularly helpful in CBP efforts drafting a strategy on exports that will consider a range of issues to include advance electronic information; other government agency cooperation; harmonizing inbound processes with outbound; and considering the role of Customs-Trade Partnership against Terrorism (C-TPAT) export and Mutual Recognition Arrangements.
- We believe a strategy will be critical in ensuring CBP develops and implements outbound programs and processes that are focused with clear deliverables and milestones. Modernizing how the government regulates exports is a new and complex challenge involving a number of other U.S. government agencies. As such, a strong strategy to guide this process will be critical. Once CBP completes a draft strategy, CBP will engage the EMWG for input.
- CBP recognizes that many export processes have relevance to segments of the trade where only limited government interaction is needed. To that degree, CBP will seek to identify such opportunities and to proactively apply appropriate measure for timely resolution of those processes in support of a more efficient export environment.

## PUBLIC REPORT

- Beginning this bigger dialogue about CBP's export strategy with the EMWG may be a good first step before addressing specific export issues.
- Once the strategy is published, CBP may be in a better position to consider the EMWG's recommendations to establish additional working groups.

### **EMWG Recommendations and CBP Positions<sup>1</sup>**

#### **Recommendation 1:**

We recommend that CBP, in conjunction with COAC, develop a combined Government approach to risk, process, guidance and correction by establishing a One U.S. Government (USG) for Exports Work Group.

#### **CBP Position:**

- CBP realizes the value in developing an export related Master Principles document for a One USG at the Border and is supportive of this approach to the degree that the respective missions of the USG entities are not compromised.
- Creating the One USG document for exports may be an essential progression in aligning export principles to existing interagency exchanges that currently are taking place.
- CBP has a well-established record of working in alliance with OGAs to facilitate trade on behalf of more than 50 federal agencies at the border.
- Using interagency partnership arrangements such as the Exodus Command Center (ECC) and the recently established Export Enforcement Coordination Center (E2C2), CBP is using faster information exchange to facilitate exports.
- Export related coordination and cooperation principles will further encourage stakeholders to take into consideration the whole of government objectives and goals.

**Recommendation 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. Engaging government and trade expertise to focus directly on the process, prioritizing short-term and long-term, will begin to deliver a streamlined future process that considers business, trust, and risk.

#### **CBP Position:**

- CBP encourages cooperation to further clarify, consolidate, strengthen, and prioritize mutually agreed upon areas for improvement resulting from the mapping exercise.
- Designing a future export process will involve a variety of stakeholders that are affected by USG export processes, to include those responsible for imposing regulatory requirements such as global security elements of strategic trade controls to a trade industry that compel a quick, predictable and consistent export supply chain.
- The USG and trade industry should remain responsive to innovative opportunities by demonstrating a readiness to test new ideas where benefits may become more clearly defined through implementation.

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<sup>1</sup> Some of the recommendations were paraphrases for simplicity and brevity.

## PUBLIC REPORT

- To achieve greater government-to-government collaboration CBP and the industry must work together to identify entities within the international trade community to establish mutually beneficial arrangements with foreign partners.

### **Recommendation 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. Working together to resolve and develop requirements for visibility, amendments, and controls is integral to trade efficiency and compliance and will further implement desired elements associated with a One USG Export Master Principles vision.

#### **CBP Position:**

- CBP supports a collaborative approach to resolving and developing mutual requirements that are integral to trade efficiency and lead to a culture that facilitates a shared vision.
- Since some of the proposed solutions have equity with a single OGA, the USG encourages the trade to use their membership on OGA advisory committees or councils to deliberate on those discussions and where feasible, include CBP.
- Together, the USG can facilitate regulatory collaboration with export regulating agencies to advance the combined effects of U.S. Government to simplify export processes.
- While improvements may not negate regulatory requirements, using its interagency liaisons and networking, CBP can engage OGAs to ensure that enforcement and punitive actions are consistently and objectively applied.

**Recommendation 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.

#### **CBP Position:**

- CBP is currently developing training for delivery to the field in advance of deployment of reengineered AES and is also working with BIS and DDTC to develop enhanced training for CBP’s Outbound Enforcement Teams in preparation for upcoming national policy and regulatory changes. A combined USG/industry approach that leads to fully developed export solutions starts where there is direct influence on the process.
- To advance changes, CBP will share responsibility by continuing to collaborate with appropriate bodies that are recognized as jointly representing trade and government interests to isolate and reduce impediments that are contrary to and undermine the greater good of national export initiatives.