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COAC TRADE ENFORCEMENT AND REVENUE COLLECTION SUBCOMMITTEE

1. General description

a. **Objective/Goal of the subcommittee**

This Subcommittee aims to generate advice and develop recommendations that will improve enforcement of the trade laws of the United States and the collection of duties and fees.

b. **Where does it fit in our trade transformation strategy?**

IPR Working Group: Consistency & Harmonization, modernization, co-creation bi-directional education, partnerships

Regulatory Audit: Consistency & harmonization, modernization, co-creation, bi-directional education, partnerships

Bonds: Modernization, co-creation, bi-directional education

AD/CVD: Consistency & harmonization, modernization, co-creation, bi-directional education, partnerships

c. **Chair/Co-Chair Names**

The COAC Trade Co-Chairs are Karen Kenney, Chief Operating Officer for Liberty International, and Matt Fass, President of Maritime Products International. The government subcommittee Co-Chairs are Assistant Secretary Tim Skud from Treasury; CBP Executive Director (Trade) John Leonard and CBP Executive Director (Finance) Jaye Williams.

d. **Number of participants from COAC**

There are 6 COAC members in this subcommittee.

2. Workgroups under subcommittee

a. **Intellectual Property Rights (IPR)**

- i. **Goal:** To assess the feasibility of using the Global Shipment Identification Number (GSIN) as an indicator of IPR compliance of imported shipments.

1. **Update:** CBP provided a White Paper and a briefing on GS1 Standards and the GSIN concept to help with determining how this process might fit into different supply chains.
2. Working Group members have begun to map different supply chains by mode of transportation, industry, brand owners, and how they interact.

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3. CBP compiled a cost analysis based on information from GS1, since companies want to know what kind of financial investment they will have to make to use GSIN and what their return on investment will be. This Working Group is creating solid, practical documents that will lay the groundwork for being able to determine if the concept is viable.
4. The group has met 4 times since the May 22 COAC. The Subcommittee has met 6 times.

b. Regulatory Audit Working Group (RAWG)

- i. **Goal:** To provide feedback on CBP Regulatory Audit's white paper regarding enhancements to the Focused Assessment Audit Program and various excerpts of CBP internal technical guidance.

1. Update:

- a. The working group has met the goal of providing initial feedback to CBP on the proposed enhancements to the Focused Assessment Audit Program. Since CBP Regulatory Audit is still working on the enhancements for the Focused Assessment initiative, the COAC trade working group prefers to defer making formal recommendations until presented with "final drafts" of the Regulatory Audit White Paper and excerpts of the Technical Guide by CBP. The trade and CBP have proposed to suspend work after the August 7th public meeting and wait for Regulatory Audit to use the trade's feedback provided thus far and provide a final draft document that the working group could then use to provide more formal recommendations (likely at the first COAC public meeting in 2015).
- b. The working group met four times since the May 22 COAC meeting. The subcommittee will have met 6 times as of August 7th.
- c. The working group provided feedback to CBP Regulatory Audit in several areas related to the Focused Assessment Audit Program and it is anticipated that later this term will have formal recommendations regarding the following areas:
 - i. CBP Regulatory Audit's tailored approach to Focused Assessments.
 - ii. CBP' internal and external Technical guidance, reference materials and training.
 - iii. Written Internal Controls that some companies may use for self-compliance.

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- iv. Testing, Sampling Sizes, Value, General Ledger Trial Balance, and calculating loss of revenue, and self-testing.

c. Bonds Working Group

- i. **Goal:** This Working Group seeks COAC feedback on centralizing Single Transaction Bonds.

1. Update:

- a. The Bonds Working Group members have been selected and the Working Group will become active after the August 7 COAC meeting. The first issue the Group will consider is centralizing Single Transaction Bonds.

d. Anti-dumping and Countervailing Duties Working Group

- i. **Goal:** This Working Group is still determining the exact task it will undertake, but one idea is the possibility of compiling compliance best practices and developing government-trade training on AD/CVD regulations.

- a. This group has not been formally stood up, but during this period, it took informal polls of industry to answer the question of why more AD/CVD filings are not being done in ACE. Two answers emerged: software and the requirement of additional data elements.
- b. AD/CVD is also the subject of three questions on the Trade Efficiency Survey and members have provided expertise and guidance.
- c. CBP and Trade leads are now determining an achievable tasking for the Working Group and the Working Group will formally be stood up to address that tasking after the August 7, 2013, meeting.

3. Highlights

Accomplishments

- a. IPR Working Group members were briefed on the GS1 Standards and the “Global Shipment Identification Number” (GSIN) concept, and have begun to map out different supply chains by mode of transportation, industry, and brand owner.
- b. The IPR Working Group has added a representative of the postal/packaging environment to the group to help us determine how GSIN would work in this supply chain.
- c. The Regulatory Audit Working Group provided useful feedback in several key areas the Focused Assessment

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Enhancement process and that feedback in being incorporated into the next drafts.

- d. The Bonds Working Group members have been selected and the group will begin work on the question of centralizing Single Transaction Bonds after August 7, 2013.
- e. The AD/CVD Working Group informally conducted a survey to determine why more AD/CVD filings were done in ACE. They found two reasons: 1) software and 2) additional data elements.