

**The Advisory Committee on Commercial Operations
of Customs and Border Protection (COAC)
Comments from the
Trade Enforcement and Revenue Collection Subcommittee
May, 2013**

Background

At the March 6, 2013, meeting of the 13th 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 12th 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 covers, 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, two formal Working Groups have been opened including a Regulatory Audit Working Group and an Intellectual Property Rights Working Group.

Regulatory Audit Working Group

The Regulatory Audit Working Group (RAWG) has begun to actively discuss CBP's proposed enhancements to the Focused Assessment program. Our first call included a briefing on the topic from CBP, a sharing of information and ideas regarding the current process and a review of potential deliverables from our future discussions.

The RAWG will hold bi-weekly meetings to continue discussion on this initiative with a goal of delivering advice to CBP through the TERC at our August public meeting.

Intellectual Property Rights Working Group

The Intellectual Property Rights Working Group (IPRWG) has continued the work of the previous COAC's IPR Subcommittee specifically in the area of Distribution Chain Management as a tool to better segment risk. Currently, the IPRWG is assessing the feasibility of using GS1 standards (specifically GSIN) as an indicator of IPR compliance of imported shipments. Our first call included a briefing on the topic and a discussion of the current uses of GS1, the trade's familiarity with GS1 standards and its application as a potential shipment level identifier/shipment level authentication tool.

The IPRWG will hold bi-weekly meetings to continue discussion on this topic with a goal of delivering advice to CBP through the TERC at our August public meeting. CBP is developing a concept document that the IPRWG will use to help drive discussion to determine whether GS1 is a feasible option that can be used to help CBP identify and segment low risk shipments.

AD/CVD Summary of Work

While an official working group has not yet been formalized, the TERC's Trade Co-Chairs with the assistance of several members of the full COAC have delivered informal feedback at CBP's request regarding the trade's use of ACE for the filing of type 03 entries. This informal polling data has been provided to help CBP determine focus areas that need to be addressed in order to achieve its goal of advancing the use of ACE for type 03 entry filing.

It is expected that the TERC may formalize an AD/CVD Working Group before the August public meeting after determining the next focus area for CBP and the trade.

Bonds Summary of Work

Discussions are currently under way to formalize a Bond Working Group (BWG) and to determine its agenda and goals. The BWG will report its progress at the August public meeting.

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.

Respectfully submitted:

Karen Kenney

Matt Fass

Trade Co-chairs