

13th TERM ADVISORY COMMITTEE ON COMMERCIAL OPERATIONS OF CUSTOMS AND BORDER PROTECTION (COAC)

TRADE MODERNIZATION SUBCOMMITTEE UPDATE

May 22, 2013

The Trade Modernization Subcommittee advises the COAC on matters related to the strategic modernization of U.S. Customs and Border Protection's (CBP) operational and automated support systems.

Automated Commercial Environment (ACE)

The COAC Trade Modernization Subcommittee established an ACE Working Group in the first quarter of 2013. Using the survey developed by the 12th COAC, the Working Group conducted an ACE software vendor survey in April 2013. The purpose of the survey was to assess how the software vendor community is using ACE and areas for improvement. Between 16 and 46 software vendors responded to each question.

The results of the software vendor survey have provided CBP with valuable input including software vendor awareness of ACE development, programming times and priority capabilities. CBP is using this input for the ACE stakeholder communications strategy and the plans to onboard industry stakeholders to ACE. In addition, the results of the survey have provided CBP with useful information in advance of the May 21, 2013 ACE software vendor conference sponsored by the National Customs and Brokers Association of America.

Centers of Excellence and Expertise (CEE/Centers)

Centers are the product of continuing collaboration and cooperation between CBP and the trade community. Each Center has an Industry Working Group that is comprised of key industry stakeholders that provide critical feedback on the operations of the Center, and pursue opportunities for bi-directional education.

On April 15, 2013, CBP opened three new Centers:

- Base Metals, Chicago, Illinois;
- Industrial and Manufacturing Materials, Buffalo, New York; and
- Machinery, Laredo, Texas.

In June 2013, the three remaining Centers will open:

- Agriculture and Prepared Products, Miami, Florida;
- Apparel, Footwear and Textiles, San Francisco, California, and
- Consumer Products and Mass Merchandising, Atlanta, Georgia.

CBP published a test notice in the *Federal Register* on April 4, 2013. The test notice seeks volunteers from the importing community to participate in the six new Centers.

In March 2013, CBP conducted a customer satisfaction survey for the Centers. The survey provided useful feedback from the broader trade community and elicited improvement recommendations from current and future Center participants. On May 7, 2013 CBP provided an

overview of the initial results of the survey to the Trade Modernization Subcommittee. The results were favorable to the Centers, which received a “very satisfied” rating from 74% of the respondents, with 96% of respondents reporting that their issues were resolved by contacting the Center. A more detailed analysis of the survey results by industry sector is underway. CBP will share the more detailed analysis with the subcommittee and seek their input and recommendations for improving the Centers.

Role of the Broker

The Trade Modernization Subcommittee was briefed on April 16, 2013 on the Role of the Broker regulatory overhaul of 19 CFR Part 111. The briefing focused on the framework for continuing education for licensed customs brokers. The Role of the Broker Working Group was tasked with two deliverables:

1. Develop criteria for education accreditation; and
2. Compile lists of local activities that would provide brokers a continuing education opportunity.

There are three key elements of this trade transformation initiative remaining:

1. Overhaul of the regulations contained in 19 CFR Part 111;
2. Pre-certify qualified brokers to assess clients’ readiness and eligibility to participate in CBP’s Importers Self-Assessment program; and
3. Continue to define and develop the role of the broker in the CEEs.

Two key elements of this trade transformation initiative were completed in 2012:

1. Automation of the broker exam; and
2. Transformation of the broker licensing process to incorporate a more efficient background investigation process and automate application and payment processes.

CBP will formulate policy decisions and draft regulatory alternatives. CBP will be working both internally and externally to answer:

- Does CBP need to seek statutory changes?
- What should be regulatory?
- What should be in the guidance?
- How does CBP acknowledge and reward the best practices of our highly compliant licensed customs brokers?

CBP fully supports a continuing education requirement that is provided for in regulation. The broker community, however, is divided on whether or not a continuing education should be a regulatory requirement.

If continuing education is mandated, the following are of primary importance to the brokers: no-cost and low-cost education options; availability of online courses; and credit for activities such as participation in the CBP Trade Symposium, the National Customs Brokers & Forwarders Association of America, Inc. National Meeting, or local port meetings. CBP is in strong agreement with the trade on the above preferences.