

**Commercial Customs Operations Advisory Committee
Government Issue Paper
Secure Trade Lanes Subcommittee
FTZ/Warehouse Working Group**

June 2024



**U.S. Customs and
Border Protection**

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Cargo Conveyance and Security/Office of Field Operations
Secure Trade Lanes Subcommittee
FTZ/Warehouse Working Group
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Action Required: Informational

Background:

- Since 2017, U.S. Customs and Border Protection (CBP) has worked closely with the trade community on ways to address the regulatory and process challenges of foreign trade zones (FTZs) and Customs Bonded Warehouses.
- The working group will have the ability to make recommendations to CBP for public consideration and deliberation through the full membership of Commercial Customs Operations Advisory Committee (COAC).
- Previous COAC recommendations and the draft regulatory package, Title 19, Part 146 will be updated to align with enhancements to the electronic environment.
- Participants have signed Non-disclosure Agreements; responses from prospective participants were enthusiastic.

Issue:

- To address the challenges the agency continues to face with FTZs and bonded warehouses, CBP has formed the FTZ/Warehouse Working Group under the COAC Secure Trade Lanes Subcommittee.
- The purpose of this working group is to identify pain points in current processes.
 - Enhancing current ACE functionality to streamline processes for FTZs while maintaining CBP oversight and enforcement capabilities for forced labor/UFLPA, AD/CVD, sanctions, and trade remedies.
- Opportunities for modernization of operations and Title 19, Part 19, Bonded Warehouses, Customs Warehouses, Container Stations, and control of merchandise therein.
- Development of a User Interface for warehouses in the vessel environment.

Current Status:

Three meetings have been completed. The conversation has been robust and productive.

Next Steps:

- Increase the cadence of monthly meetings to biweekly for the duration of the working group.
- The working group shall advise CBP through the COAC Secure Trade Lines Subcommittee of any advice or recommendations related to foreign trade zones and warehouse procedures, enforcement, and facilitation matters.
- Subjects for discussion may include:
 - Focusing on the CTPAT and FTZ universe (expanding CTPAT).
 - Identifying opportunities to align with CBP's Green Trade strategy.

- Creating benefits and incentives to promote environmentally friendly trade practices and supply chains.
- Enhancing CBP's enforcement posture of environmental laws and regulations.
- Quantifying greenhouse gas emissions and other possible green practices for active FTZ petroleum refineries.
- Uncovering innovative methods of reuse for good rather than destruction of goods when legally feasible.
- Enhancing current ACE functionality to streamline processes for FTZs while maintaining CBP oversight and enforcement capabilities for forced labor/UFLPA, AD/CVD, sanctions, and trade remedies.
- Opportunities for warehouse modernization to include a trade-facing user interface for warehouses.

Submitted by: Lydia Jackson, Office of Field Operations

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