

**Commercial Customs Operations Advisory Committee
Next Generation Facilitation Subcommittee
Executive Summary**

December 2024

COAC

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

**Commercial Customs Operations Advisory Committee (COAC)
September 2024**

**Report of the Work of the COAC
Subcommittee on Next Generation Facilitation**

Co-Chairs

Tom Gould – Flexport
Kerry Novak – Emerson Electric Co.

Next Generation Facilitation Subcommittee Members:

Brian Barber, Angela Cook, Dave Corn, Mary Hodges, Julie Pojar, Cynthia Roller, Craig Seelig, Stephen Simmons, Travis Skinner, Matt Zehner

Background:

Background information on the subcommittee, including its overall focus.

The following working groups make up the Next Generation Facilitation Subcommittee:

- 1) Automated Commercial Environment 2.0 (ACE 2.0-WG) chaired by Tom Gould
- 2) Broker Modernization Working Group (BMWG), chaired by Brian Barber
- 3) Customs Interagency Industry Working Group (CIIWG), chaired by Craig Seelig
- 4) Modernization of Entry Processes Working Group (MEPWG), co-chaired by Brian Barber and Angela Cook
- 5) Passenger Air Operations Working Group (PAOWG), chaired by Matt Zehner

All subcommittee objectives and scope are consistent with the official charter of COAC.

Summary of Work

The Next Generation Facilitation Subcommittee has the responsibility of looking at opportunities to enhance the trade and government processes, policies, and programs, enabling the trade and CBP to be better positioned for the future. The subcommittee currently consists of five active working groups. The subcommittee will leverage its active working groups and trade stakeholders to provide feedback on the various challenges facing CBP and the trade and collaborate to help CBP achieve its dual goal of trade facilitation and enforcement.

The Next Generation working groups will have no recommendations at the December 11th public meeting.

ACE 2.0:

The ACE 2.0 Working Group advises CBP with insight on how ACE 2.0 can better facilitate the entry process by identifying gaps covering entry, manifest, security, Import Security Filing (ISF), Air Cargo Advance Screening (ACAS), post entry, audit and export by ensuring collection of the

best and most reliable data; enabling risk management and cargo decisions further in advance of cargo arrival; harmonizing procedures to enhance predictability and reduce friction for trade and government stakeholders; and utilizing the full potential of automation to scale critical operations. The objectives of the working group are to recommend an operational framework for an improved ACE 2.0 Customs process; Move data collections further in advance of cargo arrival and/or departure; and identify areas in the Customs process that will benefit from automations and modernization.

The ACE 2.0 Working Group met in October and November and will meet again in December for a total of three meetings this quarter. The November meeting was a single-issue call where the working group discussed CBP's proposal for an ACE portal for small importers. During this quarter's meetings we discussed and provided feedback on previous COAC recommendations and reviewed outstanding Concept of Operations scenarios for the Electronic Export Manifest and the Portal for Infrequent Importers.

The ACE 2.0 Working Group has no recommendations to submit for the December 11th Public meeting.

Customs Interagency Industry (CII):

The CII working group met just once this past quarter due to some scheduling conflicts with various trade shows. In that meeting we heard from the EPA on some modernization efforts and also discussed some ACE messaging concerns. We received an update on the ACE modernization efforts and expressed our desire to be active participants in the process. Finally, we discussed some issues regarding a false warning message being issued from the APHIS Core message set.

The Customs Interagency Industry Working Group has no recommendations to submit for the December 11th Public meeting.

Passenger Air Operations:

The Passenger Air Operations (PAO) Working Group was formed for industry to have the opportunity to identify modernized passenger processing rules and regulations, streamline the passenger experience at U.S. ports of entry, and identify challenges that impact operations.

At the last Public Meeting, the PAO Working Group was placed on hiatus. After that, trade and CBP leaders of the Working Group are considering whether or not to reactivate its status to consider discussion and potential recommendations related to procedures for the entry of merchandise in the name of a legal entity (e.g., corporation, LLC, partnership) that accompanies that entity's employee or agent who arrives by air.

The Passenger Air Operations Working Group has no recommendations to submit for the December 11th public meeting.

Modernization of Entry Process:

As part of the COAC's work under the 21st Century Customs Framework during the 16th term, The Next Generation Facilitation subcommittee has gained the Modernization of Entry Processes Working Group (MEPWG).

The MEPWG met two (2) times this quarter with discussions focusing on the Reconciliation test program. The group has spent considerable time discussing current Reconciliation protocols and desired future state enhancements to the program. As an initial step, the working group has detailed an extensive list of trade concerns and requests to be considered, as the program regulations are drafted.

The MEPWG has no recommendations to be submitted during the December 11th public meeting.

Broker Modernization:

Under the 17th term, COAC moved the Broker Modernization Working Group (BMWG) from the Rapid Response Subcommittee to the Next Generation Facilitation Subcommittee. BMWG met two (2) times this quarter and continued discussions regarding upcoming requirements and implementation of Continuing Education for Licensed Customs Brokers. CBP announced in the Federal Register that customs brokers can soon begin earning credits effective January 1, 2025. That was published as 89 FR 87387 on November 1, 2024.

Additionally, BMWG spent time discussing the CBLE, both in status of submitted recommendations and preparation and administration of the October 23, 2024, examination.

The BMWG has no recommendations to be submitted during the December 11th public meeting.