

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

December 2024



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

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**Cargo Security and Controls/Office of Field Operations
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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 the Commercial Customs Operations Advisory Committee (COAC).
- Previous COAC recommendations and the draft regulatory package, Title 19, Part 146 will be revisited and updated as appropriate to align with enhancements to the electronic environment.
- All participants have signed Non-disclosure Agreements.

Issue:

- To address the challenges the agency continues to face with FTZs and bonded warehouses, CBP has formed the COAC FTZ/Warehouse Working Group which also provides an opportunity to seek the advice of the Trade on initiatives impacting CBP relative to FTZs and warehouses.
- The working group has identified the need to enhance current Automated Commercial Environment (ACE) functionality to streamline processes for FTZs.
- Focusing on expanding the Customs Trade Partnership Against Terrorism (CTPAT) program to include FTZs.
- 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:

- The initial kick off meeting was held on February 29, 2024, with a planned monthly cadence.
 - The cadence has since increased to bi-weekly with the conversations remaining robust and productive.

Next Steps:

- The working group shall advise CBP through COAC of any advice or recommendations related to FTZs 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 and supply chain practices.
 - 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 goods 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/Uyghur Forced Labor Prevention Act (UFLPA), Antidumping/Countervailing Duties (AD/CVD), sanctions, and trade remedies.
- Opportunities for warehouse modernization to include a trade-facing user interface for warehouses.

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