

# Commercial Customs Operations Advisory Committee (COAC) (Global Supply Chain Sub-Committee, Pipeline Working Group)

February 2018



U.S. Customs and  
Border Protection

Office of Field Operations, Cargo and Conveyance Security  
Global Supply Chain Sub-Committee, Pipeline Working Group  
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**Action Required:**

- Informational Only

**Background:**

- CBP has collaborated with pipeline industry stakeholders at the national level for several years to address the pipeline industry's concerns over a lack of consistency in reporting requirements for pipeline crude oil and natural gas pipeline importations, movements, and processing procedures;
- An internal working group was established made up of various CBP components to identify a framework for the development of regulations, national policy and automation to address pipeline uniformity issues for pipeline shipments.
- The framework was established based on CBP business practices and regulations for other modes of transportation to facilitate training, processes and automation development.
- In addition to the normally scheduled working group calls, CBP hosted a face-to-face meeting of the group in Washington DC on June 15-16, 2017.
  - CBP discussed different models that could be applied to pipeline importations that would provide a Bill of Lading number for carrier identification, a bond to cover movement without entry and a link to entries, FTZ admissions and exports to provide CBP system automated traceability and auditing enhancement.
  - The models discussed included a bonded warehouse model and an in-bond model.
  - After discussion, the working group is moving to create a pilot/test utilizing automated in-bond generation.
- The working group has agreed to a test of the functionality in principle and is working to establish a walkthrough of test functionality with CBP and trade participants. The walkthrough will help establish automated procedures, test messaging, timeframes, and refine SOPs needed for a pilot process.
- CBP has agreed that OFO will establish single points of contact for participants regardless of crossing location to enhance standardization and facilitation. This is not using the Center for port business but establishing a parallel process for this limited exception where CBP is not usually physically present to observe or control the physical movement of these shipments over several days/weeks.

**Issue:**

- CBP acknowledges the contributions of the COAC working group leads Lisa Gelsomino and Adam Salerno. Additionally, acknowledge the dedicated work and partnership efforts of the petroleum industry representatives from both the pipeline and importer side as well as the American Petroleum Institute.
- By utilizing both operational and center Subject Matter Experts and a varied group of industry experts, this workgroup has established that by leveraging existing processes and reimagining their utilization, new processes can be efficiently and inexpensively developed and implemented.

- The work of this group has advanced the efforts to automate all aspects of CBP work and will contribute to the goal of account based processing with improved risk management through CBP auditability of process for low risk, high value industries like petroleum.

**Next Steps:**

- Complete walkthrough and proof of concept, currently scheduled for March 2018 and establish pipeline in-bond pilot.
- Identify regulatory changes through the pilot and work towards crafting the appropriate regulations.

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