

**Commercial Customs Operations Advisory
Committee (COAC)
Secure Trade Lanes Subcommittee**

June 23, 2021

COAC

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

**Commercial Customs Operations Advisory Committee (COAC)
June 23, 2021**

**Report of the Work of the COAC
Secure Trade Lanes Subcommittee**

**Subcommittee Trade Co-Chairs
Alexandra Latham – Costco Wholesale Corporation
Mike Young – OOCL (USA), Inc.
Jose Gonzalez – JD Gonzalez Customs Broker**

Secure Trade Lanes Subcommittee Members:

Heidi Bray, Erika Faulkenberry, Jody Swentik, Kate Weiner, Brian White, Mike White.

Background

During the quarterly meeting of the 15th Term of COAC held on October 3, 2018, CBP announced the restructuring of the COAC Subcommittees and underlying working groups to align with CBP's Trade Strategy 2020. This strategy focuses on four areas aimed at modernizing import/export processes, improving trade intelligence, and maximizing efficiencies. These areas are to enhance trusted trader, manage imports and exports through the 1USG single window, deploy authentication technologies to reduce supply chain barriers, and ensure e-commerce shipments are secure.

Under the Secure Trade Lanes (STL) subcommittee, the following active working groups are in place:

- In-Bond Working Group, co-chaired by Director James Swanson, Mike Young and Jose Gonzalez.
- Trusted Trader Working Group co-chaired by Director Manuel Garza, Alexandra Latham and Erika Faulkenberry.
- Export Modernization Working Group co-chaired by Director James Swanson, Kate Weiner and Brenda Barnes
- Remote and Autonomous Cargo Processing Working Group co-chaired by Director Daniel Randall, Heidi Bray and Jody Swentik

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

Summary of Work

Since the last COAC meeting on March 17, 2021 the STL Subcommittee has held one (1) conference call to review the activity of the active working groups as outlined below.

In-Bond Work Group

Since the March 17th COAC public meeting, the In-Bond Working Group has held five (5) full working group conference calls, and one Subcommittee call. The discussions continued to focus on improving visibility, automation and regulatory reform as well as addressing future In-Bond processes and key regulatory reform issues, under the 21st Century. These had all been identified and documented in the white paper with the objective towards generating potential solutions and efficiencies identified by each of the “modes” on the specific trade pain points.

The COAC WG continues to review the Federal Regulations (CFR) to streamline and improve the requirements within specific sections of the regulation and consolidate the In- Bond regulations within one section of the regs. In Addition, and in coordination with the TSN WG, we are detailing and drafting Requests for Development (RFDs) to identify changes to support the technical recommendations from the COAC White paper to ensure requirements within the recommendations are clear to support effective solutions on moving cargo under bond.

Trusted Trader Work Group

Since the last COAC meeting on March 17, 2021, the Trusted Trader Working Group (TTWG) has held four (4) conference calls and one (1) leadership call. The working group reviewed a new iteration of the Trusted Trader Forced Labor White Paper and provided additional input and feedback on the program requirements, potential benefits, and implementation. Additionally, the working group received updates from CBP on the status of previously prioritized new benefits for potential implementation, the release and actions from the University of Houston study, and next steps for the Trusted Trader Pilot and the implementation of the CTPAT Trade Compliance program for new members.

Export Modernization Work Group

Since the last public COAC meeting, the Export Modernization Work Group (EMWG) has met five (5) times as a working group to discuss the draft EMWG white paper on export modernization first mentioned during the October 2020 COAC. For the June 2021 COAC meeting, we are submitting the white paper entitled, “*Export Operations for the 21st Century (version 1 – June 23, 2021)*” in its entirety, including appendices, which outlines details and processes. The intent of this white paper is to lay out a strategy and roadmap for the next phase of the export process. This white paper incorporates the findings and recommendations from the export working groups of COAC 13, 14, and 15. It will demonstrate where data actually originates, who “owns” that data, who needs it, and how it should be used for export enforcement and statistics. The white paper also demonstrates how both the trade community, and the federal government will benefit in process efficiency for all modes of transportation for legitimate trade. It is meant to be a living document which will evolve as processes and needs change. It is also a shining example of great work in collaboration between trade and CBP, the Census Bureau and BIS. In conjunction with this white paper, the EMWG is making recommendations that are a direct result of the work that went into the white paper.

Remote & Autonomous Cargo Processing Working Group

Since the last COAC meeting in March, 2021 the Remote and Autonomous Cargo Processing Working Group continued to meet bi-weekly and has submitted a White Paper to document the progress the working group has made. The White Paper dives into the various modes of transportation and the impact that remote and autonomous conveyances would have on cargo processing. It is supported by input from industry experts and identifies several challenges and opportunities to building efficiencies while maintaining security and ultimately cost saving to both traders and U.S. Customs and Border Protection.

Conclusion

Going forward, the STL Subcommittee plans to focus in the following areas.

In-Bond Work Group

The IB working group will continue to focus on addressing areas to improve visibility, automation and regulatory reform, as well as addressing future In-Bond processes and strategy. The primary areas to be addressed include:

- Key regulatory reform issues identified and documented in the white paper toward generating potential solutions and efficiencies, as well as identifying anomalies within the regulations to create updated and streamlined regs to support the intended changes.
- Coordinate with the TSN WG on the technical solutions and ensure the recommendations are clear in the TSN white paper to support effective solutions. Some of the COAC WG members will also be members of the TSN WG to help facilitate the technical solutions.

Trusted Trader Work Group

Consistent with the Statement of Work and the identified priorities for the, the TTWG will continue to focus on the following objectives:

- Provide input on the CTPAT study project planned with the University of Houston.
- Collaborating with the 1 USG WG to provide input on the development of a Trusted Trader PGA pilot and future program.
- Continued development of the enhanced Trusted Trader program

Export Modernization Work Group

The EMWG will continue to work with CBP, the Census Bureau and BIS in executing on the recommendations of the White Paper and its subsequent incorporation into the 21st Century Customs Framework. Additionally, the 15th COAC was unable to tackle truck manifest and subsequent reporting modernization. A priority of the next COAC needs to be addressing the needs of the trucking industry and modernizing their processes through the progression of the electronic export manifest.

Remote and Autonomous Cargo Processing Working Group

The RACP WG is focused on four modes of transportation that include, trucks, air, ships and trains with the goal of establishing a clear vision of autonomous conveyance in each environment

and speculate how customs operations should be built to afford efficiencies both to traders and to the U.S. government by addressing the following:

- Define key categories of autonomous technologies for each environment.
- Identify which phases of the entry and conveyance process are most/least adaptable to automation.
- Define which Trade and CBP processes need to adapt to facilitate implementation of autonomous conveyance technologies; and
- Provide a set of recommendations to CBP regarding the costs, benefits, and risks associated with implementation of autonomous technologies as it pertains to entry and conveyance processes.