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COMMERCIAL CUSTOMS OPERATIONS ADVISORY COMMITTEE

(COAC)

U.S. CUSTOMS AND BORDER PROTECTIONS (CBP)

QUARTERLY PUBLIC MEETING

WEDNESDAY, JUNE 29, 2022

1:00 P.M.

REPORTED BY: ASHLEIGH SIMMONS, CER

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1 WHEREUPON:

2 THE MODERATOR: Ladies and gentlemen,
3 thank you for standing by, and welcome to the
4 quarterly Commercial Customs Operations Advisory
5 Committee public meeting. At this time all
6 participants are in listen-only mode. Later we
7 will have a question and answer and comment
8 session. Instructions to queue you up will be
9 given at that time. Should you require operator
10 assistance during the call, please press star zero
11 on your phone's keypad. As a reminder, this call
12 is being recorded.

13 I'd now like to turn the conference call
14 over to your host Deputy Executive Director for
15 the Office of Trade Relations Valerie Neuhart.

16 Please go ahead.

17 MS. NEUHART: Thank you, John. John's our
18 moderator, and we're happy he can join us today.
19 Thank you to all of our virtual attendees, and
20 welcome to our second COAC public meeting of the
21 16th term. As John mentioned, I'm Valerie
22 Neuhart, and we are very fortunate to host our

1 COAC members here on site at CBP's Advanced
2 Training Center in Harpers Ferry, Virginia. West
3 Virginia. Excuse me. I'm getting my Virginias
4 mixed up. Long day.

5 In any case, I do want to take a few
6 moments to recognize some key CBP employees that
7 led the effort towards successfully hosting here
8 at the training center, and I will start with
9 Director Otero (phonetic). Thank you. Deputy
10 Director Van Horn, Assistant Director George
11 Butler, Kira Rogers (phonetic), Pamela Pitcher
12 (phonetic), John Weiser (phonetic), Jason
13 Weiser -- forgive me -- Karen Blasius (phonetic),
14 Corey Brown, Chris Hildreth (phonetic), Chief Anna
15 Amant (phonetic), Darren Steel (phonetic), Elmer
16 Tonglen (phonetic), Cindy Sizemore (phonetic),
17 Nancy Gaul (phonetic), Blake West (phonetic),
18 Maria Rollman (phonetic), Matt Grunwald
19 (phonetic), Frank Gibbons (Phonetic), and, of
20 course, our Office of Trade Relations team and
21 staff. And without all of these folks
22 participating, we would not be in the position we

1 are today to host our meeting here at the Training
2 Center.

3 So I do want to remind everyone attending
4 that our COAC team is here in the room with our
5 CBP leadership team. We will be going through our
6 course of presentation, status reports and
7 recommendations that we'll be submitting, but we
8 will also have public comment periods, and we
9 encourage you all to submit your public comments.
10 At any point in time, we can queue up those
11 comments and access them, and we will do so during
12 the designated comment period, so please do so.
13 You can submit those in the chat box, and we will
14 pull them from there.

15 I would also like to introduce to you --
16 with great pleasure, I want to introduce to you
17 our new Office of Trade Relations Executive
18 Director. She is here with our COAC members in
19 the first public meeting that she is attending, so
20 we're looking forward to many more. And I will
21 turn it over to our new Executive Director,
22 Felicia Pullam.

1 MS. PULLAM: Hi. Thank you very much and
2 thank you to everybody today. Also thank you for
3 your patience. This is only the start of my
4 second week. I started last Tuesday, and I am so
5 excited to be here.

6 You know, I started my career in China
7 where I worked for an American company, and a
8 large part of my focus was corporate
9 responsibility and supply chain issues, which
10 included consumer safety, environmental impact,
11 and labor standards. So, as you can imagine, this
12 is a really exciting time to join the team here.

13 Since I returned home to the US in 2009,
14 I've had the opportunity to work on trade from
15 both the state and federal perspective. Now, at
16 the state level, we work a lot with small
17 businesses to help them understand the resources
18 at the federal level. And I was always just so
19 pleased by the type of service that we got from
20 the CBP team there. And I also came to understand
21 the important role that brokers play, you know,
22 especially helping small businesses navigate the

1 system. And we saw firsthand the economic impact
2 of our ports, and the role of the Trade, and the
3 role of CBP in that. So thank you for all of
4 that.

5 And then, you know, at the federal level,
6 I worked during the Obama administration at the US
7 Department of Commerce. So even though I was just
8 across the street from CBP in the Reagan Building,
9 I still get lost there sometimes. But I was able
10 to learn a lot from that perspective. And I'm
11 looking forward to learning from you and learning
12 even more over here.

13 So thank you very much.

14 MS. NEUHART: All right, thank you Ex-D
15 Pullam.

16 Now at this point in time, we would like
17 to begin our COAC public meeting with a roll call.
18 So if our COAC members can prepare by indicating
19 your presence. Brian Barber?

20 MR. BARBER: Present.

21 MS. NEUHART: Thank you. Barry Baxter?

22 MR. BAXTER: Present.

1 MS. NEUHART: Thank you. Angela Cook?

2 MS. COOK: Present.

3 MS. NEUHART: John Drake?

4 MR. DRAKE: Present.

5 MS. NEUHART: Jose D. Gonzalez?

6 MR. GONZALEZ: Present.

7 MS. NEUHART: Thank you, JD. Tom?

8 MR. GOULD: Present.

9 MS. NEUHART: Gould. Sorry.

10 Mary Hodges?

11 MS. HODGES: Present.

12 MS. NEUHART: Vincente Herrera Gonzalez.

13 MR. GONZALEZ: Present.

14 MS. NEUHART: And Ms. Heather Litman?

15 MS. LITMAN: Present on the phone.

16 MS. NEUHART: Thank you, ma'am.

17 Kerry Novak?

18 MS. NOVAK: Present.

19 MS. NEUHART: Julie Pojar?

20 MS. POJAR: Present.

21 MS. NEUHART: Cynthia Roller.

22 MS. ROLLER: Present on the phone.

1 MS. NEUHART: Thank you, ma'am.

2 Craig Seelig?

3 MR. SEELIG: Present.

4 MS. NEUHART: Steve Simmons?

5 MR. SIMMONS: Present.

6 MS. NEUHART: Travis Skinner?

7 MR. SKINNER: Present.

8 MS. NEUHART: Michael Slonim? Michael

9 Slonim will not be joining us today.

10 Amy Smith?

11 MS. SMITH: Present.

12 MS. NEUHART: Jody Swentik?

13 MS. SWENTIK: Present.

14 MS. NEUHART: John Van Wallaghen?

15 MR. VAN WALLAGHEN: Present

16 MS. NEUHART: Erika Vidal-Faulkenberry

17 will not be joining us this afternoon.

18 Brian White?

19 MR. WHITE: Present.

20 MS. NEUHART: Kathy Wilkins?

21 MS. WILKINS: Present.

22 MS. NEUHART: And Matt Zehner?

1 MR. ZEHNER: Present.

2 MS. NEUHART: Thank you.

3 All right. Thank you very much. At this
4 time I would like to introduce to you our Customs
5 and Border Protection Commissioner Chris Magnus.

6 MR. MAGNUS: Well, thank you very much,
7 Val. I'm happy to see so many people here at our
8 meeting. I know we have a lot of people online as
9 well, so it seems like great representation, and
10 that's very important. As you know, this is my
11 second COAC meeting, so I'm two for two so far.
12 But at least at this point I'm actually starting
13 really to learn a little bit more, including how
14 terrific our team is that I'm fortunate enough to
15 work with. Really excellent, and I'm really
16 fortunate. So I know this is our second meeting
17 that has this hybrid format, and I think, as I
18 said, we've got a great group of people here at
19 Harpers Ferry. And then we have a number of other
20 public federal government officials, other CBP
21 officials all joining us online, so that's good.

22 I keep hoping that we're going to get to a

1 place where we're all here in person, and I think
2 we're finally coming out of COVID. I had my own
3 little bout with Omicron, despite three vaccines,
4 but I think we're getting near the end, and so I
5 look forward to seeing everybody.

6 We are, of course, in the 16th term, so
7 second official meeting of the 16th COAC term.
8 That's terrific. I mentioned how pleased I am to
9 work with such terrific people, so I want to
10 acknowledge -- I'll start here with the EAC
11 AnnMarie Highsmith, obviously from our Office of
12 Trade. I think you all know AnnMarie. And I know
13 you know Pete Flores who is our Executive
14 Assistant Commissioner for the Office of Field
15 Operations. So I'm -- of course, Val, we've gone
16 through this process down here, but I am very
17 grateful to be able to convene this meeting and
18 continue what I think is one of the most important
19 things we can do, which is to build these
20 relationships with the Trade community to improve
21 how we do enforcement, but, even more importantly,
22 facilitation.

1 Let me go right into things with a few
2 trade updates, and I'm going to start with the
3 21st Century Customs Framework. No question this
4 is an area that is of great interest, I think, to
5 everyone in the room and online on the phone. And
6 the recommendations that we're going to be talking
7 about today are a product of 10 working group
8 sessions that CBP has held with the 21CCF Task
9 Force, and that has occurred so far in fiscal year
10 22. I think we -- I know I can speak for
11 certainly the CBP officials when I say we really
12 enjoyed the in-person meetings that were held in
13 Memphis and Washington DC. Lucked out. It sounds
14 like there were some great locations, but I know
15 there was real substantive progress made as well.
16 And I am encouraged by the -- it sounds like
17 really significant progress that both CBP and the
18 task force members have made over the past several
19 months. So that 21st Century focus group has
20 submitted a report ahead of today's public meeting
21 that formally expresses support of nearly half of
22 the 21CCF -- it's always a mouthful no matter how

1 you say it -- legislative package. So progress
2 certainly is being made. I appreciate very much
3 COAC's input on the discussion drafts that we have
4 so far, and the work that continues to be done to
5 shape a legislative framework here that's going to
6 meet the needs of the modern customs environment.
7 So that's one area I wanted to chat with you
8 about.

9 The next is, of course, the Uyghur Forced
10 Labor Prevention Act. We implemented this
11 rebuttable presumption process under the Uyghur
12 Forced Labor Prevention Act, and it just went into
13 effect on June 21, so a little over a week ago.
14 Under the rebuttable presumption, the importation
15 of goods mined, produced, or manufactured wholly
16 or in part in the PRC Xinjiang as well as the
17 goods produced by certain entities identified in
18 the UFLPA strategy on the entity list are
19 prohibited under 19 USC 1307, and they may not
20 enter the United States. I think we've really
21 made significant efforts to prepare industry for
22 the implementation of this new law. And I was

1 acknowledging the work, in particular, that EAC
2 Highsmith has done around this. But I want to
3 thank COAC for their participation in the working
4 groups, partnerships, programs, all the industry
5 engagement that we've had. I mean your input has
6 been invaluable, and it's helped so much in the
7 rollout and continuing implementation and
8 enforcement process that we're working so hard on.
9 Now, I understand that the UFLPA -- and there's
10 really no -- you really can't work very much with
11 this acronym -- but I understand that it's going
12 to impact businesses, and that we appreciate so
13 much the cooperation that we've gotten so far.
14 It's made a tremendous difference, because I think
15 we all share the same goal here, and that's a
16 safe, secure supply chain that is free of
17 exploitation of so many vulnerable individuals.
18 So we're committed to enforcing this act with
19 consistency and transparency and working with all
20 of the Trade community to do something, I think,
21 that's very important for us, and that is to
22 eliminate forced labor from US supply chains. I

1 indicated I think before even taking this position
2 before being appointed that this was one of my
3 highest priorities, this area of addressing forced
4 labor. But I have certainly recognized right from
5 the start that we cannot be effective in doing
6 this without working together in that
7 collaborative way. So the work and the help that
8 you provide really is critical.

9 I want to also just take a minute here to
10 talk about Green Trade Strategy. And this was
11 actually something that there was presentations on
12 by our team at the World Health -- yeah, World
13 Health Organization. There's so many acronyms
14 lately that have been in front of me. I'm
15 thinking World Trade, but we're not quite that.
16 We're the World Customs Organization in Brussels
17 that I just had the opportunity to attend with
18 several other members of our trade team. So there
19 was some really excellent presentations on this.
20 And let me give you just a couple of highlights.
21 We are launching our first Green Trade Strategy,
22 which is a CBP agency-wide strategic plan, and it

1 is aimed at lowering carbon emissions and
2 addressing the impacts of climate change as it
3 relates to trade. The strategy lays out CBP's
4 vision for establishing CBP as a champion for the
5 green economy and really a leader in the fight
6 against climate change by facilitating the global
7 transition to green trade and serving as a
8 responsible steward of our own environmental
9 footprint. Now, while this is the first official
10 strategy, CBP has prioritized combating climate
11 change already in several ways. For example, in
12 fiscal year 2021, we set a goal to reduce
13 greenhouse gas emissions from both purchased and
14 CBP-controlled power sources by 35 percent, and we
15 surpassed this original goal, I think, pretty
16 impressively achieving a 64 percent reduction in
17 emissions compared to fiscal year 2008 emissions.
18 CBP has also purchased electric vehicles and
19 charging stations, designing CBP facilities to be
20 more energy efficient. So the Green Trade
21 Strategy will be a continuation and expansion of
22 CBP's green trade efforts and for integrating

1 environmental considerations into our day-to-day
2 operations.

3 A couple of points related to domestic
4 manufacturing and production, the working group
5 that covers these issues. So this particular
6 working group was launched, as you might recall,
7 at the last COAC meeting, and I think you're going
8 to see some of the significant work that's already
9 been put into this. And I know I'm very excited
10 to see what comes next in terms of the efforts
11 made around this domestic manufacturing and
12 production area. More to come on that.

13 We also have a couple of upcoming meetings
14 we want to make note of. The next one is
15 September the 14th. And they seem so long, so far
16 away, doesn't it, but it's, frankly, right around
17 the corner. So we need to get that on our
18 calendars and be sure everybody's clear this is
19 our next public meeting.

20 I'm also looking forward to the Trade
21 Summit that is going to be happening next month.
22 This is the first time that CBP has combined the

1 Trade Symposium and the CTPAT Conference. So I
2 know this has been an industry ask for several
3 years, and I'm very much looking forward to seeing
4 everybody there.

5 So I want to thank the cochair, deputy
6 cochairs, COAC and Trade cochairs, really all of
7 you for participating today. I look forward to
8 what I know will be a productive conversation
9 between our various CBP representatives and you
10 all as part of the COAC. I also want to encourage
11 our public participants, who I think are pretty
12 much all on the phone here, to submit your
13 questions and comments when we get to the
14 designated time. We really do appreciate your
15 participation and you'll have the opportunity to
16 submit those questions.

17 I am going to give the Deputy Cochairs,
18 the Trade Cochairs the opportunity to say a few
19 words, if they'd like. But, first, I would like
20 to share a few words of thanks to Tim Scott. Mr.
21 Scott retired from the Department of Treasury
22 after what, without question, has been an

1 exceptional career in public service. He's led
2 the effort to implement the Single-Window System
3 and the International Trade Data System, and he
4 has dedicated himself to creating data
5 requirements of all partner government agencies,
6 working incredibly hard on data harmonization
7 efforts for ITTFs and ACE. So we really would not
8 have the single window without him. So I would
9 like to wish him nothing but the very best in
10 retirement. Acknowledge that.

11 (Applause.)

12 All right. Now Tom West, Deputy Assistant
13 Secretary of Tax Policy at the Treasury
14 Department. Mr. West, would you like to make some
15 remarks?

16 MR. WEST: Yes. Thank you so much, and
17 thanks for those kind words about Tim. It's
18 already daunting by those of us who are trying to
19 fill his big shoes, but really appreciate those
20 comments. So thanks to everyone. I'm sorry I'm
21 on the phone and can't be out there for what
22 sounds like a really nice setup. And thanks,

1 thanks to the team who put this together.

2 I am Tom West. I'm Deputy Assistant
3 Secretary here for Tax Policy, and I had the
4 pleasure of working with Tim in the Office of Tax
5 Policy for a number of years. You know, you just
6 spoke to his record here, and I know you all know
7 the wealth of knowledge to this important
8 public-private dialogue that Tim brought. He also
9 brought a passion for the issues, and a commitment
10 to work with the private sector to ensure that
11 changes that CPB and other agencies made at the
12 border are done, at least to the greatest extent
13 possible, in a manner that doesn't unreasonably
14 raise costs for businesses and consumers. And,
15 you know, for my part and for our team, we're
16 going to continue that COAC engagement with that
17 same philosophy.

18 This is my first meeting here, but there
19 are many topics on today's agenda that go beyond
20 what were once, you know, the technical topics I
21 understood that we would cover. These are issues
22 that impact a large universe of stakeholders and

1 go well beyond the traditional parties that engage
2 with CBP on a routine basis. Some of this was
3 touched on. The example, the issue of forced
4 labor, particularly involving the Uyghur Region of
5 China, has a multitude of stakeholders, both
6 domestic and international. The input that COAC
7 provided in the lead-up to the implementation last
8 week of the Forced Labor Prevention Act is an
9 example of how important it is to have this
10 dialogue with diverse businesses and individuals.
11 We continue to look forward to hearing additional
12 input on how we can work together to ensure that
13 goods made with forced labor don't enter the
14 United States.

15 Similarly, the input that COAC is
16 providing on what the future of Customs should
17 look like through participating in the '21
18 discussions is critical to making sure we move
19 forward with an approach that balances revenue
20 collection and enforcement efforts with trade
21 facilitation for compliant traders.

22 The final couple of examples that

1 demonstrate the need to work together are issues
2 related to e-commerce, and the matters being
3 discussed by the new Domestic Manufacturing and
4 Production Working Group. Ensuring that the
5 millions of small shipments that come across our
6 border are safe and comply with US law is vitally
7 important. Focusing on some of the Trade
8 enforcement issues, particularly protecting IP
9 rights, is an important part of that discussion.

10 As I said, this is my first meeting and
11 I'm getting up to speed, but I really look forward
12 to learning about these and other topics in more
13 detail. And thank you for your participation
14 today. I'll turn it back over to the group.

15 MR. MAGNUS: All right. Thank you very
16 much, Mr. West. Now I'm going to give our DHS
17 Assistant Secretary for Trade and Economic
18 Security Bridget McGovern the opportunity if she'd
19 like to say a few words.

20 MS. MCGOVERN: Thank you, Commissioner
21 Magnus. And I am sorry that I too cannot be with
22 you in person. I wish I could be, and I want to

1 wish all of you, of course, a wonderful visit
2 there and a good afternoon.

3 First, I'd also like to echo my
4 appreciation for the outstanding career, public
5 service that Tim Scott has had, and how much we
6 are going to miss working with him, and how much
7 we appreciated the many years of fantastic
8 collaboration we had with him. So kudos to such
9 an amazing career.

10 You know, as the Commissioner mentioned, I
11 am the Assistant Secretary for Trade and Economic
12 Security at DHS, and we work in lockstep with our
13 partners in US Customs and Border Protection and
14 ICE in the private sector to develop policy to
15 protect the homeland and advise the secretary and
16 deputy secretary on trade and economic security
17 policy concerns. I want to thank our COAC
18 partners and express my enthusiasm for our
19 continued close partnership with the 16th term
20 COAC members. When we last spoke, I highlighted
21 the novel challenges and exciting opportunities
22 associated with the incoming Customs modernization

1 efforts, and how they can facilitate productive
2 collaboration over the next several years.

3 Also, since our last meeting, as
4 Commissioner Magnus stated, we at DHS in
5 partnership with CBP and the interagency Forced
6 Labor Enforcement Task Force or FLETF have made
7 great strides in our efforts to prohibit goods
8 made with forced labor from entering the US
9 economy. I think, as many of you know, we
10 recently submitted the strategy that was required
11 by the Uyghur Act to Congress. It was publicly
12 released. As you know, it includes an entity
13 list, border guidance, supply chain discussions,
14 and further information designed to implement the
15 Uyghur Act. And the Uyghur Act has been at the
16 forefront of our focus in my office since its
17 enactment in 2021, and, of course, will be going
18 forward as well.

19 In addition, we have been very focused in
20 my office on supply chain effectiveness and
21 resiliency. Supply chain transparency has become
22 increasingly important as recent shocks have

1 revealed vulnerabilities in US supply chains.
2 International economic competition, malign foreign
3 investment, and data security concerns challenge
4 US supply chains, especially those tied to
5 critical key infrastructure. DHS leverages
6 existing tools like new policy frameworks for
7 transparency, such as the software, bill, and
8 materials to address these challenges. And we
9 will work closely with our stakeholders,
10 especially the COAC, as we pursue resilient,
11 compliant, effective, and robust supply chains.

12 In conclusion, participation in trade
13 partnership discussions like this one is vital to
14 DHS's ability to safeguard our national and
15 economic security. I look forward to continuing
16 to work together, and I thank the COAC leaders and
17 membership for your ongoing commitment to these
18 trade and economic security initiatives. And now
19 I'll turn it back to the Commissioner. Thank you.

20 MR. MAGNUS: Thank you, Ms. McGovern, for
21 your remarks and participation.

22 So now I would like to welcome our

1 terrific COAC Trade Cochairs, Kathy Wilkins and
2 Brian White to give them a chance to say some
3 remarks as well.

4 MR. WHITE: Yeah. Thank you, Commissioner
5 Magnus. Appreciate it. Good afternoon, everyone.
6 And thank you, CBP, for hosting us here at the
7 Advanced Training Center in Harpers Ferry. It's a
8 beautiful campus. It's really impressive. And
9 welcome, Executive Director Pullman, as well as on
10 the phone Deputy Assistant Secretary West. We're
11 really looking forward to working with both of you
12 as we move forward through the 16th term and
13 working through the issues.

14 As you pointed out, this is only our
15 second hybrid meeting where we've been able to
16 meet face to face. It's been a pleasure. It's a
17 lot better than working through our videos on the
18 cameras at home. So we're really looking forward
19 to hopefully getting back to normal and being in a
20 public space where we can have the public with us
21 as we carry out these meetings.

22 As you all know, the Trade environment

1 continues to present challenges for our COAC
2 members as well as our colleagues in trade. We
3 have no shortage of new legislation that's
4 sweeping the Trade sector as well as supply chain
5 constraints across the globe. We're really
6 looking forward to continuing our partnership with
7 COAC to help to address this changing landscape of
8 trade alongside CBP.

9 Our members have had a very productive
10 quarter, a very fast quarter, especially for those
11 new members that have been onboarded. You'll hear
12 from each of the subcommittees this afternoon. We
13 have several recommendations that we'll be putting
14 forward. We'll also share out the priorities that
15 we'll be focusing on as we go into the next
16 quarter of our COAC session. We appreciate the
17 opportunity to participate in our capacity as COAC
18 members, and we're looking forward to a productive
19 meeting this afternoon. So thank you.

20 MS. WILKINS: Thank you, sir. I
21 appreciate your time. Kathy Wilkins. First, you
22 do have a very beautiful facility here, so we've -

1 - we were not totally on board with coming all the
2 way out here at first, but Val kept telling us it
3 was going to be great; and I got to give it to
4 her, she was right.

5 As Brian mentioned, the working groups in
6 the subcommittees have done quite a bit of work
7 during this past quarter. And the resources that
8 Customs has made available, especially for our new
9 members, because we have a lot of new members, has
10 been perfect for answering questions and getting
11 some guidance as to, you know, how the
12 subcommittee or working group is supposed to go.
13 So for that we really do appreciate that.

14 That being said, I would like to surrender
15 the majority of my time back to the subcommittees
16 and the working groups because they do have a lot
17 to cover. It's very progressive, and it is
18 proactive recommendations that I think that you
19 will find really lend to the security and supply
20 chain and to the labor force around the world.

21 Thank you.

22 MR. MAGNUS: Okay. Well, I'm going to

1 hand it back over to Val and get things going.

2 MS. NEUHART: Thank you, sir. At this
3 time, I would like to remind our virtual
4 participants that you can make comments during the
5 public comment period and include them on the chat
6 at any time throughout.

7 So we will start with our Intelligent
8 Enforcement Subcommittee, and I would like to hand
9 it over to our COAC leads for that subcommittee,
10 which are Heather Litman, Erika Faulkenberry and
11 Matt Zehner. So Matt?

12 MR. ZEHNER: Thanks, Val. Just to echo
13 what Kathy said a minute ago, this is a beautiful
14 place out here. It's going on my list of places I
15 have to get back to. If I knew it was so nice, I
16 probably would have tried to stretch a day or two
17 more out of it and stayed here, and a fabulous
18 facility as well. It's really special here.

19 The Intelligent Enforcement Subcommittee,
20 again, cochaired by Erika, Heather, and myself,
21 also led by Emily Simon who does a great job of
22 keeping us focused and on track. And the goals of

1 the Intelligent Enforcement Subcommittee, really
2 the main goal is to enhance trade and government
3 processes. That's a very short sentence, but it
4 says a lot, and it really allows us to help CBP,
5 but also the Trade to have better enforcement of
6 the different areas that we have.

7 There are four working groups that the
8 subcommittee oversees. One of them is the
9 Antidumping/Countervailing Duty. That group looks
10 for ways to have a higher compliance by importers,
11 and also, we'll touch on some of the other unfair
12 trade remedies, 232 through 337 -- not 337. I'm
13 sorry -- 232, 301, some of the other areas. And
14 I'll talk a little bit more in a minute or two as
15 to how the working group conducted (technical
16 inaudible) last quarter.

17 The second working group under the IE
18 Subcommittee is the Bond Working Group. The Bond
19 Workgroup deals with areas that protect revenue
20 and ensure compliance. The bond is very
21 instrumental in those two key aspects for Customs.
22 That Bond Working Group is led by Shari McCann

1 from Customs, and Tom Gould and myself from the
2 COAC side.

3 The Dumping Working Group I forgot to
4 mention is led by Alexander Amdur from Customs,
5 and myself from the COAC side.

6 We have two more working groups. The IPR
7 Modernization Group, and the purpose of that group
8 is looking for opportunities to enhance CBP
9 seizure practices and policies, especially
10 automating steps and things like that. Jessica
11 Weeks from Customs leads that group, along with
12 Heather Litman from COAC.

13 And, finally, the Forced Labor Group,
14 which has met more times, I think, than the sun
15 rises this last quarter. Their primary goal is
16 dealing with the implementation of the UFLPA. I
17 won't try to say it. I'll just spell it out, U-F-
18 L-P-A. The working group was very busy with
19 Customs getting some ideas on refinement of the
20 guidance documents put out earlier this month. So
21 a lot of that work that they put in was a little
22 bit blinded, because we didn't quite know what the

1 guidance document was, but the guidance document
2 also took into account a lot of the discussions
3 and matters that were brought up. Therese
4 Randazzo from Customs leads that. The COAC
5 Cochairs are Julie Pojar and Erika
6 Vidal-Faulkenberry.

7 Jumping right in, the
8 Antidumping/Countervailing Duty Working Group, in
9 April and May we had one meeting each that we
10 focused on areas of improvement for entry filing,
11 especially whether there's room for getting HTS
12 numbers better aligned with the order of -- the
13 scope of the dumping or countervailing duty order.
14 There's really sometimes a disconnect as to how
15 the technically worded scope of an order, and it
16 can be a simple sentence, or it can run a
17 paragraph, or a column in the Federal Register if
18 you -- some of those things are very detailed. If
19 they can better align with a tariff
20 classification, I think ACE and the entry-filers
21 can achieve a much better compliance with whether
22 something is filed (technical inaudible) entry or

1 not, but also tightening, getting tighter
2 connections, the case number suffixes, the parties
3 involved, whether it's the exporter or the MIB of
4 the manufacturer.

5 Our June meeting was a couple of weeks
6 ago, and we had a good summary provided by the
7 Department of Commerce over their regulatory
8 changes that they made last year. They really put
9 forth some effort and tightened some things up on
10 that side, especially with some post-order
11 activities and further investigations, and we got
12 a good summary overview of that. Next quarter our
13 goals are continuing the meetings on a monthly
14 basis, and we think we may have a recommendation
15 coming forth by September.

16 For the Bond Working Group, we want to
17 just update the Trade that the issues involved
18 around risk-based bonding are no longer going to
19 be addressed through a rulemaking process, but
20 they'll be addressed administratively. There may
21 be some additional steps that Customs takes
22 involved with some of the requirements on

1 risk-based bonding. The bond directive on setting
2 bond amounts, that continues to be reviewed
3 internally with the legal team at Customs.
4 There's a hope and a plan that it will have both
5 the public and internal version of it ready by the
6 end of 2022.

7 And at this point, I'd like to pass it on
8 to or pass it back to Val, or maybe directly to
9 Heather, however you want to do it.

10 MS. NEUHART: I'll take it. I think we'll
11 go ahead and go -- let me make sure I have my
12 order here. You covered AD/CVD, and you did --

13 MR. ZEHNER: I'm sorry. I did. I rolled
14 right over --

15 MS. NEUHART: You were rolling all of
16 them. Okay. So you had AD/CVD and you had bond
17 all in there. Thank you. You are fine thank you.
18 So we'll go ahead and pass over to Heather.

19 Heather?

20 MS. LITMAN: Yes. Thank you, Val. And
21 I'm sorry I can't be with you all there, given
22 that I'm recovering from COVID, but it's nice to

1 hear everybody's voices.

2 The Intellectual Property Rights Group has
3 been busy. We've been meeting every month, and I
4 think we're really coming together on some goals
5 that we want to meet. First, I really want to
6 thank Jessica Weeks my CBP Cochair who's been a
7 tremendous partner in this, and Christine Hogue
8 and Lisa Santana Fox who have really come in and
9 really done a lot of heavy lifting in explaining
10 the seizure process to the group.

11 You know, I think, as we indicated in our
12 written comments, in reactivating the IPR Working
13 Group, the team, you know, really wanted to look
14 at how we could consolidate all of the prior
15 recommendations or address those in some more
16 goal-oriented tasks. I think what we've done is
17 really look at communication. And, in doing that,
18 we've looked at the detention and seizure process,
19 and that's where Christine and Lisa Santana Fox,
20 Christine Hogue and Lisa Santana Fox have been
21 very, very helpful in explaining that to the group
22 to see where we can enhance that through

1 automation, though, you know, having a
2 through-line so that information from the
3 detention phase all the way through the seizure
4 phase can be communicated to all parties involved,
5 the importers, the rights-holders and Customs.
6 And right now the detention process is a paper
7 process, and we're looking to try to automate
8 that. I believe our first recommendation will
9 likely be in that arena.

10 We're also looking at enhancements to the
11 IPR web page as a way of increasing communication
12 again. For those of you that haven't looked at a
13 lot of the web pages on the Customs site, they've
14 been updated. A lot of them are really tremendous
15 to look at now, and key resources for information.
16 I know the ports labor page, the web page for that
17 is incredibly helpful, and we want to make the IPR
18 web page equally dynamic, and a tool look for
19 information and communication.

20 And then, lastly, we're also looking at
21 alternative enforcement mechanisms during the
22 detention process, and potentially manipulation to

1 help streamline those events and make it easier
2 for all involved.

3 So that's where we are right now. I know
4 we have a lot of other things to talk about. And
5 I will kick it back to everybody. Thank you.

6 MS. NEUHART: Thank you, Heather. We are
7 going to go to the Forced Labor Working Group and
8 ask Julie to lead that. But before we roll into
9 the recommendations, of course, after -- I would
10 like to make sure we give our CBP subcommittee,
11 lead on the committee to say her remarks.

12 MS. SIMON: Good afternoon. My name is
13 Emily Simon. I am the Acting Deputy Executive
14 Director for the Trade Remedy Law Enforcement
15 Directorate. On behalf of myself and Eric Choy
16 our Acting Executive Director, it is a pleasure to
17 be here today, and we truly appreciate the work
18 that's being done by all four of our working
19 groups to evaluate the opportunities to enhance
20 trade and government processes, policies, and
21 programs to really enable the Trade and CBP to be
22 better positioned for the future. We are truly

1 grateful for our partnership. Heather, Erika, and
2 Matt, we appreciate the leadership from everyone
3 within these working groups to move the ball
4 forward in the different areas.

5 And just a few comments that we'd like to
6 provide before we move into the forced labor
7 recommendations. Initially, for the AD/CVD
8 Working Group, we appreciate your efforts on the
9 technical alignment between ACD and the AD/CVD
10 data. That's an area where we believe we truly
11 have room for improvement, and we look forward to
12 that ongoing collaboration. We are welcoming, of
13 course, your future recommendation and can't wait
14 to hear it.

15 Next, the Bond Working Group, we do
16 appreciate the embracing of the administrative
17 approach to managing risk-based bonding, and we
18 look forward to additional insights on that front,
19 as well as the eventual promulgation of the
20 guidance that we have coming on bond amounts. So
21 thank you for your support in those areas, too.

22 For the IPR Working Group, we are so

1 enthusiastic about the reactivation and really
2 reinvigoration of this working group. The focus
3 on communication, we think, is spot on. And we
4 are really excited about the very defined goals
5 that you have put forth for the automation of
6 detention for the enhancement of the IPR web page,
7 and for alternative enforcement mechanisms. So
8 we're looking forward to many more discussions on
9 that front.

10 And, of course, last but definitely not
11 least, it's been said before, but again we wish to
12 amplify our gratitude for the work that this
13 working group did on such a tight turn on more
14 than one occasion to help CBP prepare for the
15 implementation of the UFLPA. It wasn't easy, but
16 the insight you provided really enhanced our
17 rollout in our initial implementation. And thanks
18 to your support and all of the other efforts that
19 have been involved, we are very proud to be where
20 we are today. We're not even 10 days into
21 implementation, but the picture is looking good
22 for us. Things are going according to plan. And

1 we look forward to continuing to refine and
2 enhance the way that we implement the different
3 laws that apply to the prohibition on forced
4 labor. So thank you very much for those efforts,
5 and we look forward to the ongoing collaboration
6 to further streamline and enhance enforcement and
7 facilitation.

8 Thank you.

9 MS. POJAR: Thank you very much. This is
10 Julie Pojar. I am one of the co-leads for the
11 Forced Labor Working Group.

12 And first and foremost, the COAC would
13 like to reiterate our emphatic support for the
14 prevention, identification, and eradication of
15 forced labor globally. The COAC Forced Labor
16 Working Group is advocating for an enhanced
17 partnership between the Trade and CBP to eradicate
18 forced labor in the supply chain to ensure the
19 voice of Trade is fully represented. The Trade is
20 accustomed to working in partnership with CBP,
21 including difficult situations, to find workable
22 solutions to the problem at hand. COAC and the

1 members of the Trade are committed to working in
2 partnership with CBP on the issue of forced labor,
3 including the rebuttable presumption. Clarity and
4 cooperation from CBP to US importers is needed if
5 we are to achieve our shared aim of eradicating
6 forced labor.

7 I will go right into the recommendations.
8 So in the first recommendation, the Trade feels
9 that consistency with training and communication
10 are key to the success of the implementation of
11 the Uyghur Act and the eradication of forced
12 labor. CBP must prioritize proactive,
13 transparent, and ongoing bidirectional training
14 with Trade and within the agency to ensure
15 consistency and effective communication,
16 enforcement, and outreach across ports of entry
17 and Centers of Excellence. The content to be
18 addressed must include the following: Clear
19 regulatory requirements and related publication to
20 promote compliance, clear enforcement and
21 engagement expectations of trade for goods
22 suspected of violating the Uyghur Act,

1 well-defined rebuttable presumption process
2 including examples of clear and convincing
3 evidence and mapping expectations for importers to
4 model, well-defined detention and exception
5 processes for importers to have clear
6 understanding of the requirements for an effective
7 response, and to ensure that CBP personnel have a
8 strong working knowledge of supply chain processes
9 to temper expectations and to lead to a more
10 productive dialogue when a shipment is questioned
11 or detained.

12 Recommendation two, the existing informed
13 compliance -- informed-compliance publication for
14 reasonable care does not provide clear guidance to
15 members of the Trade. CBP must ensure that an
16 informed-compliance publication on forced labor
17 enforcement is developed specifically for forced
18 labor and published as previously recommended
19 April 27, 2016, by the COAC Forced Labor Working
20 Group. There needs to be a robust
21 informed-compliance publication covering all
22 aspects tied to CBP and forced labor enforcement

1 under 19 USC 1307, including the Uyghur Act and
2 CAASTA rebuttable presumptions providing necessary
3 and specific guidance to members of the Trade
4 regarding their reasonable care obligations and
5 this differing evidentiary standard.

6 Recommendation number three, CTPAT partner members
7 collaborate and provide to CBP visibility to
8 validate their supply chain including extra steps
9 to validate their processes, procedures, and
10 supply chain security. As a result, Trade members
11 have the expectation for bidirectional
12 collaboration and information-sharing. CBP should
13 engage with their most trusted trade partners,
14 CTPAT members on a quarterly basis at a minimum to
15 inform CTPAT members of new areas of concern,
16 commodities identified as at risk for forced labor
17 and any other information that can be shared that
18 may help importers with their mission to ensure
19 there is no forced labor in their supply chain.

20 Recommendation four, the COAC Working
21 Group believes that advisory opinions must be an
22 option for the most trusted partners as a benefit

1 for participation. A ruling process that includes
2 the trusted importer supply chain mapping and
3 documentation gathering to provide an advanced
4 review on approval will create a more manageable
5 process overall on both the part of the Trade and
6 CBP.

7 Recommendation five, this recommendation
8 is rather straightforward. The Trade needs a
9 clear definition of clear and convincing evidence.
10 It is understood that this is a legal term.
11 However, we are recommending a citation of the
12 specific caselaw that CBP will rely upon to
13 provide importers guidance of a greater
14 understanding of the expectation upon them.

15 Recommendation six, the list of documents
16 listed in the guidance as documentation provided
17 to illustrate the types of information that
18 importers may provide or that may be requested by
19 CBP does not include social compliance audits that
20 may be maintained in the ordinary course of
21 business by some importers. Allowing importers to
22 include social compliance audits, in addition to

1 other documents that are in the ordinary course of
2 business is even more important in instances where
3 the importer needs to rebut the presumption
4 related to inputs in a product that is not
5 directly shipped or manufactured in whole and the
6 Xinjiang Region.

7 Recommendation seven, CBP should
8 reconsider the impact of using 19 USC 1499 as a
9 Uyghur Act enforcement mechanism. Utilizing 19
10 USC 1499 effectively reduces the number of days an
11 importer has to present rebuttal evidence
12 demonstrating the absence of forced labor in a
13 supply chain under 19 USC 1307, when goods are
14 detained pursuant to a WRO and under 19 CFR 1243
15 an importer has three months from the date of
16 importation to present certificate or rebuttal
17 evidence demonstrating the admissibility of their
18 goods. Under 19 USC 1499 an importer will only
19 have 30 days. The amount of information that may
20 be needed to rebut an alleged violation of the
21 Uyghur Act is significant. Neither importers nor
22 CBP should be hindered in their review of these

1 matters. Furthermore, the use of 19 USC 1499
2 introduces a parallel but distinct CBP detention
3 process that applies different enforcement
4 standards and timeframes on top of the existing
5 and documented challenges characterizing the 19
6 USC 1307 process. The application of the
7 rebuttable presumption should be coordinated under
8 a single approach aligned under 19 USC 1307
9 enforcement.

10 Recommendation eight, CBP must be specific
11 in its detention notice regarding specific
12 information, including the purpose for detention,
13 the problematic entity identified and/or other
14 circumstances that triggered the detention. This
15 will, for the importers, ensure that importers
16 have the needed information to provide
17 documentation specific to the element in question
18 to demonstrate with clear and convincing evidence
19 to rebut the presumption that the product was made
20 in whole or in part with forced labor. It will
21 provide the importer with insight regarding
22 whether a supplier may be connected with the use

1 of forced labor and reduce the response time and
2 making CBP's timeline expectations manageable.

3 Recommendation nine is again rather
4 straightforward. We remind CBP that there may be
5 very valid business reasons for choosing to export
6 that do not imply that forced labor was found or
7 used in the production of that product.

8 Recommendation 10 is focused on not only
9 cost relief for the importer associated with a
10 detention by allowing the goods to move to a
11 bonded area, but also to alleviate adding to the
12 already existing port congestion through requiring
13 the detained goods to stay at the port.

14 Recommendation 11, the Trade feels very
15 strongly that when an importer makes an entry, the
16 entry document is a declaration that the goods are
17 eligible for entry. No additional certification
18 should be needed. Eligible for entry means
19 eligible for entry.

20 For our twelfth and final recommendation,
21 we want to caution CBP that one size doesn't fit
22 all with technology, and not all importers can

1 obtain and support new technologies. Commodity
2 and sectors vary requiring different levels of
3 technology and flexibility. COAC is recommending
4 that CBP will not adopt technology that will
5 augment their targeting technology without prior
6 input and approval from the Trade. Mapping
7 visibility and sharing are areas of concern with
8 respect to confidentiality, and there is also the
9 issue of needing for data scrubbing.

10 Those are the 12 recommendations put forth
11 by the Forced Labor Working Groups. CBP and the
12 COAC will continue engagement and further
13 discussions on the Uyghur Act in addition to other
14 forced labor matters in the upcoming quarters.

15 THE MODERATOR: Quick reminder, if you've
16 dialed in using the host code or the cohost and
17 you're a speaking member on the presentation
18 panel, the line is open. Please stay muted on
19 your end. That'll help us reduce the background
20 noise. Appreciate it very much. Thank you.

21 MS. NEUHART: Thank you. At this time we
22 would like to seek is there any motion to submit

1 the forced labor recommendations?

2 MR. WHITE: Aye.

3 MS. NEUHART: Let the record show Brian
4 White has submitted the motion. Sorry. We have
5 to do our names so that we can get it --

6 MR. WHITE: Sorry.

7 MS. NEUHART: No problem.

8 And also let the record show Kathy Wilkins
9 has seconded.

10 But I do want to open for public comment
11 period. Sorry. Any comments?

12 (No audible response.)

13 No. Okay. No comments on the line. Any
14 additional COAC comments?

15 (No audible response.)

16 Any CBP comments at this time?

17 UNIDENTIFIED SPEAKER: Thank you for the
18 recommendations, and we look forward to taking
19 them under advisement.

20 MS. NEUHART: All right. Thank you. At
21 this time then we will propose for a vote. For
22 all those COAC members that are in favor of the

1 recommendation, please state so by indicating aye.

2 (Multiple people respond aye.)

3 MS. NEUHART: Any opposed?

4 (No audible response.)

5 MS. NEUHART: All right. Thank you very
6 much. Let the record show that the Forced Labor
7 recommendations have been submitted.

8 I would now like to take this opportunity
9 to acknowledge the Next Generation Facilitation
10 Subcommittee. On that subcommittee, Chairing for
11 the COAC is Barry Baxter, Tom Gould, Jody Swentik.
12 At this time, I'd like to hand it over to Barry
13 Baxter.

14 MR. BAXTER: Thank you, Val.

15 The Next Generation Facilitation
16 Subcommittee has a responsibility of looking at
17 opportunities to enhance the Trade and government
18 processes, policies and programs enabling the
19 Trade and CBP to be better positioned for the
20 future. The subcommittee currently consists of
21 four active working groups, 21st Century Customs
22 Framework, ACE 2.0, E-Commerce, and One US

1 Government. All of the working groups have been
2 extremely busy over the past quarter, and the 21st
3 Century Customs Framework Working Group will be
4 presenting recommendations today.

5 At this time, I would like to turn it over
6 to Brian White for an update on 21st Century
7 Customs Framework.

8 MR. WHITE: Great. Thanks, Barry.
9 Appreciate it.

10 We've been really pleased with the
11 progress and the level of engagement that we've
12 had with CBP on the 21st Century Customs
13 Framework, also known as 21CCF as we talk through
14 it today. And as we mentioned last quarter, you
15 know, we really focused the time to evaluate the
16 makeup of the task force to ensure that it
17 included those key subject matter experts across
18 Trade that really wanted to engage in the
19 dialogue. And since that time, we did add over 30
20 new members to the group, and we've got a very
21 diverse representation across industry. And we
22 feel very good about the inputs that we've had.

1 In March, we held that in-person workshop
2 with the task force members where we divided the
3 groups by sector. We had the importers and
4 exporters in one room, brokers and sureties in
5 another, and the carriers and express and
6 marketplaces in another. And really, we were
7 looking for each group to develop their trade
8 sector positions on each of the CBP challenge
9 areas, and then also put forward additional
10 opportunities to help to advance Customs
11 modernization.

12 So what we did is the 21CCF focus group,
13 which is a subgroup of the task force, distilled
14 and refined the sector positions of the 21CCF Task
15 Force -- I know it's a bit to follow, the focus
16 group and the task force. But we really used that
17 as the basis for further discussions as we worked
18 with CBP leadership on these topics.

19 So the focus group and CBP held a series
20 of in-person meetings in April and May to discuss
21 the task force's initial feedback on the
22 legislative drafts that we had the opportunity to

1 review, as well as the Trade facilitation and
2 other benefits that industry would like to see
3 codified in law. The group worked through four
4 versions of statutory edits alongside CBP, and we
5 really made sure to ensure that Trade's needs were
6 properly addressed as we reviewed those
7 legislative drafts. The focus group also held
8 three briefing sessions with the task force
9 members really to validate the progress to date
10 that we made, and also ensure that the task force
11 member interests were accurately represented as we
12 continued to move forward in this process. These
13 sessions with the task force and the focus group
14 really helped to shape the final 21CCF White Paper
15 that we presented this afternoon, which provides
16 an executive summary of the work we've done, a
17 timeline of the activities, COAC's position for
18 each of the proposed statutes, and an overview of
19 the Trade modernization opportunities and related
20 recommendations that we want to put forward today.

21 So with that, we could probably go right
22 to the 21CCF recommendations. There are three of

1 them that we'd like to put forward, and then maybe
2 we can loop back to the other working groups. So
3 as we look at recommendation one, this is really
4 focused on the statutes where we believe CBP has
5 adequately addressed the concerns raised and that
6 are also summarized in detail within the 21CCF
7 White Paper. This includes 10 statutes that are
8 under CBP challenges, challenge areas 1, 2, 3,
9 4.1, 4.2 and 4.3.

10 The second recommendation is really
11 focused on our continued engagement and our
12 commitment from CBP to continue to discuss and
13 seek resolution to the remaining Trade needs that
14 are summarized in the White Paper for the
15 remaining CBP challenge areas, as well as the
16 industry-proposed statutory changes. So this
17 includes 13 statutes that are under the CBP
18 challenge areas 1, 2, 4.1, 4.2 and 4.3, as well as
19 the Trade facilitation and other benefits that
20 industry would like to see codified into law. So
21 while the benefits that industry would like to see
22 codified are provided throughout the White Paper,

1 I also thought it would be helpful just to step
2 through each of them now just to brief not only
3 the members here in the room, but the public at
4 large as well, the first of which really focuses
5 on treating manifest and Customs declaration data
6 as private and confidential business information.
7 And we really seek to do this through an amendment
8 of 19 USC 1431c.

9 The second opportunity that we've
10 highlighted, which has unanimous support across
11 the whole of Trade, is really to ensure that all
12 government agencies engaged in cross-border
13 transactions be required by statute to develop
14 complementary and coordinated risk management
15 processes, including the sharing of information,
16 the identification and managing of trusted
17 traders, providing a single true One USG release
18 at the border, as well as to ensure proper funding
19 mechanisms are in place to advance that work. So
20 we seek to accomplish this through amendments to
21 19 USC 1411, as well as 19 USC 4316.

22 The third concept that we've brought

1 forward is really centered around partnership
2 programs and codifying the requirement for PGAs to
3 develop and implement CTPAT minimum security and
4 compliance criteria, as well as the related
5 facilitation benefits in coordination with the
6 existing CBP programs. And as we want to do that,
7 we're really seeking to accomplish this through
8 amendment to 19 USC 4301.

9 And then in terms of the fourth idea for
10 statutory areas that we'd like to put forward is
11 to recognize and address the funding challenges
12 related to carrying out the investments that are
13 needed to ensure a uniform 1USG approach across
14 the board. That includes improvements to the
15 existing ACE system, what we're referring to ACE
16 2.0, ITDS, as well as the CBP and the CBP or PGA
17 CTPAT portal. We're still evaluating which
18 statutes can be leveraged in order to accomplish
19 this, but it's something that we're going to
20 continue to focus on as we move forward.

21 And then, finally, the remaining area we'd
22 like to seek is to modify 19 USC 58c. And this is

1 in an effort to reduce MPF for CTPAT members, but
2 while also ensuring at the same time that the
3 existing merchandise processing fees that are
4 collected are properly allocated back to CBP for
5 operations and funding.

6 So that summarizes the statutory-related
7 recommendations, right? Recommendations one and
8 two really focus on those statutory amendments.
9 Recommendation three is really centered on the
10 sub-statutory trade facilitation and other
11 benefits that we would like to see advanced. And
12 when I say that, although they don't rise to the
13 level of the statutory change, we believe that
14 these can be addressed at the regulatory and the
15 procedural level as they exist today.

16 So with that, we plan to use the
17 appropriate COAC working groups to further develop
18 each of the sub-statutory concepts that you see
19 here. And, again, details for each of these can
20 also be found in the 21CCF White Paper and are
21 also summarized on the slides within the
22 recommendations.

1 I just want to pause and really offer
2 thanks to all of the task force members, the whole
3 of Trade, the focus group, all of just the -- the
4 engagement over the last five months has been
5 incredible. It's been a full court press for all
6 of us. It's been an incredible lift. It's been a
7 really high time commitment from all of us. And
8 just appreciate your candid feedback, your
9 expertise, and really your coaching throughout
10 this process. We could not have been or made this
11 much progress without all of your engagement and
12 feedback through that. So we do look forward to
13 continuing to partner with CBP and leadership in
14 the upcoming quarter to address those remaining
15 statutory areas, as well as to advance those
16 modernization concepts that would help to further
17 facilitate Trade into the 21st century. So thank
18 you.

19 MS. NEUHART: Thank you, Brian. At this
20 time I do want to make sure that we give the other
21 working groups an opportunity. So if you do have
22 comments with regards to the 21CCF

1 recommendations, now's a great time to get them
2 queued up. Then we'll take just a quick moment
3 here to go to the E-Commerce Task Force. Wait.
4 Was there a recommendation for E-Commerce? No.
5 Okay. Correct. Great. Why don't we go ahead and
6 go to E-Commerce, and that way we'll wrap up each
7 of the working groups in the subcommittee and come
8 back to vote on these, if that's okay. Thank you.

9 MS. SMITH: Thank you. Sure. This is Amy
10 Smith. I'll be giving an update on the E-Commerce
11 Task Force. Craig Seelig and I lead the
12 E-Commerce Task Force, and our work, along with
13 the rest of the task force, is to examine the
14 E-Commerce universe and determine how best to
15 target illicit shipments while facilitating the
16 flow of legitimate commerce.

17 We do not have recommendations ready for
18 this meeting. However, this task force is highly
19 engaged, which is critical given the importance of
20 e-commerce to US consumers and US businesses. The
21 task force continues to discuss the potential for
22 a mandated use of an HTS number, along with

1 additional data elements on e-commerce shipments.
2 Part of this work also includes exploring a waiver
3 for filing an HTS if a party can demonstrate a
4 procedure to identify if the shipment is subject
5 to PGA requirements. While we continue developing
6 this waiver in the upcoming weeks, we plan to
7 produce recommendations on the waiver.

8 Work also continues to answer the question
9 on how multiple parties can file advanced data in
10 the Customs environment in the future. To achieve
11 any of this, we understand we must recognize where
12 Trade is right now, and with the importance of
13 e-commerce and the ME (phonetic) trade, where it
14 is heading. Moving forward, we will continue with
15 our biweekly meetings and look forward to
16 producing recommendations.

17 Thank you.

18 MS. NEUHART: Thank you, Amy. We will now
19 go to the ACE 2.0 Working Group.

20 MR. GOULD: Thank you. Thank you all. So
21 the ACE 2.0 Working Group has spent most of its
22 time over the past quarter meeting with Director

1 Annunziato, along with his team. And I really
2 want to start off by giving thanks to Director
3 Annunziato and his team for the effort that
4 they've put together to map out business processes
5 that are related to the business process flows
6 that will be used in developing ACE 2.0. The
7 committee has been spending its time reviewing the
8 business process flow diagrams that have been
9 developed, reviewing gaps that have been
10 identified in the diagrams, as well as identifying
11 new gaps. And we don't have any recommendations
12 for the meeting this quarter, but we do anticipate
13 having recommendations in the future.

14 Thank you.

15 MS. NEUHART: Thank you, Tom. We will now
16 move to 1USG, the One United States Government
17 Working Group, JD Gonzalez.

18 MR. GONZALEZ: Thanks, Val. Appreciate
19 that. The 1USG COAC Working Group serves as a
20 conduit for the Trade to identify critical
21 opportunities for improving and streamlining the
22 import and export processes. This working group

1 is the forum for Trade to address questions,
2 suggestions, feedback relating to the process or
3 topics to run into the BIEC. We have also had
4 several (inaudible) presenting on upcoming message
5 sets, deployments, and changes in any information
6 regarding the ACE. I'm looking forward to working
7 closely with the E-Commerce Group so we can make
8 sure that we can work with a unique identifiers so
9 we could work with the other PGAs. Other than
10 that, we have no recommendations. We have a very
11 robust group and we're working together. Thank
12 you.

13 MS. NEUHART: Thank you, JD.

14 At this time I would like to hand it over
15 to our Acting Executive Director of Trade Policy
16 and Programs in the Office of Trade who is serving
17 in the role of the Subcommittee CBP Chair, Gail
18 Kan.

19 MS. KAN: Good afternoon, everybody. I
20 first of all want to thank the Next Generation
21 Facilitation Subcommittee. Does anyone else find
22 that to be a mouthful and a tongue twister? So

1 the commissioner is not the only one with titles
2 and names. I always have to read that out loud.

3 So, to start, I want to thank everybody in
4 this particular subcommittee. We have asked you
5 for a lot in the last three months since March,
6 and everyone has stepped up beyond all
7 expectations. And, you know, I personally am so
8 proud of all the work that has been accomplished.

9 I also want to say that as I was listening
10 to all of the presentations by the leads, I
11 literally was checking off things that I no longer
12 need to say. So the good news is is hopefully my
13 remarks will be a lot shorter than anticipated.

14 Let me go right in then out of order from
15 what was presented, but hopefully still getting
16 everything. So I'll start with the 1USG Working
17 Group. In terms of this working group, we
18 started, I think, in recent days, maybe in the
19 last session or so to present to you an overview
20 of our broker exam questions related to
21 PGA-regulated merchandise. JD's nodding. We look
22 forward to hearing the feedback you have for us on

1 that issue. In addition, as people mentioned, we
2 are going forward with the Global Business
3 Identifier Initiative. This is our GBI test. We
4 are talking about this because -- I am so going to
5 jinx it, but we are super, super close. I can
6 almost taste it, the moment that OMB is going to
7 sign off on our test to allow all participants
8 from the Trade to participate and not just nine.
9 As soon as we get that, we will be leveraging the
10 1USG Working Group to help support that particular
11 test pilot. In recent times we've gone over the
12 technical requirements, explained the legal
13 process that we are currently in the midst of,
14 including how important OMB is, all the technical
15 functionality issues that have -- that are
16 relevant, as well as providing the scope in terms
17 of country of origin and the product categories
18 that the test will go forward with. So very, very
19 excited about it. If I jinx it, I'm going to hate
20 myself, but yes, it's happening. Last of all for
21 1USG -- I will get into a little more detail about
22 this once I start talking about the 21CCF or 21st

1 Century Customs Framework -- we are going to be
2 leveraging the 1USG Working Group to really
3 provide the forum to the Trade to discuss with the
4 PGAs all of the legal initiatives, the statutory
5 provisions that the Trade has come up with that
6 require PGA participation. CBP defers to our
7 partner government agencies in terms of providing
8 feedback and having that dialogue. We are
9 leveraging the 1USC Working Group as that forum,
10 so please get the word out. For all PGA members
11 on the phone, if there are any, pay attention.
12 This is really important, and you want to be a
13 part of it. So that's all-in terms of the update
14 for 1USG.

15 21CCS, Brian, again, I literally checked
16 off like all of my remarks already. So all I have
17 to say is it has been a pleasure and an honor
18 working with both the focus group as well as the
19 task force. We're not always happy with the
20 results. It's been grueling. I wouldn't go to
21 the level of like blood, sweat and tears. But,
22 for me, it was more akin to like -- I don't

1 know -- coffee, Advil, and then celebratory
2 libations after every meeting, because we lived to
3 see another day. That's how the focus groups were
4 for me personally. I don't know if others
5 disagree. It's not easy. It's hard work, but --
6 and, again, we're not always going to agree. But
7 I think, even if we don't all come up happy, I
8 think all of us will be very proud of the work
9 that we've accomplished when this is all said and
10 done. So I look forward -- again, we got half of
11 the work done, so very happy about the
12 recommendations. I look forward to working with
13 all of you, both the focus group and the task
14 force, to get the other half done sooner rather
15 than later.

16 All right. Moving on, in terms of the
17 E-Commerce Task Force, just want to reiterate this
18 is the task force addressing de minimis issues.
19 It is incredibly burdensome, and CBP recognizes,
20 for all of the de minimis packages to require HGS
21 US numbers for PGA admissibility concerns, right.
22 This is -- again, that's a hard issue for CBP. We

1 don't necessarily on our own have a good
2 alternative, which is why we are relying heavily
3 on the task force to come up with those
4 alternatives. I think Amy discussed it in the
5 context of a waiver. For those of you who may not
6 know that waiver is within the de minimis
7 regulations. However, the alternatives that are
8 being provided, I think, for me goes beyond that
9 waiver. It is an alternative, if they work out
10 well, that we can carry forward into a lot of
11 areas and not just de minimis. So thank you for
12 your hard work there. I really am looking forward
13 to the outcomes. One more thing about the
14 E-Commerce Working Group, 321 Data Pilot. I know
15 people may be curious about that. We are not as
16 close on this one with OMB in terms of getting
17 signoff to expand the pilot to all participants,
18 but we are making progress. It is absolutely
19 CBP's goal to get this expanded before the close
20 of this fiscal year. It might be a little
21 ambitious. It is outside of our control. So if
22 Trade wants to support us on that effort, please

1 do so. Once it is expanded, we will be leveraging
2 the E-Commerce Task Force to help us with that
3 pilot as well.

4 And finally ACE 2.0, again, it's a revamp
5 of ACE, and there's been a lot of work going on
6 here. CBP organized internal working groups
7 already to evaluate the processes that were
8 developed for the gap analysis that occurred.
9 Those processes are from the government
10 perspective. And, as a result, what came out of
11 that analysis was submitted to COAC. We look
12 forward to getting feedback once everyone has had
13 a chance to digest. And hopefully everything is
14 still on track for us to go forward with ACE 2.0
15 in 2025. We will be providing a lot more updates
16 on this issue in the years to come, and hopefully
17 CBP will be just as excited about everything we've
18 accomplished in this subcommittee come September.

19 So thank you so much, and it's been an
20 honor to be a part of this subcommittee and
21 working groups, task forces. Thank you.

22 MS. NEUHART: Thank you, Ex-D Kan.

1 At this time I realized we had no real
2 solid inherent breaks planned. We're going to go
3 ahead and break now for 15 minutes. So if I can
4 make sure to have the COAC members back in their
5 seats in 15 minutes and our attendees online,
6 that's when we'll resume. Thank you. And we'll
7 vote after the break.

8 MR. MAGNUS: Just before you do that, I'm
9 sorry I -- for those of you on the phone, you
10 missed my little getting dizzy and hitting my head
11 on the table, which is always a fun and super
12 embarrassing thing. But I have to take some
13 medications, and, as I'm sure you can relate to,
14 when they get adjusted, strange things start to
15 happen, including being like sort of dizzy and
16 feeling a little bit out of it. So that's what
17 happened. I'm okay. Embarrassed perhaps. And I
18 want to assure you most of all that it's not from
19 being bored and just like passing out as a result
20 of that, but I just want to let you know. I'm
21 sure you can relate to medication changes. So
22 thank you for your understanding and forgive me

1 for -- it livened things up at least briefly, so
2 there you go.

3 All right. We'll take our break.

4 (A recess was taken.)

5 MS. NEUHART: Good afternoon. We're back
6 from our break, and we would like to proceed with
7 our comments and voting for the 21CCS
8 recommendations.

9 So at this time, I would like to first
10 check to see if there are any online comments.

11 All right. Any on the phone? John, our
12 moderator, do we have any phone comments?

13 THE MODERATOR: Ladies and gentlemen on
14 the phones, if you would like to make a comment,
15 please press one and zero at this time and the
16 operator will collect your name and places in the
17 queue. And just listen for your name because.
18 Once again, for comments on the phone, please
19 press one, zero at this time.

20 MS. NEUHART: All right. John, I'm going
21 to come back to you.

22 I'll come to the members of the COAC. Any

1 comments? Any additional comments regarding
2 21CCS?

3 (No audible response.)

4 MS. NEUHART: Okay. And I believe we have
5 Deputy Executive Director Brandon Lord online.
6 Our Executive Director had to step out for a
7 moment.

8 Brandon, are you online?

9 MR. LORD: I am, Val. Can you hear me?

10 MS. NEUHART: Yes, sir. Any comments
11 specific to the 21CCF recommendations? We'll take
12 your more wholesome comments here regarding the
13 subcommittee activities in a moment.

14 MR. LORD: Yeah, no specific comments.
15 Appreciate the task force's work and all the
16 participants' working in getting those
17 recommendations to us.

18 MS. NEUHART: Thank you, sir.

19 So I'd like to go back to John. John, do
20 we have any comments on the phone?

21 THE MODERATOR: We have no phone folks
22 that have queued up for comment.

1 MS. NEUHART: Excellent. Thank you.

2 Then I would like to look to the COAC to
3 see if there is a motion to submit the 21CCF
4 recommendations. I see Jody Swentik has moved to
5 submit the 21CCF recommendations. Is there --

6 I'm losing mic over here. Sorry, Brian.

7 I see Brian Barber has seconded the
8 submission of the 21CCF recommendations. At this
9 time, if we can please place a vote, all those
10 COAC voting members in favor of submitting the
11 21CCF recommendations, please say aye.

12 (Multiple people respond aye.)

13 MS. NEUHART: Those opposed, please say
14 no.

15 (No audible response.)

16 MS. NEUHART: All right. The ayes have
17 it, and the motion carries. Let the record show
18 that the 21CCF recommendations have been
19 submitted.

20 At this time I would like to ask Deputy
21 Executive Director Brandon Lord to provide
22 subcommittee comments. Thank you, Brandon.

1 MR. LORD: Good afternoon, everybody.

2 It's a pleasure to be here to talk about the Rapid
3 Response Subcommittee. Unfortunately, as Val
4 mentioned, Gail Kan had to step out.

5 So I'm excited to talk to you today about
6 the Rapid Response Subcommittee. I want to thank
7 all the members of the subcommittee of the COAC
8 for the hard work that they've performed to date.
9 We've got three different working groups within
10 that subcommittee.

11 Let me start first with the Domestic
12 Manufacturing and Production Working Group. This
13 is a relatively new COAC initiative that we were
14 excited to announce at the last COAC public
15 meeting in March. The goal of this group is to
16 work together to further understand areas within
17 CAP's trade authorities and to better understand
18 and to consider how those impact US domestic
19 industries. This working group has hit the ground
20 running. Many of their initial meetings have
21 included discussions on a variety of topics that
22 reflect a wide array of domestic manufacturing

1 interests. We're looking forward to more
2 insightful discussions in the coming months with
3 this new working group. And, of course, we at CBP
4 really appreciate that valuable perspective that
5 the working group has brought in COAC.

6 Next, we have our Broker Modernization
7 Workgroup. This working group has been together
8 for some time and has a long history. The last
9 quarterly COAC meeting, it was transitioned to
10 what is now known as the Broker Modernization
11 Working Group. It has previously been referred to
12 as the Broker Exam Modernization Working Group.
13 But we saw so much value in this working group in
14 consulting with us on how best to execute the
15 broker exam that we wanted to expand its scope.
16 So now this working group's addressing both the
17 broker exam issues, as well as other monetization
18 ideas that relate to brokers. And so these past
19 few months the newly named Broker Modernization
20 Workgroup is focused on really three areas. Two
21 of them are rulemaking efforts, the first covering
22 the modernization of the Customs broker

1 regulations, commonly referred to as the Part 111
2 Rewrite, as well as the continuing education for
3 licensed Customs brokers. The third area they
4 looked at is, again, the ongoing modernization of
5 the customs broker license exam. Regarding our
6 broker continuing education rulemaking, we're in
7 the common adjudication phase that follows a
8 notice of proposed rulemaking to require
9 continuing education for Customs brokers. Our
10 Part 111 Rewrite makes a series of changes around
11 the Customs broker regulations, as well as the
12 district permit fees. Both of those final rules
13 are currently under review in the Department of
14 Homeland Security and Treasury. On June 17, we
15 hosted a public webinar that focused on those
16 proposed changes to the Part 111 regulations. We
17 had over 1,300 participants from around the
18 country that attended that webinar, and we look
19 forward to continuing collaboration with the
20 working group on how best to roll out
21 communications related to the Part 111 Rewrites.

22 Our Customs broker license exam, the most

1 recent one took place April 27. We had 890
2 examinees, and we had a 39.6 percent pass rate.
3 The April exam was offered only at onsite test
4 locations, but we are committed to bringing back
5 the remote exam option, which this working group
6 was instrumental in piloting for two broker exams
7 in a row. CBP is in the middle of applying
8 lessons learned on that process, and we're looking
9 forward to, like I said, bringing that remote exam
10 option back, as well as continuing to work with
11 the Broker Modernization Workgroup on a remote
12 testing option.

13 Regarding our USMCA Working Group, I'm
14 really excited to share that USMCA Working Group
15 has been returned from hiatus. You might recall
16 that we formed that working group in 2020 to help
17 with USMCA implementation that resulted in some
18 recommendations prior to the implementation of the
19 USMCA Free Trade Agreement. Now that we're
20 bringing it back out of hiatus, we were planning
21 for this working group to help be a collaborative
22 forum for not only CBP and private sector subject

1 matter experts to discuss the general USMCA
2 matters, but also to provide input on how
3 implementation of Chapter VII of USMCA agreement
4 impacts trade, and work together to develop
5 solutions that address those impacts. Ultimately,
6 the inputs from this group will be shared with
7 USTR for their consideration, as they're the lead
8 US government agency on the USMCA's Committee on
9 Trade Facilitation.

10 So, in closing, I would just like to say
11 that we're really proud of the initiatives and
12 collaboration that we've had in this subcommittee.
13 I can't say enough positive things about the
14 committee members' dedication to the various
15 working groups, and I thank the COAC participants
16 for their leadership. I'll turn it over to them
17 now.

18 MS. NEUHART: Thank you, Ex-D Lord. Thank
19 you for the Rapid Response Subcommittee brief out
20 there. I do appreciate that.

21 At this time we'd like to recognize the
22 COAC Cochairs Brian Barber and Julie Pojar, and

1 I'd like to hand it over to Brian, please.

2 MR. BARBER: Thanks, Val. I appreciate
3 that. I think, actually, Ex-D Lord covered a lot
4 of my opening comments. But, as Val said, I'm
5 Brian Barber. Along with my Colead Julie Pojar,
6 we have responsibility for the Rapid Response
7 Subcommittee. Generally, Rapid Response works on
8 issues requiring quick action, but we're not
9 currently part of an existing working group. So
10 we just have some real quick comments.

11 Firstly, the working group's subcommittee
12 will have no recommendations being presented this
13 quarter. That being said, we do have the three
14 working groups currently active that Ex-D did
15 provide an overview.

16 So we do have the Broker Modernization
17 Working Group. And, again, that's a merger of the
18 legacy Broker Exam Modernization Working Group and
19 the Continuing Education Broker Task Force. The
20 remaining newly formed group is tasked with all
21 broker issues. We have the DMAP rights with
22 Domestic Manufacturing and Production Working

1 Group. DMAP advises on items under CBP's
2 authority which affect domestic producers. And,
3 finally, we have the USMCA Working Group, which
4 has generally remained on hiatus this past
5 quarter. But that being said, we anticipate a
6 go-forward within the next quarter.

7 So we'll move on to updates from working
8 groups. For that I will turn things over to my
9 Colead for Broker Modernization, John Van
10 Wallaghen. John it's all yours.

11 MR. VAN WALLAGHEN: Thanks, Brian. John
12 Van Wallaghen here. As Brian said, he and I
13 cochair this working group and we're supported by
14 CBP's Shari McCann and Elena Ryan. I will tell
15 you that we don't have any formal recommendations
16 this quarter. This is a relatively new working
17 group working on a lot of stuff that's been around
18 for a long time.

19 We have had an opportunity to go back and
20 review the results of the April broker exam, and
21 as well as talked a lot about the October broker
22 exam and how we can make that the best experience

1 for all the participants. And we've certainly got
2 a lot more work to do on that. Look forward to
3 doing that work.

4 As Brandon mentioned, we are in a quiet
5 period for the other two areas that this group is
6 engaged with, but that didn't stop us from at
7 least reviewing the key points of each of these
8 MPRMs and the final rulings that we're waiting for
9 to position ourselves to jump in as necessary and
10 any way that we can help once we're able to get
11 into the weeds on this.

12 So look forward to our continuing work.
13 And, as has been pointed out before, we have a
14 tremendous working group. Its kind of segued over
15 from the Broker Exam Modernization Working Group.
16 I can't imagine a better group of industry and
17 government representatives on this.

18 That's all I have. Thanks.

19 MS. COOK: Hi. This is Angela Cook with
20 the DMAP Working Group. Since the creation of the
21 group early in the second quarter and with the
22 support of Director Amdur, we've been meeting

1 biweekly to discuss issues impacting domestic
2 manufacturers where CBP can affect change.

3 The focus in the past three months has
4 been primarily on counterfeit goods and their
5 impact to domestic manufacturers. To that end,
6 the working group has provided a draft
7 recommendation on this topic to the IPR Working
8 Group with the expectation that the issue will be
9 addressed by the working group during the 16th
10 term, either via new formal recommendation or
11 further discussions with CBP on similar
12 recommendations made by the COAC in the 15th term.

13 In addition to the IPR issue, we've been
14 having discussions surrounding other areas of
15 concern for domestic manufacturers and look
16 forward to having recommendations to share later
17 in the third quarter.

18 MS. NEUHART: Thank you, Angela.

19 At this time we would like to recognize a
20 public comment period, and I believe we do have a
21 comment with regards to forced labor from our
22 prior discussion. So, Tory, if you don't mind

1 reading the comment, please.

2 UNIDENTIFIED SPEAKER: Forced Labor
3 Working Group recommendation number four had to do
4 with advanced rulings. Is this not already
5 supported? There are forced labor rulings and
6 cross-categorized as restricted merchandise.

7 MS. NEUHART: Thank you for the comment.
8 We'll note that as part of the public record, and
9 we can follow up with that individual.

10 All right. Any additional comments with
11 regards to any of the Rapid Response Working
12 Groups that have been discussed at this point?

13 (No audible response.)

14 MS. NEUHART: All right. Thank you,
15 Brian.

16 At this time we'd like to move to Secure
17 Trade Lanes Subcommittee, and the Cochairs for
18 that subcommittee are Angela Cook, JD Gonzalez,
19 Steve Simmons and our CBP Cochair is Ex-D Thomas
20 Overacker. So I'll go ahead and start with --
21 we'll go ahead and start with JD, I believe.
22 Steve. Sorry.

1 MR. SIMMONS: Thank you, Val. Thank you,
2 Commissioner Magnus. And also thank you, CBP
3 Chair Ex-D Overacker. I would like to thank the
4 Trade Cochairs Angela Cook and JD Gonzalez, and
5 also the working group members for their hard work
6 and diligence in this group.

7 The Secure Trade Lanes Subcommittee and
8 underlying working groups focus on modernizing
9 imports, exports, processes, improving Trade
10 intelligence and maximizing efficiency. Since the
11 last COAC meeting in March, the subcommittee has
12 had multiple virtual meetings to discuss the
13 comprehensive efforts of the five working groups.

14 With that, I will turn it over to Dave
15 Corn to give an update on the Export Modernization
16 Group.

17 MR. CORN: Thanks, Steve, and good
18 afternoon, everyone. My name is Dave Corn.
19 Excited to be with you here today, and on behalf
20 of Michael Slonim, my Trade colleague who could
21 not be here today, will provide our summary of
22 what we've been working on this quarter.

1 And since we've been welcoming our
2 subject-matter experts, our biweekly meetings have
3 been very productive. The Export Modernization
4 Working Group has been focused on finding ways to
5 operationalize the electronic export manifest
6 across all transportation modes. And when the
7 desired end goal is reached, there'll be other
8 downstream programs that are going to find
9 efficiencies in drawback, closing TIBs and in
10 bond. We have been working very closely with Tim
11 Swanson, Brian Simmarero (phonetic), David Garcia,
12 Peter Russell with CBP, as well as our census and
13 BIS contacts to further our conversation.

14 This quarter also we have taken a subset
15 of individuals within the Export Modernization
16 Working Group, and we have formed a truck manifest
17 focus group with the goal of developing the
18 Electronic Export Manifest Program and pilot for
19 truck shipments, including eventual coordination
20 with our partners in Canada and Mexico. So over
21 the next quarter, the Truck Manifest Focus Group
22 will evaluate data elements that can be utilized

1 for maximum efficiency with the purpose to
2 recommend a regulatory framework for truck
3 manifest.

4 This upcoming quarter, we plan to work
5 toward enhancements and expansion for
6 post-departure filing, continuing with our focus
7 for 21st Century solutions for export and
8 finalizing the electronic export manifest for all
9 modes of transportation.

10 One thing our group has really focused on
11 and talked about a lot this quarter, it has become
12 evident, as the EEM program gains momentum, that a
13 draft communication is recommended to further
14 publicize the program so that participation can be
15 expanded. The document details will be socialized
16 with and through the COAC, with our subject matter
17 experts in various trade organizations.

18 The electronic export manifest is just one
19 of several significant projects that requires
20 completion to achieve the full vision of export
21 modernization in the 21st Century. Additional
22 participation in the EEM pilot prior to the

1 release of regulations impacting the ocean, air,
2 and rail, and eventually truck communities is
3 critical, and a targeted informative communication
4 is required to achieve our goal.

5 So with that, we have one recommendation
6 for this quarter. The COAC recommends that CBP
7 publish a collaborative draft document that will
8 introduce the electronic export manifest, outline
9 benefits for participation and provide critical
10 information on why pilot participation is
11 beneficial in advance of the release of
12 regulations. And that is it for our working
13 group.

14 MS. NEUHART: Thank you. Thank you, Dave.

15 At this time, I'd like to encourage our
16 public attendees to submit any comments regarding
17 the export recommendation. I would also --
18 Jonathan, if you can -- our moderator, John,
19 sorry, if you can queue up any public comments
20 regarding this export modernization
21 recommendation, we'll give you a moment to do
22 that, and we'll -- do we have John there?

1 THE MODERATOR: Certainly. Ladies and
2 gentlemen on the phones, once again, to queue up
3 for comment, please press one, zero, and an
4 operator will collect your name and add you to the
5 queue, and we'll call your name what it's your
6 turn.

7 MS. NEUHART: Thank you, John.

8 And any additional comments regarding the
9 Export recommendation from the COAC members?

10 (No audible response.)

11 MS. NEUHART: Okay. Tori, do we have any
12 others online regarding Export? Thank you.

13 Sir, any additional CBP comments regarding
14 the Export recommendation?

15 MR. OVERACKER: Thank you. Good
16 afternoon, everybody. Tom Overacker here. For
17 those of you who are on the line, I just want to
18 say thank you to the Export Working Group for all
19 the all the work that they've done for us, going
20 back to the previous COAC and the submission of
21 the Export White Paper, which we're using as a
22 blueprint for the future. I am also very happy to

1 hear about the work that will be coming up in the
2 next few weeks and months as we work very closely
3 with our partners on finalizing drafts for truck
4 manifest for exports. That one is critical. And
5 that's one that really does require a great deal
6 of collaboration and cooperation with our
7 neighbors. So I'm very excited about that. And I
8 just want to thank you for the recommendation
9 today.

10 MS. NEUHART: Thank you, sir.

11 John, are there any recommendations on the
12 phone?

13 THE MODERATOR: We have nobody queued up.

14 MS. NEUHART: Comment. Sorry. Thank you,
15 John.

16 All right. Is there a motion to submit
17 the Export recommendation? JD Gonzalez has moved
18 to submit the Export recommendation. Is there a
19 second? Julie Pojar has moved to a second motion.
20 At this time we would like to take a vote. For
21 those of you in favor, please indicate by saying
22 aye.

1 (Multiple people respond aye.)

2 MS. NEUHART: Those opposed, say no.

3 (No audible response.)

4 MS. NEUHART: The ayes have it, and the
5 motion carries to submit the Export
6 recommendations as submitted.

7 Brian, at this time why don't we go ahead
8 and move to the In-Bond Working Group, or shall we
9 save that?

10 Okay. I agree.

11 We're having a little conference up here.
12 I think we're going to save the In-Bond
13 recommendations portion. We'll hear from the
14 other two working groups. So we are at Trusted
15 Trader now Partnership Programs and Industry
16 Engagement Working Group, right? And I believe
17 that's Kerry?

18 MS. NOVAK: Yes. Good afternoon. I'm
19 Kerry Novak. During this past quarter, a notable
20 change, as Val just mentioned, to the working
21 group was the renaming from Trusted Trader to our
22 new working group Partnership Programs and

1 Industry Engagement. The new name is meant to
2 better align with the specific intentions and the
3 deliverables of the working group. The acronym
4 that acronym name we use for the working group is
5 PPIE. I do want to recognize the CBP team for
6 this group, Manny, Carmen, Amy, and Chris, for
7 their support of the working group as well as the
8 members of the working group.

9 Our working group meets biweekly in this
10 quarter. Because of the June 21 implementation of
11 the Uyghur Forced Labor Force Labor Prevention
12 Act, our efforts were focused on reviewing the
13 upcoming publication of the CTPAT Trade Compliance
14 Handbook Forced Labor Requirements, and the
15 following are our recommendations.

16 Our first recommendation is for CBP to
17 update the supply chain mapping requirements to
18 require mapping be done via a risk-based approach,
19 as opposed to requiring a comprehensive supply
20 chain mapping. We feel strongly that a
21 comprehensive supply chain mapping requirement
22 would be overly cumbersome for many companies, and

1 likely have much less return on investment than if
2 the focus is on supply chain risk.

3 Our second recommendation is regarding the
4 mission statement requirement. Because there is
5 already a code of conduct requirement defined, the
6 COAC finds the mission statement requirements
7 duplicative and should be rolled into the code of
8 conduct requirements.

9 Our third requirement centers around the
10 requirement to train our business partners on
11 social compliance. We recommend that CBP clearly
12 define the acceptable types and modes of training
13 so that there is a consistent understanding as to
14 how to specifically meet this requirement. This
15 will help to ensure consistency of understanding
16 among importers, and aid in the enforcement
17 efforts by the national account managers and the
18 Centers of Excellence and expertise teams.

19 The fourth COAC recommendation is for CBP
20 to provide detailed implementation guidance and
21 training on the finalized Forced Labor CTPAT Trade
22 Compliance minimum requirements. The working

1 group believes this will aid in ensuring
2 consistency and understanding, implementation and
3 enforcement among the importers, CBP port staff,
4 national account managers and Centers of
5 Excellence and expertise team members. We also
6 recommend that these materials be publicly
7 available to members and future members.

8 And the fifth and final PPIE
9 recommendation is for CBP to allow our business
10 partners to implement their own code of conduct,
11 instead of requiring the business partner to adapt
12 the code of conduct of their CTPAT trade
13 compliance member.

14 Now I'm going to turn it over to Steve
15 Simmons to provide an update on the Remote and
16 Autonomous Cargo Processing Workgroup.

17 MR. SIMMONS: Thank you, Kerry. The
18 Remote and Autonomous Cargo Processing Working
19 Group advises CBP on issues related to the use of
20 advanced technology within the cargo processing
21 environment.

22 Since our last meeting in March, the

1 working group has had three virtual meetings and
2 one in-person meeting that was held May 10th and
3 11th. That meeting consisted of onsite visits at
4 the port of entry of Brownsville, Texas and
5 Laredo, Texas to allow the group a comprehensive
6 understanding of the current automated
7 technologies in place that included facial
8 recognition, nonintrusive inspections, and common
9 viewers command center.

10 So, moving forward, the working group will
11 continue to identify possible regulatory changes
12 needed to facilitate future remote and autonomous
13 cargo processing. With that, I'll turn it back
14 over to you, Val.

15 MS. NEUHART: Thank you, sir.

16 So at this time, John, can you -- our
17 moderator John, please, if you can, remind folks
18 to queue up any comments with regards to the
19 Partnership Program and Industry Engagement
20 Working Group recommendation?

21 THE MODERATOR: Certainly. To queue up
22 for comments, please press one, zero at this time.

1 MS. NEUHART: Thank you. I'll come back
2 to you. Any comments online, Tori?

3 (No audible response.)

4 MS. NEUHART: Okay. Any COAC comments?
5 Any additional COAC comments with regards to the
6 recommendation?

7 (No audible response.)

8 MS. NEUHART: Sir, any from CBP?

9 UNIDENTIFIED SPEAKER: No but thank you
10 for the recommendations.

11 MS. NEUHART: Thank you, sir.

12 At this time is there a motion to submit
13 the Partnership Program recommendations?

14 David Corn has moved to submit the
15 Partnership Program recommendations. Is there a
16 second?

17 Steve Simmons has seconded the motion.
18 For all those in favor, please indicate by saying
19 aye.

20 (Multiple people respond aye.)

21 MS. NEUHART: Those opposed, please say
22 no.

1 (No audible response.)

2 MS. NEUHART: The ayes have it, and the
3 motion carries.

4 Oh, I'm sorry, John. I should check. I
5 didn't -- did I look back to you on the phone?

6 THE MODERATOR: It's quite all right. We
7 have no callers in queue.

8 MS. NEUHART: Okay. Thank you. Thank
9 you. Let the record show that the Partnership
10 Program recommendations have been submitted.

11 We will now move to our In-Bond Working
12 Group. I'd like to turn it over to our In-Bond
13 Working Group. Our CBP Chair of that working
14 group is Director Jim Swanson, and our COAC Chairs
15 are JD Gonzalez. JD, I would like to hand it over
16 to you at this time.

17 MR. GONZALEZ: Thanks, Val. Appreciate
18 that. Matt, I want to give Chris Everley all the
19 credit because he did a lot of work on this, and
20 he spent a lot of time putting together all 24
21 recommendations. So I just want to sit there and
22 acknowledge all the hard effort that he put into

1 it in addition to the workgroup as well. So take
2 into consideration the time that we're saving.

3 And we have some valuable time available. I'd
4 like to go one by one, if allowed. Just kidding.

5 With that being said, the 24
6 recommendations, all the recommendations are
7 regulatory changes to the 19 CFR, and a lot of
8 them refer -- two of them or three of them to
9 refer to Chapter Four in the 122. The majority
10 refer to modernization of terminology and
11 eliminate paper processing to the current
12 automation, and move forward to training forward,
13 because we currently have a lot of references to
14 paper. We just want to sit there and just
15 modernize it to incorporate all the words in there
16 to make sure that we go to automation and
17 modernization of this regulation. So this is
18 dealing with a both chapter four and 122. And
19 that's basically line item all the way from top to
20 bottom.

21 The last two reference the handshake and a
22 transfer or the proof of reception of the

1 merchandise via electronic transfer using the
2 firm's code. So the last two is a lot of the
3 transfer of liability wants to be -- well, want to
4 show proof that the merchandise has been received,
5 so that has moved forward with a firm handshake
6 transfer one will move on to the other. So it
7 just sums it up. Those are the two major
8 recommendations on all 24. Everything's online,
9 so you could read it. And there's a lot of detail
10 on there. Any questions? Anybody like to -- I'll
11 turn it back to Val so she can move it through.

12 MS. NEUHART: All right. JD and the
13 Secure Trade Lane Subcommittee and the In-Bond
14 Working Group, there is extensive amount of
15 content in those recommendations. And I do
16 recommend that anyone in the public that is
17 reviewing them, please always feel free to get
18 back to us with your comments.

19 So at this time, John, if you can, please
20 queue up our attendees, our virtual attendees on
21 the phone here for the In-Bond recommendations.

22 THE MODERATOR: Thank you. On the phone,

1 please press one, zero to queue up for comment.

2 MS. NEUHART: And I will look to Ms.

3 Martin. Are there any comments there on In-Bond
4 recommendations?

5 (No audible response.)

6 MS. NEUHART: Thank you, ma'am.

7 All right. Any COAC, additional COAC
8 comments on the In-Bound recommendations?

9 (No audible response.)

10 MS. NEUHART: Sir, CBP comments?

11 UNIDENTIFIED MALE VOICE: Yes. So first
12 of all, with respect to the 24 recommendations --
13 and also let's not forget that there are
14 sub-recommendations among those 24. I want to
15 thank -- I really do want to thank the working
16 group for their detailed level of work on this.
17 What you've essentially provided us here today is
18 a roadmap for updating all of the regulations.
19 And as JD referenced, the parts of the regulations
20 that we're looking to update, it was literally a
21 line-by-line scrub of each part of the regulation.
22 And I don't know if anyone from our Office of

1 Regulations and Rulings might still be listening,
2 but you guys have saved us a lot of work with what
3 you've done here today. So I'm really
4 appreciative of the level of detail and the level
5 of effort that went into these recommendations.
6 Thank you for that.

7 With respect to the Secure Trade Lanes
8 Subcommittee in general, I just want to thank my
9 Cochairs Angela Cook, JD Gonzalez, and Steven
10 Simmons. The work that you provide and just the
11 level of help that you give us every day to help
12 us try to get better, I'm very heartened to hear
13 from the working groups, not just the In-Bond
14 Working Group, but from the Autonomous Working
15 Group, the fact that you were able to see some of
16 the technology that we're deploying right now on
17 the southern border. I'm also grateful for the
18 Export Working Group and everything that you guys
19 have done for us and what the -- I'm not going to
20 say -- I'm not going to say it right, but the
21 Partnership Working Group -- I'll just leave it at
22 that for now -- I also want to thank you for the

1 recommendations you provided with respect to CTPAT
2 trade compliance. So it's always a pleasure to
3 work with each of you, and I really appreciate
4 what you guys have done with the detail of work
5 and recommendations you provided to us here today.

6 With that, I'll turn it back to you, Val.

7 MS. NEUHART: Thank you, sir.

8 John, any comments on the In-Bond
9 recommendations? I'm just going to check back in
10 with you one last time.

11 THE MODERATOR: We have no callers queued
12 up.

13 MS. NEUHART: All right. Thank you. At
14 this time then, I'd like to see if there is a
15 motion to submit the In-Bond recommendations. All
16 right. Amy Smith has moved to submit the In-Bond
17 recommendations. Is there a second? John Van
18 Wallaghen has seconded the motion. The motion to
19 submit the In-Bond recommendations has been made.
20 So all those in favor, please indicate by saying
21 aye.

22 (Multiple people respond aye.)

1 MS. NEUHART: Those opposed, please say
2 no.

3 (No audible response.)

4 MS. NEUHART: The ayes have it, and the
5 motion carries. Let the record show that the
6 In-Bond recommendations have been submitted.

7 At this time that concludes all of our
8 working groups and our subcommittees. And without
9 too much to do here, I know we thank you all so
10 much. But this particular quarter of this term,
11 you all have been working under some very
12 stringent timelines, and so we want to make sure
13 that we again recognize all of your hard work and
14 effort. We know that COAC is not your only
15 full-time gig, so we do want to acknowledge all of
16 your hard work, your contribution, your expertise,
17 and the way you bring that to the table and
18 contribute to our efforts here within the
19 committee. We're very grateful for that.

20 A few reminders. We do have our Trade
21 Facilitation and Cargo Summit coming up. There
22 are still virtual spaces. For those of you that

1 are in attendance online, we do have some spots
2 virtually still available. So please go to our
3 website. Please reach out. You can even come to
4 the Office of Trade Relations, and we'll point you
5 in the right direction. And then also the
6 Commissioner mentioned our next public meeting in
7 September, and we do hope -- we are working very
8 hard to try to make that a normal public meeting
9 where we can have our public attendees observe the
10 process and contribute live in person for public
11 comment periods.

12 Again thank you all for joining us, and
13 that concludes our COAC meeting.

14 (The meeting adjourned at 3:16 p.m.)

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1 C E R T I F I C A T E

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4 I, Ashleigh Simmons, CER, Professional
5 Reporter, do hereby certify that I was authorized
6 to and did report the foregoing proceedings and
7 that the transcript is a true and correct record.

8

9

10 WITNESS my hand and official seal this
11 20th day of July 2022.

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16 ASHLEIGH SIMMONS, CER

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