

Commercial Customs Operations Advisory Committee (COAC) Government Issue Paper: 21st Century Customs Framework (21CCF) Task Force

June 2022



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

Office of Trade

21st Century Customs Framework (21CCF) Task Force

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Action Required: Informational

Background:

- The 21st Century Customs Framework (21CCF) is U.S. Customs and Border Protection’s (CBP) initiative to address current and future trade challenges and modernization barriers—many of which adversely impact U.S. businesses, consumers, and our economic security.
- This effort will update CBP’s Title 19 authorities and underlying statutes, which have not seen comprehensive reform since the Customs Modernization Act was passed in 1993, and currently limit CBP’s ability to operate in a rapidly evolving modern trade environment.
- In pursuing 21CCF, CBP envisions a trading system where: Legitimate goods move swiftly and securely; ethical production methods are used throughout the global supply chain; domestic industries compete on a level playing field; and the U.S. leads the world with innovative trade practices. CBP seeks to achieve this through:
 - **A re-imagined entry process** that aligns more closely with the modern supply chain and leverages the latest technology to improve security and facilitation.
 - **Improved data sharing** to reduce duplicative data submissions, improve coordination with stakeholders, and provide intellectual property rights holders with the information they need to protect their marks.
 - **Modernized enforcement authorities** allowing CBP to hone in on bad actors in modern supply chains, apply timely and appropriate consequences that produce meaningful change in violative behavior, and maintain a fair and level playing field for lawful traders.
- CBP kicked off 21CCF with a public meeting in March 2019, where private sector trade partners provided testimony to a panel of executives from across the U.S. government. This meeting was attended by nearly 1,000 registered attendees.
- To facilitate government and industry collaboration, CBP stood up a 21CCF Task Force working group under the Commercial Customs Operations Advisory Committee (COAC), announced at the COAC Public Meeting on March 27, 2021.
- The 21CCF Task Force is comprised of representatives with a variety of roles and equities across the customs environment, including CBP, Partner Government Agencies (PGAs), brokers, importers, exporters, express carriers, sureties, and online marketplaces.

- The Task Force held seven meetings in FY 2021, focused on the Limited Data Collection, Restricted Data Usage, and Narrow Visibility & Accountability challenge areas.
- The Task Force reconvened in March 2022 under the 16th Term COAC and completed a series of working sessions on enforcement challenges and discussed recommendations on trade facilitation and other benefits that industry would like to see codified in law.
- The 21CCF Focus Group, a subgroup within the Task Force, and CBP held a series of in-person meetings in April and May 2022 to discuss the Task Force’s initial recommendations on 21CCF legislative discussion drafts as well as trade facilitation and other benefits industry would like to see codified in law. These sessions helped shape the final recommendations the Task Force has put forth today.

Issue:

- While some modernization progress can be made via regulatory, policy, and technical changes, legislative updates will be needed to truly unlock the transformative reform envisioned by 21CCF.
- Any legislative changes should represent a range of stakeholder equities – including those of the Trade and Government – to the greatest extent possible.
- CBP has drafted and circulated legislative discussion drafts structured around what the agency views as the biggest impediments to trade modernization and has sought the 16th Term COAC’s leadership in the following:
 - Driving consensus recommendations on how the agency can statutorily address 21CCF challenges, whether that be through the legislative changes that CBP is proposing in its discussion drafts, or through the formulation of alternative legislative approaches.
 - Driving consensus recommendations on trade facilitation and other benefits that industry would like to see codified in law.
 - Submitting recommendations through the COAC for CBP consideration.

Current Status:

- Since reconvening in March 2022 under the 16th Term COAC, CBP and the 21CCF Task Force have held nine working sessions on enforcement challenges as well as trade facilitation and other benefits that industry would like to see codified in law. These working sessions informed the Task Force recommendations put forth today for CBP consideration.
- 21CCF priorities are also gaining traction in Congress, most notably with Senator Bill Cassidy (R-LA) and Senator Sheldon Whitehouse’s (D-RI) draft “Customs Modernization Act of 2021.” This bill aligns closely with the 21CCF vision and was shared with the trade industry in November 2021 to solicit their feedback. CBP is working with the Senators’ offices and other committees of jurisdiction to answer questions related to 21CCF. CBP also looks forward to continuing our close and collaborative dialogue with industry and other key stakeholders to discuss their views on 21CCF and other trade modernization priorities.

Next Steps:

- CBP will review the 21CCF Task Force recommendations submitted through the COAC this June.
- CBP will share the COAC approved 21CCF legislative discussion drafts with Congressional stakeholders that have displayed interest in advancing these priorities on Capitol Hill.
- CBP recognizes the invaluable perspectives offered by industry and PGAs and looks forward to driving 21CCF priorities forward in partnership with the COAC.
- For more information on 21CCF, please visit the 21CCF webpage on CBP.gov: <https://www.cbp.gov/trade/21CCF>

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