

**Commercial Customs Operations Advisory Committee
Next Generation Facilitation Subcommittee
Executive Summary**

December 2022

COAC

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

Commercial Customs Operations Advisory Committee (COAC)
December 2022

Report of the Work of the COAC
Subcommittee on Next Generation Facilitation Subcommittee

Co-Chairs

Tom Gould – Flexport
Barry Baxter – Walmart
Jody Swentik – Spectrum Brands, Inc

Next Generation Facilitation Subcommittee Members:

Brian Barber, Angela Cook, Dave Corn, John Drake, Chris Everley, JD Gonzales, Mary Hodges, Kerry Novak, Julie Pojar, Cynthia Roller, Craig Seelig, Stephen Simmons, Travis Skinner, John Van Wallaghen, Brian White, Kathy Wilkins, Matt Zehner

Background

The following working groups make up the Next Generation Facilitation Subcommittee:

- 1) 21CFF Task Force
- 2) ACE 2.0 co-chaired by Tom Gould, Jody Swentik
- 3) One US Government co-chaired by JD Gonzalez, Craig Seelig
- 4) E-Commerce – Co-chaired by Amy Smith, Craig Seelig
- 5) Emerging Technologies –temporarily inactive

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

Summary of Work

The Next Generation Facilitation Subcommittee has the responsibility of looking at opportunities to enhance the trade and government processes, policies, and programs, enabling the trade and CBP to be better positioned for the future. The subcommittee currently consists of four active and one temporarily inactive working group. The subcommittee will leverage its four active working groups and trade stakeholders to provide feedback on the various challenges facing CBP and the trade and collaborate to help CBP achieve its dual goal of trade facilitation and enforcement.

Recommendations will be presented at the public meeting in December 2022 by 21st Century Customs Framework and E-Commerce Task Forces.

21st Century Customs Framework

The 21st Century Customs Framework (21CCF) Task Force provides an opportunity for representatives from trade, industry, CBP and Partner Government Agencies (PGAs) to share inputs and perspectives on CBP's 21CCF draft legislative concept. COAC published two 21CCF reports in 2022 (June 2022 & September 2022) which each provide an executive summary, timeline of activities, COAC position and status for each proposed amendment to or enactment of an enforcement statute, and an overview of trade facilitation and modernization opportunities.

Since the September COAC public meeting, the COAC shifted to focus more holistically on the trade facilitation and modernization opportunities that must be advanced as part of this legislation. COAC members and the broader trade sector will not endorse the modified CBP Challenge Areas if CBP and the Trade are unable to collectively advance facilitative measures.

The COAC members put out a call to action during the September public meeting requesting the trade community's participation and engagement to provide statutory-level facilitation opportunities. COAC members participated in a variety of industry events, several industry organization customs and trade committee calls and would like to thank our colleagues in trade that provided areas for COAC to advance as part of the 21CCF process.

The 21CCF Focus Group worked throughout the quarter to distill the statutory concepts brought forward by our trade colleagues and drafted language to advance with CBP and Participating Government Agencies for consideration. The Focus Group met with CBP and PGA's in Washington, DC in October for a two-day working session, where they discussed and deliberated each of the legislative facilitation concepts. The December 21st Century Customs Framework Task Force Report summarizes COAC's 21st Century Customs Framework Task Force activities since September, provides key updates related to the remaining CBP Challenge Areas and a detailed overview of the trade facilitation opportunities.

The 21CCF Task Force will have recommendations at the public meeting.

ACE 2.0:

ACE 2.0 Working Group advises CBP with insight on how ACE 2.0 can better facilitate the entry process by identifying gaps covering entry, manifest, security, Import Security Filing (ISF), Air Cargo Advance Screening (ACAS), post entry, audit and export by ensuring collection of the best and most reliable data; enabling risk management and cargo decisions further in advance of cargo arrival; harmonizing procedures to enhance predictability and reduce friction for trade and government stakeholders; and utilizing the full potential of automation to scale critical operations. The objectives of the working group are to recommend an operational framework for an improved ACE 2.0 Customs process; Move data collections further in advance of cargo arrival and/or departure; and identify areas in the Customs process that will benefit from automations and modernization. A leadership call was held in early October and alignment gained on adding several new trade members to expand the working groups knowledge and gain further input. The working group welcomed its new members with three calls including a high-level overview of ACE from the leadership of the Trade Transformation Office and a process flow review session to bring the new members up to speed.

One US Government (1USG) at the Border:

The 1USG (One United States Government) Working Group was established to collaborate with CBP on significant initiatives between CBP, its Partner Government Agencies, and the industry stakeholders. The 1USG WG will be providing a structure for continued interagency engagement with the trade community, CBP, and the PGAs. In this past quarter, the 1USG WG met three times virtually. This included presentations by the Food & Drug Administration (FDA) on refusal and CBP on ACE 2.0. The 1USG Trade co-leads also meet in person, in conjunction with the 21CCF Task Force to further explore a true 1USG release process.

The 1USG WG will continue to discuss effective and technical developments to include CBP's Trade Strategy into the 21st Century Customs Framework (21CCF) where they impact more than a single U.S. government agency and/or international government entities. The 1USG WG is also poised to assist the ACE 2.0 WG when requested to identify any gaps in the related to PGA's and other agencies involved in the import or export of goods with the United States of America.

E-Commerce:

The E-Commerce Task Force advises CBP in its efforts to manage risk and facilitate legitimate trade in the small package environment. Increasing volumes of e-commerce shipments require evolving and practical solutions to advance both the facilitation and enforcement missions of CBP and the partner government agencies. In this past quarter, the E-Commerce Task Force met four times virtually. In these meetings the task force discussed the Section 321 De Minimis statistics that CBP had prepared and will submit a recommendation at the December Public Meeting regarding continued quarterly reporting of these statistics.

Emerging Technology:

The Emerging Technology working group is currently inactive. The Emerging Technology working group can be reconvened in the future if there is a need of support.

Conclusion

The Next Generation Facilitation Subcommittee will continue to leverage the existing working groups and its many trade stakeholders to provide feedback on the various challenges facing CBP and the Trade and collaborate to help CBP achieve its dual goals of trade facilitation and enforcement.