

**Commercial Customs Operations Advisory
Committee (COAC)
Next Generation Facilitation Subcommittee**

Trade Executive Summary

September 14, 2022

COAC

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

**Commercial Customs Operations Advisory Committee (COAC)
September 2022**

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

Co-Chairs

Barry Baxter – Walmart

Tom Gould – Flexport

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, Michael Slonim, 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 September 2022 by the ACE 2.0 working group, the E-Commerce Task Force and possibly by the 21st Century Custom Framework task force.

21st Century Customs Framework

The 21st Century Customs Framework (21CCF) Task Force provides an opportunity for representatives from trade, industry, CBP and PGA's to share inputs and perspectives on the 21CCF draft legislative concept. Since the June COAC public meeting, the focus group has had two meetings, August 3-4 in Schaumburg, IL, and a virtual meeting on August 23, to continue the deep dive the proposed statute changes with CBP. The focus group has reported out to the task force on the in-person meetings to obtain further feedback from the trade on viewpoints that should be shared with CBP. Along with the in-person meetings, additional weekly meetings were held to review and further discuss the proposed regulatory changes to find consensus and alignment between the trade and CBP via the task force and focus groups.

The 21CCF Task Force may 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. The working group has met virtually three times since our last public meeting in June 2022. The meetings focus has been on reviewing demonstrations

provided by three software companies that are developing proofs of concept of emerging technology for CBP processes.

The ACE 2.0 Working Group will submit two recommendations:

- COAC recommends CBP continue to pursue further assessment and analysis of modern technologies and innovative tools to manage the global supply chain data and efficient customs release.
- COAC recommends all proposed technologies stay current with globalized standards, promoting and encouraging Partner Government Agencies (PGA's) to modernize processes and infrastructure for the single window

One US Government (1USG) at the Border:

Since the last COAC public meeting held in June 2022, the 1USG (one United States government) working group has held five (5) work group meetings which focused on the Global Business Identifier project and inviting Partner Government Agencies to participate in upcoming 21CCF meetings this fall. The 1USG working group will not have recommendations for the September COAC meeting. The 1USG WG will continue to serve as the conduit for the trade to identify critical opportunities for improving and streamlining the import and export processes related to the PGA's and their advancements as it relates to the 21st Century Customs Framework (21CCF)

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. As CBP examines requiring additional data for specific shipments, they have tasked this group for guidance on a waiver process for filing the HTSUS. The Task Force will continue to provide CBP with advice on how a waiver should be constructed and implemented as well as how any section 321 filers may need to meet the proposed waiver requirements to be deemed eligible to file in the de-minimis environment due to the compliance process it entails. It also will consider if parties who elect to provide the HTSUS may have other additional data requirements waived. CBP has received initial input from Task Force members and is now completing the waiver process, but will continue to consider the potential application of such a compliance process and election to provide the HTSUS in a broader context. The E-commerce Task Force would like to review the initial waiver

parameters/complete a final review of the waiver process and the application of such a compliance process and waiver of other additional data in a broader context.

The E-commerce Task Force will submit a recommendation that CBP share with the E-Commerce Task Force the initial HTSUS waiver proposal draft, compliance process, and/or additional data waiver prior to its finalization, and prior to any notice or release to the public.

Emerging Technology:

The Emerging Technology working group is inactive at this time. 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.