

U.S. CUSTOMS AND BORDER PROTECTIONS  
(CBP)

**COMMERCIAL CUSTOMS OPERATIONS ADVISORY COMMITTEE**  
**(COAC)**

QUARTERLY PUBLIC MEETING

Wednesday, June 14, 2023

1:00 P.M. to 3:23 P.M.

By: Chelse Sander

## OPENING REMARKS

Felicia Pullam, Executive Director for the Office of Trade Relations, opened the meeting and welcomed COAC Members and all the public attendees. The roll was called, and all members except Vincente Gonzalez, Kerry Novak, and Amy Smith were present.

CBP Deputy Commissioner Troy Miller provides updates on several key matters. The 16th term of COAC will soon end, and preparations are underway for the 17th term. They have received applications for the upcoming term and are working on existing and new working groups, such as the Forced Labor Working Group and the de minimus issues group.

One important focus is the 21st Century Customs Framework, a modernization effort that aims to update CBP's Title 19 authorities for the future of trade. The COAC has been actively involved in discussions and voted on various recommendations related to 21-CCF legislative drafts. Another significant development is the advancement of the automated commercial environment, which is evolving into ACE 2.0. The goal is to enhance supply chain visibility and government responses with earlier determinations on cargo. CBP is testing aspects of ACE 2.0 through the Silicon Valley Innovation Program (SVIP) projects.

Additionally, it is mentioned that the DHS Secretary signing the Continuing Education for Licensed Customs Broker Final Rule, which amends CBP regulations regarding continuing education for customs brokers. There are also updates on forced labor enforcement and the Green Trade Innovation and Incentives Forum Event. He also announces the upcoming selection of the World Customs Organization's next Secretary General and expresses confidence in their U.S. candidate, Ian Saunders.

Concluding, Deputy Commissioner Miller announces the next COAC meeting scheduled for September 20th in the DC metropolitan area.

Tax, Trade, and Tariff Policy Deputy Assistant Secretary Tom West reflects on the 20th anniversary of the creation of CBP and the collaboration between DHS, the Treasury, and traders.

He acknowledges the significant efforts put into the 21st Century Customs Framework Task Force and the E-Commerce Task Force, highlighting the value of public-private dialogue in the U.S., which is uncommon in many other countries. The E-Commerce Task Force's work led to the 321 Data Pilot and Type 86 set, yielding important information and laying a foundation for the 21-CCF. The upcoming De Minimus Working Group is mentioned, which will address the management of small packages to ensure safety, security, and compliance with customs laws.

Deputy Assistant Secretary for Trade and Economic Security Tasha Hippolyte expresses her gratitude and enthusiasm for being a part of the COAC quarterly public meeting. She highlights the importance of the public-private partnership and the valuable role of COAC in informing the DHS's priorities on trade and customs matters.

Further, she provides updates on a few priorities at the department. She emphasizes the significance of the Uyghur Forced Labor Prevention Act, and the department's efforts in engaging with the private sector and non-governmental organizations to address forced labor concerns and mentions the addition of new entities to the Uyghur Forced Labor Prevention Act entities list as part of their ongoing evaluation.

Regarding the 21st Century Customs Framework, Deputy Assistant Secretary Hippolyte commends the collaboration between 21-CCF and COAC efforts, recognizing the importance of establishing data processes and technology solutions for national economic security while ensuring facilitation benefits for the trade community.

Concluding, she expresses her appreciation for CBP hosting the meeting and reaffirms the commitment to collaboration and partnership with COAC.

Acting Deputy Assistant Director for Homeland Security Investigations James Manning discusses the importance of collaboration between CBP and HSI in protecting international commerce, public safety, and national security.

He highlights the establishment of the 18th Trade Enforcement Coordination Center (TECC) at the IPR Center, which aims to develop leads and provide support to the field in investigating criminal activities related to commercial fraud and intellectual property rights violations. The IPR Center has received additional funding to set up two new units focusing on environmental crimes and wildlife trafficking, as well as preventing counterfeit goods from entering US military and government supply chains.

Acting Deputy Assistant Director Manning emphasizes the IPR Center's efforts to support industry through the lead evaluation matrix, which helps identify strong investigative leads and fosters increased collaboration between the IPR Center and industry partners. He mentions the Inaugural Summit Series, which brought together subject matter experts to discuss building successful investigations from lead generation to prosecution.

Finally, he announces the development of an online learning series by the IPR Center to further enhance training efforts.

COAC Trade Co-Chair Brian White emphasizes the importance of having appointments made before the end of the current 16th term to ensure a smooth transition and continue the momentum of the work across all subcommittees.

He highlights the diverse representation of COAC from various industries, including North American manufacturers, service providers, trade councils, software providers, importers, and exporters. He acknowledges that the meetings and report-outs may appear well-organized, but they do not fully represent the volume of work and commitment put in by COAC members, CBP staff, and colleagues.

COAC Trade Co-Chair Kathy Wilkins expresses gratitude for the Commissioner's time and appreciates the dedication of the CBP team in reviewing and improving existing programs, such as CTPAT, Import Modernization, E-Commerce, Trade Partnership and Engagement, USCCA, and Broker Modernization. She acknowledges the importance of reviewing outstanding issues and forming new working groups to better represent the goals of CBP, COAC, and the trade community in ensuring faster, safer trade and enhancing the US economy.

Ms. Wilkins emphasizes the aim to provide CBP with the necessary tools to represent safe and secure trade, presenting them to Congress for successful participation in modernizing CBP legislation where needed to establish a robust trading foundation. She assures that the sensitive topics like forced labor and de minimus are handled diligently, ensuring that COAC's recommendations align with the intended spirit of the legislation while advising CBP on commercial operations with equal vigor.

She thanks all departments under Homeland Security, CBP, COAC memberships, and member companies for their contributions in time and resources towards these efforts.

**NEXT GENERATION FACILITATION SUBCOMMITTEE**

COAC Co-Lead Tom Gould states that the subcommittee has the responsibility of looking at opportunities to enhance the trade and government process, policies, and programs. The subcommittee consists of five active and one temporarily inactive working groups and task forces, noting that the E-Commerce and 21-CCF Task Force will sunset as of this meeting.

21ST CENTURY CUSTOMS FRAMEWORK (21-CCF) TASK FORCE

Working Group Chair Brian White expresses gratitude to the Task Force for their efforts over the past three years in working on the 21st Century Customs Framework initiative. The group has collaborated with U.S. Customs and Border Protection (CBP) and presented a final COAC 21-CCF report with sixteen recommendations.

The report includes various proposals for legislative trade facilitation opportunities, aiming to improve customs and trade modernization in the 21st century. Despite appreciation for CBP's support on certain concepts, the broader trade community cannot endorse the CBP's modified 21-CCF package without meaningful legislative trade facilitation methods.



As the 21-CCF engagement comes to an end, the focus shifts to evaluating sub-statutory modernization opportunities related to entry processing systems, drawback programs, trade automation, and center uniformity.

The first recommendation is for CBP to include language that codifies the Boarder Interagency Executive Council in CBP's 21-CCF Package. The second is that CBP pursue an executive order to truly help to drive meaningful engagement and an accountability for all the participating government agencies that are involved in cross-border admissibility and clearance activities, while also supporting the legislative changes to codify the bid.

The third recommendation is that CBP propose amended language to 19 USC § 1484 in CBP's 21CCF Package to introduce the ability for facilitative data transmissions, provided in a manner that is progressive over time, as long as such provision concludes prior to the conversion into an entry filing or determines admissibility and is appropriately certified, which may include documentation or information that is also provided to CBP.

Fourth, COAC recommends CBP propose amended language to 19 USC § 1484 that provides facilitative priority processing and expedited release of merchandise from customs custody; reduces redundancies in the trade data that parties in a supply chain must provide; allows for the opportunity to resolve requests for additional information prior to departure or arrival of the merchandise; and reduces the need for redelivery to customs custody.

The next recommendation is that CBP propose amended language to 19 USC § 1484 so that in cases of merchandise with respect to which the determination of admissibility is vested in an agency or agencies other than U.S. Customs and Border Protection, the Homeland Security Secretary will coordinate with the representatives of appropriate agencies on the Border Interagency Executive Council.

The sixth, COAC recommends CBP propose statutory language that establishes a framework to ensure proper justification of any incremental data requests by CBP and extend the authority of the government to collect new data from new parties. Such language should define parameters and conditions to be met to support collection of incremental data.

Mr. White explains that the remaining recommendations cover various CBP challenge areas. These include clarifying CBP's authority in investigations, developing mechanisms to terminate investigations and enforce measures against bad actors, and formalizing administrative processes for bond sufficiency review.

Recommendation seven is that CBP propose amended language in 19 USC § 1517 to provide a mechanism to terminate an investigation and render interim measures obsolete. Such a mechanism could be used where the Importer of Record (IOR) identifies, validates, and provides evidence that its supply chain has been adjusted to ensure compliance. The next is COAC recommends that CBP consider different enforcement mechanisms for importers who know they are under investigation and purposefully change their IOR number to avoid interim measures.

Number nine, COAC recommends CBP amend proposed language in 19 USC § 1623 to include language formalizing the administrative process of bond amount review, establish the U.S. Court of International Trade (CIT) as the court of venue for judicial review of the administrative process, and the judicial standard of review will be based on the administrative record and whether CBP abused discretion.

Recommendation ten is CBP amend proposed language in 19 USC § 1623(b)(2) to better define the sets of information to be shared with sureties. This includes material information to make informed decisions, take informed actions, and to adjust bond claims without a surety having to submit a FOIA request to learn why the claim arose, etc. Eleven, COAC recommends that CBP rely on its existing statutory and regulatory process with regard to assessing interest on overdue debt.

Number twelve, if proposed changes to 19 USC § 1623 include assessing interest on overdue debt, COAC recommends that CBP request Congress to strike 19 USC § 580 entirely and statutory language in 19 USC § 1623 requiring that CBP promptly and electronically document all claims secured by a bond.

Mr. Matthew Zehner interrupts, pointing out an error in the writing of the recommendation number twelve. The way it was worded sounds like COAC is asking CBP to strike statutory language, to electronically document the bond claim when what they want is for CBP to include the statutory language to electronically document the bond claim at the time they make the claim against the surety.

Mr. Brian White clarifies by asking if it should change from, "and statutory language in 19 USG 1623," to read, "and include statutory language in 19 USG 1623."

Mr. Matthew Zehner made a motion for the change, which was seconded by Mr. J.D. Gonzalez. COAC votes unanimously and the motion is passed.

Mr. Brian White continues the presentation of recommendations for the 21-CCF Task Force.

Recommendation thirteen is that if CBP proceeds with the amended language proposed for 19 USC § 1595a(b), that CBP include a "knowledge" standard, limit potential penalties to amounts that cannot exceed the domestic value of the allegedly violative import and that CBP seek discretionary authority to issue a penalty in lieu of a seizure or forfeiture.

Fourteen, COAC recommends that CBP modify proposed language in 19 USC § 1595a(d)&(e) to simply deny the export versus issuing a penalty in lieu of seizure. The fifteenth recommendation is that CBP engage with Commerce, the State Department and Treasury to ensure roles and responsibilities related to export enforcement and penalty authorities are properly aligned to ensure that CBP export penalties are not duplicative of the other export agency penalties.

The last recommendation, number sixteen, is that CBP withdraw all of its proposed revisions to 19 USC §1592 particularly noting a lack of due process with CBP's proposal to circumvent the administration process for fraud cases.

#### CUSTOMS INTERAGENCY INDUSTRY (CII) WORKING GROUP

Working Group Chair J.D. Gonzalez adds two brief comments to the first two recommendations (authors note: the comments were indiscernible). Additionally, he mentions that the working group is currently vetting new individuals to join the group.

#### AUTOMATED COMMERCIAL ENVIRONMENT (ACE) 2.0 WORKING GROUP

Working Group Co-Lead Jody Swentik explains that they have been on hiatus since the beginning of 2023. However, they are having a meeting on July 25 and 26.

#### PASSENGER AIR OPERATIONS (PAO) WORKING GROUP

Working Group Lead J.D. Gonzalez discusses that during the second quarter, the focus was on discussing improvements in three main topics: modernizing CBP's seal process for airport personnel at federal inspection stations, improving the landing rights process, and replacing paper Form 7507 and 5129 with electronic general declarations for international flights' arrival information.

For the following quarter, the group plans to work on areas of improvement for the Global Entry program. They aim to shorten timeframes, achieve uniformity across offices to avoid redundancy, and provide more detailed information on why letters of revocation are issued, particularly for individuals with common names.

E-COMMERCE TASK FORCE

Task Force Co-Chair Brian White states that the task force met multiple times. While they had robust discussions on multiple topics, the task force were not able to arrive at a consensus in these discussion, therefore, we don't have any recommendations. The E-Commerce Task Force will be sunset as of this meeting.

- oOo -

Trade Policy and Programs Executive Director Brandon Lord expresses appreciation to the subcommittee co-chairs, and work group leads for their efforts in the past quarter and commends Mr. Brian White for presenting the numerous and detailed recommendations for the 21st Century Customs Framework Working Group, emphasizing that 21-CCF is a broad and transformative concept meant to address various customs issues comprehensively.

The 21st Century Focus Group will be winding down, and CBP will begin working with COAC to explore modernization improvements in sub-statutory areas. They will seek input from COAC members on potential changes, which may involve regulations, policies, or directives. The focus will also be on establishing the new De Minimus Working Group under the Secured Trade Lane Subcommittee to address dynamic De Minimus challenges in e-commerce.

#### PUBLIC COMMENT

Executive Director Felicia Pullman asked if any written comments were submitted.

A submitted comment by E-Merchant Trade Council, Inc., reads: EMTC submits its proposal for the 21st Century Customs Framework, which includes a redline of Title 6, Homeland Security, and Title 19, Customs Duty to modernize the US Customs statute. The attached document is redline version two, which makes some further changes for the original redlined version released in November 2022, posted at [www.emtc.org/e-commercenews](http://www.emtc.org/e-commercenews). EMTC asks that this document be included in the public record for this COAC meeting scheduled for June 14th, 2023.

Executive Director Pullman then opens the floor to for comment.



Mr. Dean Pickard with Corporate Accountability Lab applauds the establishment of the new De Minimus Working Group and highlight how important that issue is for enforcement of the Uyghur Forced Labor Prevention Act. There are lots of De Minimis packages coming in from all sorts of places; some of them may actually be violative of the UFLPA and we just don't know.

Mr. John Bartlett had a question for the Customs Interagency Industry Working Group. He asks if they can provide more information about the nature of the proposed CBP export compliance routine? What about the current State Commerce Export Compliance Protections are inadequate, and what violations of CBP (**indiscernible**) will Customs enforce?

Executive Director Pullman responds that the comment will be noted for the record and they are always also happy to engage after the meeting and to reach out with any additional questions.

Mr. Mike Mullen with Express Association of America points out that CBP receives full manifest data on every de minimus shipment and that is the data that you use for your targeting to detect forced labor violations, or any other kind of illicit goods. And you inspect many x-ray and do physical inspections on many thousands of de minimum shipments every day, and you see some, if they turn out to be illicit.

- o0o -

Executive Director Felicia Pullman requested a motion to submit the sixteen recommendations by the 21-CCF Working Group. A motion was made by Brian White and seconded by Brian barber. Then, calling for a vote and having heard no objections, the 21st Century Customs Framework recommendations were unanimously submitted. **Please see the Appendix for the complete list of recommendations.**

**INTELLIGENT ENFORCEMENT SUBCOMMITTEE**

COAC Co-Lead Erika Vidal-Faulkenberry provided a brief overview of the Subcommittee, which includes the four groups: Anti-Dumping and Countervailing Duty, Bond, Intellectual Property Rights Process Modernization, and Forced Labor. The working groups currently do not have any recommendations but will be presenting some at the December Public Meeting.

ANTI-DUMPING & COUNTERVAILING DUTY (AD/CVD) WORKING GROUP

Co-Chair Matthew Zehner informed the attendees that the group has been meeting on a bi-monthly basis every two months.

They are collaborating with a pool of entry filers to test an automated process that identifies potential errors in entry filing related to dumping. This process aims to provide early feedback to filers so that they can correct these errors during the entry process stage, making it crucial for both Customs and the trade.

Additionally, the group is discussing how the trade can be better informed when a dumping or countervailing duty order requires a certification beyond the typical non-reimbursement certification. Some orders may have certification requirements due to product development in nearby countries, which could affect whether the product falls within or outside the scope of the order. The group is exploring ways to raise awareness among the public about such certification requirements and efficiently handle the certification process for filing and importing communities. However, as of now, no specific recommendations have been formulated, and the discussions are ongoing.

#### BOND WORKING GROUP

Working Group Chair Matthew Zehner explains that the group has been actively monitoring the progress of previous COAC recommendations and meeting bi-monthly to follow up on their implementation. The Trade Support Network, on the government side, is meeting bi-weekly to develop the necessary Request for Proposal (RFP) for implementing some of the bond recommendations. The ISF e-bond process has been finalized, and progress has been made on the e-bond filing for NHTSA (National Highway Traffic Safety Administration) bonds, with some regulatory issues still to be addressed.

The group is also discussing compliance issues related to the Importer of Record Program and the Risk Assessment Program, particularly regarding the use of physical addresses by importers. More accurate physical addresses can help Customs identify reincarnated companies, new shippers, and importers for risk assessment purposes.

Regarding a carryforward recommendation, the group is making significant progress on updating a three-decade-old bond directive, aiming to finalize it by September or at least before December 31st. The update will involve both internal and external documents, and the group is optimistic about its completion.

#### FORCED LABOR WORKING GROUP

Co-Lead Julie Pojar expressed that the group has been actively engaged in providing feedback to CBP on the publication of educational materials, including frequently asked questions, statistics, and additional forms of guidance to aid importers in compliance with the Uyghur Forced Labor Prevention Act (UFLPA). These educational tools were a result of the Working Group's recommendations from the past year, and they are pleased to see their advice put into action to support the eradication of forced labor.

For the remainder of the 16th term, the Working Group will continue to advise CBP on intelligent enforcement of the UFLPA and maximize outreach and education with the trade on forced labor-related topics. They are awaiting an update to the statement of work to include updated topics such as technology to map supply chains and combat forced labor, stemming from the Forced Labor Technical Expo held in March.

As of the current meeting, the Forced Labor Working Group has no new recommendations to submit.

INTELLECTUAL PROPERTY RIGHTS (IPR) PROCESS MODERNIZATION  
WORKING GROUP

COAC Co-Lead Heather Litman explained that the group has been primarily focused on improving bi-directional communication between rights holders, CBP, and importers. They have been evaluating the concept of creating a portal and have studied the EU IP portal as a reference. One of their members, a rights holder who uses the EU IP portal, provided valuable insights on its practical use, giving the Working Group a comprehensive perspective on potential recommendations for a similar portal.

While they don't have new recommendations for this quarter, the Working Group has been actively monitoring and collaborating with CBP on the automation of the detention process, which has been implemented successfully. They have also received updates from CBP on the developments of the IPRS module, the search database for trademarks and copyrights.

In the upcoming term, the IPR Working Group will continue its long-term projects related to communication and collaboration, but they will also focus on short-term goals. They plan to review past recommendations, assess their accomplishments, and identify opportunities for quick developments that can benefit both CBP and rights holders. They hope to present new recommendations in the next quarter.

- oOo -

Deputy Executive Director of Trade Remedy Law Enforcement Maya Kamar thanked the members of the subcommittee for all their work.

#### PUBLIC COMMENT

Executive Director Felicia Pullman opened the floor for public comment. No comments were heard.

**SECURE TRADE LANES SUBCOMMITTEE**

Subcommittee Co-Lead J.D. Gonzalez briefly thanked his colleagues and introduced the next speaker

EXPORT MODERNIZATION WORKING GROUP

Working Group Co-Chair David Corn express that they have had a productive quarter with eight meetings involving discussions with CBP. They are actively following up on their recommendations from September 2022 and are working to finalize the introduction of an electronic export manifest, which will be piloted ahead of the notice of proposed rulemaking for each mode of transportation: air, vessel, and rail. They are also developing a manifest confirmation number to support various export processes, including drawback, PGA requirements, EEI filings, in-bonds, and more. The group is excited about the progress and looking forward to continued collaboration.

The group has completed three of their set tasks and have one recommendation. They have also transitioned to the trade support network and are actively working on exemptions for different modes of transportation, IT and processing improvements, and progressive filing, among other topics.



Additionally, they are working with the Truck Focus Group and aim to finalize their discussions by the end of this term to bring truck operations to the same level as vessel, air, and rail operations. They have identified data elements for improvement and have a forthcoming recommendation related to a missing field in the modernized ACE portal. The group is committed to further collaboration and progress in the upcoming quarter.

The one recommendation is that CBP provide carriers with visibility to the Conveyance ACE ID and Driver/Crew ACE ID in the modernized ACE portal while also ensuring that the functionality is expanded further in future export manifest modernization.

#### IN-BOND WORKING GROUP

Working Group Co-Chair Chris Everly states that they have been actively engaged with CBP since the last public meeting in March. Their discussions have focused on the progress of previous recommendations and identifying new opportunities for modernizing the in-bond process. Some of the areas of interest include streamlining firms code requests for non-bonded facilities and centralizing firms code management in ACE. The working group is pleased with the level of engagement from Director Slutsky's team and looks forward to ongoing discussions and updates on their recommendations.

The group has three recommendations to present. The first, COAC recommends that CBP publish annual trade statistics for in-bond movements, including, but not limit to, the quantity of in-bond movements by mode of operation, (air, highway, ocean, rail), as well as statistics by origin and destination port areas. For highway mode, statistics should be made available based on weight tiers to better identify truckload and less-than-truckload (LTL) movements.

Second, COAC recommends that CBP develop ACE functionality to electronically notify the bond principal, carrier, and surety when an in-bond entry is obligated under its custodial bond, as well as push updates to these parties. At a minimum, the notifications should include the in-bond number, date created, filer code, and bonded carrier SCAC code.

And third, COAC recommends that CBP develop ACE functionality to provide the principal, carrier, and surety the ability to query in-bond details for a given in-bond entry number.

#### TRADE PARTNERSHIP AND ENGAGEMENT (TPE) WORKING GROUP

Working Group Co-Chair Angela Cook expresses that they have been actively working on updating its Statement of Work (SOW).

They held a face-to-face workshop in Seattle during the last quarter to discuss the future of the working group and the necessary updates to the SOW. One of the main focuses was on adding safety registry topics to address areas that would impact a larger portion of C-TPAT members. The workshop also covered opportunities for improving the C-TPAT portal and finding new ways to provide evidence of C-TPAT benefits.

The working group is looking forward to receiving the updated SOW quickly and incorporating the discussed security topics into their future recommendations.

Currently they have four recommendations to present. The first, COAC recommends that CTPAT adopt a standard set of user-friendly validation/revalidation preparation documents and should include a standardized version of the validation questionnaire, agenda, and requirements, as well as expectations for facility tours. This document set should be distributed with initial communication of the intent to validate.

Second, COAC recommends that CTPAT Trade Compliance (TC) members subject to a Risk Analysis and Survey Assessment be relieved of the responsibility to provide underlying company information already provided in the CTPAT TC Annual Notification Letter/Memorandum of Understanding.

Third, COAC recommends that CBP add a field to the ACE Protest module that indicates CTPAT Trade Compliance (TC) membership to ensure CTPAT TC member Protests are given priority.

Fourth, COAC recommends that CBP develop functionality for CTPAT members to have access to a dashboard of information in the CTPAT Portal that demonstrates evidence of benefits. For example, showing faster resolution of exams, front of the line treatment, etc.

#### CROSS-BORDER RECOGNITION WORKING GROUP

Working Group Co-Chair Steve Simmons states that the group currently does not have any recommendations. They've had three video conference meetings to discuss the cross-border trade process. In those meetings, CBP provided updates about the ongoing discussions with several Mexican Government Agencies related to trusted trader cargo processing programs.

Looking forward to the third quarter, the group is focused on engaging with other PGAs at the border to engage with on different process improvements.

#### PIPELINE WORKING GROUP

Working Group Chair Mary Hodges stated that they are currently pending conducting a pilot that would test the decentralized identifier and distributed ledger technology. They currently do not have any recommendations.

- o0o -

Acting Executive Director for Cargo and Conveyance Security Diane Rodriguez thanked COAC and the subcommittee for their hard work.

#### PUBLIC COMMENT

Executive Director Felicia Pullman opened the floor for public comment.

A comment was read by the operator: In-Bond recommendation number two says, notify bonded parity, but explanation during the meeting said notice party should include surety. I agree that it should, but the current language does not appear to include sureties or could it easily be interpreted to exclude them?

Mr. Steve Simmons replied that the second recommendation says to electronically notify the bond principal carrier and surety when an in-bond entry is (unintelligible), covering all parties that were mentioned.

- o0o -

Mr. Steve Simmons makes a motion to change the language of the second In-Bond recommendation to read as, "COAC recommends that CBP develop ACE functionality to electronically notify the bond, principal, carrier, and surety when an in-bond entry is obligated under its custodial bond, as well as push updates to these parties. At a minimum, the notification should include the in-bond number, date created, filer code, and bonded carrier sky code." Ms. Julie Pojar seconds. COAC voted unanimously to pass the motion.

Mr. Chris Everly comments that the In-Bond third recommendation should read as, "COAC recommends that CBP develop ACE functionality to provide the principal, carrier, and surety the ability to query in-bond details for a given in-bond entry number." Mr. Matthew Zehner moves to change the language of the recommendation and it is seconded by Mr. Tom Gould. After a unanimous vote, the motion carries.

Executive Director Pullam called for a motion to submit the Secure Trade Lane Subcommittee recommendations. It is moved by Mr. Matt Zehner and seconded by Ms. Kathy Wilkins. Having been unanimously agreed, the recommendations were submitted. **See the Appendix for the complete recommendation.**

## **RAPID RESPONSE SUBCOMMITTEE**

Subcommittee Co-Lead Brian Barber explained that the subcommittee has two active working groups: Broker Modernization and USMCA Chapter 7.

The subcommittee as a whole met twice over the past quarter to debrief in all the working spaces. They currently do not have any recommendations for this quarter.

### BROKER MODERNIZATION WORKING GROUP

Working Group Co-Chair John Van Wallaghen states that under the 16th term, the COAC has consolidated the Customs Broker Exam Modernization and Broker Continuing Education Working Groups, previously active, Title 19, Part 1-11, rewrite the working group and formed the Broker Modernization Working Group. They have met four times over the last quarter and continue to discuss certain aspects of the final rule relating to modernization in the Customs Broker Regulations and have offered input to CBP.

The focus of the group was on the April Customs Broker Exam. Both CBP and the private sector team have conducted user acceptance testing on the remote access exam and have provided feedback to CBP. Industry feedback was also provided.

UNITED STATES-MEXICO-CANADA AGREEMENT (USMCA)  
CHAPTER 7 WORKING GROUP

Working Group Co-Chair Kathy Wilkins explains that the group has been on hiatus but was brought back to specifically go through Chapter 7, which is the enforcement piece of the Free Trade Agreement for all three countries. They are currently halfway through their review of Chapter 7 and have been working together to assess where each country meets, partially meets, or fails to meet the enforcement requirements of the Free Trade Agreement. The group is dedicated to this effort and plans to present their recommendations in September.

- o0o -

Trade Policy and Programs Executive Director Brandon Lord details that the USMCA Chapter 7 Working Group has made good progress in its efforts to assess and enforce the United States-Mexico-Canada Agreement.

Additionally, the April 2023 customs brokerage licensing exam was successfully conducted without any technical issues, a significant achievement considering it was the first time the remote portion of the exam went smoothly.



Furthermore, there will be a reduction in the number of continuing education credits required for broker licensing in the 2024-2027 triennials, aiming for one credit per month, totaling thirty-six credits for each triennial.

#### PUBLIC COMMENT

Executive Director Felicia Pullman opened the floor for public comment. No comments were made.

#### **CLOSING REMARKS**

Executive Director Felicia Pullman reminded COAC that they are hosting the Green Trade Innovation Incentives Forum on Tuesday, July 11th, virtually and in-person.

She thanked all the participants and adjourned the meeting at 3:23 P.M.