

Commercial Customs Operations Advisory Committee Next Generation Facilitation Subcommittee

June 2023

The logo for the Commercial Customs Operations Advisory Committee (COAC) features the acronym 'COAC' in a large, bold, serif font. The letters 'C', 'A', and 'C' are blue, while the 'O's are red. Below the acronym are two horizontal lines, the top one blue and the bottom one red.

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

**Commercial Customs Operations Advisory Committee (COAC)
June 2023**

**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, Vicente Herrera Gonzalez

Background

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

- 1) 21CCF Task Force
- 2) ACE 2.0 co-chaired by Tom Gould, Jody Swentik
- 3) Customs Interagency Industry (CII) formerly One US Government co-chaired by JD Gonzalez, Craig Seelig
- 4) E-Commerce – Co-chaired by Amy Smith, Craig Seelig
- 5) Passenger Air Operation co-chaired by Vicente Herrera Gonzalez & JD Gonzalez
- 6) 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 five active and one temporarily inactive working groups and task forces. The E-Commerce and 21CCF task forces will sunset as of the June 2023 public meeting.

The subcommittee will leverage its three 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 June 2023 by the 21st Century Customs 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 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 present sixteen 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 ACE 2.0 Working Group will resume operation in July 2023 after a short hiatus. The ACE 2.0 working group will host a two day in person meeting in Washington, DC to review the Concept of Operations, business cases, and plan for development. Focus of the ACE 2.0 Working Group remains on re-engineering customs processes.

Customs Interagency Industry (CII):

The CII working group was established to collaborate with CBP on significant initiatives between CBP, its Partner Government Agencies, and the industry stakeholders. The CII WG will be providing a structure for continued interagency engagement with the trade community, CBP, and the PGAs. In this past quarter, there were no CII WG meetings this quarter.

The CII 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 CII 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 will sunset as of the June 2023 public meeting.

Passenger Air Operations:

The Passenger Air Operations Working Group is the newest working group within COAC and as such has its own uniqueness, as it was formed for industry to have the opportunity to identify modernized passenger processing rules and regulations, streamline the passenger experience at U.S. ports of entry, and identify challenges that impact operations in the airports.

Between December of 2022 and January of 2023, industry and CBP work together and identified 18 topics that impact the passenger operations. During the second quarter of 2023, the working group start focusing the discussion and development for improvements on three main topics of that list:

- Modernization of the CBP seals process for airport personnel working on the Federal Inspection area (FIS). This improvement initiative will require a team effort with both TSA and the Airport Authorities, as they are involved in the badge process. Also, only 54 out of 84 international airports in the U.S. are automated.
- Landing Rights – Ways to modernize and improve the existing process.
- Elimination of the paper forms 7507 and 5129 to be replaced with the information provided in the electronic General Declaration (Gen Dec) airlines provides to CBP on the arrival of international flights. This effort will require some changes to the existing regulations.

The PAOWG has no recommendations to submit for the June 2023 meeting.

Emerging Technology:

The Emerging Technology working group is inactive currently. 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.