

**Commercial Customs Operations Advisory Committee
Government Issue Paper
Next Generation Facilitation Subcommittee
E-Commerce Task Force**

June 2023



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

Pub# 3228-0623

Office of Trade/Trade Policy and Programs
Next Generation Facilitation Subcommittee
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Action Required: Informational

Background:

- In 2019, U.S. Customs and Border Protection (CBP) convened an E-Commerce Task Force (ETF) of industry participants covering all equities of e-commerce to more accurately identify the nature and origin of Section 321 shipments.
- In coordination with the ETF, CBP mapped business models specific to e-commerce, identified parties responsible for the sale and movement of goods, and established which parties had access to and could provide additional data with which to better assess e-commerce risk.
- This served as foundation for both the Section 321 Data Pilot and the Entry Type 86 Test.
- The goal of the test programs was to collect data that CBP could use to identify:
 - The entities responsible for the movement of Section 321 shipments;
 - The exact contents of these shipments (i.e., “what’s in the box”); and
 - The final destination of the shipments after arriving in the United States.
- The test programs have reduced burden on the trade community by creating a pathway for trade facilitation benefits, such as time and cost savings, in the e-commerce environment.
- Section 321 Data Pilot participants who are providing seller information, product pictures, and other transactional details benefit from fewer CBP holds.
- In Fiscal Year (FY) 2022, CBP received over 486 million filings on de minimis shipments (161 million Section 321 Data Pilot; 333 million Entry Type 86). Entry Type 86 accounted for approximately 43 percent of all importations.

Issue:

- The overwhelming volume of small packages and lack of actionable data limit CBP’s ability to identify and interdict high-risk shipments that may contain narcotics, merchandise that poses a risk to public safety, counterfeits, or other contraband.
- In FY 2022, CBP cleared over 685 million de minimis shipments with insufficient data to properly determine risk.
- While CBP receives some advance electronic data for Section 321 shipments from carriers, the transmitted data often does not adequately identify the entity causing the shipment to cross the border, the final recipient, or the contents of the package.
- To address this unique risk environment, CBP has been focusing on risk management and working closely with the trade community.

Next Steps:

- On February 15, 2023, CBP published a Federal Register Notice expanding the Section 321 Data Pilot to additional participants. The expansion will:
 - Allow additional companies the opportunity to develop processes for gathering the data from various sources in the supply chain to transmit a single and complete filing;

- Assist CBP in identifying future trade facilitation benefits; and
- Continue to explore different and new technology that becomes available and can be incorporated into future regulation.
- CBP has concluded that the ETF has accomplished its mission, which was to assist CBP in developing the Section 321 Data Pilot and Entry Type 86 Test. Therefore, the ETF will be sunset this quarter so that CBP can stand up a de minimis workgroup and develop a new statement of work.

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Date: May 3, 2023