

Commercial Customs Operations Advisory Committee Secure Trade Lanes Subcommittee

June 2023

COAC

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

Commercial Customs Operations Advisory Committee (COAC)
June 2023

Report of the Work of the COAC
Subcommittee on Secure Trade Lanes

Co-Chairs

Angela Cook – General Motors Tax Staff - Global Customs
Jose (JD) Gonzalez – JD Gonzalez Customs Broker
Stephen Simmons - The Kansas City Southern Railway Company

Secure Trade Lanes Subcommittee Members:

Dave Corn, Vicente Herrera, Chris Everley, Mary Hodges, Kerry Novak, Julie Pojar

Background:

The Secure Trade Lanes subcommittee has five active working groups focused on areas aimed at modernizing import/export processes, improving trade intelligence, and maximizing efficiencies. These groups are working to enhance trade partnership programs, improve management of imports and exports, deploy authentication technologies to reduce supply chain barriers, and update the in-bond process.

The following working groups make up the Secure Trade Lanes Subcommittee:

- 1) Export Modernization Working Group, co-chaired by Dave Corn and Vicente Herrera Gonzalez
- 2) In-Bond Working Group, co-chaired by Chris Everley and Jose (JD) Gonzalez
- 3) Trade Partnership and Engagement Working Group, co-chaired by Angela Cook, Kerry Novak and Julie Pojar
- 4) Cross-Border Recognition Working Group, co-chaired by Stephen Simmons and Jose (JD) Gonzalez
- 5) Pipeline Working Group chaired by Mary Hodges
- 6) Remote and Autonomous Cargo Processing Working Group, temporarily inactive

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

Summary of Work

The Secure Trade Lanes Subcommittee has the responsibility of focusing on areas aimed at modernizing import/export processes, improving trade intelligence, and maximizing efficiencies. The Secure Trade Lanes sub-committee have met three times this quarter to discuss the ongoing efforts in the five active working groups areas. This quarter the Export Modernization, In-bond, and Trade Partnership and Engagement Working Group will have recommendations to put forth.

Export Modernization Work Group

Since our last COAC meeting in March, the Export Modernization Working Group (EMWG) has continued to meet bi-weekly with CBP, Census and BIS to continue to push for the development and rollout of the Electronic Export Manifest (EEM) and to follow up on previously made recommendations. The EMWG continues to focus on items that were discussed in the in-person session from November of 2022 to see that they are addressed and developed in this COAC term.

Our immediate attention this quarter has been on the development of a Request For Development (RFD) to be transitioned to the Trade Support Network to develop. This RFD will establish a Manifest Confirmation Number utilizing existing data elements that will be used to support drawback, carnets, Temporary Import Bonds (TIBs), transportation in-bond (and other in-bond movements) and PGA proof of export (ATF, for example). This RFD, once finalized, will encompass efficiencies for the trade and for CBP.

The EMWG Truck Focus Group has concluded our discussion of the individual data elements to eliminate any that may be redundant or to introduce new elements that might be necessary. In the process, there were different efficiencies that may be realized. We will continue discussions in the third quarter of 2023 with the goal of wrapping up any recommendations we might have by the end of the year.

The EMWG will have one recommendation for this quarter.

In-Bond Working Group

Since our last COAC meeting in March, the In-Bond Working Group (IBWG) has continued to hold bi-weekly meetings with CBP to discuss the status of prior recommendations and additional opportunities for in-bond modernization, such as streamlining FIRMS code requests for non-bonded facilities and centralizing FIRMS functionality in ACE. The IBWG also provided CBP with the redlines and notes supporting prior COAC recommendations in an effort to facilitate these requests. CBP is actively reviewing and providing the IBWG with status updates.

The IBWG has drafted three recommendations to submit for the June 14, 2023, COAC public meeting. These recommendations focus on providing industry with enhanced visibility to in-bond statistics, as well as improved interoperability between CBP and Trade to better facilitate in-bond movements.

Trade Partnership and Engagement Working Group

The working group was able to meet two times since the March public meeting, including a full day face to face workshop in Seattle, WA. The focus of the Trade Partnership and Engagement Working Group (TPE WG) meetings this quarter was on expansion of the Statement of Work (SOW) to include CTPAT Security topics and continued discussion on partnership benefits. The meetings this quarter centered around Trade member proposals of SOW topics to be included in the new iteration, as well as brainstorming ways for CBP to provide data to substantiate that members are receiving the benefits promised under the CTPAT program. The TPE WG is hoping to have a final updated SOW and to begin work on new CTPAT Security topics, before the September Public Meeting.

The TPE WG has four recommendations this quarter. These recommendations focus on standardization of CTPAT Security Validation preparation documents and agendas, CTPAT Trade

Compliance member considerations during Risk Analysis and Survey Assessments and Protest processing as well as a tool for CTPAT Members to see their benefits in action.

Cross-Border Recognition Working Group

Since the last public COAC meeting on March 29, 2023, the CBRWG had three (3) video conferences discussing cross-border trade opportunities to facilitate process improvement in order to streamline cross-border movements of legitimate trade. In these meetings, CBP provided updates to the group about the ongoing discussions with several Mexican government agencies pertaining to Trusted Trader and Unified Cargo Processing programs. CBP continues to engage with Mexico's Trusted Trader program AEO as well as ANAM in order to maximize the benefits of Unified Cargo Processing programs.

The Cross-Border Recognition Working Group will not have any recommendations for the June 14th, 2023 Public COAC meeting.

Pipeline Working Group

The Pipeline Working Group Phase III, since being reactivated after being on hiatus since 2019, was established to collaborate with CBP on significant initiatives with CBP on areas of development on regulations policy, uniformity and automation for petroleum and natural gas pipeline operations. No meetings were held during the second quarter. The Pipeline Working Group will continue discussions focusing on the review of the phase II recommendations to determine next actions. The Pipeline Working Group does not have recommendations to submit for the June 2023 meeting.

Conclusion

The Secure Trade Lanes Subcommittee will continue to leverage its existing working groups and trade subject-matter experts 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.