

**Commercial Customs Operations Advisory Committee
Government Issue Paper
Next Generation Facilitation Subcommittee
21st Century Customs Framework Task Force**

March 2023



**U.S. Customs and
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Action Required: Informational

Background:

- The 21st Century Customs Framework (21CCF) is CBP's modernization effort that seeks to position the agency for the future of trade through updates to CBP's Title 19 authorities.
- In pursuing the 21CCF legislative framework, CBP seeks to improve facilitation through a tech-enabled reimagined entry system, increase supply chain visibility and enhance stakeholder coordination through expanded information-sharing, and better protect national and economic security through modernized enforcement authorities that reach new and emerging actors in the 21st century trade environment.
- CBP kicked off 21CCF with a public meeting in March 2019.
- In 2021, CBP stood up the 21CCF Task Force under the Commercial Customs Operations Advisory Committee's (COAC's) Next Generation Facilitation Subcommittee Working Group comprised of representatives with a variety of roles and equities across the customs environment.
- Since reconvening in March 2022 under the 16th Term COAC, CBP has held 18 meetings with task force members to discuss 21CCF legislative discussion drafts as well as industry-identified proposals for enhanced facilitation and other benefits for lawful trade actors.
- Throughout these engagements, CBP has actively reviewed 21CCF policy positions and legislative discussion draft language to address industry feedback wherever possible.
- The 21CCF Task Force formally expressed support of 17 out of 23 21CCF legislative discussion drafts via COAC recommendations submitted in June and September 2022. In December 2022, the task force expressed opposition toward one of the provisions and intends to continue discussing the remaining five provisions in 2023.
- The 21CCF Task Force shared 16 industry-authored modernization proposals for discussion with CBP in fall 2022. The COAC voted to continue advancing nine modernization proposals at the December COAC Public Meeting.
- CBP is exploring how to incorporate industry-identified modernization proposals that fall within CBP jurisdiction into the final 21CCF package.

Issue:

- While some modernization progress can be made via regulatory, policy, and technical changes, legislative updates will be needed to truly unlock the transformative reform envisioned by 21CCF. Such updates should represent a range of stakeholder equities.
- CBP has drafted and circulated legislative discussion drafts to address trade modernization priorities and has sought the 16th Term COAC's leadership in the following:
 - Driving consensus recommendations on how CBP can statutorily address 21CCF challenges through the proposed legislative changes in discussion drafts or through alternative legislative approaches.
 - Driving consensus recommendations on trade facilitation and other benefits that industry would like to see codified in law.
 - Submitting recommendations through the COAC for CBP consideration.

Current Status:

- CBP and the 21CCF Task Force are working together to refine draft statutory updates pertaining to the industry-identified modernization proposals that fall within CBP jurisdiction.
- CBP continues to coordinate Partner Government Agency (PGA) engagement and technical review of the industry-identified proposals that impact PGA equities. CBP, the 21CCF Task Force and PGA representatives met to discuss these proposals in January 2023.
- 21CCF priorities continue to gain traction on Capitol Hill.
 - House Ways and Means Committee and Senate Finance Committee members have expressed interest in advancing customs modernization legislation in 2023.
 - The Senate Finance Committee held a customs modernization hearing with private sector witnesses on February 16, 2023, during which committee members expressed bipartisan support for updating existing trade laws. The Senate Finance Committee plans a second hearing with government witnesses by summer.
- CBP and the 21CCF Task Force hope to conclude COAC consultations on 21CCF legislative discussion drafts and industry-identified modernization proposals before the COAC public meeting in June.

Next Steps:

- Between March and June, CBP will refine 21CCF legislative drafts with the 21CCF Task Force, explore industry-identified facilitation proposals for inclusion in the 21CCF package, and coordinate discussions between PGAs and the Task Force on certain proposals as needed.
- At the June COAC public meeting, the 21CCF Task Force will provide a final recommendation on the five 21CCF legislative drafts that the COAC has not yet voted on as well as CBP's draft language addressing industry facilitation proposals.
- Also at the June COAC public meeting, the 21CCF Task Force will publicize a formal report that identifies additional facilitation-centric or transformative modernization concepts for CBP, PGA, or congressional consideration. This could include sub-statutory ideas, statutory ideas that the COAC did not vote to prioritize in December 2022, or statutory ideas CBP is not able to pursue due to impacts to PGA equities.
 - CBP recommends close coordination with the trade industry to identify additional ideas industry would like included in customs modernization as part of this opportunity to express their consensus priorities via public record.
 - CBP also encourages the trade industry to engage with Congress on customs modernization priorities that might not be reflected in the scope of provisions currently before the COAC.
- CBP will share a finalized 21CCF legislative package with Congress and highlight the COAC's positions on each provision after the June COAC public meeting.
- For more information on 21CCF, please visit the 21CCF webpage at <https://www.cbp.gov/trade/21CCF>

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