

Commercial Customs Operations Advisory Committee Next Generation Facilitation Subcommittee

March 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" and "O" 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)
March 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) 21CFF Task Force
- 2) ACE 2.0 co-chaired by Tom Gould, Jody Swentik
- 3) One US Government co-chaired by JD Gonzalez, Craig Seelig
- 4) E-Commerce – Co-chaired by Amy Smith, Craig Seelig
- 5) Passenger Air Operations 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 four active and one temporarily inactive working group. The subcommittee will leverage its five 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.

It has been a productive quarter for the active working groups but no recommendations will be presented by any working group this quarter.

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 has published three comprehensive reports in 2022 (June Report, September Report, and December Report¹) which each provide an executive

¹ <https://www.cbp.gov/document/report/ngf-21st-ccf-white-paper-dec-2022>

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.

The [December report](#)² was a comprehensive summary on the trade facilitation and modernization opportunities that must be advanced as part of this legislation. Through our discussions with CBP and the PGA's it was clear that only nine of the nineteen Trade Opportunities summarized in the report were under consideration for CBP's 21CCF package. Since that time, CBP presented their position on the remaining Trade Opportunities with the Focus Group and the 21 CCF Task Force. COAC believes CBP has additional opportunities to further refine their position and offer additional facilitative changes in their draft. We plan to use the next quarter to finalize all remaining CBP Challenge Areas, Trade Opportunities, and to conclude the COAC engagement on CBP's 21CCF Legislative Package. We look forward to continuing our engagement to advance regulatory, policy, and procedural modernization opportunities that do not require statutory amendments.

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 is on a short hiatus while Customs works on the upcoming Concept of Operations, expected to be developed by Customs (for example: Cargo Release, eCommerce, Post Entry) for accuracy and develop an understanding of potential implications to the supply chain and operations. Focus of the ACE 2.0 Working Group remains on re-engineering customs processes.

One US Government (1USG) at the Border:

The Customs Interagency Industry (CII) was renamed to provide CBP and Partner Government Agencies (PGAs) advisory feedback and input on priority initiatives impacting CBP, PGAs, and industry stakeholders. The CII WG will continue to provide a structure for continued interagency engagement with the trade community while fostering opportunities for CBP, PGAs, and the trade community to discuss operational and technical issues, including but not limited to the CBP Trade Strategy, the 21st Century Customs Framework (21CCF), and ACE 2.0, where a single U.S. government agency and/or international government entity may be impacted. This past quarter, the CII WG met two times virtually this included general discussions on 21st century framework participation with the 1USG and the second meeting was a CII lead call discussing name change and statement of work (SOW). The CII WG will build upon previous and ongoing COAC, CBP and interagency efforts, providing focused feedback, and formulating actionable

² <https://www.cbp.gov/document/report/ngf-21st-ccf-white-paper-dec-2022>

recommendations that identify a whole of US government (USG) approach toward coordinated strategic solutions to advance national security, trade enforcement, and the trade facilitation missions of customs-related issues.

E-Commerce:

The E-Commerce Task Force advises CBP in its efforts to manage risk and facilitate legitimate trade in the small package environment. Increasing volumes of e-commerce shipments require evolving and practical solutions to advance both the facilitation and enforcement missions of CBP and the partner government agencies. In this past quarter, the E-Commerce Task Force met twice virtually. In these meetings the task force discussed the expansion of the Section 321 data pilot to allow additional trade participants into the pilot.

Passenger Air Operations:

The Passenger Air Operations (PAO) Working Group, 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.

Since the last public meeting on December 7, 2022, the PAOWG had two (2) virtual meetings. During these meetings, CBP and the industry have had interesting conversations and have identified eighteen (18) main topics or challenges the industry is facing and how CBP can assist to address and improve these challenges. Examples of these are: CBP regulations give port directors broad discretion in administering the personnel access seal application process. While the process is highly inconsistent and administratively cumbersome among each port. The goal is to streamline and eliminate inconsistent seal administration and make the CBP seals on badges transferrable among ports. CBP and Industry are reviewing on how to automate the seal application process.

The PAOWG will continue discussions focusing on advancements in technology; landing rights and creating a finalized program for the electronic Gendec, that will help to standardize the process for those air carriers that were not able to get into the program originally. The PAOWG has no recommendations to submit for the March 2023 meeting.

Emerging Technology:

The Emerging Technology working group is inactive at this time. 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.