

**Commercial Customs Operations Advisory Committee
Secure Trade Lanes Subcommittee
Cross-Border Recognition Working Group
Draft Recommendations**

March 2023

COAC

**COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE**

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Draft Recommendations

1. COAC recommends CBP continues to work with Mexican authorities (SAT, ANAM, et al.) to align the program requirements for Customs Trade Partnership Against Terrorism (CTPAT) and Mexico's Authorized Economic Operator (AEO) program, with an eye toward harmonizing the AEO certification, validation, and revalidation processes.
 - a. Develop bilateral deadlines and performance measures for this work; and
 - b. Provide technical assistance and capacity building, as appropriate, to the Mexican authorities, with a focus on achieving and maintaining sufficient personnel levels to meet the demands of the AEO program.

2. COAC recommends CBP work with US Regulatory agencies (USDA/APHIS and others) and Mexican authorities (SENASICA and others) to evaluate a Mutual Recognition initiative for agriculture products that increases efficiency and reduces redundant inspections at the border.
 - a. The Mutual Recognition (MR) agreement between the agencies will formalize a Joint Work Plan (JWP) outlining mutually agreeable deadlines and performance measures;
 - b. Expand on the Joint Inspection program that allows inspections to take place at select inland locations in the US and Mexico; and
 - c. Explore the use of high security seals/tracking devices to assure the security of agriculture products as part of this work.

3. COAC recommends CBP address emerging market conditions through the enhanced use of data integration, technology, transparency, and communication while further developing the Authorized Economic Operator Program. The project should consider the following phases:
 - a. **Develop bilateral requirements:** Define sectors, regions, company size, supply chain requirements, actual government certification's requirements, among others.
 - b. **Design communication and data sharing procedures:** Design processes including formats, type of technology, IT systems that authorities will need to develop and harmonize.
 - c. **Build trust through the current pilot program (or develop new pilot programs) to certify a complete logistic chain on both sides of the border:** Include sectors that are already selected in the HLED (High-Level Economic Dialog), such as the manufacture industries of automotive, aerospace, medical devices, and agrobusiness through ports of entry like Tijuana-Otay Mesa, Juarez-El Paso and Laredo-Nuevo Laredo
 - i. Expand on the specific area for joint inspections;
 - ii. use of a CBP seal to assure that the merchandise is secure (e.g., as is done for avocados);
 - iii. build trust among binational authorities rather than focusing on tax incentives.
 - d. **Design operational and administrative incentives (excluding tax implications). Upon successful completion of the pilot, expand program in phases.**