



COMMERCIAL CUSTOMS OPERATIONS  
ADVISORY COMMITTEE

**Recommendations during March 29, 2023  
16<sup>th</sup> Term COAC Public Meeting  
Seattle Airport Marriott, Seattle, WA**

**March 29, 2023**

**SECURE TRADE LANES SUBCOMMITTEE**

**Cross-Border Recognition Working Group**

**010620**

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.

**010621**

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.

**010622**

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.**

### **Export Modernization Working Group**

#### **010623**

COAC recommends that, for full visibility, CBP evaluate the development of a process to connect lowest level house bill of lading information to the exporting carrier's manifest for multi-modal shipments exporting the U.S. via land borders, for subsequent departure from non-U.S. air/seaports to foreign destinations.

### **In-bond Working Group**

#### **010624**

COAC recommends that 19 CFR 18.1(i)(1) be amended to extend the maximum in-transit time from 30 days to 60 days for all merchandise to be transported In-bond. Currently, only merchandise transported via barge is allowed 60 days. Extending the in-transit time will harmonize the threshold across all modes and accommodate movements requiring additional transit time, alleviating the need to request extensions.

#### **010625**

COAC recommends that CBP provide Trade with the ability to electronically request an extension of in-transit time via ACE or CBP-approved EDI system for all merchandise to be transported In-bond. Currently, 19 CFR 18.1(i)(2) requires extension requests to be submitted in writing to the port director at the port of destination or port of exportation. Moving to a paperless solution will streamline the request process and is consistent with other In-bond requests, such as diversions.

#### **010626**

COAC recommends that CBP communicate all In-bond hold messages in real-time via push messaging in a CBP-approved EDI system. Currently, Trade is required to proactively query each master bill of lading multiple times during the life of the shipment to check for a hold status. The current process is inefficient and burdensome for Trade, with most queries resulting

in no hold. Recognizing that holds are important, CBP should actively push out real-time hold notifications eliminating the need for Trade to query every In-bond movement.

## **RAPID RESPONSE SUBCOMMITTEE**

### **USMCA Working Group**

#### **010627**

COAC recommends that CBP should recommend to the Office of the United States Trade Representative the following agenda item for inclusion at the next Article 7.24 Trade Facilitation Committee meeting:

- a. That the United States, Mexico and Canada establish a means to include outside stakeholders (*e.g.*, civil society, organized labor, private sector, etc.) in the work of the USMCA Trade Facilitation Committee established by Article 7.24 of the agreement.
- b. Looking to COAC as a model, this mechanism should, at a minimum, provide regular and routine ways to transmit views to the Committee and to learn about its work on an ongoing basis.