

**U.S. CUSTOMS AND BORDER PROTECTIONS
(CBP)**

**COMMERCIAL CUSTOMS OPERATIONS ADVISORY COMMITTEE
(COAC)**

QUARTERLY PUBLIC MEETING

Wednesday, September 20, 2023

1:00 P.M. to 3:23 P.M.

By: Chelse Sander

OPENING REMARKS

Felicia Pullam, Executive Director for the Office of Trade Relations, opened the meeting and welcomed COAC Members and all the public attendees. The roll was called, and all members were present.

CBP Commissioner Troy Miller welcomed the attendees, expressing gratitude for their participation. He introduced key figures from various government agencies, highlighting their roles and responsibilities.

Commissioner Miller emphasized the pressing issue of fentanyl, a potent synthetic opioid responsible for a significant number of overdose deaths in the United States. He noted that CBP's seizures of fentanyl have increased dramatically in recent years, posing a grave challenge to border security. He discussed how these illicit drugs and their precursors enter the country through small package shipments, particularly in the air cargo environment. The surge in e-commerce has significantly increased the volume of these shipments, making effective screening and contraband detection more challenging.

To address these issues, Commissioner Miller highlighted the creation of the De Minimis Working Group during COAC's 16th term. This group is focused on combating the illegal importation of fentanyl, its precursors, and related machinery. It aims to disrupt the production mechanisms and supply chains operated by criminal organizations. Additionally, the De Minimis Working Group will address other challenges in the small package environment, such as intellectual property rights, counterfeit goods, and hazardous substances.

Turning to exports, Commissioner Miller praised the efforts of the Export Modernization Working Group in seeking pre-departure data for export transactions to enhance risk assessments. He noted the collaboration with the trucking industry to expedite the development of an electronic export manifest. This modernization effort aligns with CBP's commitment to improving processes while safeguarding economic security.

Commissioner Miller mentioned the progress made with the 21st Century Customs Framework (21-CCF) and its transition into a formal legislative proposal. He thanked the task force members for their engagement and partnership over the years.

Lastly, he provided an update on CBP's Green Trade Strategy, which encourages sustainable trade practices, strengthens environmental enforcement, and enforces trade laws related to natural resource protection. He highlighted the success of the Truck Manifest Modernization Program in reducing wait times and emissions from idling vehicles.

Deputy Assistant Secretary for Tax Policy and COAC Co-Chair, Tom West, expressed his appreciation for the committee's valuable contributions to shaping customs and trade policies. He emphasized the significance of the diverse perspectives brought by COAC members and their input on complex issues that affect businesses and trade. He particularly highlighted several pressing topics on the meeting's agenda, including counterfeit goods produced with forced labor, intellectual property rights (IPR) data flows, de minimis, broker modernization, and interagency cooperation at the border.

He acknowledged that these challenges don't have easy solutions and recognized the importance of a forum like COAC for comprehensive and informed decision-making. He assured the committee that their recommendations are highly regarded and play a vital role in the policymaking process. He emphasized that the Treasury values the work of COAC and values the insights and recommendations provided by its members.

Assistant Secretary for Trade and Economic Security, Bridget McGovern, highlighted several important topics on the meeting's agenda, including forced labor, de minimis, and the USMCA Chapter 7 and 8. She emphasized the Department of Homeland Security's commitment to addressing forced labor, stating that it remains a top compliance issue. She commended CBP's enforcement and outreach efforts in implementing the Uyghur Forced Labor Prevention Act (UFLPA) and thanked the trade community for their active engagement.

She expressed strong support for the 21-CCF initiative, noting that the statutory changes associated with 21-CCF will enable CBP to facilitate lawful trade more efficiently while enhancing detection and enforcement against goods that pose threats to national and economic security. She then touched on the Indo Pacific Economic Framework for Prosperity (IPEF) and its supply chain agreement. She emphasized the role of the trade community in the success of these initiatives.

Michael Ball, Deputy Assistant Director for Homeland Security Investigations, discussed the critical role of HSI and the National Intellectual Property Rights Center in collaboration with CBP and industry partner.

On the export side, HSI deals with Counter Proliferation Investigations and the Export Enforcement Coordination Center. On the import side, they handle the Intellectual Property Unit, Commercial Fraud Unit, and recently introduced units focusing on Wildlife and Environmental Crimes and Government Supply Chain Investigations.

The Wildlife and Environmental Crimes Unit targets wildlife trafficking, environmental crimes, and their connections to human trafficking, drug trafficking, and terrorist financing in some cases. Additionally, the Government Supply Chain Investigations Unit was established due to concerns about counterfeits entering the government supply chain.

Mr. Ball also highlighted the collaboration between HSI and CBP in conducting Special Operations initiatives, particularly those targeting threats to health and safety and pharmaceutical fraud. Concluding, he stressed the impact and importance of the partnership between HSI, CBP, and industry partners in addressing trade-related criminal activities.

COAC Trade Co-Chair, Brian White, acknowledged the achievements of the agencies while recognizing the ongoing work ahead. He mentioned the productive discussions held earlier in the day with the leadership team.

Mr. White also shared that COAC members had a highly productive quarter, and the meeting would feature updates from subcommittees and recommendations from working groups. He emphasized the value of COAC members' expertise and their role in advising CBP on commercial operations.

COAC Trade Co-Chair, Kathryn Wilkins, highlighted significant progress made by various working groups, emphasizing the newly formed De Minimis Working Group, which was introduced at the previous public meeting. She then acknowledged COAC member Craig Seelig as the leader of the De Minimis Working Group and praised the group's rapid response and coordination. Additionally, she mentioned that the group had organized a two-day, in-person meeting in Washington, D.C.

INTELLIGENT ENFORCEMENT SUBCOMMITTEE

Subcommittee Co-Lead, Erika Vidal-Faulkenberry, provided an overview of the activities of the Intelligent Enforcement Subcommittee, which consists of four working groups: Antidumping and Countervailing Duty Working Group (AD/CVD), Bond Working Group, Forced Labor Working Group, and Intellectual Property Rights (IPR) Working Group.

She noted that three of them, namely the AD/CVD Group, the Forced Labor Working Group, and the Intellectual Property Rights Working Group, would be presenting recommendations during the meeting.

ANTI-DUMPING & COUNTERVAILING DUTY (AD/CVD) WORKING GROUP

Working Group Chair, Matthew Zehner, presented the group's one recommendation. The recommendation aims to make information related to antidumping and countervailing duty cases more accessible and visible to the trade community.

The recommendation proposes that, as part of the antidumping information made available to the trade through the ACE portal or API broker query, there should be an alert or event that identifies the existence of certifications. This alert would also refer users to the Federal Register Notice, where more detailed information can be found.

Looking ahead to the next quarter, the AD/CVD Group is considering bringing forward additional recommendations related to simplifying the handling of certifications, possibly through entry summary information to improve visibility for customs personnel, particularly import specialists.

BOND WORKING GROUP

Working Group Co-Chair, Matthew Zehner, states that there hasn't been much activity in the group this year, leading to a bimonthly meeting schedule. The group primarily focuses on updates regarding the progress of previous COACs' work related to bond enhancements.

He reported that the TSN In-Bond Working Group is almost finished with recommendation documents concerning enhancements to the in-bond process. He noted that they have already completed work on ISF enhancements and NITSA DoT bond enhancements.

The group has also addressed section 337 bonding related to the presidential review period, specifically concerning intellectual property and patent infringement issues. They are currently working on the IPR Rights Bond, which involves protecting importers with a small bond when providing a sample of an imported product to a rights holder for inspection.

FORCED LABOR WORKING GROUP

Co-Lead, Julie Pojar, presented three recommendations on behalf of the working group on the following three topics: ongoing education and outreach, enhanced information sharing with importers, and Foreign trade zones (FTZs).

The first recommendation, ongoing education and outreach, COAC recommends that CBP continue to educate stakeholders, such as the trade, NGOs, CSOs, government departments, and technology vendors, about the implementation and enforcement of the UFLPA.

She noted that this educational effort should include updated fact sheets, webinars, and other outreach activities to provide guidance on trends and best practices for enforcement and compliance. It should also involve providing additional guidance and training for ports and CBP personnel to ensure consistency in enforcement.

The second recommendation is focused on enhanced information sharing with importers. COAC recommends when a shipment is stopped for a suspected UFLPA violation, additional information should be supplied to the importers. Specifically, CBP should identify the component and/or the supplier in question.

The third recommendation is on foreign trade zones and COAC recommends that CBP explore solutions for the use of Foreign Trade Zones within or external to the initial port of import and entry to hold detained merchandise under UFLPA pending a decision. If CBP is unable to adjust its position regarding FTZs, the agency should provide legal justification for its decision.

INTELLECTUAL PROPERTY RIGHTS (IPR) PROCESS MODERNIZATION
WORKING GROUP

Co-Lead Heather Litman presents eight recommendations on behalf of the Working Group.

Recommendation for Automation of the Administrative Enforcement Process: CBP is to link ACE and CCAPS to automate the administrative enforcement process. The goal is to create a single automated system that addresses all CBP enforcement priorities.

Recommendation for the Use of Unique Identifiers: COAC recommends that CBP implement the use of unique identifiers within the automation of the administrative enforcement process.

Recommendation for Revising Importer Identity Form: CBP is to revise CBP Form 5106, allowing for additional optional focused email addresses and enables importers to receive specific communications related their goods.

Recommendation for a Web Portal for Visibility: CBP should create a web portal as an enhancement to the ACE web portal as it would provide visibility outside of traditional ACE or Legacy ACE systems.

Recommendation for Exploring Alternatives to Seizure: COAC recommends exploring alternatives to seizure for mixed shipments that include alleged infringing goods. These alternatives should focus on efficient ways to resolve shipments during the detention phase without resorting to costly and time-consuming seizures.

Recommendation for Funding for the Portal: CBP should engage with the trade to evaluate means of generating funds for the web portal.

Recommendation for Establishing a Voluntary Program for Parallel Goods: CBP is to work with the trade and industry groups to develop a voluntary program for establishing trusted and known parallel good importers and importers of used and recycled goods.

Recommendation for Developing Standards for Parallel Goods: COAC recommends that CBP work with the trade, rights holders, and industry groups to develop standards that can be used to demonstrate that parallel goods are genuine.

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Eric Choy, the Executive Director of the Trade Remedy Law Enforcement Directorate, provided an overview of the Intelligence Enforcement Subcommittee's efforts and discussed various recommendations and initiatives.

The AD/CVD Working Group has been working on improving poor compliance, addressing chronic errors in AD/CVD entries, and increasing trade awareness of AD/CVD certifications required by the Department of Commerce.

Discussions in the Bond Working Group have focused on AC Bond enhancements and monetary guidelines for bond amounts. CBP anticipates publishing final guidelines for monetary bond amounts soon and will collaborate with COAC to refine and publish corresponding external guidance documents.

The Forced Labor Working Group has been actively discussing educating stakeholders about the implementation and enforcement of the UFLPA and CBP has engaged in numerous interactions with various stakeholders to promote awareness.

The IPR Working Group is focused on operational deliverables that will benefit rights holders, CBP, and the broader trade community. This includes the automation of processes related to forced labor and intellectual property rights enforcement.

PUBLIC COMMENT

Executive Director Felicia Pullman opened the floor for public comment.

Mr. Christopher Smith with Ikea Purchasing Service commented that expressed support for the Forced Labor Working Group's recommendation regarding the use of Foreign Trade Zones for holding goods suspected of having forced labor while a review and determination is being made. He highlighted that this change is essential to avoid substantial costs for importers and to prevent additional staffing demands on CBP, particularly in ports that are already understaffed.

Mr. Mike Mullen with Express Association of America commented commended CBP for the information published on their website, particularly the drug seizures statistics dashboard. He highlighted that this data, particularly on fentanyl seizures, is crucial for supporting the work of the De Minimis Working Group. He noted that the data shows that 99% of fentanyl seizures in FY23 occurred on the southern land border, emphasizing the role of Mexican drug cartels in the issue.

Ms. Anna Sueangam-Iam expressed the perspective of civil society organizations and emphasized the importance of ensuring that there are no procedural or other impediments to CBP's forced labor enforcement efforts. She encouraged the Forced Labor Working Group to consider the interactions of these recommendations from the other subcommittees and how they can relate to forced labor.

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Executive Director Felicia Pullman requested a motion to submit the recommendations by the Intelligent Enforcement Subcommittee. A motion was made by JD Gonzalez and seconded by Craig Seeling. A roll call vote was conducted and the recommendations were unanimously voted to be submitted. **Please see the Appendix for the complete list of recommendations.**

SECURE TRADE LANES SUBCOMMITTEE

Subcommittee Co-Lead, JD Gonzalez, provided an overview of the discussions within the COAC committee, emphasizing the challenging and robust nature of the discussions, especially with the inclusion of the De Minimis Working Group.

CROSS-BORDER RECOGNITION WORKING GROUP

Working Group Co-Chair, Steve Simmons, notes that the group does not have any recommendations currently. He mentioned that since the last COAC public meeting, the group has not met, but they are in the process of restructuring and refining their statement of work.

DE MINIMIS WORKING GROUP

Trade Lead, Craig Seeling, states that the working group has eight recommendations:

First, to explore options to share data and information across the supply chain to address potentially illicit shipments. Next, they recommend identifying and sharing the best practices and warning indicators regarding unmanifested shipments arriving at the border.

Thirdly, to advance the utilization of technology, including non-intrusive inspection equipment and artificial intelligence to detect illicit shipments while facilitating compliant trade. The fourth recommendation is to evaluate procurement procedures and processes to expedite the adoption and deployment of technology to address trade needs.

Fifth, to provide a public report outlining advancements in technology and a deployment strategy. Next, sixth, is to enhance communication and education efforts to improve compliance with de minimis shipment obligations through written materials, seminars, and videos.

The next recommendation, number seven, is to engage with the U.S. Postal Service to require them to provide the same data elements and adhere to similar protocols as the private sector to combat illegal contraband. Lastly, recommendation number eight, is to explore options for technology and programs for pre-screening or pre-clearance at the point of origin.

EXPORT MODERNIZATION WORKING GROUP

Working Group Co-Chair, Vincente Herrera, provided an update on the work of the Working Group, particularly focusing on the Electronic Export Manifest and other related topics.

Concerning the RFD for the manifest confirmation number, this was transitioned to the Trade Support Network and was approved for development. This number will utilize existing data elements and support various functions such as rollbacks, temporary import bonds, transportation in-bond, and more.

The working group is working with CBP to encourage additional participants across all modes of transportation to join the Electronic Export Manifest Pilot. Additionally, they have also introduced the topic of progressive filing and its impact on the Electronic Export Manifest and the electronic export information process.

Lastly, the Truck Focus Group met once during the quarter to review operational functionalities, particularly focusing on border crossings with Canada and Mexico. They hope to engage in conversations with USMCA partners and potentially finalize recommendations for the next meeting.

IN-BOND WORKING GROUP

Working Group Co-Chair, Christopher Everly, notes that they do not have any recommendations for the September 2023 public meeting but they have held several meetings with CBP since the last public meeting in June.

Additionally, CBP has assigned an attorney to review the recommendations that may require regulatory changes. This indicates a commitment to addressing the group's concerns and working toward solutions. Further, Director Slutsky has provided executive sponsorship for the RFDs submitted by trade

PIPELINE WORKING GROUP

Working Group Chair Mary Hodges presented the following recommendations:

COAC recommends that the pilot include volunteer importers, shippers, producers, pipeline operators, and customs brokers in the supply chain for pipeline-borne Canadian crude oil. This will replace all existing quarter-arrival and in-bond data reporting to CBP with data acquired directly or derived from distributed ledger technology and decentralized identifiers.

COAC recommends that the pilot be open to additional upstream and downstream participants in the supply chain for pipeline-borne crude oil who voluntarily adopt the technology as described when CBP deems it appropriate.

The COAC recommends that CBP waive the USMCA certification of origin requirements for importers whose data is traceable to the consolidation hub in the Interior of Canada.

COAC recommends that the pilot test should aim to determine operational gaps and performance issues with the software, assess the necessity and viability of obtaining wellhead information to prevent the introduction of USMCA non-originating materials, consider extending the pilot to other modes of transport, and assess the position of competent authorities regarding the USMCA and its limitations in mandating software use. Lastly, the COAC recommends that other pipeline-borne commodities be added to the pilot as CBP deems practical.

TRADE PARTNERSHIP AND ENGAGEMENT (TPE) WORKING GROUP

Working Group Co-Chair, Kerry Novak, informed COAC that they have finalized an update to its statement of work, which now includes CTPAT security and the scope of the working group. This update was made in response to COAC's request for feedback on CTPAT security benefits and the CTPAT security validation and revalidation process.

Additionally, the CBP regulatory audit team met with them to discuss a recommendation made in June. The recommendation focused on removing CTPAT trade compliance members from being candidates for a risk analysis and survey assessment.

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Deputy Executive Director for Cargo and Conveyance Security Dennis McKenzie gave a high-level synopsis of the subcommittee's work.

Relating to the De Minimis Work Group, he commended the COAC for providing recommendations related to combating fentanyl, unmanifested shipments arriving at MasterCard, precursor chemicals, and pill and die sets smuggling. He emphasized the importance of addressing these issues to prevent loss of life.

Next, based on the Export Modernization Working Group's work, they were able to fund multiple projects within ACE, particularly in the area of Electronic Export Manifest (EEM).

Further, and despite some challenges, such as changes in the Mexican government, the Cross-Border Working Group continues to push forward with Unified Cargo Processing (UCP) and is working with the Canada Border Services Agency (CBSA) on UCP for the northern border.

Deputy Executive Director McKenzie expressed gratitude for the COAC's expertise and efforts, emphasizing that even without many specific recommendations this quarter, progress is being made through automation and the identification of areas for improvement.

PUBLIC COMMENT

Executive Director Felicia Pullman opened the floor for public comment.

COAC Member JD Gonzalez clarified that the comment regarding 99% of seizures occurring on the southern border may not accurately reflect the full scope of the issue. He emphasized the importance of addressing the problem across all modes of travel and highlighted the need for collaborative efforts to find solutions.

Stephen Story of Apex Logistics expressed concerns about the composition and recommendations of the De Minimis Working Group. He inquired about the representation of the broker industry within the working group and noted that none of the recommendations from the E-Commerce Committee, which he had participated in for two years, were included in the current De Minimis recommendations.

Executive Director Pullman acknowledged Mr. Story's concerns and assured him that the broker industry was represented within the De Minimis Working Group. She also noted that past recommendations from the E-commerce Working Group were still considered and appreciated.

Ms. Mary Anne Rodin with E-Merchants Trades Council also expressed concerns about the speed at which the De Minimis Working Group developed recommendations and noted that the specific recommendations proposed may limit the potential solutions considered.

Mr. Mike Mullen with Express Association of America added to the statement made earlier about the high percentage of fentanyl seizures on the southern land border, citing specific statistics from FY23.

A written comment was submitted by Ms. Rebecca Roosevelt (ph.) and reads: We recommend that CBP engage with the US Postal Service and the private sector to require them to provide the necessary data elements for the enforcement of all US import restrictions.

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Executive Director Pullam called for a motion to submit the Secure Trade Lane Subcommittee recommendations. A motion was made by Mary Hodges and seconded by David Corn. Having been unanimously agreed through a roll call vote, the recommendations were submitted. **See the Appendix for the complete recommendation.**

RAPID RESPONSE SUBCOMMITTEE

Subcommittee Co-Lead, Julie Pojar, mentioned that the Rapid Response Subcommittee includes the Broker Modernization Working Group and the USMCA Working Group. She also noted that the USMCA Working Group will have one recommendation this quarter.

BROKER MODERNIZATION WORKING GROUP

Working Group Co-Lead, Brian Barber, provided an update on the activities of the group, mentioning that the group continues to focus on three core pillars: the modernization of customs broker regulations, continuing education for customs brokers, and the customs brokers licensing exam. While the group has no recommendations for this quarter, he provided COAC with some updates.

The group has been addressing concerns related to ACE portal updates and fixes. CBP has been working with brokers and recently published version 2.0 of the Customs Brokers Guidance document. This document highlights changes related to the broker exam, broker licensing process, national permit, filer code maintenance, and general broker oversight.

Additionally, CBP published a final rule regarding continuing education requirements for customs brokers. Once fully implemented, individually licensed brokers will be required to obtain 36 hours of approved continuing education every tri-annual period.

He then announced that the next CBLE is scheduled for October 25th and will accommodate both in-person and remote test takers. The group has completed all user acceptance testing.

UNITED STATES-MEXICO-CANADA AGREEMENT (USMCA)
CHAPTER 7 WORKING GROUP

Working Group Co-Chair Kathryn Wilkins explained that the group focuses on various aspects of the USMCA agreement and engages industry stakeholders and trade to discuss and understand its impact and potential improvements. Over the last quarter, the group conducted a deep dive into Chapter 7, the enforcement chapter, and they are approximately 70% through this chapter.

The working group has one recommendation to present at this meeting which focuses on the exchange of customs and best practices between US Customs and the appropriate authorities of Canada and Mexico. She stressed the importance of the needs of micro, small, and medium-sized enterprises and improve communication with traders.

The recommendation includes three main components. First, the exchange of best practices to include rulemaking, informal events, authorities' websites, and other means of information dissemination. Second, the need for focus on timeliness and effectiveness, including the establishment of performance metrics to measure the outreach efforts of the parties involved. Lastly, providing a means for the public to propose topics for discussion, ensuring transparency and the ability for stakeholders to engage in the process.

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Deputy Executive Director of Trade Policy and Programs, Robert Kossowsky, provided an update on the activities of the COAC subcommittees, highlighting some of the work accomplished in the past quarter.

The Broker Modernization Working Group has been working on implementing the new regulations, which were published in October 2022. Additionally, the final rule for broker continuing education was published and CBP has initiated the process to establish accreditation for qualifying education credits.

Lastly, the USMCA Working Group is identifying gaps in the implementation of the US-Mexico-Canada Agreement and have been developing recommendations for the Article 7 Committee on Trade Facilitation, which serves as a trilateral forum for sharing information related to Chapter 7 of the USMCA.

PUBLIC COMMENT

Executive Director Felicia Pullman opened the floor for public comment.

Stephen Story of Apex Logistics raised a concern related to the de minimis webinar FAQs issued by Customs. The FAQ stated that a power of attorney is required for entry type 86, which is determined as customs business. However, the FAQ didn't specify from whom the power of attorney should be obtained. He suggested that Customs should take this further and recommend that the power of attorney be obtained from the entity or marketplace that facilitates the sale for export to the US. Marketplaces often have a financial interest in the goods, and obtaining a power of attorney from the marketplace could be more practical, especially in cases where there are numerous shipments with different consignees.

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Executive Director Pullam called for a motion to submit the Rapid Response Subcommittee recommendations. A motion was made by Julie Pojar and seconded by Brian Barber. A roll call vote was held and the recommendations were submitted unanimously. **See the Appendix for the complete recommendation.**

NEXT GENERATION FACILITATION SUBCOMMITTEE

COAC Co-Lead Jody Swentik gave an overview of the subcommittee, which consists of three active working groups: ACE 2.0, Customs Interagency Industry, and Passenger Air Operations Working Group. The subcommittee also has one inactive working group, Emerging Tech. She mentioned that there will be two recommendations presented today, one from the ACE 2.0 Working Group and another from the Passenger Air Operations Working Group.

AUTOMATED COMMERCIAL ENVIRONMENT (ACE) 2.0 WORKING GROUP

Working Group Co-Lead, Thomas Gould, discussed the group's role is advising CBP on how ACE 2.0 can enhance future entry processes. They resumed its operations in July 2023.

The group held a two-day, in-person meeting with CBP to review the Concept of Operations (CONOPS), which outlines the processes required to support the acquisition of ACE 2.0. During the meeting, the working group and CBP reviewed various freight processes, including cargo release, entry summary, post-release, and E-commerce processes. They identified gaps in the current processes and proposed future processes and the benefits they anticipate from these changes.

Mr. Gould clarified that the CONOPS is not meant to comprehensively review all automated processes in ACE 2.0. Instead, it serves as a high-level review of selected processes that provide a representative sample of the plan to replace ACE with ACE 2.0.

He also noted that the working group would submit one recommendation to COAC, suggesting that CBP continues to analyze challenging business case scenarios with the trade to support the acquisition and CONOPS for ACE 2.0.

CUSTOMS INTERAGENCY INDUSTRY (CII) WORKING GROUP

Working Group Co-Lead, Craig Seeling, announced that the group currently does not have any recommendations to present.

The group met multiple times with active participation from CBP and the PGAs where they addressed how CBP, the PGAs, and trade can collaborate to improve the efficiency of the release process as ACE 2.0 is developed. Additionally, they discussed de minimis filings and how they are affected by the presence of PGA reportable commodities. One significant point of discussion was the PGA message and the challenges faced by the trade due to redundancies in the data set. Further, they plan to continue these discussions in the next quarter, along with addressing other relevant topics.

PASSENGER AIR OPERATIONS (PAO) WORKING GROUP

Working Group Co-Lead, Vincente Herrera, explained that the group was established in December 2022 and meets monthly to focus on modernizing passenger processing rules and regulations, improving the passenger experience, and addressing challenges at international ports of entry.

The working group has been concentrating on three main areas: CBP security seals processing and access for international aircraft and passengers, landing rights, and the elimination of outdated or obsolete forms.

One specific issue discussed was the need to update regulations in Title 19 CFR Part 122 to reflect changes in industry processes. Therefore, the working group recommends a review of the current regulations to determine whether responsibilities should be reassigned to the agent or aircraft operator, as needed. This recommendation seeks to align the regulations with modern industry practices and streamline passenger air operations.

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Deputy Executive Director of Trade Policy and Programs, Robert Kossowsky, gave an overview of the activities of various working groups within the Next Generation Facilitation Subcommittee.

Highlighting the work of the Customs Interagency Industry Working Group, they aim to identify gaps in automation, data utilization, and process management, as well as policy and regulatory obstacles to enhance border crossing and processing. The group is also working to inform the development of ACE 2.0.

Deputy Executive Director Kossowsky briefly mentioned that the Passenger Air Operations Working Group has been meeting monthly since its inception in January and focuses on identifying challenges in passenger processes. Then, he touched on the ACE 2.0 Working Group, which has been reviewing cargo process scenarios for cargo release, E-commerce, and entry summary/post-release processes.

PUBLIC COMMENT

Executive Director Felicia Pullman opened the floor for public comment. No comments were made or submitted.

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Executive Director Felicia Pullman requested a motion to submit the recommendations by the Next Generation Subcommittee. A motion was made by Thomas Gould and seconded by Jody Swentik. Holding a roll call vote, the recommendations were unanimously submitted. **Please see the Appendix for the complete list of recommendations.**

CLOSING REMARKS

Executive Director Felicia Pullman informed COAC that the next public meeting will be held on Wednesday, December 13th, in Washington, D.C. Additionally, the 2024 Trade Facilitation and Cargo Security Summit will be held March 26th through March 28th in Philadelphia.

She thanked all the participants and adjourned the meeting at 3:49 P.M