

Commercial Customs Operations Advisory Committee (COAC) Trade Modernization Subcommittee, Regulatory Reform Working Group

August 2018



U.S. Customs and
Border Protection

Office of Trade, Regulations and Rulings
Regulatory Reform Working Group
July 2018

Action Required:

- The Regulatory Reform Working Group (RRWG) formed in February 2018 to address Executive Order 13771, *Reducing Regulation and Controlling Regulatory Costs*.
- The goals of the RRWG are to provide high-level recommendations to COAC on trade processes and their supporting regulations that still need to be modernized, even after the deployment of core ACE. The RRWG will also provide a prioritized list of regulations to help CBP focus and begin regulatory initiatives that will produce the most cost savings for both the public and private sectors.
- The RRWG is comprised of representatives from COAC, other industry experts, and staff from Office of Field Operations, Office of Trade, and Office of Chief Counsel.
- The group used as its starting point the comments received on a *Federal Register* Notice published in September 2017 soliciting suggestions for regulatory reform.
- The group is working through all of Title 19 of the Code of Federal Regulations, titled Customs Duties, to identify CBP regulations that are outdated, obsolete, require paper-based processes, or make little operational sense in a modern business environment.
- The group meets biweekly, with three teams conducting more detailed activities outside the main calls.
- The RRWG met in-person in April 2018 for an intense deep dive into major sections of the regulations, and is finalizing the deep dives by the end of August 2018.
- The RRWG welcomes any new COAC member who would like to join the working group.

Background:

- Current deregulatory efforts that have been made public through the DHS Unified Agenda include:
 - The modernization of customs broker regulations
 - I-418 process modernization in vessel environment (the I-418 is a passenger and crew list, and CBP is able to obtain this information from the Coast Guard rather than gathering it separately)
 - Updating the regulations to specify ports with a Vessel Repair Unit (New Orleans is the sole remaining site; the other ports will be removed from the list)
- Additional deregulatory efforts that are not yet public include:
 - Revenue modernization
 - Modernizing the vessel arrival process to be automated and streamlined
 - Updating the regulations to account for eBond functionality in ACE
 - Free Trade Zone modernization (also a COAC working group)
 - Advance Electronic Data for international mail
 - Export manifest modernization
 - Changes to the in-bond process (also a COAC working group)
 - Bonded warehouse modernization
 - Liquidation process modernization
 - Updating regulations for ACE functionality

Next Steps:

- Next steps will be to consolidate findings, to begin the effort to prioritize regulations that are promising candidates for modernization, and to draft COAC recommendations.
- The RRWG's aim is to present its recommendations at the December 2018 COAC meeting.

Submitted by: Elena Ryan, OT:RR,
Date: July 20, 2018