Commercial Customs Operations Advisory Committee (COAC)

Government Issue Paper: International Engagement and Trade Facilitation

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U.S. Customs and Border Protection

International Engagement and Trade Facilitation

The COAC Trade Modernization Subcommittee has established the International Engagement and Trade Facilitation Working Group (IETF) that will seek to identify barriers to effective and efficient trade with our most prominent trade partners (e.g., Brazil, Russia, India and China (BRIC) countries and free trade agreement (FTA) partners). Founded through recommendations from the 14th COAC session, IETF will offer practical strategic approaches and solutions/suggestions to encourage the adoption of best practices through engagement with the World Customs Organization (WCO) and for the implementation of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA). To achieve this, IETF is working to:

1) identify examples of best practices that U.S. businesses experience in the United States and abroad that facilitate trade and could be applied globally;
2) propose methods to make customs controls and procedures more efficient and uniform globally; and
3) collaborate with critical government offices such as the Office of the U.S. Trade Representative, the International Trade Administration, and the U.S. International Trade Commission to enhance trade stakeholder engagement.

Since October 2015, IETF has convened several times, and has expanded to include additional representation from both government and the trade. IETF works to support the mission of CBP at the WCO. Below are many of the drivers that influence the group's international outreach and trade facilitation efforts:

WTO Trade Facilitation Agreement: The World Trade Organization Trade Facilitation Agreement (TFA) was developed to minimize or eliminate the vast amount of "red tape" that exists in moving goods across borders. The TFA, concluded at the 2013 Bali Ministerial Conference, contains provisions for expediting the movement, release and clearance of goods (including goods in transit), and sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues.

The TFA will enter into force once once two-thirds of the 164 WTO members formally accept it, (110 countries). As of February 9, 2017, 108 countries have ratified the agreement: Hong Kong China, Singapore, the United States, Mauritius, Malaysia, Japan, Australia, Botswana, Trinidad and Tobago, the Republic of Korea, Nicaragua, Niger, Belize, Switzerland, Chinese Taipei, China, Liechtenstein, Lao PDR, New Zealand, Togo, Thailand, the European Union (on behalf of its 28 member states), the former Yugoslav Republic of Macedonia, Pakistan, Panama, Guyana, Côte d'Ivoire, Grenada, Saint Lucia, Kenya, Myanmar, Norway, Viet Nam, Brunei Darussalam, Ukraine, Zambia, Lesotho, Georgia, Seychelles, Jamaica, Mali, Cambodia, Paraguay, Turkey, Brazil, Macao China, the United Arab Emirates, Samoa, India, the Russian Federation, Montenegro, Albania, Kazakhstan, Sri Lanka, St. Kitts and Nevis, Madagascar, the Republic of Moldova, El Salvador, Honduras, Mexico, Peru, Saudi Arabia, Afghanistan, Senegal, Uruguay, Bahrain, Bangladesh, the Philippines, Iceland, Chile, Swaziland, Dominica, Mongolia, Gabon, the Kyrgyz Republic, Canada, Ghana, Mozambique, Saint Vincent & the Grenadines and Nigeria..

Organization for Economic Co-operation and Development (OECD): Founded in 1961, the OECD is a partnership of 34 member countries that work to stimulate economic progress and world trade. To facilitate trade, the OECD works with governments to help improve their border procedures, reduce trade costs, boost trade flows, and achieve greater benefits from international trade. The OECD has developed a set of 11 trade facilitation indicators (TFIs) that provide the most current assessment of the potential impact of implementing the measures included in the WTO TFA. The TFIs allow countries from diverse income levels, geographical regions, and various stages of development to identify their strengths and weaknesses in trade facilitation, prioritize areas for action, and mobilize technical assistance and capacity building efforts. To support this effort, the OECD has developed two interactive web tools that compare a country's performance across the 11 TFIs. The online assessments measure the key trade areas driving performance, compare performance between countries, and model the effects of potential policy reforms.

Customs Mutual Assistance Agreements (CMAAs): CBP continues efforts to negotiate and sign CMAAs, which aid in the prevention, detection, and investigation of crimes associated with goods crossing international borders. CMAAs work to facilitate trade by enabling greater information flows in regard to searches, seizures, detentions, audits, and other enforcement actions, allowing trade to flow more freely.

Mutual Recognition Arrangements (MRAs): Mutual Recognition refers to those activities associated with the signing of a document between U.S. Customs and Border Protection (CBP) and a foreign Customs Administration that creates a bi-lateral understanding for the exchange of information. The document, referred to as an "arrangement," indicates that the security requirements or standards of the foreign industry partnership program, as well as its validation or audit procedures, are the same or similar with those of CBP's Customs-Trade Partnership Against Terrorism (C-TPAT) program. Mutual Recognition as a concept is reflected in the WCO's SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework). The SAFE Framework standards enable Customs Administrations to work together to improve capability in detecting high-risk consignments and expediting the movement of legitimate cargo.

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