

**Commercial Customs Operations Advisory Committee
Government Issue Paper
Next Generation Facilitation Subcommittee
E-Commerce Task Force**

March 2023



**U.S. Customs and
Border Protection**

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**Office of Trade /Trade Policy and Programs
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Action Required: Informational

Background:

- In 2019, U.S. Customs and Border Protection (CBP) convened an E-Commerce Task Force (ETF) of industry participants covering all equities of e-commerce to more accurately identify the nature and origin of Section 321 shipments.
- In coordination with the ETF, CBP mapped business models specific to e-commerce, identified parties responsible for the sale and movement of goods, and established which parties had access to and could provide additional data to better assess e-commerce risk.
- This served as the foundation for the Section 321 Data Pilot and the Entry Type 86 Test that were later deployed to test risk segmentation benefits of accepting advanced data from a limited number of e-commerce supply chain partners.
- The goal of these programs was to collect data CBP could use to identify:
 - The entities responsible for the movement of Section 321 shipments;
 - The exact contents of these shipments, i.e., “what’s in the box”; and
 - The final destination of shipments after arriving in the United States.
- The Section 321 Data Pilot and Entry Type 86 Test have reduced burden on the trade community by creating a pathway for trade facilitation benefits, such as time and cost savings, in the e-commerce environment.
- Section 321 Data Pilot participants who provide seller information, product pictures, and other transactional details benefit from fewer CBP holds.
- In FY 2022, CBP received approximately 161 million *de minimis* shipment filings through the Section 321 Data Pilot and 333 million Entry Type 86 filings. *De minimis* shipments are defined as shipments valued at \$800 or less.

Issue:

- The overwhelming volume of small packages and lack of actionable data impacts CBP’s ability to identify and interdict high-risk shipments that may contain narcotics, merchandise that poses a risk to public safety, counterfeits, or other contraband.
- In Fiscal Year 2022, CBP cleared more than 685 million *de minimis* shipments with limited data to determine risk.
- While CBP receives some advance electronic data for Section 321 shipments from carriers, the transmitted data often does not adequately identify the entity causing the shipment to cross the border, the final recipient, or the contents of the package.
- To address this unique risk environment, CBP has been working closely with the trade community and focusing its efforts on risk management.

Next Steps:

- On February 16, 2023, CBP published a Federal Register Notice expanding the Section 321 Data Pilot to additional participants (see [88 F.R. 10140](#)).
- The expansion will:
 - Allow additional companies to develop processes for gathering the data from various sources in the supply chain to transmit a single and complete filing;
 - Assist CBP in identifying future trade facilitation benefits; and
 - Explore new technology that can be incorporated into future regulation.
- CBP is accepting new applicants for participation in data pilot. Interested parties should contact ecommerce@cbp.dhs.gov.

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