



Airforwarders Association

Regulatory Compliance Committee Conference Call

Tuesday, March 10, 2020 @ 2:00pm EDT

RCC MEETING MINUTES

| AfA Regulatory Compliance Committee Members & Attendance | | |
|--|---|---------|
| Aaron Ambrite | AIT Worldwide Logistics | Present |
| Ann Crampton | Airforwarders Association | Present |
| Bob Imbriani | Team Worldwide | Present |
| Brandon Fried | Airforwarders Association | Present |
| Bruce Wilson | TransGroup Global Logistics | Present |
| Dianna Garren | EMO Trans ATL | |
| Glen Hall | ALG Worldwide Logistics, LLC | |
| Jake Fisher | Scopelitis, Garvin, Light, Hanson & Feary, PC | Present |
| Janell Fannin | C.H. Robinson Worldwide, Inc. | |
| Jonathan Todd | Benesch Friedlander Coplan & Aranoff LLP | Present |
| Karen Wyatt | AFC Worldwide Express, Inc. (R&L Global) | Present |
| Laura Vidal | C.H. Robinson Worldwide, Inc. | |
| Michael Ford | BDP International | Present |
| Nathaniel Saylor | Scopelitis, Garvin, Light, Hanson & Feary, PC | |
| Rick Bridges | Roanoke Trade | Present |
| Robert Williams | Logistics Counsel | |
| Rula Fakhouri | Mercury Air | |
| Sandy Gregory | Flexport | |
| Sandra Scott | Seko Logistics | Present |
| Sasha Goodman | Rock-It-Cargo | Present |
| Tom Paciello | Kuehne-Nagel | |

* Updates provided and actions from the teleconference are highlighted.

STANDING ITEMS

- Attendance
- Review of AfA Antitrust Guidelines
- Changes in member STA or IAC approval status
- Approval of Previous meeting minutes – The meeting minutes from the February 11 RCC teleconference were approved as presented.

BUSINESS ARISING

- IACSSP Change 6A.
 - Rula reports no feedback from TSA to date (12/10)
 - Rula will put out another request for feedback from RCC members and provide comments to Brandon.
 - Brandon reports changes are not currently being contemplated by TSA.
 - The group agreed to keep this as a separate item (not combine with TSA-CCSP Change 6 item).
 - Nothing new to report (2/11).
 - No changes to report (3/10).

- IACMS & KSMS Systems.
- Status update by Glen and Brandon.
 - Rula reports there are differing interpretations in the field; comments will be sent to Ron Varghese, with a copy to Brandon.
 - As an organization, AfA should urge TSA to follow the program as it is.
 - Suggestions from industry will continue to be offered.
 - Rula will provide details to AfA staff for possible development of a message to members urging feedback. Comments will be collected.
 - Jake reminded comments should be collected within SSI practices.
 - Nothing new to report (2/11).
 - **Both are under reconstruction (3/10).**
- TSA – CCSSP Change 7 (as new updates were rendered on 7/25/19, this item is now Change 7)
- Status update by Laura and Brandon
 - Comments are being adjudicated; it is unlikely there will be any movement this year.
 - Rula will draft additional comments; Brandon will share comments with Liz Merritt.
 - More on this will be provided by TSA representatives at AirCargo 2020.
 - TSA working to move revisions into a new platform by the end of 2020.
 - Brandon has been invited to testify before the Senate Commerce Committee on the CCSP program on February 24.
 - Brandon will distribute an outline of his testimony to the RCC for feedback.
 - **Brandon provided an overview of his testimony before the Senate Commerce Committee on the CCSP program. Senator Markey had several follow-up questions related to, among other things, cyber crimes and the air cargo industry. There is now an open dialogue between the Senator's office and the AfA. Dave Hockersmith is assisting with cyber questions and with a white paper to present the Senator.**
 - **Brandon also reported that he stressed during the testimony that security fees collected from consumers should not be diverted to the general fund. They must be used for their intended purpose.**
 - **The air cargo funding for the upcoming budget will be the same as the past three years.**
- A4A Known Shipper Scenarios.
- Status update by Brandon.
 - There have been three stages of analysis to date.
 - Brandon has solicited feedback from membership; only one comment was received; AfA will continue to solicit feedback.
 - The next report is expected in February 2020.
 - Sandy and Brandon continue to work with the committee; scenarios will be reviewed at the next ASAC meeting in February; language needs to be concise and easy to understand by people outside the industry.
 - Please share comments with Sandy but password protect if the information is SSI.
 - Bob and Tom reported the ASAC subcommittee met on February 10. Voting is underway to finalize the recommendation on the Known Shipper program. It is likely the final recommendation will be to do away with the program. Committee members were urged to provide comments by COB Feb 11.
 - **The ASAC Air Cargo Subcommittee's recommendations on the Known Shipper Program have been submitted to the TSA Administrator for his consideration. Members are urged to call Brandon to discuss further.**

- Export Manifest Pilot & the Progressive Filing Model.
 - Status update from Brandon, Michael
 - Michael Ford reports CBP would be making changes, but nothing has come about to date.
 - Bob reviews the GAO report on drawback. See link below which covers the lack of proof of export by CBP. Bob believes the implementation of the export manifest is necessary and needs to be explained to some departments inside of CBP on how the details provide the much-needed proof. <https://www.gao.gov/products/GAO-20-182> (Provided by Michael Ford on 1/2). More education is needed here.
 - There has been no action since the last RCC call in January.
 - Michael Ford provides a message from CBP regarding export manifest: *We (CBP) are working to get ocean and rail operational for participants by the end of March. Air is being worked on and our hope is before the end of April we will have the guidance out. That will provide the benefits discussed for the last few years and include having EEM as the only export filing to CBP eliminating paper (and DIS in ocean). EEI will still be required for commodities as current.* Michael suggests a meeting with CBP for further details to share with AfA members (3/10).
- Subcommittees of the RCC: Chris, Bob
 - AfA's K9 subcommittee calls continue to be a strong venue for discussion among TSA and providers.
 - Brandon has shared notes from the October 23/24 with Rula; Rula and Brandon will communicate regarding updates.
 - TSA 3PK9 reps will be in Nashville to report on progress, which is moving as anticipated.
 - TSA welcomes reports of any challenges with cargo configuration from the field.
 - The next 3PK9 subcommittee meeting will be March 5. Chris will be sending the invitation shortly.
 - The 2nd iteration of TSA's 3PK9 program is expected to be complete within a month's time.
 - No updates to the 3PK9 program have been released to date.
 - The next call is scheduled for May 7.
- Alleviation of Account Consignor (name changed from Known Consignor Program) – Brandon
 - This topic will be discussed in depth at AirCargo 2020.
 - The group agreed to change the name of this topic to Alleviation of ICAO Account Consignor.
 - Nothing new to report (2/11).
 - Brandon will request of copy of ICAO Doc 8973 for the group to review.
- Lithium Battery Working Group
 - A position statement was developed and released via AIRMAIL to members.
 - This issue will be addressed in Nashville.
 - It is important that the committee keep this item as active and continue to provide information to members.
 - Janell reports the Lithium Battery Advisory Group met in January. Janell will see if the agenda from that meeting has been published and if so, will provide it to the RCC.
 - This continues to be an important issue for the committee to follow. No issues to report (3/10).
- Export Related Issues (New Topic to Monitor) – Aaron



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- The group was advised to continue to monitor this and other import/export issues that affect our members.
- Bob reminded the group to review the documents related to export issues sent via email prior to the Committee call and respond with comments/concerns. Bob will share any additional information that comes out.

“Watch” List:

- Canadian E-Manifest Requirement - Nothing new to report as of 7/9. Nothing new as of 9/10. Nothing new to report as of 10/8. Nothing new to report as of 11/12. Brandon will contact Scott Sangster (Descartes) for any updates.
- Bills in the House & Senate (HR 1108, HR 1171 & S. 472) focused on funding the FAA & TSA in the event of another government shutdown. – Brandon will check status and report back as of 7/9. All bills are still in committee. Bills are still in committee (3/10).
- New Congressional air cargo caucus has been formed, chaired by Rep. Bustos (IL-17) and Rep. Mitchell (MI-10). First meeting to be held on March 13. - Brandon continues to participate in the air cargo caucus meetings and has attending related hearings on Capitol Hill as of 7/9. Brandon continues to be involved. This will be discussed at AirCargo 2020 in Nashville. Nothing new to report (3/10).
- European screening. - Nothing new as of 7/9. Nothing new as of 9/10. Nothing new to report as of 10/8. Nothing new to report as of 11/12. This item will stay on the watch list (3/10).
- California Drayage Law. - Bob will research this issue with members to determine if this is happening (or could have the potential for happening) elsewhere in the country, 7/9. Nothing new to report as of 9/10. Nothing new to report. The group will consider dropping this from the list on the March call. The group agreed this would stay on the watch list (3/10).
- AB 5 Independent Contractor Law in California. Bob Williams will draft an overview of this to provide to AfA members. The group will consider holding a webinar on the new California contractor law. An AfA webinar is planned for February 2020. Bob Williams can provide expertise and will provide an outline for discussion; it is likely this regulation will spread from California to other areas of the US. A federal court judge in California has issued a preliminary injunction in favor of truckers seeking a legal exemption from Assembly Bill 5 (AB5) which broadly restricted the use of contractors by requiring employers to reclassify them as employees entitled to various benefits. AfA has released an AIRMAIL on this. RCC will continue to keep a close eye on this topic as other states are considering similar regulations. The group will continue to watch this. Jake will confer with Nathaniel on this and report back to the group (3/10).
- US Customs and Border Protection (CBP) proposed rulemaking that requires customs brokers to have a more complete identification of their importer clients. Bob provided NCBFAA's comments on CBP's "Test Concerning Entry of Section 321 Low Valued Shipments Through Automated Commercial Environment (ACE)" in advance of the call. It is expected CBP will come back with revisions once comments are reviewed. No updates as of 1/14/20. Michael Ford will put a synopsis together on this and share with the group (3/10).



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- Air Cargo Advance Screening Regulation (ACAS). Moved to watch list 12/10. Michael Ford reports that when a party files ACAS, the carrier isn't always aware. This hasn't been programmed. CBP has been notified.
- U.S. Customs and Border Protection (CBP) Final Rule concerning changes to the In-bond process: U.S. Customs and Border Protection (CBP) Final Rule concerning changes to the In-bond process. Moved to watch list 12/10.
- FMC Petition on Detention/Demurrage. Among the documents distributed to the committee prior to the call was a notice from the Agriculture Transportation Coalition asking association members to support a letter AgTrans will be sending to the Federal Maritime Commission regarding unfair and burdensome detention and demurrage penalties imposed on shippers and truckers. Rick Bridges will continue to follow this issue.
- New item for consideration: Census posted 1/14/20 in the Federal Register a notice and seeking comments on routed orders <https://www.govinfo.gov/content/pkg/FR-2019-12-09/pdf/2019-26452.pdf>. Comments are due by February 7. No mention is made of e-commerce orders and routed orders. You can state that they will mostly be under 2500.00 however when you have a controlled item, that 2500.00 is not in play. The notice states that they have approval from State, while Census and BIS need to work out the requirements together. Dianna Garren and Bob Williams will take the lead on this topic to determine if AfA should take a position. Dianna is monitoring. She will advise the group of any changes/updates. We are awaiting the regulations to be issued. This item will continue to be monitored (3/10).
- The [Supply Chain Regulatory Tracker](#) and the [Supply Chain Legislative Tracker](#) can these be helpful to our committee and our membership. This will be discussed further on the February 11 RCC call. Brandon has provided RCC members with links to two US Chamber of Commerce trackers. The group was asked to review these documents and provide feedback. Potentially this is something we could provide to members as a resource. Need to be vetted first. Brandon continues to monitor the regulatory and legislative tracker for usefulness to members.

NEW BUSINESS:

- Brandon suggests the RCC add the proposed rule by the US Commerce department entitled *Securing the Information and Communications Technology and Services Supply Chain* to the watch list and potentially to the active list (Federal Register 65316). Brandon will provide Bob with additional information for consideration. Brandon also suggests RCC ask legal counsel to provide a synopsis on this.

OPEN ITEMS:

- Bob reminds the group to continue to watch for items that can be added to the watch and active lists for the RCC.

ENDING ITEMS:

- Next Date of Meeting:
Tuesday, April 14, 2020 at 13:00 CDT/14:00 EDT.