

August 11, 2021

The Honorable Gina Raimondo  
Secretary of Commerce  
U.S. Department of Commerce  
1401 Constitution Ave., NW  
Washington, DC 20230

Dear Secretary Raimondo:

As Chairman of the Advisory Council on Supply Chain Competitiveness (ACSCC), and on behalf of the ACSCC, I would like to thank you for sharing your valuable time with us and speaking with the committee on how we can support you with the Administration's American Jobs Plan, as well as the Executive Order on Supply Chain Competitiveness.

In support of the ACSCC Subcommittee on Innovation, Technology and Strategic Competitiveness, I am writing to provide our recommendation regarding the need to move towards digitizing our supply chains. The COVID-19 pandemic has shown that global supply chains are critical to our national security and economic stability. The end-to-end disruption also exposed structural challenges facing America's supply chains, specifically the lack of digital data, resulting in colossal friction with many parties to the supply chain heavily impacted with trade documents managed through manual paper-based flow.

The below outlines our highest priority recommendations, that further support those needed elements to strengthen our supply chains that the Administration is focused upon. These recommendations are intended to be "quick wins" to increase the competitiveness of U.S. supply chains through digitization and represent the collective expertise of the ACSCC, particularly by our Subcommittee on Innovation, Technology, and Strategic Competitiveness. Our recommendations are aimed toward reinforcing the Administration's vision of resilient, innovative, and competitive supply chains.

### **E-Signatures within U.S. Customs and Border Protection Overview**

- Electronic signatures (e-signatures) are a legal way to get consent or approval on electronic documents or forms and are therefore pivotal in moving away from paper-based trade towards digitization.
- U.S. Customs and Border Protection (CBP) has approved the use of e-signatures in contexts involving customs-related documents. Additionally, CBP has approved the use of powers of attorney issues as facsimile copies to customs brokers to support the acceptance of non-original recordkeeping.
- In light of this precedent, it is reasonable to anticipate that CBP would similarly accept the use of e-signatures on brokers' Powers of Attorney as well as other documentation requiring an authorized signature.
- Submission of a binding ruling by an interested party to CBP requesting confirmation of this result, or inclusion of clarifying language in the broker regulations, may represent prudent options to support the e-signature as a practice.

- The practicality of the e-signature would allow fluidity with flow of products without the requirement to print, sign and scan relevant documentation. This would support efficiency, sustainability and an environmentally friendly approach.

### **E-Bill of Lading (VOC, NVOCC, & House Bills of Lading)**

- The Electronic Bill of Lading (eBOL) digitizes the Bill of Lading by putting all of the required information on a distributed ledger technology such as blockchain, thereby moving away from paper-based trade and increasing visibility into the system.
- Several United States allies have begun to roll out programs that eliminate paper-based trade, including by adopting eBOL:
  - Block-lab in the Netherlands is working an eBOL system to eliminate paper-based requirements. This has also resulted in a reduced carbon footprint, faster documentation, better management information, and reducing costs.
  - Singapore recently adopted the eBOL model through their Electronic Transactions Amendment Bill, which passed through Parliament in February 2021. Among other things, the ETA amendments will enable the creation and use of eBOLs that are legally equivalent to paper-based Bills of Lading.
- The Commerce Department could consider forming partnerships or initiating trial contracts with existing companies disrupting the eBOL space (one example includes Macgregor Partners and their competitors). The Department could also look into best practices from countries who have begun implementing the digital process, such as Singapore, and consider adopting relevant elements.

### **Digital Handshake**

Throughout the lifecycle of supply chains, data silos prevent the movement of information, thus making it inefficient. Digital handshake will enable the data flow to be frictionless and meaningful to further the value chain by allowing emergent technologies' capabilities to expedite and validate the transaction. Digital handshake will let the disparate systems talk to each other with a standard protocol to seamlessly communicate between platforms/applications.

- Adaptation of eBOL and e-signatures can help to facilitate a digital handshake that improves transparency and connectivity across various USG as well as various stakeholders such as Truckers, Brokers, financial institutions.
- Digital handshake facilitates track and traces visibility for real-time updates in the delivery channel and assurance on regulatory compliance thus improving track and trace capabilities of global supply chains.
- The Department of Commerce could take a lead role to ensure that digital handshake will be taken up across various USG agencies and other private sector partners, in order to be effective.

### **Actionable Recommendations**

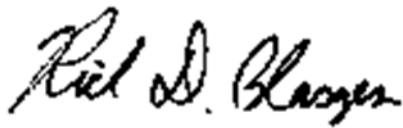
Based on the above descriptions, we urge you to take immediate steps towards implementing e-signatures, eBOL, and digital handshake. We suggest the following actions:

1. Engage CBP to move forward with acceptance of the e-signature of Customs relevant documentation, specifically the Power of Attorney form.
2. Set up a task force for in-depth evaluation of eBOL initiative learnings by reaching out to Singapore and European allies. Capture lessons learned from few examples such as Singapore for their recent eBOL transition and the Port of Rotterdam (Blocklab) to prototype the pilot implementation in the United States.
3. Confirm support across USG agencies and private sector partners to introduce and take up a digital handshake to identify the current processes by mapping out the workflow and data integration opportunities.

Thank you for your attention to this important issue. We recommend that the Department of Commerce partner with our subcommittee, the private sector, government stakeholders, and universities to create an implementation taskforce for the recommendations on e-signatures, e-bills of lading (eBOL), and digital handshakes, as well as for other related, future recommendations.

We stand ready to answer any questions or provide any additional information you may require moving forward with our recommendations.

Respectfully,



Rick D. Blasgen  
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