Industry Relationships with CBP

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What is Customs and Border Protection
Law Enforcement Agency
Trade Administration Agency
Responsible for trade administration as much as law enforcement

How have other industries worked with Customs to achieve common goals of fair and efficient administration of trade?

Can we do more and is it worth trying?
CBP Trade Enforcement & Supply Chain Activities

**Pre-entry**

Before goods leave the country of origin, CBP collects initial information from the carrier and the importer.

**Entry**

As goods arrive in the United States, CBP authorizes their entry if no legal or regulatory violations are found.

**Post-entry**

After goods enter into U.S. commerce, CBP reviews additional documentation provided by the importer or the broker to assess compliance with U.S. trade laws and collects duties, taxes, and fees owed.

### Examples of CBP trade enforcement activities at each stage of entry

- Partnering with industry to reduce risk
- Targeting high-risk shipments
  - Performing cargo exams
  - Conducting audits and validating trade compliance
- Seizing unlawful goods and issuing penalties
- Conducting investigations
Agenda & Topics

Broad Industry CBP Programs & Partnerships
- Commercial Customs Operations Advisory Committee (COAC)
- Trade Support Network (TSN)
- CBP Centers for Excellence and Expertise (CEEs)

Individual Importer CBP Programs & Partnerships
- C-TPAT
- Importer Self Assessment
- Trusted Trader Program

Development on the Horizon

Summary: Taking Advantage of CBP Programs
Commercial Customs Operations Advisory Committee (COAC)

- Joint Committee of Industry and CBP representatives that provides recommendations to Customs
- 20 Members, 4 Subcommittees, Working Groups
- 1-2 monthly calls
- Quarterly meetings (open to the public)
- COAC advises and provides recommendations to the Secretaries of the Department of the Treasury and DHS on commercial operations of CBP and related functions
- Works with CBP & Industry Partners to identify and explore new benefits, metrics for cost savings, and direction of various CBP programs
Trade Support Network (TSN)

- Trade group focused on development and implementation of ACE and modernization efforts
- 300 members including importers, brokers, carriers, sureties
- Committees and Subcommittees with working groups
- Membership open to companies and associations with a willingness to work on committees and working groups
Centers for Excellence and Expertise (CEEs)

- 10 Centers located across the nation that cover specific industries in the economy
- Each center is organized to serve as a resource at strategically located Ports of Entry
- Responsible for post-release processes:
  - Summary
  - Protest
  - Post Entry Amendment
  - Post Summary Correction Reviews for Entry Summaries Nationwide
- Process Prior Disclosures within designated industry
- Initial purpose was to develop trade facilitation strategies and address questions received from CBP C-TPAT Partners
Dedicated to the Steel Industry with Field Office in Chicago
- Specializes in steel, steel mill products, ferrous and nonferrous metal, or similar industries
- CBP industry experts work with Steel industry participants and business to focus on policy development
- Focus on enforcement of AD/CVD orders on steel products
- For assignment to this Center, CBP considers the term base metals to consist of articles classified under headings 7201-7308, 7312 through 7318, 7320, 7322, 7324 through 7413, 7415, 7419 through 7614, 7616 through 8113, and 8307 through 8311 of the HTSUS
Benefits of CEEs

- Expedited trade processing at CEEs in resolution of compliance and admissibility issues occurring at ports of entry if C-TPAT certified
- Eliminates duplicative documentation
  - Fewer delays
- Centralized office serving as port of trade and learning
  - Recommendations to Ports re: Facilitating Trade
  - Enhancing Industry Expertise
  - Improving Relationships
  - Resolving Concerns
CBP Programs With “Voluntary” Participation for Individual Importers

- C-TPAT (Customs-Trade Partnership Against Terrorism)
- ISA (Importer Self Assessment)
- Trusted Trader Program
Structure of Voluntary Programs

- C-TPAT
  - Supply Chain Security Component
  - Memberships is voluntary

- Importer Self Assessment (ISA)
  - Trade Compliance Component

- Trusted Trader Program
  - Essentially CPTAT security and ISA compliance
  - Still in development
What is C-TPAT?

- Cargo enforcement and security strategy initiative requiring minimum security criteria for imported items
- Voluntary public-private sector partnership to improve supply chain security by intelligent enforcement
- Provides a forum for cooperation and dialogue between government and business entities
- Ultimate Goal: strengthen international supply chains and eliminate industry constraining regulations
- Over 11,000+ members
Reasons C-TPAT Certification Matters

- Working Relationship with CBP
  - Closer participation in CEEs
  - Preparing for ISA Participation
  - Better balance with domestic industry relationship with CBP

- Mitigating Damaging Trade Measures
  - AD/CVD penalties assessed costs importers millions - familiarity with supply chain helps avoid transshipment

- Expanding Business Opportunities
  - New partners who want to work with C-TPAT importers
  - Eventual convergence of C-TPAT & ISA will resemble E.U. AEO model

- General Benefits
General Benefits

- Reduced number of CBP examinations with possible exemption from exams
- Front of the line inspections
- Shorter wait times at the border such as access to the Free and Secure Trade Lanes (FAST) at land borders
- Assignment of a Supply Chain Security Specialist to the company
- Penalty mitigation for late submission of data required under the Importer Security Filing requirements
- Access to the C-TPAT web based portal system & a library of training materials
  - C-TPAT Portal System
- Possibility of additional benefits by being recognized as a trusted trade partner (more on this discussed later)
- Validated C-TPAT participants receive fewer inspections
  - CBP has promised a true green lane with no security inspections and infrequent random inspections

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General Benefits (con.)

- Priority consideration at CBP’s industry-focused Centers of Excellence and Expertise
- Importer eligibility to participate in the Importer Self-Assessment Program (ISA), which leads to removal from pool for Focused Assessments
- Eligibility for other U.S. Gov. pilot programs, such as the FDA’s secure supply chain program
- Business obtains priority following a natural disaster or terrorist attack
- Self-policing and self-monitoring of security activities
- Eligible to attend CBP sponsored C-TPAT conferences
Importer Self Assessment (ISA) Program Overview and Benefits
Importer Self-Assessment Program

- Voluntary program
- Focus on trade compliance
- Manage compliance via self-assessment
- Importers only
- Designed for all companies regardless of size
ISA Participation Overview

- C-TPAT membership as pre-requisite
- ISA Memorandum of Understanding (MOU)
- ISA Questionnaire
- Express agreement to comply with CBP laws and regulations
- Formal meeting with CBP: Review of internal control
- Application Review Meeting (ARM)

3 Outcomes
- Program Acceptance
- Follow-up Evaluation Required
- Rejection

- Annual risk assessment, self-testing plan, and notification letter
Benefits of ISA Participation

- Increased two-way flow of information with CBP
- Open communication and active dialogue with CBP designated national account manager drives efficiencies within organization
- CBP designated national account managers can provide guidance on issues occurring at multiple ports
- Access to Entry Summary Trade Data
Benefits of ISA Participation

- Removed from Regulatory Audit Pool for:
  - Focused assessments;
  - Drawbacks (if requested);
  - Foreign Trade Zones (if requested).

- Expanded Benefits of Prior Disclosure includes CBP written notice of the error and 30 day period to file prior disclosure.

- ISA participation can be considered as a mitigating factor for civil penalties or liquidated damages.

- Collaboration with CBP to provide additional benefits that are industry specific.
Trusted Trader Program
What is the Trusted Trader Program (TTP)?

- Currently in development
- Combining supply chain security aspects of C-TPAT and internal controls of the ISA program
- Adds in coordination with Federal Drug Administration (FDA) and U.S. Consumer Product Safety Commission (CPSC)
Goals of TTP

- Unification of security and compliance into a single program
- Holistic supply chain approach
- Anticipate same compliance requirements as ISA, expanded meaningful benefits
- Streamline and increase overall efficiency of trade by segmenting risk and processing and mirroring AEO
- Prevent and eliminate redundant import processes and expedite the flow of goods
On the Horizon

- Convergence of C-TPAT & ISA into Trusted Trader
- Evolution towards AEO Programs
- Expansion of Mutual Recognition Arrangements
- **New MSC Focus Area & Requirements for C-TPAT Security**
  - E.g. WPM regulation procedures
- C-TPAT Portal Development for Trade Compliance
- Expedited Rulings
  - Goal is to provide turnaround on requested rulings within 20 days
- C-TPAT Defender
- Ability to choose a different site inspection of cargo
- Confidential Manifest Submissions Online
  - Online C-TPAT Portal
  - Request would live in the C-TPAT Portal
  - Eliminates unnecessary updates and re-submission of prior requests

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Taking Advantage of CBP Programs

- Improved Relationship with CBP
  - Exercise influence for industry concerns (COAC, etc.)
  - Put a face to a name (C-TPAT, ISA, Trusted Trader)

- Better informed and protected
  - Safe
  - Compliant

- Rebalancing Enforcement vs. Trade Facilitation
Conclusion

If we want to improve the steel industry relationship with Customs, we need to lead and shape that relationship. Taking advantage of the variety of Customs programs is a start. Other industries have a better working relationship with Customs because the industry group worked to develop that relationship. AIIS is the sole entity that provides that leadership.
For Further Questions:

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