

Overview of U.S. Customs & Border Protection Trade and Security Programs

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Evolution of Customs & Border Protection

- **After the events of September 11, 2001, The Department of Homeland Security and its component agencies were created:**
 - **TSA**
 - **ICE**
 - **CIS**
 - **CBP**
 - **USCG**
 - **USSS**



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CBP became the United States Border Enforcement Agency, by combining some or all of three different existing border enforcement agencies, including:

- U.S. Customs Service
- U.S. Immigration and Naturalization Service
- U.S. Department of Agriculture



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CBP's "Layered Approach" to Homeland Security

- CBP set out to become "one face at the border", strengthening its position at the physical borders, at and between the ports of entry.
- CBP also looked to increase the "Zone of Security", by introducing the 24 hr rule and stationing CBP Officers overseas to develop better information on passengers, cargo and conveyances about to enter the United States prior to their departure.
- CBP also reached out to the importing and exporting community to work with them to police themselves through supply chain management and security techniques.
- To bring together existing operations and new programs, CBP setup a state-of-the-art Command, Control, Communications and Intelligence center called the the National Targeting Center (NTC).



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CBP Mission Statement

- We are the guardians of our nation's borders.
- We are America's frontline.
- We safeguard the American homeland at and beyond our borders.
- We protect the American public against terrorists and the instruments of terror.
- We steadfastly enforce the laws of the United States while fostering our nation's economic security through lawful international trade and travel
- We serve the American public with vigilance , integrity and professionalism



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CBP's Impact on U.S. National Security

Next Steps

The Next Step was to place CBP Officers at Select Embassies

- Customs and Border Protection specialist
- Support CBP's operational programs in the host country:
 - Container Security Initiative
 - Immigration Advisory Program
 - Customs Trade Partnership Against Terrorism (validation visits)
 - Capacity Building (training and technical assistance)
- Handle issues arising from trade and industry and the traveling public
 - IPR
 - Boarding Letters
 - Malafide Traveler Intercepts
 - Fraudulent Document Training



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CBP's role at the U.S. Embassy

- Liaison between CBP's operational programs and the embassy
- Handling customs trade and admissibility issues
- Handling issues with counterpart customs and border agencies
- Handling transportation letters and any other questions relating to inadmissibility of persons



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Overview of CBP Security Programs



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Customs -Trade Partnership Against Terrorism

- The program seeks to:
 - prevent terrorists and / or terrorist weapons (WMEs) from entering the United States by partnering with members of the trade community to enhance the security of their international supply chains
 - facilitate the flow of legitimate cargo through the provision of partner incentives and benefits



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Customs -Trade Partnership Against Terrorism

- C-TPAT is a voluntary government-business initiative to build cooperative relationships that strengthen and improve overall international supply chain and U.S. border security.
- C-TPAT recognizes that CBP can provide the highest level of cargo security only through close cooperation with the ultimate owners of the international supply chain such as importers, carriers, consolidators, licensed customs brokers, and manufacturers.
- C-TPAT offers trade-related businesses an opportunity to play an active role in the war against terrorism.
- By participating in this first worldwide supply chain security initiative, companies will ensure a more secure and expeditious supply chain for their employees, suppliers and customers.



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Customs -Trade Partnership Against Terrorism

- C-TPAT now has more than 6,000 certified partners including importers, carriers, brokers and forwarders, terminal operators and manufacturers
- Subject to a validation process which is currently on-going



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Customs -Trade Partnership Against Terrorism

- C-TPAT enrollment is open to:
 - U.S. Importers of Record
 - U.S. / Canada Highway Carriers
 - U.S. / Mexico Highway Carriers
 - Rail Carriers
 - Sea Carriers
 - U.S. Marine Port Authority / Terminal Operators
 - U.S. Air Freight Consolidators, Ocean Transportation Intermediaries and NVOCCs.
 - Mexican and Canadian Manufacturers.
 - Licensed U.S. Customs Brokers.



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Customs -Trade Partnership Against Terrorism

- C-TPAT Benefits Include:
 - Reduced number of customs examinations
 - Priority position for required customs examinations
 - Shorter wait times at the border
 - Dedicated C-TPAT Supply Chain security Specialist
 - Access to CBP sponsored supply chain security seminars



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Container Security Initiative

- CBP officials are deployed overseas at major international seaports to pre-screen shipping containers to detect and interdict terrorists' weapons and other illicit material before arrival on U.S. shores.
- Through programs like CSI, CBP is partnering with foreign nations and private industry to expand our nation's zone of security.



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Immigration Advisory Program

- Under IAP, teams of CBP employees examine the travel documents of foreign nationals in foreign airports prior to their departure.
- An IAP program officer working at the National Targeting Center (NTC) reviews advance information on travelers forwarded by the IAP teams and targets passengers that may present a risk or warrant more intensive examination.
- Passengers whose travel documents are invalid, expired or otherwise may have been altered, counterfeited or obtained through fraud are advised, as is the airline, before they leave their foreign location that they will likely be deemed inadmissible and denied entry upon arrival in the U.S.



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...so that we can better secure America.



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CBP Trade Programs

- Anti-dumping and Countervailing duty
- Intellectual Property Rights
- Customs-Trade Partnership against Terrorism (C-TPAT)
- OGA



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Strategic Trade Centers / Priority Trade Issues

- Chicago
- Dallas
- Los Angeles
- New York
- South Florida



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Chicago

- Revenue Protection and Enforcement
 - Maintains ACS “selectivity criteria”
 - Focus on revenue collection
 - Monitors steel imports (anti-dumping)



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Dallas

- Quota
- Health and Safety
- Labeling/Country of Origin
- Classification
- NAFTA



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Los Angeles

Intellectual Property Rights

1. Trade Strategy - develops and implements the IPR trade strategy, and supports compliance and enforcement actions taken by CBP and/or ICE.
2. Data Analysis and Statistics compiles and interprets IPR data, engaging in IPR risk modeling and assessments, and compiling CBP IPR seizure statistics.
3. Process Improvements – eg. "Best Practices Matrix," IPR product identification guidelines
4. Outreach
 1. IPR Help Desk
 2. IPR Industry Officer program



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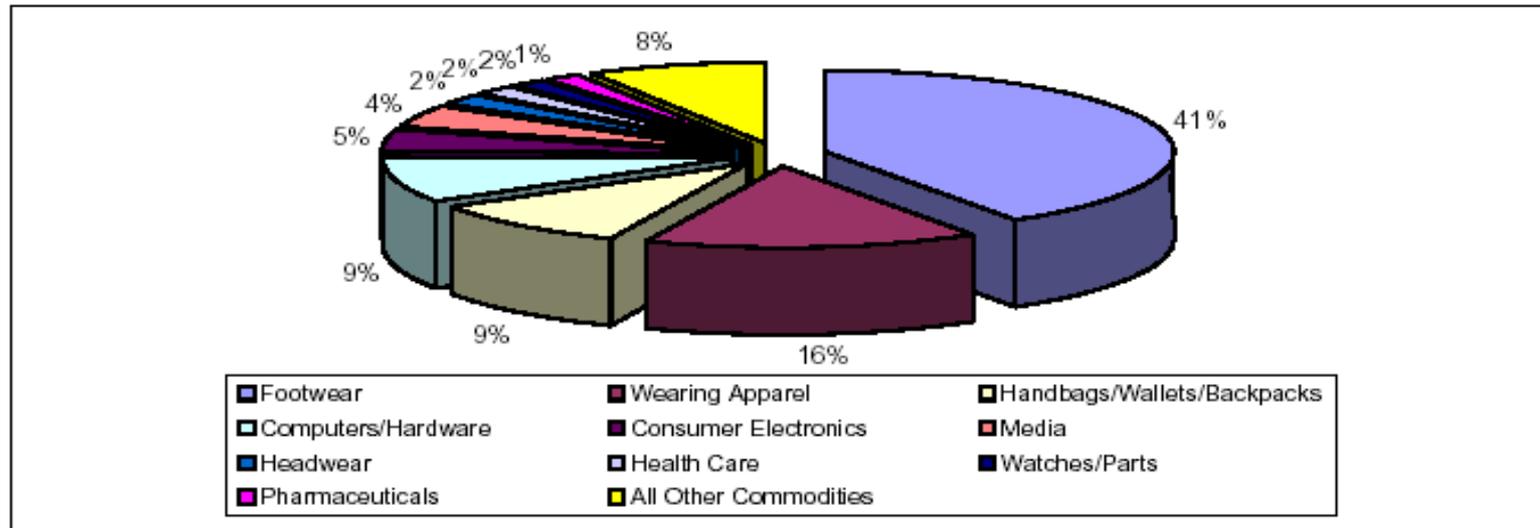
Intellectual Property Rights

- Border Enforcement Remedy - target, intercept, detain, seize, forfeit and destroy shipments of IPR-violative goods
- Applies to Imports, Exports, Transshipped and Transiting Goods
- Applies to Trademarks, Copyrights and in certain circumstances Patents
- Requires “Recordation” with CBP



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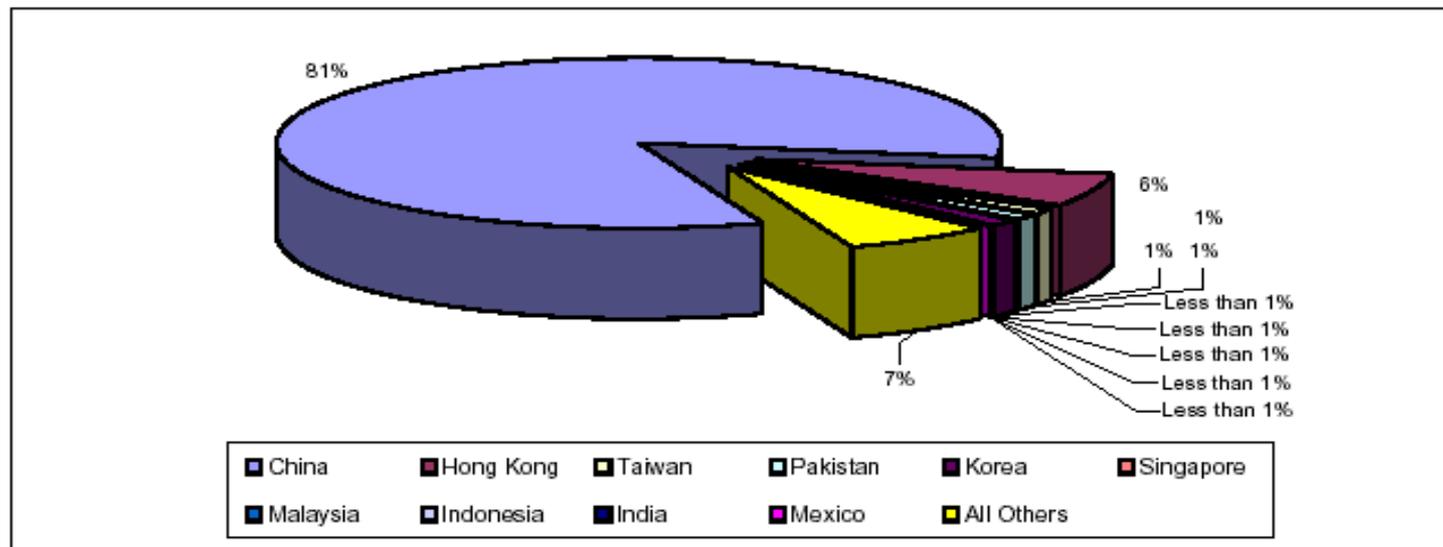
**Department of Homeland Security
U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement
FY 2006 Top IPR Commodities Seized**



Commodity	Domestic Value	Percent of Total
Footwear	\$ 63,445,619	41%
Wearing Apparel	\$ 24,320,976	16%
Handbags/Wallets/Backpacks	\$ 14,750,201	9%
Computers/Hardware	\$ 14,287,989	9%
Consumer Electronics	\$ 7,057,034	5%
Media	\$ 6,965,156	4%
Headwear	\$ 3,257,963	2%
Health Care	\$ 3,092,919	2%
Watches/Parts	\$ 2,832,364	2%
Pharmaceuticals	\$ 2,298,694	1%
All Other Commodities	\$ 13,060,321	8%
Total FY 06 Domestic Value	\$ 155,369,236	
Number of Seizures	14,675	

Note: **Media** includes motion pictures on tape, laser disc, and DVD; interactive and computer software on CD-ROM, and floppy discs; and music on CD or tape. **Consumer Electronics** includes cell phones and accessories, radios, power strips, electrical tools and appliances.

**Department of Homeland Security
U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement
FY 2006 Top Trading Partners for IPR Seizures**



Trading Partner	Domestic Value	Percent of Total
China	\$ 125,595,844	81%
Hong Kong	\$ 9,389,464	6%
Taiwan	\$ 1,843,764	1%
Pakistan	\$ 1,838,815	1%
Korea	\$ 1,810,140	1%
Singapore	\$ 1,198,735	Less than 1%
Malaysia	\$ 1,174,071	Less than 1%
Indonesia	\$ 983,425	Less than 1%
India	\$ 832,541	Less than 1%
Mexico	\$ 535,826	Less than 1%
All Others	\$ 10,166,611	7%
Total FY 06 Domestic Value	\$ 155,369,236	
Number of Seizures	14,675	

Figures for trading partners are based on country of origin and/or country of export as listed in the seizure report.

U.S. Intellectual Property Laws and Customs Laws prohibit:

- Importation and exportation of counterfeit and “confusingly similar” trademarks
- Importation and exportation of pirated copyright goods
- In limited circumstance “parallel imports” of (genuine) trademarked goods
- Importation of goods subject to a USITC “Exclusion Order”
 - Issued as a remedy for Unfair Import Practices
 - Generally apply to goods that infringe a U.S. patent



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“Recordation” of IPR

- A prerequisite to border enforcement in the United States
- Used as means for IPR owners to provide information to CBP
- Warehoused in a database which is available to all CBP Officers and to the public (limited view)
- Is available in a completely electronic filing format



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New York

- Textiles

- monitors the global textile trade in an attempt to identify trends and shifts in import patterns that may be indicative of transshipment to evade quota quantitative restrictions or circumvent trade agreements.
- Works with Textile Production Verification Teams



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Textile Production Verification Program

- Utilizes “Verification Teams” (TPVTs) to:
 - identify and prevent illegal transshipment of textiles and textile products.
 - to determine compliance with free trade agreements and to identify false preference claims.
 - to identify manufacturers determined to be at high risk for transshipment and to establish Automated Commercial System (ACS) national selectivity criteria for those manufacturers.
 - In addition, the Committee for the Implementation of Textile Agreements (CITA) uses these reports to make decisions regarding trade policy.



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TPVT Visits

- CBP Import Specialists and ICE Special Agents visit textile factories to verify their production capability
- Production Verifications are authorized under FTAs or MOUs with the Host Government
- Normally the government agency authorized to enforce textile exports will accompany the team
- Verification consists of examining production records
 - Raw material import/purchase records
 - Cutting record
 - Assembly record
 - Export documentation



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South Florida

- Anti-dumping / Countervailing Duty
 - Analyzes internal and external allegations of AD/CVD circumvention and recommends corrective action such as entry summary or cargo criteria as appropriate
 - Provides analytical support for AD/CVD issues resulting from Congressional Reports, issues before the World Trade Organization (WTO) and internal and Other Government Agency (OGA) inquiries.
 - Monitors continuous bond amounts for shrimp imports currently subject to the Amended Bond Guidelines for Agriculture/Aquaculture subject to AD/CVD in order to identify importers with saturated bonds under the new guidelines.



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Anti-Dumping and Countervailing Duty (AD/CVD)

- Helps U.S. companies compete with foreign industry.
- U.S. trade law counters international price discrimination that results in injury to our industry (dumping).
- Dumping occurs when a foreign firm sells merchandise in the U.S. market at a price lower than the price it charges for a comparable product sold in its home market.
- The CVD law provides authority for investigations of foreign governments that may be unfairly subsidizing their industries that export to the U.S.
- In addition to CBP, the Department of Commerce (Commerce) and U. S. International Trade Commission (ITC) have key roles in administering AD/CVD laws.



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Convict, Forced, or Indentured Labor Product Importations

- U.S. Law prohibits the importation of goods produced by convict, forced or indentured labor.
- When available information reasonably indicates that merchandise within the purview of this provision is being imported, the Commissioner of Customs may issue detention orders.
- If the Commissioner is provided with information sufficient to make a "determination" that the goods in question are subject to the provisions of the Act, the commissioner, with the approval of the Secretary of the Treasury, will publish a formal "finding" to that effect in the Customs Bulletin and in the Federal Register.



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Agricultural Inspection and the CBP Mission

- CBP Agricultural Officers have extensive training and experience in agricultural and biological inspection.
- In addition to their historic mission of preventing the introduction of harmful pests into the United States they provide CBP with the expertise to recognize and prevent the entry of organisms that could be used for biological warfare or terrorism.
- The Bioterrorism Act (BTA) is intended to protect the health and safety of the people of the United States from an intended or actual terrorist attack on the nation's food supply.



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