

U.S. Customs and Border Protection Cargo Priorities under Sequestration

Using lessons learned from the impact of previous trade disruptions, U.S. Customs and Border Protection (CBP) and trade stakeholders strive to improve our business resilience strategy to secure the supply chain and facilitate legitimate trade and travel. As a roadmap for effective prevention and recovery, the following framework seeks to minimize the impact of trade disruptions:

- Improving the automated systems and processes for receiving advance information on cargo and passengers and using that information for targeting terrorism risks or other threats;
- Modernizing our commercial operations, and working with our trade partners to secure the nation and to keep commerce flowing;
- Integrating other government agencies into our risk-based strategy and into a seamless process that is both efficient and effective; and
- Working with other countries to secure the global trade lanes and with the World Customs Organization to promote a global and more unified approach to supply chain security.

In the face of sequestration, CBP has identified the following information to be critical for business resumption:

- Companies that participate in CBP partnership and modernization initiatives, such as Customs-Trade Partnership Against Terrorism (C-TPAT) and Air Cargo Advance Screening (ACAS), will continue to have access to their respective CBP point of contacts. This would include supply chain security specialists, account managers, and Center of Excellence and Expertise (CEE) personnel, to assist with any inquiries. Providing such access to our Trade partners that have invested time and resources to participate in CBP programs is important to CBP.
- Recognizing the significance of sufficient communication channels, CBP will hold national-level weekly telephone conference calls. The Office of Field Operations (OFO) and Office of International Trade (OT) Headquarters staff, coordinated through the Office of Trade Relations, will engage cargo industry stakeholders to discuss any trade issues that may be the result of sequestration.
- CBP will ensure that its core antiterrorism mission is not compromised. Radiation Portal Monitors (RPMs) serve a critical role in this mission and will continue to be used at their current rate. However, industry stakeholders should note that there may be some delays in cargo processing.
- Due to the nature of the type of cuts the sequestration demands, there will be no special procedures for conveyance diversions. Unlike the business resumption plan during Hurricane Sandy, all ports will be operating with reduced resources, providing no realistic gain for conveyance diversions.
- CBP is continuing to coordinate with other U.S. government agencies to assess how the sequestration plans of other agencies will impact the flow of international trade. For example, CBP identified that the sequestration plan of the Animal Plant and Health Inspection Service (APHIS) may not have a significant impact on trade transactions at the port level.

In preparation for operating under sequestration, CBP has redirected resources toward only the most critical, core functions within (OFO) and has discontinued or postponed certain important but less critical activities in an effort to reduce budget expenditures. The mandated across-the-board spending cuts took effect on March 1, 2013. The cuts tied to the sequestration will be made equally across our agency, with no preference by port of arrival. The first, immediate cuts will reduce overtime beginning March 1st, and personnel furloughs may begin in mid-April. CBP managers at the field offices and ports of entry conducted an in-depth analysis of their operations to identify any current activities, duties, and hours of operation that could be adjusted to mitigate the impact of the significant reductions in expenditures mandated by the sequester. However, given the magnitude of the reductions, we currently estimate that there may potentially be delays up to several hours at land border crossings, passenger processing times may increase by about 50 percent, and there may be up to an additional five days added to cargo inspections at ocean ports of entry.

Once furloughs commence, there may be more risk-based adjustments made regarding other inspections, with less impact to trusted travelers and trusted traders. There could be some eventual delays in providing advice and rulings. Additionally, strategic initiatives such as the Automated Commercial Environment (ACE) and the rollout of the Centers of Excellence and Expertise (CEE) may be impacted.

Advice for Importers

- **Pre-filing Entry Data** – While not all importers are participating in CBP trade facilitation initiatives, we cannot over-emphasize the importance of pre-filing entry information. Pre-filing the entry gives CBP and other federal agencies an opportunity to conduct risk assessments and resolve outstanding issues before the cargo arrives in the United States and allows agencies to provide the trade with a release decision as early as possible.
- **Perishable Commodities** – CBP will continue to process perishable commodities as a top cargo priority.
- **Other Government Agencies** – CBP will work with its partner government agencies that have oversight responsibilities for import and export shipments to minimize the disruption caused by sequestration.
- **CBP Partnership Programs** – At this time there are no plans to eliminate or reduce trade facilitation benefits for CBP trusted trader participants. Customs-Trade Partnership Against Terrorism (C-TPAT) members will continue to receive priority (“front-of-the-line”) treatment for examinations. As a tangible benefit for the substantial efforts taken to secure the supply chain, C-TPAT companies are 4-6 times less likely to undergo an inspection. During the first 30 days of the sequestration (March 1-30) we expect minimal delays. However, once the furloughs commence, delays will impact shipments for trusted partners that have been designated for examination.
- **Communication** – CBP is committed to ongoing communication with the trade community, both at the national level and through communication at the port level, as port directors reach out to their local stakeholder groups. Additionally, CBP managed accounts have their assigned CBP account managers to assist them with any issues that arise and the CEE staff to provide guidance.

Please note that due to the fact that CBP will redirect all available resources to the most critical core functions, non-mission critical expenditures such as travel and training will be curtailed. While regrettable, this means that trade stakeholders should not plan on attendance by CBP personnel (or as a speaker) for conferences or meetings in the near to mid-term. CBP will ensure to keep conference and meeting hosts apprised as conditions develop.