



Trade Transformation

US Trade Policy and CBP Initiatives

Derek S McKenny Regional Director Business Development
Customs Brokerage



Twenty First Century Trade

Customs' Message

- Expedite the Flow of Legitimate Cargo
- Secure The Global Supply Chain

The Intent

- Transformation
- Modernization
- Protect the Homeland
- Protect the Revenue including revenues previously lost

Execution

- Significant IT Advancements
- Significant shift in Personnel
- “Data Mining”
- Continued “push” of Importer Partner Programs
- Enforcement Arm of all relevant (other) Government Agencies
- Sharing of Data is a reality
- Silo Low Risk Importers
- Segregate and Initiate Communication with High Risk Importers



Trade Transformation Umbrella

5 Main Points

- Automated Commercial Environment – ACE
- Centers of Excellence and Expertise – CEE
- Role of the Broker
- Trade Intelligence
- Trade Partnerships



Automated Commercial Environment ACE

- Single Window Communication Portal for Trade
- CBP is now Enforcement Arm for themselves and 48 Partner Government Agencies (PGA)
- Sharing of Data Streamlined
- Exclusive Communication Vehicle with Trade and Brokers
- What was once done Haphazardly must not be done Correctly at Time of Entry
- Increased Reporting Data Sets for all PGAs
- More Government Agencies are being given Hold Authority and possibly more to come
- Significantly greater amount of Data CBP now has access to
- Hotline Created for PGAs (others) to Whistle Blow on Violations to CBP – CBP has 14 days to initiate investigation



Advancement in Technology

**They Have More Data and They are Going to
Use It**



Centers of Excellence and Expertise CEE

- 10 Centers
- Have Received Full Authority for Post-Release Trade Processes of Entry Summaries
- Staffed with Industry Vertical Experts
- Understand Value
- Understand Classification
- Understand Discounts, Assists, Royalties, Commissions as they relate to specific industries
- Will have Field Offices Assist with Entry Volume
- ACE is slowly re-routing entry summary data to the CEEs as new ports get transferred



10 Centers of Excellence

- Miami Agriculture and Prepared Products
- Detroit Automotive and Aerospace
- Chicago Base Metals
- Atlanta Consumer Products and Mass Merchandising
- Buffalo Industrial and Manufacturing Materials
- Laredo Industrial and Manufacturing Materials and Machinery
- San Francisco Footwear and Textiles
- Los Angeles Electronics
- Houston Petroleum, Natural Gas and Minerals
- New York Health and Chemicals



Better use of Personnel

They have more Data and They are going to
Use it

**The have shifted individual skill sets to
Centers of Excellence**



Role of the Broker

- Broker being tasked with implementation of ACE data sets submission
- Broker is the exclusive link to the Trade
- Brokers must adapt or die
- ACE Entry / Entry Data is in production
- ACE / PGA Data is being phased in over 2016
- Brokers should be keeping partners informed of new requirements
- Brokers are submitting data sets (per transaction) for PGAs that were once sent in manually / annually / sporadically
- Hold Authority , FDA , NHSTA , More?
- Broker Known Importer Program (BKIP)
- BKIP negligence to gross negligence? (potential money maker)



Broker is the facilitator

They have more Data and They are going to
Use it

The have shifted individual skill sets to
Centers of Excellence

**Both CBP and PGAs are using the Broker to
their Advantage**



Trade Intelligence

- Centers of Excellence are now tasked with mining data
- **Informed Compliance Letters**
- CBP communication vehicle is ACE
- Up Trending in Requests for Information (CF 28)
- High risk versus Low Risk



Working Smarter

They have more Data and They are going to
Use it

The have shifted individual skill sets to
Centers of Excellence

Both CBP and PGAs are using the Broker to
their Advantage

They are gathering and Sharing more Data



Trade Partnerships

- Importer / CBP Partnerships
- C-TPAT
- Importer Self Assessment (ISA)
- Trusted Trader (C-TPAT / ISA Hybrid)
- BKIP
- With many partnerships come advantages



High Risk v. Low Risk

They have more Data and They are going to
Use it

The have shifted individual skill sets to
Centers of Excellence

Both CBP and PGAs are using the Broker to
their Advantage

They are gathering and Sharing more Data
They are Pushing the Trade to “Partner Up”
Self Policing is acceptable



Simple Equation





Thank You