CBP E-Commerce Strategy

Background

E-Commerce is a growing segment of the U.S. economy and has been for the past several decades. U.S. Customs and Border Protection (CBP) must adapt to the changing ways business is conducted due to the growth of low-value packages, which e-commerce primarily drives. CBP's E-Commerce Strategy strengthens its ability to protect the health and safety of American citizens and the U.S. economy from non-compliant goods.
In this strategy, CBP defines e-commerce as high-volume, low-value shipments entering the port limits of the United States.

E-Commerce Strategy Goals

Goal 1 — Enhance Legal and Regulatory Authorities to Better Posture CBP and Interagency Partners to Address Emerging Threats

- Review existing legal and regulatory authorities to develop risk segmentation processes, improve targeting, and realign resources
- Develop a plan that will incentivize compliance from all stakeholders within the e-commerce supply chain
- Build upon existing legal authorities to enhance partnerships with domestic and international stakeholders that address small parcel shipments

Goal 2 — Enhance and Adapt All Affected CBP Operations to Respond to Emerging Supply Chain Dynamics Created by the Rapid Growth of E-Commerce

- Enable risk-based enforcement to increase operational efficiency
- Determine highest risk e-commerce packages utilizing a counter network approach including state-of-the-art techniques and technology
- Optimize workforce, policies, and procedures to adapt CBP to the evolving e-commerce environment

Goal 3 — Drive Private Sector Compliance through Enforcement Resources and Incentives

- Strengthen e-commerce compliance through enforcement mechanisms
- Incentivize compliance through an e-commerce known shipper program
- Leverage Partner Government Agency network to enhance enforcement procedures for e-commerce shipments

Goal 4 — Facilitate International Trade Standards for E-Commerce to Support Economic Prosperity

- Lead standards and best practices development with the interagency and global customs community
- Explore technology options to increase the exchange of e-commerce information
- Educate the e-commerce community to promote an understanding of applicable cross-border trade rights and responsibilities

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U.S. Customs and Border Protection

E-Commerce Challenges

Increasing Trade Volume

Since 2000, the number of Americans shopping online has increased nearly four-fold, from 22 percent to 79 percent. This rise in e-commerce has led to a massive increase in shipments valued under $2,500, affecting sea, rail, and land ports of entry. By the end of Fiscal Year 2017, one express hub saw a 1,000 percent increase in shipments over 20 years, primarily small shipments.

Dangerous and Non-Compliant Shipments

In early 2017, during a "small packages" special operation at the international mail facility in New York, CBP seized more than five pounds of fentanyl, along with almost 1,300 other non-compliant shipments - a total non-compliance rate of 43 percent. CBP must receive qualitative data about low-value shipments to identify such risks to the nation's safety and security.

Consumer Awareness

Many new importers empowered by e-commerce are unfamiliar with CBP's requirements and regulations. Less experienced importers may face unexpected transaction costs as well as possible import restrictions and penalties. Compliance failure may severely impact the success of small e-commerce businesses.

Measuring Success

To measure success of the key goals and objectives of the strategy, CBP will use internal, targeted performance measures and:

- Create a baseline for the data
- Set key measurement targets
- Report on its progress
- Update related public-facing Government Performance and Results Modernization Act measures

Benefits

CBP's E-Commerce Strategy will provide the following benefits:

- Strengthens CBP's ability to protect the U.S. economy
- Improves trade risk management
- Maximizes collection of owed trade revenue
- Deters trade and customs law violations
- Strengthens international mail enforcement
- Enhances CBP's long-term partnership with the trade community

E-Commerce Resources

E-Allegations

Visit https://eallegations.cbp.gov/ to report suspected violations of U.S. customs law and related illicit trade activities.

E-Commerce Strategy

Visit www.cbp.gov/e-commerce to view the full text of the E-Commerce Strategy, as well as other helpful e-commerce resources.

E-Commerce Contact Information

Email e-commercesmallbusinessbranch @cbp.dhs.gov with any additional questions about e-commerce.