



On February 24, 2016, President Obama signed into law P.L. 114-125, the Trade Facilitation and Trade Enforcement Act of 2015. The act was the first comprehensive authorization of U.S. Customs and Border Protection, CBP, since the Department of Homeland Security's conception in 2003, with the overall objective to ensure a fair and competitive trade environment. This act supports CBP's efforts to protect U.S. economic security through trade enforcement, collaborate with the private sector through direct engagement, and streamline and modernize processes through business transformation initiatives to meet the demands and complexities of a rapidly evolving global supply chain. Since the law's enactment two years ago, CBP has made significant strides in trade enforcement.

Enforce and Protect Act, EAPA

TFTEA provided CBP with new authority to investigate allegations of antidumping/countervailing duty evasion through enactment of the Enforce and Protect Act. EAPA investigations came online in August 2016 when the Interim Final Rule was published. Since then CBP has:

- Published notices of initiation for 16 investigations. We are already receiving multiple repeat users, as they see the benefits of using EAPA. Investigations concern products that range from wire hangers, wooden bedroom furniture, diamond sawblades, pipe and tube, and glycine.
- In three cases, CBP reached a determination on interim measures a month ahead of the statutory deadline, ensuring protection of the revenue and relief of the antidumping duty order for the domestic industry.
- CBP has conducted more than 10 foreign onsite verifications in Thailand, Malaysia, and Cambodia, as well as domestic on-site verifications and cargo exams in the U.S. These on-site verifications are crucial to gather evidence for transshipment evasion and investigate whether there is use of the wrong rate.
- CBP rendered its final determination on its first EAPA investigation and issued a notice to the parties of the investigation on August 14, 2017. The notice explained that there was substantial evidence that merchandise entered into the U.S. customs territory through evasion via transshipment of wire hangers from China through Thailand. Our enforcement efforts to stop transshipment of wire hangers through Thailand and Malaysia have resulted in stopping the evasion of over \$40 million of antidumping duties annually.

Forced Labor

TFTEA repealed the "consumptive demand" clause in 19 U.S.C. § 1307. The clause had allowed importation of certain forced labor-produced goods if the goods were not produced "in such quantities in the United States as to meet the consumptive demands of the United States." Repeal of the consumptive demand exception enhanced CBP's ability to prevent products made with forced labor from being imported into the U.S.

- CBP amended its implementing regulations to account for the removal of this loophole.



U.S. Customs and Border Protection

- CBP is engaged with the trade community and the civil society community affected by this statute through the COAC trade advisory committee and/or working groups.
- CBP has provided the trade community with resources to comply with the law. Most recently, CBP updated its publication on Informed Compliance Reasonable Care.
- Trade fraud violations may also be reported via the e-Allegations online trade violation reporting system at <https://apps.cbp.gov/eallegations> or via Trade.Enforcement@dhs.gov. Allegations may be reported anonymously via e-Allegations.

Intellectual Property Rights, IPR

IPR enforcement is a CBP Priority Trade Issue.

- CBP has created a web-based tool known as e-Recordation that rights holders can use to record their trademarks and copyrights with CBP.
- Recordation makes information on protected rights available to CBP offices throughout the U.S. CBP is a partner at the interagency National Intellectual Property Rights Coordination Center.

Drawback

TFTEA authorized a simplified approach to drawback, resulting in increased efficiencies in refunding relevant duties, taxes, and fees for the trade community.

- Redefined the drawback concept of “substitution” of exported goods for imports. CBP completed this new designation by moving from the current part number-based criteria to implementing a more objective eight-digit Harmonized Tariff Schedule of U.S. classification.
- Uniformly authorized drawback refunds for 99 percent of duties, taxes and fees paid on imported merchandise for all types of drawback.
- Simplified and expanded all drawback claim types to five years from the date of importation to the filing of the drawback claim related to that import.

CBP deployed TFTEA drawback on February 24, 2018 in accordance with the legislative mandate.

Partner Government Agencies/Automated Commercial Environment, ACE

- CBP delivered the Single Window via ACE, the primary processing system through which trade-related data required by 47 government agencies is submitted and processed, resulting in streamlined trade processes and the elimination of over 200 different forms.