2013

Advisory Committee on the Commercial Operations of Customs and Border Protection (COAC)

EXPORT SURVEY

Exporters, Freight Forwarders/Brokers, and Carriers provided information to COAC regarding the current state of exports - data and processes. The information contained herein was designed for use as a validation of the findings of the export mapping work group.

Contents

Executive Summary 2

About the Survey 3

Exporters 4

Freight Forwarders and Brokers 18

Carriers 43

Executive Summary

Understanding the current state of exports from the perspective of exporters, brokers and freight forwarders, and carriers, was an important step required to validate the work of the Export Sub-committee's Export Mapping Work Group. While this work was used as a validation of our own small-group findings, the work also provided us with valuable information to serve as a backdrop for several discussions – both within the U.S. Government and across the Trade. We provide this information to the public as a point-in-time evaluation and offer our observations below.

First, a discussion on the makeup of U.S. Exporters, summarized as follows:

- 73% of respondents reported revenues of less than $500 million, a mark of small and medium sized enterprises.
- 41% of respondents reported working in companies that are Global (multiple countries/single strategy) and 32% reported International (multiple countries/multiple strategies).
- 72% of respondents reported having an annual volume of export declarations (Electronic Export Information (EEI)) of 999 per year or less. 71% of respondents reported having an annual volume of exports that do not require export declarations of 999 per year or less.
- 35% of respondents reported licensed shipments.

A majority of exporters are small and medium sized enterprises (SMEs) with low annual declaration counts (if at all). Of surprise, approximately half of those SMEs are involved in complex licensing regulations. The COAC observes two points: proposed changes to the declaration process should be reviewed for economic impact on small and medium sized businesses prior to implementation since the effect may cause U.S. exports to decline and SME benefits that promote the use of compliance professionals may serve to increase U.S. Exports.

Second, we provide an overview of an export discussion representing brokers and freight forwarders. It was interesting to note that the makeup of brokers and freight forwarders represented that of our exporter population, that is, they are largely small and medium sized enterprises (70% of respondents) with a low transaction count (80% reported less than 24,999 declarations per year) involved in complex regulations (42% of respondents indicated dealing with USML, CCL, and OFAC transactions). The COAC observes: 77% of respondents turned down business due to U.S. Export Regulatory risk.

Finally, we provide an overview of an export discussion representing carriers. First, the presence of significant port-to-port variation represents an opportunity for streamlined and standardized CBP processes (manifest filing, manifest data elements, inspection processes) across all ports. Variation for the purposes of trade facilitation or to address port-specific risk is not at issue, but rather seemingly arbitrary variation that results in extra costs and system complexity for carriers without providing any discernible benefit. Feedback was also provided on export process changes that might result from CBP's automated export manifest initiative. Carriers expressed concern regarding any changes to manifest delivery times that would negatively impact their export operations, but simultaneously expressed hope that automated CBP systems would help standardize export processing, reduce export hold times, and facilitate a "one USG at the border" approach to export control.

About the Survey

Survey Type, Distribution, Timeline, and Rate of Response

Given the dispersed community of knowledge associated with U.S. Exports, the COAC Export Survey was issued in three parts – one with Exporter focused questions, one with Freight Forwarder/Broker focused questions, and one with Carrier focused questions. The approach was used to ensure the likelihood of the respondent to understand and relate to the questions given.

The first survey, designed for Exporters, contained twenty-one (21) multiple choice and free form questions, generated five hundred and sixty-four (564) responses, and inquired on several different areas including volumes and agencies, areas of opportunity, supply chain security, facilitation and delays. The second survey, designed for Brokers and Freight Forwarders (also NVOCC and IAC), consisted of thirty-one (31) multiple choice questions, generated eighty-three (83) responses, and inquired on several different areas including areas of opportunity, cause and count of delays, and export process. The third survey, designed for Carriers, consisted of 19 multiple choice and free text questions, and generated forty-nine (49) responses – primarily from Air and Ocean carriers. The carrier survey inquired on several different areas including manifest requirements, port to port variation, the impact of manifest timing on departure operations, and the impact of moving from paper to electronic export processes.

COAC distributed the anonymous survey to various networks, including trade associations, importers, brokers, attorneys, consultants, freight forwarders, supply chain security partners, using a secure web-based tool. The open to close timeline allowed for a ten (10) day open response period for the Exporter, and a forty-five (45) day response period for the Freight Forwarder/Broker and Carrier survey.

Exporters

Overview

The foundational questions revealed insight into the exporting community, and yielded information such as:

- 41% of respondents reported working in companies that are Global (multiple countries/single strategy) and 32% reported International (multiple countries/multiple strategies).
- 73% of respondents reported revenues of less than $500 million.
- 72% of respondents reported having an annual volume of export declarations (Electronic Export Information (EEI)) of 999 per year or less.
- 71% of respondents reported having an annual volume of exports that do not require export declarations of 999 per year or less.
- 35% of respondents reported licensed shipments.
- 78% of respondents were not enrolled in CTPAT for imports. 59% would not join CTPAT for exports and 41% reported that they would join CTPAT for exporters.
- 49% of exporters saw benefits of Mutual Recognition Agreements, and 51% did not see benefits.
- 32% of respondents report having no known source for inquiries or delays associated with government intervention on shipments.
- Sources for delay, when known are reported as: 37% paperwork, 23% transportation availability, 14% government review/stop
- 55% of respondents indicate they experience seldom delays, characterized as 1-5% of shipments. Modes of transport cited for delays in order of most to least: airfreight, couriers, and Ocean freight, truck, rail.
- 34% of respondents experience lost sales due to US export or import (or both) requirements.

We conclude that a majority of exporters are small and medium sized enterprises (SMEs) with low annual declaration counts (if at all). Of surprise, approximately half of those SMEs are involved in complex licensing regulations. The COAC observes two points:

1. Proposed changes to the declaration process should be reviewed for economic impact on small and medium sized businesses prior to implementation since the effect may cause U.S. exports to decline.
2. SME benefits that promote the use of compliance professionals may serve to increase U.S. Exports.

COAC used the results of this the survey to ensure the Export Mapping Education Package was validated as complete. We herein represent that all areas of concern were included and the recommendations provided are under consideration with CBP and the relevant agencies.

1) My company's supply chain or organization is:		
Option	**# Rs**	**R %**
1 skipped this question [View]	Total Rs **564**	99.82%
Global (operating in multiple countries with a single strategy)	233	41.31%
International (operating in different countries with different strategies)	180	31.91%
Cross-border (operating between U.S. and a single country using an adapted strategy)	35	6.21%
Domestic	116	20.57%

2) My organization's annual revenue in U.S. dollars:		
Option	**# Rs**	**R %**
1 skipped this question [View]	Total Rs **564**	99.82%
Less than $500 million	411	72.87%
$501 million to $2.5 billion	69	12.23%
$2.5 billion to $10 billion	41	7.27%
$10 billion to $25 billion	21	3.72%
Over $25 billion	22	3.90%

3) Indicate the type of shipments associated with your business. Please select all that apply.		
Option	**# Rs**	**R %**
1 skipped this question [View]	Total Rs **564**	99.82%
Licensed	199	35.28%
United States Munitions List (USML)	93	16.49%
Commerce Control List (CCL)	183	32.45%
Option 4	55	9.75%
Non-option 4	108	19.15%
Multiple Shipment Types	277	49.11%

4) Based on the predominate number of exported products, please select the industry grouping below that most closely identifies your business:		
Option	**# Rs**	**R %**
1 skipped this question [View][View Comments (144)]	Total Rs **564**	99.82%
Agriculture & Prepared Products: Agriculture, aquaculture, live animals, animal products, vegetable products, animal/vegetable fats and oils, prepared foods, beverages, spirits, and tobacco	51	9.04%
Automotive & Aerospace: Automotive, aerospace, trains, ships, vessels, tractors (including for agriculture use), and transportation equipment	87	15.43%
Base Metals & Machinery: Steel, steel mill products, base metals, fasteners, tools, production equipment, machine tools, and electrical machinery	59	10.46%
Consumer Products & Mass Merchandising: Soaps, cosmetics, luggage, handbags, household items, tableware, jewelry, watches, musical instruments, sporting goods, furniture, mattresses, toys, festive articles, arms, optical and photography equipment, art, and antiques	32	5.67%
Industrial & Manufacturing Materials: Leather, wood, paper, stone, plasters, cement, plastics, polymers, rubber, precious stones, and precious metals	39	6.91%
Information Technology & Consumer Electronics: Integrated circuits, information technology, computers, and consumer electronics	93	16.49%
Petroleum, Natural Gas & Minerals: Minerals, petroleum, and petroleum products	9	1.60%
Pharmaceuticals, Health & Chemicals: Pharmaceuticals, medical and surgical devices and related equipment, and chemicals	42	7.45%
Textiles, Wearing Apparel & Footwear: Textiles, wearing apparel, textile mill products, headwear, and footwear	18	3.19%
Other (please describe)	134	23.76%

5) Please select the quantity of export declarations (i.e., Electronic Export Information (EEI)) your organization files within a year. Those with no filings should respond by selecting not applicable.

Option	# Rs	R %
1 skipped this question [View]	Total Rs **564**	99.82%
Less than 100 entries	235	41.67%
100 to 999 entries	170	30.14%
1,000 entries to 9,999 entries	91	16.13%
10,000 entries to 99,999 entries	40	7.09%
100,000 entries to 999,999 entries	7	1.24%
1,000,000 entries or more	1	0.18%
Not Applicable	20	3.55%

6) Please select the quantity of export shipments that do not require an export declaration (Electronic Export Information (EEI)), such as goods that are non-licensable, under $2,500, destination Canada, Mexico, etc.:

Option	# Rs	R %
1 skipped this question [View]	Total Rs **564**	99.82%
Less than 100 entries	250	44.33%
100 to 999 entries	152	26.95%
1,000 entries to 9,999 entries	91	16.13%
10,000 entries to 99,999 entries	23	4.08%
100,000 entries to 999,999 entries	3	0.53%
1,000,000 entries or more	0	0.00%
Not Applicable	45	7.98%

7) Is your firm a C-TPAT (import) participant?		
Option	**# Rs**	**R %**
1 skipped this question [View]	Total Rs **564**	99.82%
Yes	126	22.34%
No	438	77.66%

8) Based on your firm's experience with or knowledge of C-TPAT (import), if an export type of C-TPAT was available, would your company be interested in getting C-TPAT for exports certification?		
Option	**# Rs**	**R %**
1 skipped this question	Total Rs **564**	99.82%
Yes	232	41.13%
No	332	58.87%

9) Considering the 7 Mutual Recognition Arrangements (MRAs) the U.S. currently has in place with Canada, European Union, Japan, Jordan, Korea, New Zealand, and Taiwan, does your firm stand to benefit from the U.S. establishing additional MRAs?		
Option	**# Rs**	**R %**
2 skipped this question	Total Rs **563**	99.65%
Yes	278	49.38%
No	285	50.62%

Free form responses can be summarized that the respondent did not have an understanding of MRAs in general. Few respondents presented requests to add countries within Central and South America, and add countries such as Australia, Korea, Thailand, Philippines, Taiwan, China, Brazil.

10) Which other government agencies do you work with on exports?		
Option	**# Rs**	**R %**
	Total Rs **563**	
Responded	376	67%
Did not Respond	189	33%

Free form responses are summarized by most recurring to least recurring: CBP, BIS, Census, DOD, DTSA, OFAC, USDA, EPA, Fish and Wildlife, DEA, FDA, IATA, FAA, NAVFAC, AMCOM, Army Material Command, US Coast Guard, USPS

11) What other government programs does your firm already participate in? Have these other government programs enhanced your exports and what are the benefits?	
Summary of Responses:	A majority of responses were None or Blank. Other responses provided were: Option 4 with benefits of facilitation, C-TPAT, USDA Sugar Re-Export (SRE), IACSSP with benefits in ease of export processing, Free Trade Agreements (FTAs), CBP's Trade Support Network, Duty Drawback, CBP's CES, No participation, TSA, GSA, the Meat Import Council of America and Cattlemen's Beef Board with no benefits, AES to report shipments, US Export Assistance Center/ Department of Commerce Trade Missions, EX-Import Bank, We subscribe to the TACT rules, Foreign Trade Zones, CCSP, Foreign Military Sales (FMS), Training from BIS and DoS, CBERRA, Mexico's NECC program, IMEX automated system for DEA export permits, Food Export USA STEP has increased exports, SBIR's

12) When your export shipment is delayed due to government intervention, please indicate your source for delay notification. Please indicate the frequency estimate of notification in the comment box below.

Option	# Responses	Response %
1 skipped this question [View][View Comments (176)]	Total responses **564**	99.82%
Broker	73	12.94%
Carrier	138	24.47%
Freight Forwarder	171	30.32%
I am not aware	182	32.27%

13) When you experience a delay in export shipments, what is the root cause of export shipment delays and frequency?		
Option	**# Responses**	**Response %**
1 skipped this question [View][View Comments (131)]	Total responses **564**	99.82%
Transport availability	132	23.40%
Government review/stop	80	14.18%
Variable port practices: industry	27	4.79%
Variable port practices: government	41	7.27%
Paperwork	207	36.70%
Other (please describe)	77	13.65%

14) How often is the speed of your firm's export shipments reduced while being scrutinized by U.S. government export control authorities?		
Option	**# Responses**	**Response %**
1 skipped this question [View]	Total responses **564**	99.82%
Never (0%)	174	30.85%
Seldom (1-5%)	311	55.14%
Occasionally (5-10%)	54	9.57%
Frequently (over 10%)	25	4.43%

15) What markets (i.e., Canada, China, European Union, Japan, etc.) is your firm looking to reach or expand into?	
Summary of Free Form Responses:	Any that want to buy without export restrictions, China, European Union, South/Central America, Africa, Canada, Central and South America, China, Malaysia, India, Australia, Africa, Japan, New Zealand, Caribbean, Russia, Iraq, Libya, Saudi Arabia, Southern Africa, Colombia, Mexico, any country without restrictions & limit order values at $2500, Europe, Middle East, France, Poland, Peru, Turkey

16) Has your company experienced lost sales due to U.S. requirements?		
Option	**# Responses**	**Response %**
1 skipped this question	Total responses **564**	99.82%
Export requirements	109	19.33%
Import requirements	17	3.01%
Both	69	12.23%
None	369	65.43%

17) With U.S. federal regulations in mind, and for the products your firm exports, has U.S. alignment with any international standard, partnership, or agreement impacted your firm?		
Option	**# Responses**	**Response %**
1 skipped this question [View][View Comments (120)]	Total responses **564**	99.82%
Negatively	62	10.99%
Positively	245	43.44%
Both	257	45.57%

18) Please rank the Mode of Transportation used for cargo involved in 2012 examinations, with 1 being the highest volume and 5 being the least:						
	1	**2**	**3**	**4**	**5**	**Total**
28 skipped this question	Total responses **537**					95.04%
Air cargo	179 (37.29%)	105 (21.88%)	64 (13.33%)	38 (7.92%)	94 (19.58%)	480
Air express courier	133 (29.89%)	96 (21.57%)	60 (13.48%)	49 (11.01%)	107 (24.04%)	445
Ocean	129 (28.17%)	63 (13.76%)	71 (15.50%)	64 (13.97%)	131 (28.60%)	458
Truck	89 (20.60%)	75 (17.36%)	92 (21.30%)	69 (15.97%)	107 (24.77%)	432
Rail	27 (7.03%)	17 (4.43%)	28 (7.29%)	37 (9.64%)	275 (71.61%)	384

19) With the past year in mind, can you share an example of a specific instance where the movement of a shipment was excessively slowed down as a result of a U.S. government export requirement? Please note the requirement (i.e., physical examination, licensing, manual processes, etc.).	
Summary of Free Form Responses:	None, No, N/A were most common responses. Examples of other responses include: Manual process of documentation review causes missed departures; CBP port of exit process differences (port of exit validations vary); licensing request to authorization granted turnaround timing; license manual endorsement process with CBP; an attestation that the respondents experienced a delay, but with no knowledge of the cause; All shipments to Mexico (over 15000 per year) are delayed at least 1 hour at the U.S. port while waiting for the required 1 hour to pass after filing and prior to export; inspection with no detainment resulted in missed vessel, storage costs; Yes. New regulations involving the export of lithium batteries; complexity of determining if licensing regulations apply; ATF rules not flowing to port of exit and cause undue delays; license lodging of DSP-5's; OFAC licensing; FMS and DCS process are the same for licensing – causes extra burden for contractors for FMS; FDA product sampling resulting in delays in months; USDA inspection; inspection of temperature-sensitive export opened and rendered destroyed / unsellable; Routed Export confusion / roles and responsibilities; border shipments / CBP unable to access in transit filings and causes delays; lacking information on temporary shipments to trade shows; hand carried license exports / no CBP endorsement; lengthy security screening process; lack of harmonization of foreign import rules / cause US export stops.

20) In your opinion, what are the TOP trouble spots associated with exports?	
Summary of Free Form Responses:	USG Efficiency in processing (including lacking EDI); Lack of post departure filing authorization; license lodging; no fast track / trusted programs; Paper bills of lading; AES filing; variation in CBP port processes; variation in other government agency guidance to ports / port-by-port guidance causes no standardized approach; NAFTA paperwork; cost of compliance increased for companies as a result of regulation changes; over-controlling of perceived COTS items; duty drawback complexity causes lost recoveries by US Companies; holds and exams; jurisdiction determination timing and complexity; varying and complex carrier/port/MOT rules; lengthy FTZ entry processing times; US person definition variation; inspection of sensitive shipments causing damage/theft/etc; inefficient AES / 30 day password reset requirement; clerical error correction process variation; high port fees; handling split shipments; PGA port variation (USDA, etc); "The biggest problem: stepping over the dollars to pick up the pennies"; excessive use of EU brand protection laws as a US export barrier; Screening; need one USG list for screening.

21) What steps has your organization taken to resolve the impediments in your current export process to increase efficiency and what recommendations would you offer the U.S. federal government for consideration?
SUMMARY follows: What Companies are doing: earlier cutoffs on documentation; PGA reviews/meetings; submitting FRN comments on Export Control Reform; refining hiring process to include qualified compliance staff; adding resources for compliance and operations; adding legal resources; adding export training programs (some indicated that they are required; others indicated they are optional) for all staff; adding checklists to processes to double check declarations for accuracy; promote the use of C and D incoterms to alleviate negative impacts of third party forwarders/filers; work with carriers and brokers to streamline exporters processes; switch ports of exit; meet with CBP at port of exit; Recommendations follow: less USG involvement would increase exports; add web based reporting for exports; improve shipping; communize port processes will avoid port preferences and increased cost; For qualifying shipments, DEA to provide general letter stating that the signature and stamp on export permits was not required; automated screening lists; increase USG training for exporters; simplify AES; increase the AES filing limit to $5000; electronic lodging of licenses; electronic endorsements of licenses; train CBP on export regulations; eliminate security program redundancies (TSA, etc); decrease license wait times;

Freight Forwarders and Brokers

Overview

The survey was targeted to licensed intermediaries managing export logistics on behalf of exporters or their agents, including FMC licensed ocean transportation intermediaries, freight forwarders and Non Vessel Operating Common Carriers, IAC, and customs brokers. Many respondents held a combination a two or more of these licenses. Of the 83 respondents, 66% responded that they operated as an IAC, 82% responded that they operated as a FMC licensed OTI Forwarder, and 71% responded that they operated as a FMC license NVOCC. 70% of those surveyed responded that they operated as licensed customs broker. We can conclude that even those in the small to medium size entity category held licenses from multiple agencies, such as the FMC and CBP. The data does not seem to show a high percentage of respondents holding only a NVOCC FMC license, which would have identified independent wholesale NVOCC's.

24% responded that they operate in multiple countries, globally, in an agency network that is either wholly or primarily owned by their own company. About 72% indicated that they operate internationally, in multiple countries with an agent network primarily not owned by their own company, i.e. independent agents. Roughly 4% responded that they operate only in cross-border operations between the US and Canada, and/or the US and Mexico. While 22% of those surveyed chose not to answer the question, roughly 70% of those that responded indicated annual gross revenues per year of under $250 million, which we conclude a majority of respondents are small medium-size enterprises.

With 100% of those surveyed responding, about 41% handle shipments subject to the United States Munitions List, 59% handle shipment subject to the Commerce Control List, about 32% handled shipments that were subject to licensing for the Office of Foreign Assets Control, and 24% had experience with shipments that utilize Post Departure Option 4. These results indicate a high level of sophistication among the respondents. For example, 32% of the respondents have experience managing OFAC shipments, which is a higher percentage than overall export shipments subject to OFAC.

The data suggests that an overwhelming majority of all the respondents collect authorization to file AES data from all of the options presented: a letter of authorization from the foreign principal party of interest, a power of attorney for the foreign principal party of interest, and shipper's letter of instruction from the US principal party of interest. 77% of those surveyed responded that they do not act as agent for the foreign principal for the purpose of determining licensing Authority and/or applying for licenses.

37.35% of respondents file less than 1000 AES filings annually. 44.58% of those surveyed responded that they file from 1000 to 24,999 filings annually. About 14% of those surveyed reported that they file over 25,000 AES filings annually. The data shows that an aggregate percentage of 81% of those surveyed are filing less than 25,000 AES filings annually. If this date is cross-referenced with the data received regarding the question about gross revenues, this would seem to indicate a high level of participation from small to medium-size enterprises in the survey.

43% of those surveyed indicated outbound exam costs averaging $300 to $2100, and mostly represent physical exam costs. 14% reported more than $2000. The COAC concludes that exam costs are a significant addition to the cost of an export. This date also suggests that the export exam costs could have an adverse effect on low value cargo with lower margins. This information must be considered when discussing the global competitiveness of US exports in foreign markets. In addition, 77% of the respondents indicated that they have lost business to US requirements on exports, and is quite possibly the most important result from this survey.

Roughly 70% responded that they participate in CTPAT and 30% responded that they do not. 50% of those surveyed responded that CT PAT may not be of value for their customers and 50% responded that it might. The data seems to suggest that a higher percentage of intermediaries feel that CTPAT for exports might be beneficial to them, but a lesser percentage believes that will be beneficial to their customers, the US exporters. It is interesting to note that several written responses referred to the program as an export AEO program.

When asked the average number of days cargo is released once subject to a US government hold at the port of departure, 18% responded that they get releases within one day, 45.78% responded that they received the release within 1 to 3 days of the hold, and 36.14% responded that the government holds last more than four days at the port of departure. When reviewing the raw data and commentary provided by the respondents, many attribute additional hold times due to multiagency coordination, for example when CBP needs to determine with Commerce if cargo is subject to license or not.

When asked to list the five pain points or trouble spots for export transactions, the answers from the respondents were quite diverse. However a review of the raw data and commentary seems to show some broad themes such as better education and technical training among all parties in the supply-chain, CBP, intermediaries, and exporters. Another theme in the comments is better and quicker coordination among the several agencies involved in export control.

In conclusion, small to medium-size enterprises are playing a vital role in the export supply chain. Even intermediaries that are not filing a high number of AES/EEI transactions are involved in trade sensitive export shipments, subject to export controls, licensing, or post departure option 4. While regulations should be inclusive and sensitive to the business models of small, medium, and large freight forwarders and brokers, the business model of the small to medium-size enterprise should definitely be taken into account in any export control analysis process, any proposed new regulations, or any proposed streamlining of the current regulations. The data regarding transaction cost for physical exams on export cargo held at the port departure seems to indicate that these exam charges have a substantial impact on transaction costs, and an even greater impact on the transaction cost of low value cargo. This validates the COAC Export Subcommittee efforts in attempting to align the export control and outbound exam process more closely the commercial flow of cargo and information in the private sector supply-chain.

1) In what capacity does your company operate? Please select all that apply.

Option	# Responses	Response %
0 skipped this question [View][View Comments (7)]	Total responses **83**	100.00%
International Air Carrier ("IAC")	55	66.27%
FMC Licensed OTI – Forwarder	68	81.93%
FMC Licensed or Bonded Non-Vessel Operating Common Carrier ("NVOCC")	59	71.08%
Licensed Customs Broker	58	69.88%
Other (specify below)	7	8.43%

Respondent	Comment
Summary of Responses for Other:	DOT forwarder, Air/Ocean charter company, staffing agency with contractors, CCSF, bonded carrier

2) What is the structure of your international network?

Option	# Responses	Response %
1 skipped this question [View]	Total responses **82**	98.80%
Global (operating in multiple countries with a primarily company owned network)	20	24.39%
International (operating in multiple countries with a an independent agent network)	59	71.95%
Cross-Border only (operating between the U.S. and Canada and/or Mexico)	3	3.66%

3) My organization's annual revenue in U.S. dollars:

Option	# Responses	Response %
0 skipped this question [View]	Total responses **83**	100.00%
o Less than $50 million	44	53.01%
$50 million to $100 million	11	13.25%
$101 million to $250 million	4	4.82%
$251 million to $500 million	1	1.20%
Over $500 million	4	4.82%
Choose not to answer	19	22.89%

4) Indicate the type of shipments handled by your business. Please select all that apply.

Option	# Responses	Response %
0 skipped this question [View][View Comments (19)]	Total responses **83**	100.00%
United States Munitions List ("USML")	34	40.96%
Commerce Control List ("CCL")	49	59.04%
Office of Foreign Assets Control ("OFAC")	27	32.53%
Post-Departure (Option 4)	20	24.10%
Pre-Departure (Non-Option 4)	55	66.27%
Hazardous Materials	56	67.47%
Other (Please describe in comments)	18	21.69%

Respondent	Comment
Summary of OTHER Responses:	Project Cargo, NLR, Motor vehicles, perishables, Intl Trade, live animals

5) What percentage of your export business falls under Routed Export Transactions (control of the movement of the cargo out of the U.S. sits with the Foreign Principal Party in Interest ("FPPI"))?

Option	# Responses	Response %
0 skipped this question [View]	Total responses **83**	100.00%
[View Responses]		
Responded	83	100.00%
Did not respond	0	0.00%
Summary of Free Form Responses:	22 respondents indicated 50% or greater; 61 respondents indicated under 50%	

6) Does your company file AES (Electronic Export Information ("EEI") transactions into AES):

Option	# Responses	Response %
0 skipped this question [View]	Total responses **83**	100.00%
Yes	80	96.39%
No	3	3.61%

7) How does your company obtain the required authorization from your principal on Routed Export Transactions (Consignee Routed)? Please break down by approximate percentage to total 100% and fill in zeros in the boxes that do not apply.

Option	# Responses	Response %
0 skipped this question [View][View Comments (12)]	Total responses **83**	100.00%
[View Responses]		
Responded to 'Letter of Authorization from the Foreign Principal'	75	90.36%
Responded to 'Power of Attorney from the Foreign Principal'	73	87.95%
Responded to 'Shipper's Letter of Instruction (on a transactional basis)'	71	85.54%
Responded to 'Other (Please specify)'	59	71.08%

Respondent	Comment
Summary of OTHER:	we try to obtain SLI's on all shipments regardless if a POA is held IN HOUSE; LOA and POA; Shipper's Letter of Instruction is not available to routing consignees, unless in the US at the time of shipment. So this hardly ever actually occurs. That said, when we have difficulty obtaining an adequate POA from the foreign consignee, and the shipper is willing to sign a POA or SLI, we will handle as NOT consignee routed; 2% by contract.

8) How does your company obtain the required authorization from your principal on Standard Export Transactions (Shipper Routed)? Please break down by approximate percentage to total 100% and fill in zeros in the boxes that do not apply.

Option	# Responses	Response %
0 skipped this question [View][View Comments (13)]	Total responses **83**	100.00%
[View Responses]		
Responded to 'Power of Attorney'	80	96.39%
Responded to 'Shipper's Letter of Instruction (on a transactional basis)'	75	90.36%
Responded to 'Incorporated in a Contract'	57	68.67%
Responded to 'Other (Please specify)'	57	68.67%

Respondent	Comment
Summary of OTHER responses:	WE REQUIRE A POA AND SLA/CONTRACT; advice on a shipment basis; request by phone/fax/email.

9) How does your company receive the export information (data elements) for filing? Please break down by approximate percentage to total 100% and fill in zeros in the boxes that do not apply.

Option	# Responses	Response %
0 skipped this question [View][View Comments (11)]	Total responses **83**	100.00%
[View Responses]		
Responded to 'Shipper's Letter of Instruction (transactional)'	79	95.18%
Responded to 'Shipper's Commercial Documents (transactional)'	77	92.77%
Responded to 'Standing Instructions'	65	78.31%
Responded to 'Email'	72	86.75%
Responded to 'EDI'	56	67.47%
Responded to 'Telephone Call'	59	71.08%
Responded to 'Other (Please specify)'	53	63.86%
Respondent	**Comment**	
Summary of OTHER:	Shipper's Commercial documents and e-mail frequently supplement the SLI info; NEVER by telephone; data download.	

10) Please select the quantity of AES export transaction filings (i.e., Electronic Export Information ("EEI")) that your organization files annually. Those with no filings should respond by selecting not applicable.

Option	# Responses	Response %
0 skipped this question [View]	Total responses **83**	100.00%
Less than 1000 filings	31	37.35%
1,000 to 24,999 filings	37	44.58%
25,000 to 99,999 filings	5	6.02%
100,000 to 249,999 filings	7	8.43%
Not applicable	3	3.61%

11) Please select the quantity of export shipments annually that do not require an AES electronic export filing (Electronic Export Information ("EEI")), such as goods that are non-licensable and under $2,501; non-licensed destined to Canada; or qualifying for other exemptions, exceptions or exclusions.

Option	# Responses	Response %
0 skipped this question [View]	Total responses **83**	100.00%
Less than 1000 shipments	55	66.27%
1,000 to 24,999 shipments	20	24.10%
25,000 to 99,999 shipments	1	1.20%
100,000 to 249,999 shipments	1	1.20%
250,000 shipments or more	0	0.00%
Not Applicable	6	7.23%

12) On what percentage of your filings of EEI does the USPPI request a copy of the data elements as filed (as allowed by 15 CFR 30)?

Option	# Responses	Response %
1 skipped this question [View]	Total responses **82**	98.80%
[View Responses]		
Responded	82	98.80%
Did not respond	1	1.20%

13) Of those, how do you provide the data to the USPPI? Please break down by percentage to total 100%.

Option	# Responses	Response %
7 skipped this question [View]	Total responses **76**	91.57%
[View Responses]		
Responded to 'Single Transaction Record (emailed)'	75	90.36%
Responded to 'Multiple Transaction Report (weekly, monthly, etc.)'	36	43.37%
Responded to 'EDI'	29	34.94%

14) As a function of your normal forwarding business, does your company act as agent for the foreign principal for purposes of determining license authority and / or applying for licenses when they have signed a "writing" as described in the Export Administration Regulations ("EAR")?

Option	# Responses	Response %
0 skipped this question [View]	Total responses **83**	100.00%
Yes	19	22.89%
No	64	77.11%

15) Is your firm a C-TPAT (import) participant?

Option	# Responses	Response %
1 skipped this question [View]	Total responses **82**	98.80%
Yes	58	70.73%
No	24	29.27%

16) Based on your firm's experience with or knowledge of C-TPAT (import), if an export type of C-TPAT was available, would your company be interested in getting C-TPAT for exports certification?

Option	# Responses	Response %
0 skipped this question [View][View Comments (14)]	Total responses **83**	100.00%
Yes	62	74.70%
No	21	25.30%

17) Based on your firm's knowledge of your customer's supply chains, if an export type of C-TPAT was available, could there be value for them participating in C-TPAT for exports? Please explain reasons in the comment box.

Option	# Responses	Response %
5 skipped this question [View][View Comments (40)]	Total responses **78**	93.98%
Yes	39	50.00%
No	39	50.00%

Respondent	Comment
Summary of Free form Comments	Harmonize AEO and CTPAT for exports; benefits should include destination country benefits like quick release, reduce CBP export exams

18) Which other government agencies do you work with on exports? Please select all that apply.

Option	# Responses	Response %
0 skipped this question [View][View Comments (18)]	Total responses **83**	100.00%
Department of Commerce (BIS)	59	71.08%
Department of State (DDTC)	48	57.83%
Department of the Treasure (OFAC)	32	38.55%
Nuclear Regulatory Agency (NRA)	14	16.87%
Drug Enforcement Agency (DEA)	14	16.87%
Federal Maritime Commission (FMC)	62	74.70%
US Food and Drug Administration (FDA)	32	38.55%
US Department of Agriculture (USDA)	39	46.99%
Bureau of Alcohol, Tobacco and Firearms (ATF)	29	34.94%
Others (list below)	15	18.07%
Respondent	**Comment**	
Summary of Free form Text for “OTHERS”	Much of the interaction with NRA, FDA, USDA is done between the USPPI and the agency; DOD, TSA, FAA, EPA	

19) How would you rate CBP knowledge of export regulations at the port of departure?

Option	# Responses	Response %
0 skipped this question [View]	Total responses **83**	100.00%
Extremely knowledgeable	11	13.25%
Good knowledge	43	51.81%
Slight knowledge	9	10.84%
Needs a lot of work in many areas	11	13.25%
Rather not comment	9	10.84%

20) In the last 12 months, when you experienced a delay in export shipments, what was the cause of export shipment delay and by what percentage/ratio? Please break down by approximate percentage to total 100% and fill in zeros in the boxes that do not apply. (Example: 75% of my shipments that were held were due to transport availability, 25% were due to government review.)

Option	# Responses	Response %
0 skipped this question [View][View Comments (9)]	Total responses **83**	100.00%
[View Responses]		
Responded to 'Transport availability'	76	91.57%
Responded to 'Government review / stop'	74	89.16%
Responded to 'Variable port practices: industry'	66	79.52%
Responded to 'Variable port practices: government'	66	79.52%
Responded to 'Paperwork'	74	89.16%
Responded to 'Other (Please describe)'	58	69.88%
Respondent	**Comment**	
Summary of Free form text for “Other”:	Equipment availability and vessel space not experienced any, border delay in exam.	

21) How often are your customers' export shipments delayed while being scrutinized by U.S. government export control authorities?

Option	# Responses	Response %
0 skipped this question [View]	Total responses **83**	100.00%
Never (0%)	18	21.69%
Seldom (1-5%)	43	51.81%
Occasionally (5-10%)	15	18.07%
Frequently (over 10%)	7	8.43%

22) Has your company experienced lost business due to U.S. requirements?

Option	# Responses	Response %
29 skipped this question [View]	Total responses **54**	65.06%
Export requirements	12	22.22%
Import requirements	13	24.07%
Both	29	53.70%

23) When a shipment is held at the port of departure, what is the average number of days until the cargo is released by U.S. government?

Option	# Responses	Response %
0 skipped this question [View]	Total responses **83**	100.00%
Less than 1 day	15	18.07%
1-3 days	38	45.78%
4+ days	30	36.14%

24) When a shipment is detained for export, what is the average costs to the exporter?

Option	# Responses	Response %
0 skipped this question [View][View Comments (7)]	Total responses **83**	100.00%
Less than $100.00 USD	7	8.43%
$100.00-$1,000.00 USD	26	31.33%
$1,001.00-$2,000.00 USD	10	12.05%
$2,001.00 Plus	12	14.46%
Unknown	28	33.73%

Respondent	Comment
Summary of free form responses:	Consider: Storage, demurrage, per diem, equipment rent, lost time at the other end, missed shows or events; an example was provided where six containers were examined and resulted in $8547 in costs;

25) In the last 12 months, when your customer's export shipments were delayed due to government intervention, who notified you ("you" being the forwarder or NVOCC)? Please break down by approximate percentage to total 100% and fill in zeros in the boxes that do not apply. (Example: If you had 10 shipments held, on 5% of those you were notified by CBP, 90% by the carrier, and 5% by the shipper.)

Option	# Responses	Response %
0 skipped this question [View][View Comments (12)]	Total responses **83**	100.00%
[View Responses]		
Responded to 'Customs and Border Protection'	73	87.95%
Responded to 'Carrier'	73	87.95%
Responded to 'Shipper'	65	78.31%
Responded to 'Other (indicate below)'	63	75.90%
Responded to 'I am not aware'	66	79.52%

26) Please rank the Mode of Transportation used for cargo involved in 2012 examinations, with 1 being the highest volume and 5 being the least:

	1	2	3	4	5	Total
0 skipped this question [View]					Total responses **83**	100.00%
Air Cargo	24 (28.92%)	15 (18.07%)	11 (13.25%)	8 (9.64%)	25 (30.12%)	83
Air Express Courier	10 (11.90%)	4 (4.76%)	6 (7.14%)	7 (8.33%)	57 (67.86%)	84
Ocean	29 (34.94%)	19 (22.89%)	7 (8.43%)	7 (8.43%)	21 (25.30%)	83
Rail	10 (12.05%)	6 (7.23%)	8 (9.64%)	15 (18.07%)	44 (53.01%)	83
Truck	12 (14.29%)	8 (9.52%)	19 (22.62%)	12 (14.29%)	33 (39.29%)	84

27) With the past year in mind, can you share an example of a specific instance where the movement of a shipment was excessively slowed down as a result of a U.S. government export requirement? Please note that requirement (i.e., physical examination, licensing, manual processes, etc.).

Option	# Responses	Response %
0 skipped this question [View]	Total responses **83**	100.00%
[View Responses]		
Responded	83	100.00%
Did not respond	0	0.00%

Summary of Free Form Responses:	Exams cause lost containers in the terminal; port practices for ITAR freight; lodging and port practices; incorrect endorsements; carnets; questioning license determination and holding for other agency reviews and other agencies not realizing they are a part of the supply chain; poor port training (stopping matters for review unnecessarily); 72 hour hold on propelled vehicles without exemption granting; inspection for unknown reasons costs $7500; IPR reviews taking days; 17 days delay for exam of which half of the $4600 bill was a carrier cost since other HBLs were impacted; VACIS of 6 containers from May 30 – June 11 costs $8547; not enough CBP staff on exports cause backups; 2 week OFAC review.

28) Have you experienced consolidated containers being slowed down for the above mentioned purposes?

Option	# Responses	Response %
0 skipped this question [View]	Total responses **83**	100.00%
Yes	28	33.73%
No	55	66.27%

29) Approximately how many "innocent" shipments (shipments in a consolidation that had no relationship to the targeted cargo) were delayed in the last 12 month period?

Option	# Responses	Response %
0 skipped this question [View]	Total responses **83**	100.00%
[View Responses]		
Responded	83	100.00%
Did not respond	0	0.00%
Summary of Free Form Text:	28 responses provided a response that was greater than zero. Answers ranged from 1 to 100 (some showing 95%). 55 responses indicated 0 or referenced that they do not consolidate for this reason.	

30) In your opinion, what are the top five trouble spots associated with exports?

Option	# Responses	Response %
16 skipped this question [View]	Total responses **67**	80.72%
[View Responses]		
Responded	67	80.72%
Did not respond	16	19.28%
Summary of Free Form Response:	carrier equipment availability and space (rolled bookings) CBP outbound exam process (rolled bookings, missed sailings) Terminal congestion (aggravates the outbound exam process)	
	1. Obtaining complete details from exporters. (Large exporters are well versed and provide complete information, while many smaller exporters have no idea of export controls / requirements. Forwarders dedicate time and effort into education on a transaction by transaction basis. 2. Forwarder AES quality. Generally improving but still a challenge. 3. Gap between CBP requirements and CBP understanding of logistics (how cargo holds are handled). 4. Demurrage and Detention costs 5. Manual ITAR License processes/inconsistent CBP port practices related to ITAR.	
	1). Excessive regulatory intervention 2). Old and outdated regulations still being enforced 3). Inconsistent interpretation of regulations by enforcement personnel 4). Still using paper for the 21st Century	
	1. The current timing of data requirements for the EU manifest and its impact of data availability versus physical delivery of the cargo. 2. The different Export interpretation of the regulations by CBP and Census. 3. CBP not putting out guidelines on acceptable changes to AES records. 4. Commercial issues with the carriers. 5. Trucking shortages	
	1) Hazardous requirements - Carriers aren't consistent 2) Hazardous section of the CFR is cumbersome and can be difficult to understand. 3) Random inspection which delay cargo for products like paper - why? 4) Some of the AES requirements can be difficult to understand, need more real life examples in training 5) Lack of overall knowledge at the steamship lines makes things difficult. They should have to have an EMCP program and all employees should be required to comply	

Continued 1 -- 30) In your opinion, what are the top five trouble spots associated with exports?

Summary of Free Form Response:	1.) we have experienced repetitive inspections on consolidated ocean container shipments at the ocean port of long beach, causing costs associated with the inspections
	Carnets
	1 - Shippers lack of knowledge regarding CBP & export procedures in general 2 - CBP at times lacks knowledge in correctly handling licenses (decrement correct) 3 - Incorrect documentation 4 - Some ports may handle things differently (especially licenses and/or Carnets) 5 - Carrier issues (airlines, steamship lines, truckers)
	1. USPPI's lack of knowledge. 2. Other forwarders' lack of knowledge or deliberate skirting of requirements getting our business because we "asked too many questions" of the USPPI. 3. Routed exports. 4. Lack of automated edit checking in AES. (Although they are improving.) 5. There should be a separation of EEI filed by USPPI/forwarder from the manifest date filed by the carrier (like there is on imports - separate ABI and AMS). That way, when cargo gets bumped, the carrier can amend rather than requiring the USPPI/forwarder to always follow up with on-board confirmations and potentially having to amend the EEI.
	New York Los Angeles Chicago (rail crossing)
	Containers including vehicles.
	Ocean LCL consolidations.
	information on export of aircraft
	Vehicles household effects machinery
	ONE: AES CUTOFF SHOULD BE EXTENDED TO SAME DAY OF SHIPMENT. THERE IS NO NATIONAL SECURITY THREATS IMMINENT THAT AN AES REPORTD WITHIN 48 HOURS WOULD INTERCEPT. WE NOTICE THAT CARRIER WILL LEAVE CARGO BEHIND DUE TO THIS RULE. TWO: THE 72 HOUR RULE FOR VEHICLE VALIDATION SHOULD BE DONE AWAY WITH. ONCE A U.S. CBP OFFICER REVIEWS EXPORT DOCS AN APPROVES AN EXPORT, THERE REALLY SHOULDN'T BE ANY REASON TO DELAY THE EXPORT PROCESS. NO OTHER ISSUES THAT I CAN THINK OF.
	VEHICLES PERSONAL HOUSEHOLD GOODS EXPORT LICENSES HAZARDOUS CARGO
	Port availability, Carriers frequency routes, Rates Timing on customs import permits

Continued 2 -- 30) In your opinion, what are the top five trouble spots associated with exports?

Summary of Free Form Response:	Variable polices not only amongst ports but between CBP shifts at the same port. Officers making costly judgments without having to inform of their decision rationale, only outcome (which is usually not detained). Total lack of cooperation amongst the agencies involved with exports. Resulting in an environment where the carriers and forwarders, afraid of being fined or penalized, will stop freight in an abundance of caution.
	1] Lengthy CBP filing requirements (AES, physically presenting documents at CBP office) 2] CBP procedures are different from one port of exit to another 3] CBP officers attitude (extremely disrespectful to others) 4] Examined cargo is abandoned to exam facilities to do whatever they want and charge anything they desire 5] Careless when it comes to follow-up or assisting forwarders
	EXPORT CERTIFICATIONS THAT ARE REQUIRED AT THE OTHER END FOR ENTRY
	Personnel handling export inspection and paperwork.
	Non uniform application of Enforcement by different CBP ports
	ITAR License shipments, OFAC restrictions, BIS license regulations, AES, CBP
	Exporting cars. Due to validation and AES filing rules, difficult to determine how to proceed in case of none registered title for manufactures to manufactures transaction, TIB, imported under normal consumption entry for test purposes, etc.

Continued 3 -- 30) In your opinion, what are the top five trouble spots associated with exports?

Summary of Free Form Response:	1) Obtaining Written Authorizations from FPPIs; a) Frequently, FPPIs insist that other NVOCCs do not require them to sign a Written Authorization. b) If cargo is routed and controlled by FPPI's Freight Forwarder at destination, the NVOCC is selected by the FPPI's Freight Forwarder at destination. The Freight Forwarder is unwilling to obtain a Written Authorization from the FPPI authorizing the NVOCC to file AES on the FPI's behalf, and the FPPI is not willing to issue a Written Authorization and authorizing a party they have no relationship with. 2) The regulations need to be more clear and precise on when the Authorized Agent is allowed to provide the USPPI and FPPI with a printout of the actual EEI filing 3) Consolidated containers are not ordered for exam until NVOCC has loaded and sealed the container and container is delivered to the vessel carrier's terminal (rather than CBP either inspecting the targeted shipment at the NVOCC's CFS or order the targeted shipment to a CBP designated exam site). This causes delays to non-targeted "innocent" cargo, is inefficient, costly, and obstructs the flow of commerce. This also increases the risk of pilferage, damage, insurance claims and may also result in an increase of abandoned cargo. 4) CBP inspectors often insists that NVOCCs must report the Vessel Carrier's Booking Number and SCAC Code (in Transportation Reference Number field) in AES (rather than the NVOCC booking number and SCAC Code). The regulations allow for the NVOCC booking number and SCAC Code to be reported in AES. At the time of AES filing, the Vessel Carrier's Booking number and SCAC Code are unknown; the Vessel Carrier's Booking number and SCAC Code are not known until all cargo for a consolidation has been received by the NVOCC and the load planning is completed (this is often not until the vessel carrier's latest cutoff date for the vessel). 5) The regulations should allow for "transferrable" Written Authorizations i.e. FPPI authorizes Freight Forwarder and Freight Forwarder in turn authorizes NVOCC etc. In addition, the "legal" language in the Written Authorization is a deterrent; FPPIs are less willing to sign a document they do not fully understand. Language should be re-written in simpler language.
	We have very little problems associated with government regulations affecting our export moves. The major problem is variable time requirements by carriers for requiring AES information.
	Inaccurate documentation from shipper. Communication with carriers on documentation Shipper not providing all the export documents & information for EEI filing. Hazmat Cargo moved as non-hazmat without carrier approval. Loading wrong cargo.
	1. Steamship line requirements 2. Lack of equipment for booked shipments 3. Severity of penalties for minor violations of regulations 4. Punitive charges by s/s lines for demurrage, etc. 5. lack of accountability for steamship lines/novi's/customs/exams sites, etc.
	Communication, Communication, Communication....

Continued 3 -- 30) In your opinion, what are the top five trouble spots associated with exports?

Summary of Free Form Response:	1. Agencies need to work together so we can provide information ONE time and it can be disseminated to all parties who need it. 2. Lack of information supplied by shipper 3. Equipment availability
	Proper classification of cargo, Licensing of cargo, Hazmat cargo, transshipments
	port delays exodus procedures being different in different ports
	inept forwarders inept shippers inept carriers
	1. Customs - not being trained for export processes, but left in charge as the enforcer. 2. Carriers cut off dates versus ITN cutoff dates. Carriers add another day onto the regulation 24 hours to have details so they can know whether to load or not load. However, the data for such a load is required before the container is ever loaded. 3. Carriers not disclosing the true port of exit, especially with air carriers. This causes havoc with AES filing. 4. Foreign Freight Forwarders able to do things we cannot and right under our nose, in our own port. Canadian Freight Forwarders are "working" the system and probably not filing the appropriate tariffs with our FMC. 5. Receiving accurate bills of lading in a timely manner from the carriers when transit time is quick and/or there are letters of credit involved. The standard has dropped significantly in the last 20 years.
	Equipment availability; Carriers giving bookings, but not checking first to see if they have equipment. Vessel space availability can also be a problem and carriers will often book space and then say they cannot accommodate.
	Customs & BP has an export enforcement team for automobiles. They are there to prevent stolen cars from being exported. This can be simply done by checking with DMV The extra documentation required is ok, however "interpretation" by CBP should stop, the 3-day time frame for working on documents should be one day, and shipper's pass- port nrs. or soc. sec. nrs. should be accepted, besides IRS nrs.
	Inexperienced exporters
	Inconsistent CBP requirements for ITAR shipments Inconsistent CBP FP&F processes. Some penalty action with seizure and some penalty action without seizure. CBP should not seize cargo when forwarder is a bonded customs broker.
	Lack of knowledge by freight forwarders who are unfamiliar with U.S. Export Regulations. These companies ship product without following the regulations. Because of this, comments we always hear from customers we lose business to is, "but my other forwarder does this". It is a hard pill to swallow in bad economic times.

Continued 4 -- 30) In your opinion, what are the top five trouble spots associated with exports?

Summary of Free Form Response:	#1 shippers/USPPI and routed shipments --customers not being aware if their goods are on license or should be.
	Exporters lack of knowledge of controls /regulations in place
	1) Inconsistency between customs procedures at different ports. 2) Regulations conflict with supply chain practices. 3) Receiving sound written advice from Customs or other regulators to inquiries. 4) Regulators have little regard for commercial concerns 5) Losing sight of security objectives and spending too much effort on administrative matter.
	1) duplication of regulations from multiple agencies, with different requirements and interpretations of those regulations 2) allowing routed transactions 3) FMC rate filing procedure 4) Freight forwarders that do not require compliance with regulations - this causes huge issue with those of us that do - I'd be a millionaire if I had $1.00 for every time I have heard that "no other forwarder makes us do this!" 5) clear, repeat CLEAR, regulations from all government agencies as they pertain to freight forwarders - i.e. what specifically are the BIS regulations and requirements for FF to follow - what specifically can we be held liable for knowing (or not knowing)

31) What steps has your organization taken to resolve the impediments in your current export process to increase efficiency and what recommendations would you offer the U.S. federal government for consideration?

Option	# Responses	Response %
22 skipped this question [View]	Total responses **61**	73.49%
Summary of Free Form Response:	Implemented a Formal Compliance Process; Education; Risk and Gap analysis; automation; Eliminate ITAR Lodging and Endorsements; Educating the USG; Contacting USG with questions; Denied screening to be performed in AES; inserting checklists into process prior to submission; Ask CBP to return telephone calls; add more export staff at CBP; allow USG to reach out to broker prior to making their own judgment call; link licensing requirements to the schedule B number (or include flag); routed shipments mandatory for the USPPI to inform FPPI; auto alerts to customers when freight is loaded; clarify authorized agent in regulations; Consolidated containers are not ordered for exam until NVOCC has loaded and sealed the container and container is delivered to the vessel carrier's terminal (rather than CBP either inspecting the targeted shipment at the NVOCC's CFS or order the targeted shipment to a CBP designated exam site; CBP to automate risk targeting;	

Carriers

- Survey analysis is limited to Air and Ocean carriers, which had good levels of participation. Insufficient participation from Truck and Rail carriers did not allow the survey results to be applied to these modes of transport.
- Survey responses indicate the presence of significant and seemingly arbitrary port-to-port variation, with carriers expressing a strong desire for more standardized CBP processes at all ports. For example:
    - With regard to manifest format (questions 3-5)
        - 27% of respondents deliver paper manifests,
        - 39% transmit electronic manifests, and
        - 35% do some combination of the two, with 41% of such respondents indicating that this variability is due to local CBP requirements.
        - Specific to air cargo, over ½ of respondent air carriers indicated that they participate in the "eAWB" paperless initiative, with 33% of those participants noting difficulties in achieving implementation due to local port issues (question 19).
    - With regard to manifest data elements, approximately 30% of respondents noted that individual ports impose local requirements for additional information on a manifest or a manifest cover sheet (questions 10 and 11).
    - With regard to manifest timing (questions 6-7).
        - 43% of respondents deliver manifests <u>pre-departure</u> nationwide
        - 37% deliver manifests <u>post-departure</u> nationwide, and
        - 20% deliver manifests both pre- and post-departure, with this variation resulting from both local port procedures and federal regulatory requirements that vary based on trip destination.
    - With regard to general CBP export and inspection processes, 61% of respondents noted variation from port-to-port, with 40% of those respondents indicating that this variation was a problem for their business (question 17)
- In the context of manifest delivery timing, particularly with regard to potential changes stemming from CBP's automated export manifest initiative, carriers expressed opinions on three key topics:
    - Considerable concern about the timing of export manifest submissions, with 51% of respondents indicating such timing as being critical to departure operations (questions 8 and 16).
    - A strong desire to move from paper, manual processes to automated systems (questions 13 and 15).
    - A belief that an efficient automated system could improve export facilitation and help to resolve existing problems with export inspection delays, the availability of other agency inspectors, and the lack of one face/"one USG" at the border (questions 13 and 15).
    - The opinions expressed by carriers validate the work done by the COAC Export Mapping Work Group to map the export process, and in particular the Work Group's identification of key opportunities for rationalization and efficiency gains through automation.

Questions 1 and 2: Survey responses show representative coverage for air and ocean carriers and a good mix of air carrier business models. Due to insufficient responses, the survey results cannot be applied to the truck and rail modes.

1) Business Model: Which of the following best describes your business:

Option	# Responses	Response %
0 skipped this question	Total responses **49**	100.00%
Rail Carrier	0	0.00%
Truck Carrier	9	18.37%
Ocean Carrier	17	34.69%
Air Carrier	23	46.94%

2) If you answered Question 1 as "air carrier", which of the following best describes your business model?

Option	# Responses	Response %
22 skipped this question	Total responses **27**	55.10%
Passenger carrier – passenger aircraft only	15	55.56%
Passenger carrier – passenger and freighter aircraft	5	18.52%
Integrated express carrier	2	7.41%
Heavy all-cargo carrier	6	22.22%

Questions 3 and 4 provide one indication of port-to-port variability. While some of this is desirable (i.e., DIS pilots and express air carrier local agreements), and some is due to current automation limitations (inability to close paper in-bond documents electronically), carrier comments also indicate that much of the variation appears to be arbitrary.

3) In what format do you deliver your export manifest at the port of departure?

Option	# Responses	Response %
0 skipped this question	Total responses **49**	100.00%
Paper	13	26.53%
Electronic (e.g. EDI to AES, e-mail, DIS)	19	38.78%
A mix of paper and electronic (e.g. DIS manifest and paper in bond documents)	17	34.69%
N/A	0	0.00%

4) If you answered Question 3 as a mix of paper and electronic: Is your decision driven by your own business process, by CBP HQ requirements, or by CBP local requirements at the port(s) of departure?

Option	# Responses	Response %
0 skipped this question	Total responses **49**	100.00%
Company business process	17	34.69%
CBP headquarters requirement	12	24.49%
CBP local requirement	20	40.82%

5) Which ports, if any, require a paper manifest? Please list your response in the box below.

Option	# Responses	Response %
13 skipped this question	Total responses **36**	73.47%
Responded	36	73.47%
Did not respond	13	26.53%

In addition to measuring port-to-port variability, a secondary point of questions 6-8 is to uncover any issues related to timing of the outbound manifest and its potential impact on pre-departure operations – such concerns are covered in the comments to question 8.

6) When do you deliver your export manifest at the port of departure?

Option	# Responses	Response %
0 skipped this question	Total responses **49**	100.00%
Pre-departure at all ports	21	42.86%
Post-departure at all ports	18	36.73%
Pre-departure at some ports, post-departure at others	10	20.41%

Survey authors' note: Q7 was not well-drafted and had a typo in it (it referred to Question "5" when it should have referred to Question "6"), causing considerable confusion. It is therefore recommended that this question not be considered in survey results.

7) If you answered Question 5 as "c": a. Is your decision driven by your own business process or by CBP requirements? b. Which ports (if any), do not allow you to file the manifest after departure?

Option	# Responses	Response %
0 skipped this question	Total responses **49**	100.00%
Responded	49	100.00%
Did not respond	0	0.00%

8) Is the timing of the export manifest submission important to your departure operations? If "yes," please explain.

Option	# Responses	Response %
0 skipped this question	Total responses **49**	100.00%
Yes	25	51.02%
No	24	48.98%

In comments to question 8, many (especially air) carriers noted the time constraints inherent in departure operations, for example:

- "The timing is very important, as we make load changes right up to the last minute before departure. We would suffer greatly if we had to commit to a manifest pre-departure."
- "The preliminary manifest provides ITN,s AES citations and in-bond details. The final manifest submitted within the proper time frame provides the final details. As such, timing of providing the export manifest is very important in the air express industry."
- "The timing for export manifest is critical because the passenger airlines do not have access of visibility into the house level manifest data until the data has been completed/submitted to them by the freight forwarder. If CBP would allow air freight forwarders to submit house level manifest data directly to the agency, CBP would have this data pre-departure for targeting and screening and use by other agencies such as TSA."
- "Manifest submission may be delayed due to operational reasons beyond the carrier's control."

One commenter also noted that timing inconsistency is problematic:

- "If the timing is not consistent from port to port if makes it impossible to standardize any procedures for the company. It extremely difficult to improve our processes/performance as a company when the enforcing agency is not consistent from one location to another."

The intent of question 9 was to determine ports with varying requirements for document delivery for passenger air carriers only. The question caused considerable confusion, and it is therefore recommended that it not be considered in survey results.

9) Are you required by any port to submit a copy of the General Declaration with the export manifest? If "yes," please provide the port names.

Option	# Responses	Response %
0 skipped this question	Total responses **49**	100.00%
Yes	20	40.82%
No	29	59.18%

Questions 10 and 11 were intended to highlight additional variation in export manifest requirements. Question 12 was intended to draw out further free-form commentary on export manifest issues not covered in other questions.

10) Are you required by any port to provide additional information on the export manifest (i.e., Julian date, CBP perforation, etc.)? If "yes," please provide the port names and the additional data that is required by each.

Option	# Responses	Response %
0 skipped this question	Total responses **49**	100.00%
Yes	15	30.61%
No	34	69.39%

11) Are you required by any port to submit a "cover sheet" with the export manifest? If "yes," please provide the port names and the information that must be included on the cover sheet.

Option	# Responses	Response %
0 skipped this question	Total responses **49**	100.00%
Yes	14	28.57%
No	35	71.43%

Comments provided specific examples of port-specific variations including "summary sheets of various names and types", inclusion of General Declaration data on the cargo manifest or required delivery of the General Declaration with the manifest (for passenger carriers), inclusion of CBP-issued "manifest numbers", "load plan" data for aircraft, and requirements for delivery of booking lists, with one commenter stating , "… all ports are requiring their own variations, developed over the years, becoming a norm specific for their own district" and another, "varies by port…this process needs to be automated!"

12) Are there any additional issues you face regarding export manifest delivery at the port of departure? If "yes," please provide the port names and describe the issues.

Option	# Responses	Response %
0 skipped this question	Total responses **49**	100.00%
Yes	7	14.29%
No	42	85.71%

Considerable variation in FTZ and in-bond requirements were noted, and commenters suggested increased automation as a potential solution. Continuing in the automation vein, one commenter praised the DIS pilot that, despite some growing pains, provided participants with "invaluable" transmission success response messages and monthly recap reporting.

13) Does your organization receive requests from CBP to hold export shipments for inspection? If "yes," do you face any issues with the process? Please explain.

Option	# Responses	Response %
0 skipped this question	Total responses **49**	100.00%
Yes	34	69.39%
No	15	30.61%

Commenters noted that the manual nature of the process is problematic, as are delays in inspections or hold releases. Air carriers noted inspection requests were made at gateway hubs for transiting shipments that were already built into aircraft containers and/or loaded on flights, and that holds/inspections cause delayed departures or cargo missing its booked flight.

Question 14 was meant to elicit responses directly about AES, and help ensure that AES-specific issues were not being included in response to manifest-related questions.

Option	# Responses	Response %
0 skipped this question	Total responses **49**	100.00%
Yes	15	30.61%
No	34	69.39%

Commentary to this question indicates that AES problems lie not with CBP or electronic systems, but more with carriers' customers not knowing export requirements.

15) What are the challenges facing your mode of transportation related to exporting out of the USA? The "free-form" of Question 15 allowed respondents to voice any other concerns.

Option	# Responses	Response %
0 skipped this question	Total responses **49**	100.00%
Specific to U.S. regulations – please describe.	10	20.41%
Specific to foreign destinations – please describe.	2	4.08%
Both	14	28.57%
None	23	46.94%

Commenters noted both lack of PGA coordination (including TSA – for air carriers) and lack of automation.

16) CBP is currently working on an initiative to automate the export manifest. How do you see this impacting your business? Do you have any particular concerns about automation?

Option	# Responses	Response %
7 skipped this question	Total responses **42**	85.71%
Responded	42	85.71%
Did not respond	7	14.29%

Commentators expressed optimism about the facilitation benefits of automation, such as faster processing and streamlined, paperless processes, while simultaneously expressing concern about the potential for increased holds, changes to manifest timing or data elements, ensuring that transport intermediaries are included in reporting, and the pace of automated development.

- "The amount of data required at the time of manifest must remain the same. With AES submission required at the shipment level there is no need to duplicate data on the export manifest with details already submitted in AES, such as the schedule B number."
- "I am concerned that, as with many air-related efforts CBP undertakes, it will be designed with the Express Carrier business model in mind. CBP fails to engage the passenger carriers and non-regulated air freight forwarders in these efforts, and ultimately delivers automation that does not work for the businesses in the supply chain. The House/Master model in the Air mode is more similar to the NVOCC/Ocean carrier model than it is to the ECO model, and the sooner CBP incorporates this reality into automation plans, the less government and private sector dollars will be wasted on the export automation effort for air."
- "The more we can move away from 'paper', the better."
- "Automation will make the process faster."
- "If the carrier will have time flexibility for manifest submission, no problem."
- "Automating the system and process would be great for the company. Only concerns would be training, and what the established timelines would be for submitting the information. Enough time needs to be allocated to remove freight after departure in the event of a last minute removal of freight since some of these decisions happen just before departure due to space available, weight and balance for the aircraft etc...."
- "We welcome it as long it is done in phases/stages which gives trade the time to budget and develop. Also operationally it needs the feedback from all the trade in order to set up the sequence of events to which trade and customs would be able to have all the data set up…"

Question 17 was designed to allow more free form responses to the question of port-to-port variation, and its analysis is tied in with that of earlier variation questions beginning with Q3.

17) Do you notice port-to-port variation in CBP export/inspection processes? If "yes," is this problematic for your organization? Please provide examples.

Option	# Responses	Response %
0 skipped this question	Total responses **49**	100.00%
Yes	30	61.22%
No	19	38.78%

Commenters noted signification variation, not only port-to-port but officer-to-officer. This point is nuanced, however. It is random, arbitrary "what is the point??" variation that is "an aggravation for the shipping trade". Variation that facilitates or targets port-specific risks are not at issue, but rather seemingly random, arbitrary variation.

Specific comments include:

- "Any lack of consistency for a large organization such as an airline, trying to implement field/port procedures to many airports, is an issue."
- "Every district differs in their requirements, Worse, often every officer varies the 'requirements'."
- "Each station has to be able to respond in kind to the request put on them by CBP export. The carrier is flexible and proceeds accordingly but we would like some standardization of process on CBPs part."
- "Each port is different. In some cases Officers work with our needs. In other cases, not so much."

18) Do you notice variation among other government agencies in export processes? If "yes," please describe.

Option	# Responses	Response %
0 skipped this question	Total responses **49**	100.00%
Yes	15	30.61%
No	34	69.39%

Comments indicated that carriers feel the variation more from CBP than other agencies – this may be due to carriers having minimal interaction with the other agencies, as CBP serves as the "face" of the OGAs to carriers on the port level. Commenters also noted that a more harmonized approach by the other government agencies is highly desired.

Question 19 was meant to elicit commentary on port-to-port variation with regard to a specific, high-profile air initiative – e-AWB and e-freight. It's analysis is also tied into to other variation questions beginning with Q3.

19) (Air Carriers only) Is your organization an e-freight participant? If "yes," are you having issues with e-AWB implementation in the export process? Please provide the name of the port(s) and describe the problem(s).

Option	# Responses	Response %
23 skipped this question	Total responses **26**	53.06%
Yes	15	57.69%
No	11	42.31%

Of the 15 "yes" respondents, 33% indicated specific implementation problems and listed several ports at which little or no e-freight traction has been gained with CBP, citing lack of knowledge of the program or lack of desire to participate.