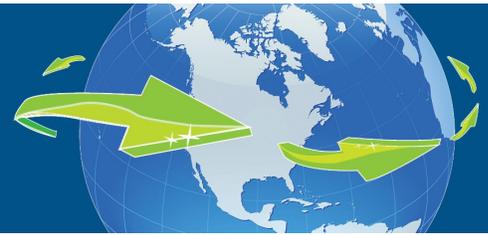




U.S. Customs and
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WCO Issues Dublin Resolution on Conclusion of WTO's TFA

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CBP Crushes Scheme to Import Illegal Land Rovers

U.S. Customs and Border Protection (CBP) Acting Commissioner Thomas S. Winkowski attended the World Customs Organization (WCO) Policy Commission following the World Trade Organization's (WTO) completion of the Doha round and a new Trade Facilitation Agreement (TFA). With other Customs directors general, Acting Commissioner Winkowski used the international conference to discuss the implications of the new WTO TFA, and how customs administrations and the WCO could be proactive in facilitating its implementation. The WCO, at its 70th Policy Commission in Dublin, Ireland, in December 2013, drafted the *Dublin Resolution: Resolution of the Policy Commission of the World Customs Organization on the Conclusion of an Agreement on Trade Facilitation by the World Trade Organization*.

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2014 East Coast Trade Symposium

WCO Secretary General Mikuriya reported the WCO Policy Commission met at a significant time, following the historic conclusion of the WCO's TFA in Bali, Indonesia. CBP's delegation, along with delegations of other Customs administrations, noted that this international agreement incorporates items of the Revised Kyoto Convention with stronger, binding, and legal character. Secretary General Mikuriya said the WCO will seek to participate with the WTO and stressed that WCO Member Customs administrations should highlight the role of Customs in implementing the TFA to their relevant ministries.

Members offered many suggestions for the WCO, including:

- Incorporation of TFA implementation into the strategic plan; the development of a strategy for TFA implementation.
- The establishment of a WCO working group to consider related work.



The CBP Commissioner-led delegation to the WCO Policy Commission in Dublin, Ireland.

- Signing a protocol with the WTO for implementation of the TFA. The members emphasized a role for the WCO and national administrations in the implementation of the TFA, particularly through capacity building.

The WTO Trade Facilitation Agreement was adopted at the WTO's Ninth Ministerial Conference in Bali, Indonesia, in December 2013, under the framework of the Doha Development Agenda. The WCO's Dublin Resolution emphasized the commitment of the WCO to the efficient implementation of the WTO TFA. The TFA creates binding commitments across 159, or more, WTO Members to expedite movement, release and clearance of goods, improve cooperation among WTO members on customs matters, and help developing countries fully implement their obligations. The agreement will increase customs efficiency and collection of revenue, while helping small businesses access new export opportunities. The WCO Policy Commission authorized the Secretary General to convene a working group on the implementation of the TFA in March, 2014. CBP looks forward to participating in this group.

For more information click [here](#).

CBP Crushes Scheme to Import Illegal Land Rovers

Liz Stevens, CTAC



An illegally imported Land Rover Defender seized at the Port of Baltimore is destroyed at a salvage yard

In early fiscal year 2013, CBP, the Department of Transportation's National Highway Traffic Safety Administration (NHTSA), and the Environmental Protection Agency's (EPA) Air Enforcement Division formulated a plan to target illegally imported Land Rover Defenders. The British off-roading vehicle is subject to strict federal regulations, but has managed to gain an enthusiastic following in the U.S., driving its value skyward. To capitalize on the potential for black market profit, Defenders are being modified to circumvent regulations and take advantage of exemptions that allow vehicles older than 25 years to be imported without restriction.

To address this threat, a national operation – Operation Illegal Vehicles – was devised and run by the Commercial Targeting and Analysis Center (CTAC) in Washington, D.C. At CTAC, representatives from CBP, NHTSA and EPA worked side-by-side to develop and implement user-defined rules in the Automated Targeting System. These rules were monitored daily from February through July 2013, and high-risk shipments were referred to ports for examination.

Operation Illegal Vehicles led to the physical examination of 133 shipments at 20 ports of entry. A total of 15 vehicles were seized for fraudulent vehicle identification number, and an additional 28 vehicles were found to be non-compliant with the Clean Air Act or too new to meet NHTSA's 25-year age exemption. Information on these contraband vehicles was shared with Immigration and

Homeland Security Investigations (HSI) for potential investigative leads.

In addition to the high yield of identified vehicles and investigative leads, Operation Illegal Vehicles provided an opening for international partnership with United Kingdom (UK) border authorities. This opportunity presented itself when a Defender bound for the Port of Brunswick was returned to the UK after its importer learned about the CBP exam. Through the CBP Customs Attaché in London, UK border authorities were alerted to the return of the suspect vehicle. Upon its arrival in the UK, border authorities examined and seized the Defender after they determined portions of the vehicle had been reconstructed with stolen parts.

The participation of NHTSA, EPA and HSI was critical in the success of Operation Illegal Vehicles and showed how interagency collaboration served to protect the American public.

Operation Illegal Vehicles attracted a great deal of media interest, resulting in coverage including reports by ABC News in Baltimore ([click for video](#)) and an article in Car and Driver magazine ([click for story](#)). The operation's success has also led to closer collaboration with UK border authorities who will inspect vehicles before they are shipped to the U.S.



A targeted Land Rover Defender undergoes inspection by a CBP officer at the Port of Baltimore



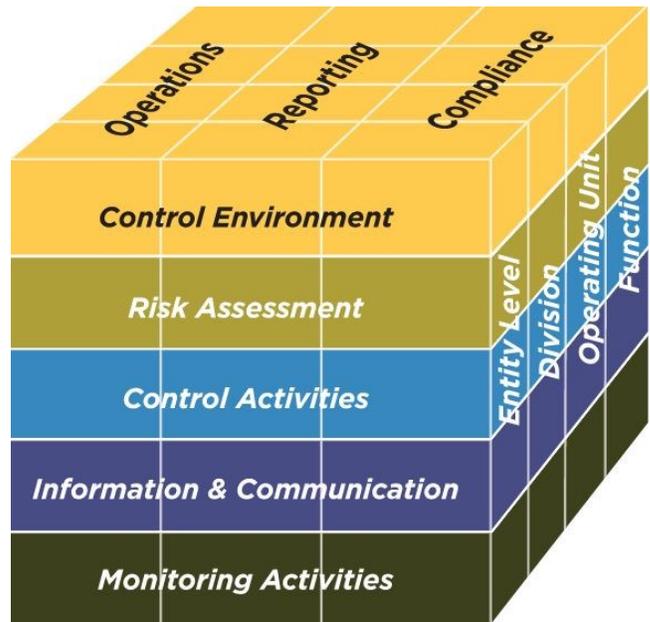
CBP to Update Focused Assessment Program

The Office of International Trade’s Regulatory Audit (RA) Division began the Focused Assessment (FA) Program in 2001 as part of the former U.S. Customs Service’s efforts to provide informed compliance guidance to the trade community through emphasis on the importance of adequate internal control over import activities. The FA Program was last updated in October 2003 when the U.S. Customs Service was reorganized under the Department of Homeland Security and became U.S. Customs and Border Protection (CBP). CBP is now in the process of updating the program to align with current Government Auditing Standards and the Committee of Sponsoring Organizations of the Treadway Commission’s (COSO’s) updated Internal Control – Integrated Framework. Additionally, CBP is making enhancements to allow greater flexibility in designing audit approaches tailored to the unique circumstances of each importer’s environment and relevant risks. The updates and enhancements include:

- Updating risk assessment procedures to better align with the audit risk model in accordance with current government auditing standards.
- Varying the focus of the audit approach depending on the auditor’s expectation of the operating effectiveness of internal control.
- Replacing the Worksheets for Evaluating Internal Control with general guidelines for assessing internal control and testing parameters to allow greater flexibility in tailoring audits to suit the circumstances of importers and their environments.

The FA Program will continue to be a risk-based audit program comprising three phases: Pre-Assessment Survey (PAS), Assessment Compliance Testing, and Follow-Up. During the PAS, auditors evaluate the risk of noncompliance with CBP laws and regulations relating to the importer’s import activity through an assessment of its internal control. CBP is currently in the process of updating the PAS phase and has engaged the trade community by establishing a working group under the Advisory Committee on Commercial Operations of CBP (COAC) to solicit input and feedback. CBP is integrating the feedback into planned updates and enhancements. Topics discussed include strategies for:

- Ensuring a reasonable degree of consistency across audit teams as auditors are afforded greater flexibility in tailoring audits.



Internal Control Components image
 Copyright—Committee of Sponsoring Organizations of the Treadway Commission (COSO). Used with permission of COSO.

- Communicating enhancements to the trade community and creating new tools to assist in educating them on how to best prepare for a Focused Assessment.
- Addressing smaller/medium-sized importers that may have less formal systems of internal control than larger, more complex importers with greater resources.

CBP expects to implement the updated program in early fiscal year 2015 and plans to provide more detailed information as we approach implementation.



Know Before You Sew

It is never too early to start learning about what to expect from CBP if your career goals include getting into the importing business! That's why The Fashion Institute of Technology, State University of New York (FIT), located in New York City, invited National Import Specialist Maribeth Dunajski to speak to students in October 2013. National Import Specialists (NIS) are responsible for making decisions on the proper classification of goods and whether items are eligible for preferential treatment. Ms. Dunajski is the NIS for uncoated knit and woven fabrics.

The NIS addressed two sections of the Textile Quality Assurance for the Production Management Majors class by describing the steps and players in the importing process. She explained the importance of establishing the correct classification, duty rate, trade agreements status, marking and labeling, along with other topics, starting as far back as

the design stage. Ms. Dunajski presented how to use such resources as binding rulings and contacting import specialists at ports of entry for help. Many examples were given of easily avoidable but potentially costly mistakes, emphasizing the message: "Know Before You Sew."

Speaking directly to Production Management students gave them a much better understanding of what their role will be in the industry. By giving students a chance to integrate with the NIS to learn the basics of importing and fabric classification, they developed an understanding and appreciation of some of the customs issues that CBP personnel encounter daily and are an integral part of the importing process. It is never too early to start discussing the basics of classifying and importing procedures with future importers, because this dialog fosters transparency and can reduce the cost of compliance.

Radiation Portal Monitor Program Embraces Automation

Following the terrorist attacks of 9/11, CBP developed the Radiation Portal Monitor (RPM) Program and began scanning trucks and vehicles for radiation as they pass through U.S. ports of entry.

Since 2003, RPM data has been collected manually and provided to the general repository at the Laboratories and Scientific Services (LSS) Data Analysis Center for Threat Evaluation and Reduction (LSS/DAC-TER) on CDs and DVDs. "This process was lengthy and depended heavily on frontline personnel and data clerks," said Non-Intrusive Inspection (NII) Program Director LaFonda Sutton-Burke. "We needed to find a more efficient and integrated process that would save us time and money."

In 2006, the NII Program developed the Port Radiation Inspection, Detection and Evaluation (PRIDE) system to support CBPOs in nuclear threat assessment. This system transferred the manually collected data to the LSS Technical Weapons of Mass Destruction Assistance Hot Line at the LSS Teleforensic Center.

Sutton-Burke organized an integrated CBP project team in 2012 that developed the Automated RPM Data Integration System (ARDIS). ARDIS uses the PRIDE network platform to transfer radiological information collected by the RPMs in real time to the LSS for immediate assessment and operational analysis.



Last Grasp: NII Program Director LaFonda Sutton-Burke (center left) is handed the final RPM data disc from Dr. Jan Brzosko, LSS/DAC-TER Program Lead (center right), to be manually entered into the database. Also pictured left to right are Steve Yoon, Dudley Roberson, Patricia Cornelissen, Joanna Bujard, William Fiore, Dr. Kenneth Wright, and Jason Wetstone.

Sutton-Burke said that the new technology ties into CBP's business transformation initiatives. "Automation will save the agency an average of \$750,000 a year by eliminating the prolonged manual collection of data and its associated administrative duties. This innovation relieves CBPOs from routine administrative tasks and allows more time for law enforcement operations and threat analysis."



