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**R. Gil Kerlikowske**  
New Commissioner  
U.S. Customs and Border Protection



**Thomas S. Winkowski**  
Principal Deputy Assistant Secretary of Immigration and Customs Enforcement



**Kevin K. McAleenan,**  
Acting Deputy Commissioner  
U.S. Customs and Border Protection

Employees of U.S. Customs and Border Protection welcomed the arrival of Commissioner R. Gil Kerlikowske after he received Senate confirmation and was sworn in by President Obama on March 7. Commissioner Kerlikowske is taking the helm of the 60,000-employee agency with a budget of \$12.4 billion. As commissioner, Mr. Kerlikowske oversees CBP’s dual mission of protecting national security objectives while promoting economic prosperity and security. CBP is the largest federal law enforcement agency in the U.S. and one of the government’s major revenue collection sources.

“To say that I am excited about leading this organization is a true understatement,” said Commissioner Kerlikowske. “I was honored by the President’s nomination and the confidence he and the Senate have placed in me.” While addressing CBP employees at a March 14 town hall meeting held at CBP headquarters in Washington, D.C., Commissioner Kerlikowske noted that his experience in

law enforcement—as an officer, major city police chief, and as President Obama’s director of drug policy—has taught him that law enforcement and economic prosperity are interconnected. “Prosperity depends on a consistent, stable, and predictable environment for commerce,” he said, “and law enforcement plays a critical role in creating and protecting those safe and secure conditions.”

At the town hall gathering, the commissioner also praised the performance of outgoing Acting Commissioner Thomas S. Winkowski, who on March 17, assumed the post of Principal Deputy Assistant Secretary of Immigration and Customs Enforcement. During his recent years of executive leadership, Mr. Winkowski is credited with helping to move CBP to greater innovation and transparency. He advanced many CBP initiatives that have changed the way CBP does business.

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## CBP Welcomes New Commissioner R. Gil Kerlikowske

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Kevin K. McAleenan again was named acting deputy commissioner. As such, he is the chief operating official for the agency. Previously, Mr. McAleenan served as the acting deputy commissioner while Mr. Winkowski served as the acting commissioner. Before that, he served as the acting assistant commis-

sioner of CBP's Office of Field Operations, leading the agency's port security and facilitation operations.

Mr. Kerlikowske is CBP's fourth commissioner following former Commissioners Robert C. Bonner, W. Ralph Basham, and Alan D. Bersin.

## Executive Order to Streamline Export/Import Process



On February 19, the President signed Executive Order 13659. This Executive Order mandates U.S. Government agencies to work together to streamline the export/import process for America's businesses and work together to complete the development of an electronic "single window" by December 2016. This Executive Order is a call to action to reduce supply chain barriers to commerce while continuing to protect national security, public health and safety, the environment, and natural resources. In response to this Executive Order, the Department of Homeland Security and its component agency Customs and Border Protection are taking the lead in working with their partner government agencies through a Border Interagency Executive Council that will oversee the implementation of the Executive Order's objectives.

CBP has been working with its partner government agencies for several years to develop the International Trade Data System (ITDS) and the Automated Commercial Environment (ACE). Because no one Agency can achieve the goals of a true single window by itself, and the Executive Order is a mandate for the Agencies of the U.S. Government to work together and with the trade community to build a single

window system where trade can submit data one time and Government can use it for multiple purposes, or as one of CBP's trade partners so succinctly put it, "file once, use often."

Although much work has already been done to move ITDS and ACE forward, much work still needs to be done. An expanded Border Interagency Executive Council composed of senior management at the Department level has been established to ensure the work is completed by December 2016. The current ITDS Board of Directors, chaired by the Department of the Treasury, will continue to oversee the development of the ITDS automated capabilities, and the newly expanded Border Interagency Executive Council, chaired by the Department of Homeland Security, will be responsible for improving coordination among the dozens of agencies with border responsibilities and between the U.S. Government and other stakeholders.

The effort will employ a phased approach to meet the December 2016 deadline for the completion of the ITDS. The first phase of this effort will begin in spring 2014, with the U.S. Customs and Border Protection, Food Safety Inspection Service, and the Environmental Protection Agency testing early technical capabilities for imports at select locations and with pre-identified industry partners. The second phase will begin in spring 2015 and will include both imports and exports, as well as an expanded range of capabilities and industry users. By December 31, 2016, the U.S. Government shall utilize the ITDS as the primary means of receiving data and other relevant documentation required for the release of imported cargo and clearance of cargo for export.

## CBP Represents United States at APEC Meeting in Ningbo, China



Participants in the Asia-Pacific Economic Cooperation meeting that took place February 19-21 in Ningbo, China.

The CBP Office of International Affairs, International Organizations and Agreements Division (IOAD) participated in the Asia-Pacific Economic Cooperation (APEC) meetings in Ningbo in February, 2014. APEC is a consensus-based forum of 21 member economies that focuses on facilitating economic growth, cooperation, trade, and investment in the Asia-Pacific region. The CBP delegation led the U.S. representation for the Sub-Committee on Customs Procedures (SCCP).

During the SCCP meetings, the United States provided presentations on work streams developed by the United States since the previous SCCP meeting held in Indonesia in June 2013. These included comprehensive presentations on the work the United States carried out in a survey of the APEC member economies in relation to Authorized Economic Operator (AEO) programs, focus on an enforcement operation, and an update on U.S. Single Window developments. The United States also reported on the progress within the Virtual Working Group (VWG),

which is a public-private sector virtual forum with the goal of increasing cooperation and private sector input in the SCCP. The VWG consists of customs administrations and private sector representatives from the 21 member economies and is co-chaired by New Zealand as well as a private sector representative. The U.S. currently serves as Secretariat of the group.

During a workshop on global value chains organized by the Office of the U.S. Trade Representative, the U.S. delegate gave a presentation on U.S. Single Window developments, specifically noting the recent signing of an Executive Order by the President to have the U.S. Single Window completely operational by the end of December 2016. The United States was successful in having its proposals accepted and objectives achieved at these sessions and further developments are expected in the August 2014 meetings in Beijing, China.



## Public / Private Partnerships: Transforming the Way CBP Does Business

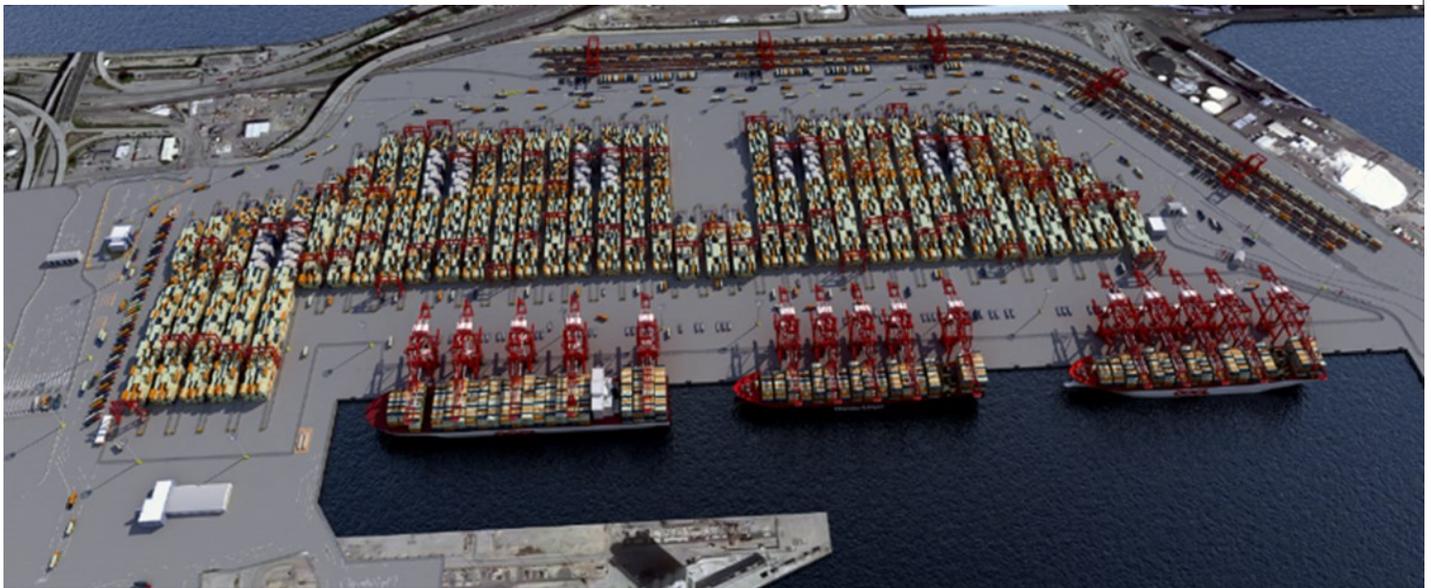
CBP has developed a comprehensive Resource Optimization Strategy that includes Business Transformation Initiatives, a data-driven Workload Staffing Model and alternative sources of funding that include public-private partnerships — like the reimbursable service pilots authorized last year under Section 560 of the Consolidated Appropriations Act.

Section 559 of the same Act allows CBP to support requests for expanded services as well as improvements to infrastructure through reimbursable service agreements and donation acceptance authority. This new donation acceptance authority allows CBP and the General Services Administration to accept donations of real or personal property or non-personal services to be used for construction, alterations, operation, or maintenance of a new or existing port of entry.

Collaboration between CBP and private partners to support these activities is necessary in a constrained fiscal environment. While still maintaining its commerce and trade facilitation mission, CBP is able to gain efficiencies and improved operation integration at the ports of entry.

These partnerships can also encompass requests for new and replacement non-intrusive inspection equipment, radiation scanning, X-ray and gamma ray scanning and new or expanded Federal inspection stations. Private partners may help CBP “upgrade” equipment to improve the processing of intermodal cargo containers, baggage, and personally-operated vehicles.

Due to the nature of the request lifecycle, cost and maintenance are incorporated into the partner funding requirements. The infrastructure expenses, i.e., civil works, information technology equipment and circuit cost are funded by the partners. Land for CBP operations may be obtained from a private entity stakeholder via free space lease agreements at seaports. Land border, Express Consignment Courier Facilities (ECCF), and airports all have different binding agreements for the required land. Born costs will be at no-cost to the government. Overall, new public-private partnerships are charting a new course of how CBP will do business in the future.



**Public/Private Partnership between Department of Homeland Security (U.S. Customs & Border Protection & the Domestic Nuclear Detection Office) and the Port of Long Beach, CA Container Terminal for the Middle Harbor Redevelopment Project**



## Bringing the Single Window, One Step Closer



The executive order signed by President Obama on February 19, prioritizes implementation of the International Trade Data System (ITDS) to streamline the import/export process. The ITDS will allow businesses to electronically transmit, through a “single window,” the data required by the U.S. government to import or export cargo. CBP’s cargo processing system, the Automated Commercial Environment (ACE), which is being developed in coordination with partner government agencies, is the technology driver through which the ITDS single window will be enabled.

With ACE, federal agencies will have a primary system through which the international trade community can submit import and export documentation. As a result, agencies will have earlier visibility to shipment data, enabling them to expedite their import or export assessments at the border and speed the flow of legitimate trade while also improving the security, health, and safety of cargo.

CBP is on track to deliver all core trade processing features to enable the single window by the end of 2016. The first two releases of new ACE features were successfully deployed in November 2013 and January 2014. CBP is now focused on the third deployment which will be delivered in two phases on March 22 and April 5. Capabilities included in this deployment are focused on modernizing export processing, expanding cargo

release capabilities, and enhancing both entry summary and truck manifest processing features:

- **Exports:** This deployment migrates the Automated Export System (AES) from the current mainframe platform to a re-engineered export system. The re-engineered system will integrate the commodity filing process, targeting, and exam findings into a single user experience. It will also incorporate the April 5 regulatory changes for the Census Bureau and the Bureau of Industry and Security. For the filer, this transition will be largely transparent. With the exception of the implementation of the Census regulatory changes, there will be no change to the way filers submit export information from the way it is done today. AES Direct also will not be impacted by this shift. For the government, re-engineering AES will enable a single window view for export information and will provide a foundation upon which electronic export manifest capabilities can be built. This will enable ever greater streamlining of the export process.

- **ACE Cargo Release:** The ACE Cargo Release pilot is being expanded to accept, process, and release all ocean and rail shipments and basic truck shipments. The pilot also will be expanded to include entries certified from summary. For the first time, basic cargo release functionality will be available for all modes of transportation.

- **Entry Summary:** ACE will include additional entry summary validations for Merchandise Processing Fees (MPF) and complex duty calculations. For example, this will include entry summary lines with two Harmonized Tariff Schedule (HTS) classifications. Validations will impact online changes and mass updates performed by entry specialists and import specialists.

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## Bringing the Single Window, One Step Closer

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The March 22/April 5 implementation of Deployment C is the third of seven deployments comprising the plan to deliver core trade processing capabilities in ACE and decommission the corresponding capabilities in legacy systems by the end of 2016. The dates for the mandatory transition to ACE by trade filers have been set, and CBP is encouraging all trade partners who have not begun using ACE to begin the transition now before these dates take effect. For more information on the dates for mandatory transition to ACE and for full development and deployment schedules, please visit: [www.cbp.gov/ace](http://www.cbp.gov/ace).



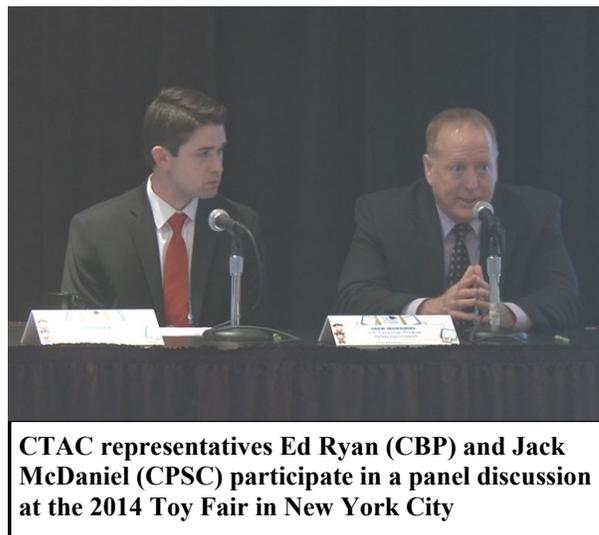
## Outreach at Annual Toy Fair Strengthens Communication with Industry

Representatives from the Commercial Targeting and Analysis Center (CTAC) recently spoke to members of the toy industry at the 2014 American International Toy Fair in New York City. The annual event – produced by the Toy Industry Association (TIA) – attracted more than 20,000 manufacturers and retailers and provided a unique forum for U.S. Customs and Border Protection (CBP) and the U.S. Consumer Product Safety Commission (CPSC) to engage with toy industry participants.

CTAC representatives spoke during the annual safety update to address targeting and inspection activity at ports of entry as well as ways in which industry can help facilitate the flow of legitimate commerce. A separate information-sharing event afforded the opportunity to discuss the potential of sharing *trade intelligence* and the importance of remaining engaged in the importation process beyond the border to ensure a secure supply chain and help reduce unnecessary delays.

"TIA is pleased that CBP and CPSC were able to participate in these educational opportunities for Toy Fair attendees. We are aligned with them in the be-

lief that ports of entry are the most effective point at which to intercept the tiny minority of noncompliant goods, and will continue to work with them to ensure that compliant toys are not unduly delayed in the process," said Rebecca Mond, TIA Government Affairs Director. "These educational sessions were very helpful in explaining to importers how the CTAC operates and what they need to pay attention to in order to facilitate the smooth flow of commerce."



**CTAC representatives Ed Ryan (CBP) and Jack McDaniel (CPSC) participate in a panel discussion at the 2014 Toy Fair in New York City**

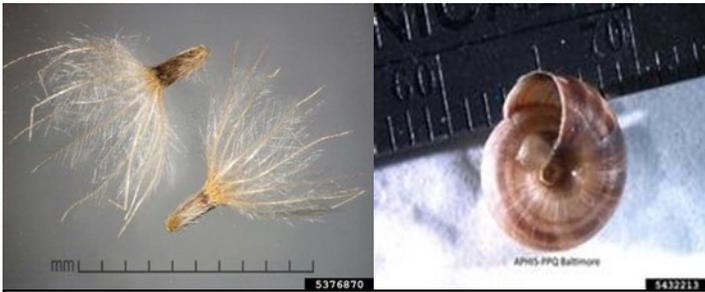


## Carrier Conveyance Contamination Initiative

The Carrier Conveyance Contamination Initiative aims to engage trade entities and provide methods and techniques that will minimize contaminants in conveyances, resulting in fewer delays, re-exportations, and treatments.

Contaminants are the presence of an unwanted substance in a physical body or in the natural environment. In the world of CBP agriculture specialists, we see these contaminants as little agriculture terrorists and environmental threats. Conveyance contamination is found in all pathways: Sea, Air, Land and Rail, and on regulated agriculture perishable commodities and general cargo of all types, not just perishable agricultural commodities.

Carrier conveyances can also act as fomites of foreign animal diseases. A fomite is an inanimate object that can carry infectious agents to animals. Carrier conveyances can become fomites when they contain manure, blood, fluids, urine or animal feed and animal by-products. Boots, clothing, vehicles, equipment, etc., can also act as fomites, carrying diseases such as Classical Swine Fever and Foot and Mouth Disease. Fomites carrying possible infectious agents are another form of carrier conveyance contamination.



**Federal Noxious Weed “Coat Buttons” and Maritime Garden snail**  
Photo: United States Department of Agriculture



**Animal Blood in Container**

### *Hitchhiking Pests*

Hitchhiking pests are often found on or with imported commodities and are not actively infesting said commodities. Examples of hitchhiking pests are:

- Khapra beetles on burlap sacks and in many other places and commodities.
- Snails, commonly found on vessels and containers. They feed on crops and may carry parasites that infest livestock as well as displacing native species of snails and slugs.
- The brown marmorated stink bug, which was accidentally introduced from Asia in the 90s. It is believed that it came over in packing crates.
- The Asian Gypsy Moths and eggs, which are found on vessels and cargo coming from Russia, northern China, Korea and Japan.
- Federal Noxious Weed seeds, which can be stuck to parts of vehicles, engines, or in containers.

### *Soil*

Contamination from soil on equipment, shoes, and vehicles can act as an unintentional pathway for animal and plant viruses, bacteria, fungi, nematodes, Federal Noxious Weed seeds and life stages of destructive insects.



**Soil Contaminant on Ginger**  
Photo: United States Department of Agriculture



# Carrier Conveyance Contamination Initiative

## Wood Packaging Material (WPM)

Significant pest risks associated with WPM include Asian Longhorn Beetle (ALB) and Emerald Ash Borer (EAB). ALB has already cost millions of dollars in eradication efforts, resulting in the removal of the infested trees. EAB has killed tens of millions of ash trees in numerous states. Both of these insects are believed to have been introduced to the United States on wood packing material from Asia. CBP's efforts to prevent the entry of wood boring pests have employed several tools, including training for CBP agriculture specialists, CBP officers and CBP port management. Outreach and training to the industry/trade and other stakeholders increased awareness of the problems associated with wood boring pests with general cargo on pallets or other WPM.

## Asian Gypsy Moth (AGM)

AGM poses a potential threat to the natural resources of the United States. AGM females lay egg masses that can yield hundreds of caterpillars that have the potential to defoliate more than 500 species of trees and shrubs. The spread of AGM is enhanced by the ability of the female moth to fly up to 25 miles, adapt to colder climates, and the ability of egg masses to tolerate extreme temperatures and moisture. The high-risk season for AGM is March through September.



**Emerald Ash Borer**  
Photo: National Park Service



**Asian Longhorn Beetle**  
Photo: Ohio Department of Agriculture



**Gypsy Moth**  
Photo: Virginia Department of Agriculture



**Gypsy Moth**  
Photo: New York Department of Environmental Conservation

In closing, this is only an introduction to the types and kinds of risks associated with the Carrier Conveyance Contamination Initiative.



## Facing the Future , East Coast Trade Symposium Emphasizes Looking Forward to Attain Economic Competitiveness

Marcy Mason, Office of Public Affairs

Only days after celebrating its 11<sup>th</sup> anniversary, U.S. Customs and Border Protection welcomed more than 800 members of the trade community to the agency's East Coast Trade Symposium on March 6-7 at the Hilton Hotel in Washington, D.C. "While it's comforting to pat ourselves on the back for all we've accomplished in these 11 short years, now is the time to plan for the changes and challenges we will face in the future," said CBP's Acting Commissioner Thomas S. Winkowski.

also the way we work with our trade constituents. The CBP we are building is an agency more suited for the challenges of the 21<sup>st</sup> Century and one whose processes are more aligned with modern business practices," he said.

The acting commissioner identified three concepts—partnership, predictability, and prosperity—that outlined the agency's vision. "We want to make sure that our vision addresses your challenges as you continue to play a major role in the prosperity of this country," he said.

While noting some of the innovative initiatives CBP has undertaken to make the supply chain more predictable and efficient, Acting Commissioner Winkowski highlighted the Centers of Excellence and Expertise. "These centers are moving us toward the future of trade processing by lowering the cost of doing business, providing tailored support to each unique trading environment, and improving our enforcement efforts," he said.

Acting Commissioner Winkowski then announced that three of the 10 centers—the centers for electronics; pharmaceuticals, health and chemicals; and petroleum and natural gas—are ready to transition to their next phase. "These centers will be assuming trade processing for all transactions associated with their respective industries," he said. "The next phase for these centers will allow CBP to fully examine concepts, procedures, and practices with the trade that we've not yet tested."

Acting Commissioner Winkowski also underscored the importance of the executive order signed in February by President Obama to streamline the U.S. export/import process. The directive, which aims to reduce

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**CBP Acting Commissioner Thomas Winkowski greets attendees at the 2014 East Coast Trade Symposium in Washington, DC on March 6. Photo taken by Josh Denmark**

The symposium, which focused on the theme of Increasing Economic Competitiveness through Global Partnerships and Innovation, emphasized CBP's trade transformation efforts. "I believe we are on the cusp of changes that will make trade safer, faster, cheaper, and more transparent," said Acting Commissioner Winkowski to the sold-out crowd. "We are at a critical time in history when we are already influencing conditions that lead to critical mass or a tipping point," he said.

"Over the past two years, CBP has instituted forward looking programs that fundamentally change the way we do business within the U.S. and in the world—and



## Facing the Future , East Coast Trade Symposium emphasizes looking forward to attain economic competitiveness

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processing and approval times from days to minutes for small businesses that export American-made goods and services, calls for the completion of the International Trade Data System by December 2016. When the new information system is complete, businesses will be able to electronically transmit, through a single window, the data required by the U.S. government to import or export cargo. CBP's cargo processing system, the Automated Commercial Environment, or ACE, is the technology backbone for the International Trade Data System.

"I'm proud to say we are on target to complete ACE, and achieve the International Trade Data System to meet the president's deadline," said Acting Commissioner Winkowski. "This will complete a modern, flexible, automated foundation for the efficient transmission of data to all U.S. government agencies with responsibilities at the border."

The symposium's agenda also featured notable speakers such as U.S. Trade Representative Michael Froman, who gave the opening day keynote address that kicked off the event. "Our ability to grow our economy, to create more jobs here, to promote

growth is critically dependent on our ability to increase exports," said Froman. "We need to make sure that the message that trade is good for jobs, good for growth, good for the country is shared and understood across the country."

Partnerships with governments, other government agencies, and the private sector were highlighted in the symposium's general sessions. One session on North American Competitiveness marked the 20<sup>th</sup> anniversary of the North American Free Trade Agreement or NAFTA. "NAFTA was a game changer for Mexico," said Alejandro Chacón Dominguez, the administrator general of customs for Mexico Customs. "For historical reasons, we were used to having trade relationships with investments with some European countries, specifically Spain. But after these 20 years, we are closer to the Americans and the Canadians," he said. "Trilateral trade for Canada, and coincidentally Mexico, accounts for nearly 70 percent of our total trade. For the United States, it's a smaller figure, around 30 percent," said Chacón.

Another general session featured Sergio Mujica, the deputy secretary general of the World Customs Organization, WCO. Mujica had two main messages for those attending. "First, is the necessity of creating good partnerships between customs and the private sector," he said. "CBP has been a great leader in this area." His second message was regarding the key role that the WCO should play in the implementation of the World Trade Organization's trade facilitation agreement that was signed in Bali on December 7, 2013, which is aimed at lowering trade barriers. "That agreement on trade facilitation is really a cornerstone on the topic, but we don't want 150 countries implementing the agreement their own way," said Mujica. "We want countries to use international standards to implement the agreement and those international standards are provided by the WCO."



**U.S. Trade Representative Michael Froman, right, gives the opening keynote address at CBP's 2014 East Coast Trade Symposium on March 6. Acting Commissioner Thomas Winkowski and Maria Luisa Boyce, CBP's senior advisor of private sector engagement, listen. Photo taken by Josh Denmark**

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## Facing the Future , East Coast Trade Symposium emphasizes looking forward to attain economic competitiveness

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A number of breakout sessions were held on the second day of the Trade Symposium. One of the panel discussions focused on partnerships in trade enforcement. “The unpleasant realities that we’re facing today in the consumer goods industry are organized retail crime, commercial fraud, counterfeit products, illicit promotions, and piracy,” said DJ Smith, Procter & Gamble’s brand protection manager for North America and Latin America, who was one of the panelists. “It’s important for us that we partner with CBP and Homeland Security Investigations.”

a greater understanding of what the priorities are going to be and what will be targeted during the next year,” she said.

For first time attendee, Diana Hohmann, an import specialist analyst at Freescale, a semiconductor chip manufacturer based in Austin, Texas, the symposium was extremely helpful. “I got a tremendous amount of information that I needed,” said Hohmann. “I was interested in the trusted trader program because Freescale is both C-TPAT and ISA certified, so we wanted to understand how the trusted trader program could help us,” she said. “I also wanted information about ACE, the single window, to get up to speed on that,” said Hohmann. “When you do your day to day work, you can’t dedicate yourself to really understanding the information that’s being pushed out,” she said. “When you get out of that setting and come here, you can concentrate on what the future holds.”



**North America customs leaders (l-r) Peter Hill, associate vice president of the Canada Border Services Agency programs branch, Alejandro Chacón Dominguez, administrator general of customs for Mexico Customs, and Thomas Winkowski, CBP acting commissioner discuss how NAFTA has generated new opportunities for cross-border trade. Photo taken by Josh Denmark**

Many of those who attended the symposium said they found it worthwhile. “We need to know what’s happening in the industry so that we can plan for the future,” said Sandra McCarthy, the director of international operations for Sears Holdings in Hoffman Estates, Ill, who has attended the event several times. “Even though there’s a lot of information that’s available in the press, when you’re here, you still get



**DHS Deputy Secretary Alejandro Mayorkas speaks at the 2014 East Coast Trade Symposium luncheon on March 6; more than 800 members of the trade community attended.**

