



# Modernization of CBP Financial Transactions to Reflect a 21<sup>st</sup> Century Business Model

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U.S. Customs and  
Border Protection

## **Moderator:**

**Julienne Nelson**      Managing Partner, Federal Consulting Alliance LLC

## **Panelists:**

**Eugene Schied**      Assistant Commissioner  
Office of Administration, CBP

**Jevon Jamieson**      Manager Administration & Customs Compliance, ABF Freight Systems

**Bryan Ransford**      Director, Customs USA, Expeditors Int'l.

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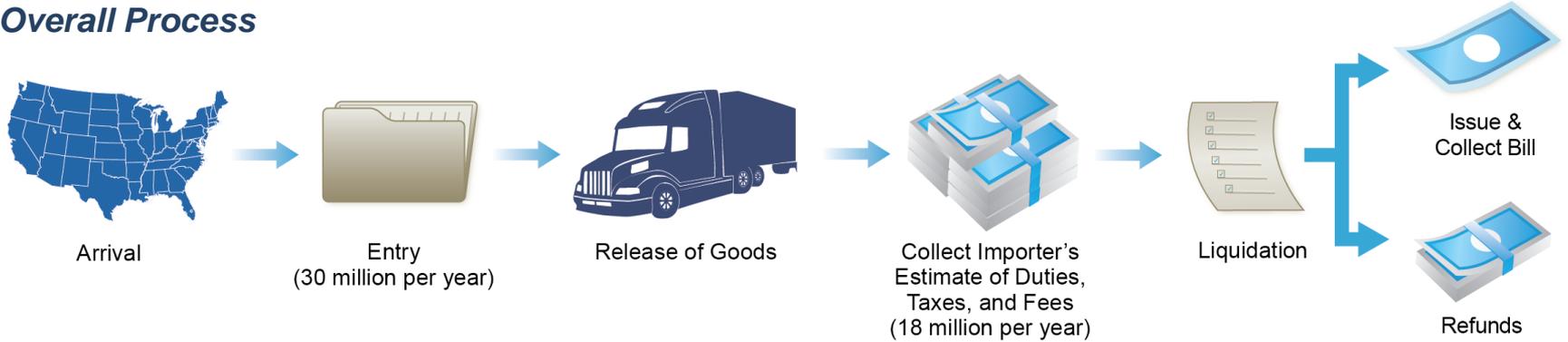
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## Overall Process



CD-CBP Revenue\_Treasury Pres\_002a

## Transportation Collections



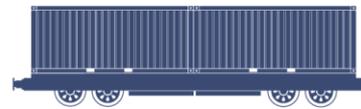
### Commercial Vessel Fee

Collected at time and place of arrival in US



### Commercial Vehicle Fee

Purchase an annual transponder or collected at port per crossing



### Rail Car Fee

Remitted monthly to Revenue Division in Indianapolis



### Tonnage Tax & Barge/Bulk Carrier Fee

Collected at time and place of arrival in US

CD-CBP Revenue\_Treasury Pres\_003d

## Other Collections



### Broker Fees

Collected at port (annual and tri-annual fee)



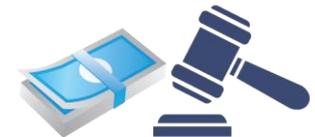
### Airline/Cruise Vessel/Ferry/Sea Passenger Fees

Remitted quarterly to Revenue Division in Indianapolis



### Express Consignment Fees

Remitted quarterly to Revenue Division in Indianapolis



### Fines, Penalties, and Liquidated Damages

Remitted to ports or to Revenue Division in Indianapolis

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## CBP/ Industry Success Stories

<i>Initiative</i>	<i>Continuous Bond Centralization</i>	<i>Decal/Transponder Online Procurement System (DTOPS)</i>	<i>Public Private Partnerships</i>
<b>Challenge</b>	<p>In 2002-2003, CBP was facing challenges in collecting revenue due to inconsistencies in the management of the bond program. Additionally, there were pressures and concerns that CBP OFO and Office of Administration (OA), were “too close” to the bond process to properly evaluate the bond problems.</p>	<p>Commercial vehicles, private aircraft, and private vessels over 30 feet in length are required to pay a fee each time they cross the U.S. border, or alternatively pay a one-time annual fee. High volume of entries and manual payment methods generated delays at Ports of Entry.</p>	<p>In support of CBP’s Resource Optimization Strategy, CBP plans to provide new or expanded services at domestic ports of entry reimbursed by the partner entity. In conjunction with private sector partners, CBP can better facilitate trade and travel by continuing to grow local and national economies.</p>
<b>Outcome</b>	<p>CBP contracted with an independent third party to conduct a study to evaluate the current CBP policy on determining bond sufficiency. CBP conducted several educational trips to a variety of ports to further understand the process, explain objectives, and garner feedback from industry.</p>	<p>CBP centralized the collection of the annual fee in 1998, including an internet application in 2001. In November 2008, CBP began development of DTOPS as a web-based online procurement application where commercial vehicle, private aircraft, and private vessel owners can pay a yearly fee for each of their assets to cross the U.S. border. The DTOPS development team worked with the OA’s Revenue Division and external customers to ensure that all of the requirements for the system to function properly were captured.</p>	<p>In 2013, the following entities were selected for partnerships: Dallas/Fort Worth International Airport; The City of El Paso, Texas; South Texas Assets Consortium; The City of Houston Airport System; and Miami-Dade County. These locations will cover the entirety of CBP air, land and sea operations.</p>
<b>Impact</b>	<p>When CTBs were centralized and each port was brought on, the initiative was ultimately successful; CBP has not faced a single case in the Court of International Trade (CIT) due to execution errors on CTBs.</p>	<p>The DTOPS project is helping to ensure CBP’s mission is met by providing a mechanism for conveyance owners to submit orders for decals and/or transponders online and pay the annual user fee electronically.</p>	<p>CBP created a reimbursable fee agreement program to increase CBP’s ability to provide new or enhanced services on a reimbursable basis to support growth in cross-border trade and travel.</p>