

List of Questions and Polling Results from the Role of the Broker Webinar

August 9, 2012

Note: Participant names have been removed to protect privacy. Questions have been modified to remove typos, correct spelling and punctuation, and call out acronyms.

Substantive questions and comments are presented here for the public to view without CBP response.

Questions containing inappropriate content are not reproduced here.

CBP responded to some of these questions during the webinar. Please refer to the webinar recording. See the full webinar recording here:

http://cbp.gov/xp/cgov/trade/trade_transformation/broker_role/brokerregs.xml

Webinar technical issues

My volume is up all the way on the computer, but nothing is coming through.

I can hear but I'm getting a lot of audio feedback.

Why is the audio garbled?

Make sure that the volume is turned up on your computer and that the mute button is not engaged. If this still does not work, use the call-in number. Make sure you mute your computer when you are on the phone or you will experience a lot of feedback. We have only 125 telephone ports and upwards of 500 participants, ***so please call in only if your sound is not working on your computer***. Regrettably, if the audio is garbled, this is probably an issue with the speakers on your computer or your internet connection, and CBP is unable to fix this problem from our end.

Can the listeners ask verbal questions?

Not during these large webinars. We have been averaging 300 participants per webinar and only have 125 telephone ports. We must keep those on the telephone on mute or else the background noise (typing, talking, phone ringing, hold music) overwhelms the webinar. Please ask your questions and make your comments using the chat function on the webinar.

Will the slides be posted to website?

What part of the website will this be posted to?

Will this be rebroadcast?

Where can I find the first webinar?

Will there be a Q&A format on the website on this?

Is it possible to get a copy of the closed caption text at a later date?

You can find all webinar recordings and supporting documents under the Trade Transformation part of our website:

http://www.cbp.gov/xp/cgov/trade/trade_transformation/brokerregs.xml

Please send comments, questions, and requests regarding the webinars and the Role of the Broker Trade Transformation Initiative to RoleoftheBroker@cbp.dhs.gov

Should I be able to see questions as others are sending them in? I can see names of others typing but cannot see their questions.

CBP does not display the questions because they are overly distracting for both the viewers and the host and because we would like to protect participant anonymity. Additionally, some content was not appropriate for viewing. We are summarizing the substantive questions in subsequent sections of this document.

Webinar polls

I'm curious to know how many people on the call are brokers working directly for importers, consultants, or brokers working for brokerage companies. Can you do a poll?

This was an excellent suggestion from the June 7th webinar. CBP conducted a poll during this webinar to get a “snapshot” of our participants. Note that there were approximately 250 participants in this webinar.

Responses	Description
30	Broker that works for a customs brokerage and is neither owner or permit holder
23	Broker that is not the owner but holds the permit for a customs brokerage
13	Broker that is employed by an importer
9	Importer
8	Broker that owns a customs broker operation
4	Other
3	CBP employee
3	Employee of a broker
2	Broker that is employed by a consulting company
1	Non-broker freight forwarder
0	Broker that is an independent consultant
0	Broker that is employed by a customs broker but is implanted in an importer's office
0	Broker than is none of the above
0	Other government employee
96	Total responses

Disclaimer: CBP conducted a non-scientific user poll. Results are not statistically valid and cannot be assumed to reflect the views of all webinar participants as a group or the general population.

Establishing bona fides

The regulatory alternatives that were explored in this webinar:

- 1) Require checklist to verify an importer's power of attorney (POA). (This is provided in guidance right now).
- 2) Implement checklists in regulations and disallow POAs from freight forwarders.
- 3) Require face-to-face, telephone, or email importer verification, and disallow POAs from freight forwarders.
- 4) No regulatory changes

The polling results on this issue:

- 1) Require checklist to verify an importer's power of attorney (POA). (This is provided in guidance right now).
33
- 2) Implement checklists in regulations and disallow POAs from freight forwarders.
42
- 3) Require face-to-face, telephone, or email importer verification, and disallow POAs from freight forwarders.
16
- 4) No regulatory changes
21

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Comments received on bona fides

Allow[ing] foreign freight forwarders to become C-TPAT certified would be very helpful in establishing better bona fides with importers.

Suggestion: Language for forwarder POA should instead be that a broker must receive the POA for the filing of entry issued by the importer or from another broker authorized to issue a POA. Brokers still need to receive POAs from forwarders for other reasons than for entry dealing with transportation issues.

Economic costs due to telephone would not really exist, companies have phones. I don't think that the face-to-face is as feasible [due to] the cost of gas, and time away from the office would be detrimental to a small company whose employees usually have multiple tasks, and little time. Checklists can waste paper, and would not fully guarantee that the company is on the up and up.

We have found that taking these extra steps to actually be time saving in the future.

Make checklist requirements available to the freight forwarders as well. Being a small business limits or puts restraints on the ability to grow financially when we have too many regulations on checking new importer statuses.

It takes 30 – 60 additional minutes to go through checklist, correspond with the importer, etc. Unfair to small business when express couriers, not making entries in the importer's name, are not required to do the checklist.

We are also in great favor of eliminating POAs from Freight Forwarders.

We, as a company, are in favor of Alternative 2 as we have already implemented such a procedure. A Senior Manager must approve each and every POA that we receive. We

also verify the validity of the entity with the state in which they are authorized to do business.

No way to say what the burden would be on a checklist (#3 question) until we have an idea of what the checklist would like.

I feel the cost of the checklist would be around \$500 to \$1,000 per importer. This is a huge burden for small to medium brokers.

Require by regulation certain information from the importer of record be furnish[ed] to the broker.

Currently we have either face-to-face, telephone, or email communication with new accounts.

We are a very large corporation with many subsidiaries. Any change should recognize that a POA from a large or listed company with a valid POA from its subsidiary can issue a POA without substantial work. We do have to provide the back-up POA from the Subsidiary to the Parent and the POA to the individual signing the POA from the parent, but that should be sufficient!

I would propose that consideration should be given as to whether the broker has established a credit agreement with the importer or has already conducted other business, like freight forwarding, with the importer.

Foreign IORs are the most challenging—how will this be handled as face to face may not be an option, and while the U.S. has information readily available online...overseas does not. [H]ow will this fit into post required checklists and verification?

Would the check list for foreign importers be different than domestic registered company?

When speaking about POAs from Freight Forwarders, is this referring to Sub Powers of Attorney that may be issued if no representation in a port for a Broker?

Face to Face is definitely cost prohibitive for any sized broker.

You stated under option 3 to disallow "3rd Party" POAs. Please confirm that you mean POAs from forwarders and not subagent POAs issued broker to broker.

Disallow POA from forwarders only.

Why would we limit the screening of potential importers to only those who submit Powers of Attorney? Thousands of importers bring goods into the U.S. using express consignment facilities where the broker uses his own bond, thus there is no review of a Power of Attorney as none is required when a broker files using his own bond.

Broker permitting

The regulatory alternatives that were explored in this webinar:

- 1) Expand remote location filing (RLF) beyond 01, 03, 06 (excl. drawbacks), 11, 23, etc. entries
- 2) No place of business required in district, but brokers need to maintain reasonable supervision and control over customs transactions through a plan submitted to CBP
- 3) Modify/remove geographic permitting areas to the extent the law allows
- 4) Expand definition of national permits beyond RLF
- 5) No regulatory changes

The polling results on this issue:

- 1) Expand remote location filing (RLF) beyond 01, 03, 06 (excl. drawbacks), 11, 23, etc. entries
38
- 2) No place of business required in district, but brokers need to maintain reasonable supervision and control over customs transactions through a plan submitted to CBP
20
- 3) Modify/remove geographic permitting areas to the extent the law allows
11
- 4) Expand definition of national permits beyond RLF
16
- 5) No regulatory changes
9

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Comments received on broker permitting

Broker Permitting: All of these would be favorable.

Broker Permitting: Implement B & C

Broker Permitting Alternative - like two

Broker Permitting - 1 & 3 to modify the permitting areas

Lessens the value of a customs license. I could see brokerage firms “centralizing” the brokerage function and laying off brokers in most offices in the process.

Question, so there is no place of business required, but you would still in a licensed broker in that district?

#1 makes the most sense as it will allow for a more thorough auditing by the license of record for each district. Would suggest that this be “grandfathered” in.

Continuing education

The regulatory alternatives that were explored in this webinar:

- 1) Require CBP-accredited continuing education training/courses
- 2) Adopt the National Customs Brokers and Forwarders Association of America’s (NCBFAA’s) Certified Customs Specialists model as standard continuing education requirement
- 3) Accept NCBFAA CCS model plus accredit other continuing education training/courses
- 4) No regulatory change

The polling results on this issue:

- 1) Require CBP-accredited continuing education training/courses
20
- 2) Adopt the National Customs Brokers and Forwarders Association of America’s (NCBFAA’s) Certified Customs Specialists model as standard continuing education requirement
9
- 3) Accept NCBFAA CCS model plus accredit other continuing education training/courses
51
- 4) No regulatory changes
17

If CBP were to require continuing education training, how many hours of annual training would you find reasonable?

- 1-10 hours
39
- 11-20 hours
33
- 21-30 hours
7
- 31 hours or more
5
- I do not support required continuing education training
11

If your company currently requires continuing education training, how many hours of annual training do you complete?

- 1-10 hours
18
- 11-20 hours
15
- 21-30 hours
3
- 31 hours or more
6
- My company does not require continuing education training
31

Should continuing education requirements differ according to broker type (broker-filer, broker-importer, consultant, etc.)?

Yes **31**
No **61**

If CBP were to require continuing education for brokers, what would be your top concern out of these choices?

- Cost
29
- Number of credit hours required
16
- Courses should be taught in a traditional classroom environment
5
- On-line courses should be available
51
- Content should be broad
3
- Content should be specific to areas of concern
9

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Comments received on broker permitting

From what I've seen, the CCS is all show and very little true value except for the class provider. If you have been in the business making a living, you know the regulations or you are out of business.

The CCS model has limitations and needs to be improved. You can get CCS points very easily and there is no requirement to study certain parts of the law to meet the 20 credits needed per year. For example, I can satisfy the minimum 20 credits without studying any

part of the regulations such as valuation and classification. The continuing education program should be specific on what types of courses are needed.

As the NCBFAA CCS program is getting more and more well known, and as more importers are participating as well, it is something that impresses our clients. We have a number of CCS's in our organization, and we advertise that to show we are investing in training our employees.

I just wanted to comment on the Continuing Ed discussion. I'd just like to point out the very challenging and exhaustive effort it takes to become a Broker- it is already somewhat overwhelming for people to consider. If you input the continuing education requirement I would think it may be even more of a deterrent for people to become Brokers in the first place. Thanks!

Having been a CCS since its inception, I honestly cannot say that it has done anything to enhance our business from a sales standpoint.

We receive RFPs and RFQs that ask how many licensed brokers and CES employees we have so it is worth it to us.

Additional credentials are always useful.

Grandfathering is not the way to go at all. Having ones license for a long period of time does not mean they keep up to date on the things they need to! There should be no exceptions.

Continuing Education should be required for ALL brokers no matter how long they've held their license. Grandfather for 1st year and [then] 2nd year on must earn continuing education credits.

Having one's license for at least 10 years is a good standard to start with.

I don't agree with any grandfathering in because the people that have passed the exam many years ago are the ones that need the training on the new programs.

No grandfathering. Regulations change.

Comment for if continuing education is required—on-line college courses also go through an accreditation process, so there is no reason that CBP could not offer accreditation to a wide variety of courses regardless of the way that they are offered.

This [polling] question doesn't take into consideration that "In House" training is specific, face to face, lower in cost, broader in scope, and specific to areas of concern. Every single entry has, within it, an area for "education".

Is seniority/experience going to be taken into consideration? Possibly a grandfather clause.

Impossible to select just one choice for the polling question. A few of these choices are critical concerns.

It would be important to have ability for on line courses, but cost and number of hours are also important.

Costs for continuing education should be tax deductible. CBP should coordinate with IRS on this issue and specifically address it in any NPRM.

[Top concerns:] Cost and everyone should have the same opportunities. Online courses [should be] available 24/7.

For other CEU's programs (i.e. CPE's for CPAs, etc.), usually the boards permit a variety of education formats (i.e. in-person, self-study, webinars, conferences, etc.). This is helpful for costs, time, and travel. Also, the boards permit the CPA to submit other non-listed events and apply for approval as a CEU (continuing education units). For cost savings, Boards permit "free" events or sponsored events that are 'free' to the CPA. Finally, boards will accept In-House education events, plus extra CEU's for the CPA if he/she is the instructor. Just some thoughts for modeling the program.

Face to face courses require too much time out of the office. Would they be available after hours or on the weekend?

Continuing Education requirements should be mandatory, but a broker should be able to self-certify they took the training on request from CBP.

Differing education by broker functions—No difference as brokers mover from being with a broker to working for and importer and then back to a broker during their career. Tracking status and adjusting training too cumbersome.

With respect, training takes place under all aspects, and would be based on customer requirements, not the "type". Within each company, there are capable people who are tuned to in each area needed.

Would you require the broker to catch up before changing broker status?

Would a training seminar from other government agency be considered like FDA?

If it moves forward, you should insure that there are actually valid/cost effective/fair providers!

Continuing education requirements should be for active brokers only.

Will those who already have customs broker licenses be grandfathered into the continuing education requirements?

Continued training would specify in general topics. As a company, all companies will need continued training to stay competitive and not get left behind. Should continued education be left to the brokerage so they may concentrate on specific areas? I would like to remind this board, that training for individuals in our industry may not be limited to CBP training. Many of us are required to have additional education in TSA, Hazardous Goods, and other government agencies.

“Licensed” brokers are learning every single day.

Is this regarding Brokers only?? As an importer, it is good to know what the standards are re: ACE training... Is this included?

Not everyone can travel.

If you work for a large broker, you have many training classes (internal) provided. If you are a small entity, you are very attentive to regulations as they are your blood line and if you are not good, you go out of business. As for the Brokers association, it is a money maker for them. It's silly that a class for a novice cost \$800.

Hours of training—would this be semester hours such as a college or are the hours going to be minutes on the clock?

There are so many changes in regulations/laws that it is imperative that a licensed broker continue their education.

Education Training: Discussing the economic charges with relation to travel, hotels stays, hours out of the office and the loss or revenue, etc. Maybe options like the webinar style would be more economic, as less costly.

It's about what I do now without travel.

Over 1-10 [course hours] would be very burdensome as an individual to have to pay these expenses.

How would we prove this training?

Many firms already require training and 10 hours of training would not be a significant burden on a business, large or small.

Education: 1 hour per month.

As long as there is enough training/courses available free of charge; otherwise, many brokers might have to pay this out of pocket.

Whatever the decision is for continuing education it must be affordable to the broker working for a small business. To go to an NCBFAA meeting could cost quite a bit of money with travel, etc.

I think it is important to have a continuing education element in order to maintain the professionalism of the broker license; however, I don't like the possible breakdown of "types" of brokers. A broker with a license can easily switch from a brokerage to an importer to a consultant firm—how would the new company know which type of license is being held? A license should be standard with a standard set of continuing education rules like the CPA license.

Will the triennial fees increase if continuing education classes become mandatory??

If you do continuing education, if you [did] not "pass" the course, would [your] license be stripped?

Continuing education should be a requirement to make sure we as brokers are up on new changes that may or may not affect us.

How much do you expect a broker to spend on the continuing education requirements? What kind of hours per year?

Can briefly explain the NCBFAA CCS model?

Work with local colleges to develop continuing education courses (via internet) for brokers to supplement their logistics programs.

How soon would continuing education requirements take effect?

Continuing Education: please reduce the dues and fees.

The CCS requirement is 10 hours yearly. Most other licenses have a 2 to 3 year continuing education requirement, and it isn't yearly.

Training is specific to the type of customer a brokerage firm might have. Specialties in jet fuel, Government contracts, etc. does not allow for a "universal" continuing education regulation. The NCBFAA is based on "points"...not a good idea or means of ensuring education. Finally, costs to small brokerage firms to train for all areas will be prohibitive. Follow the regulations under the MOD Act.

It should be made clear that the NCBFAA model does provide for accrediting training outside NCBFAA—by example, NCBFAA accredits AAIE sessions, so number 3 is already a part of the NCBFAA program.

What would meet the definition of CBP-accredited course? What would accrediting process be?

I am in strong favor of CBP creating a CBP University and administering continuing education. I simply feel that this would offer more professionalism in the education process.

NCBFAA's CCS credits given by many of the local brokers associations are "fluff" credits.

The problem especially at small brokers if you aren't the permit holder is getting approval and time to attend training.