

Customs Appraiser

Established as Official Federal Position

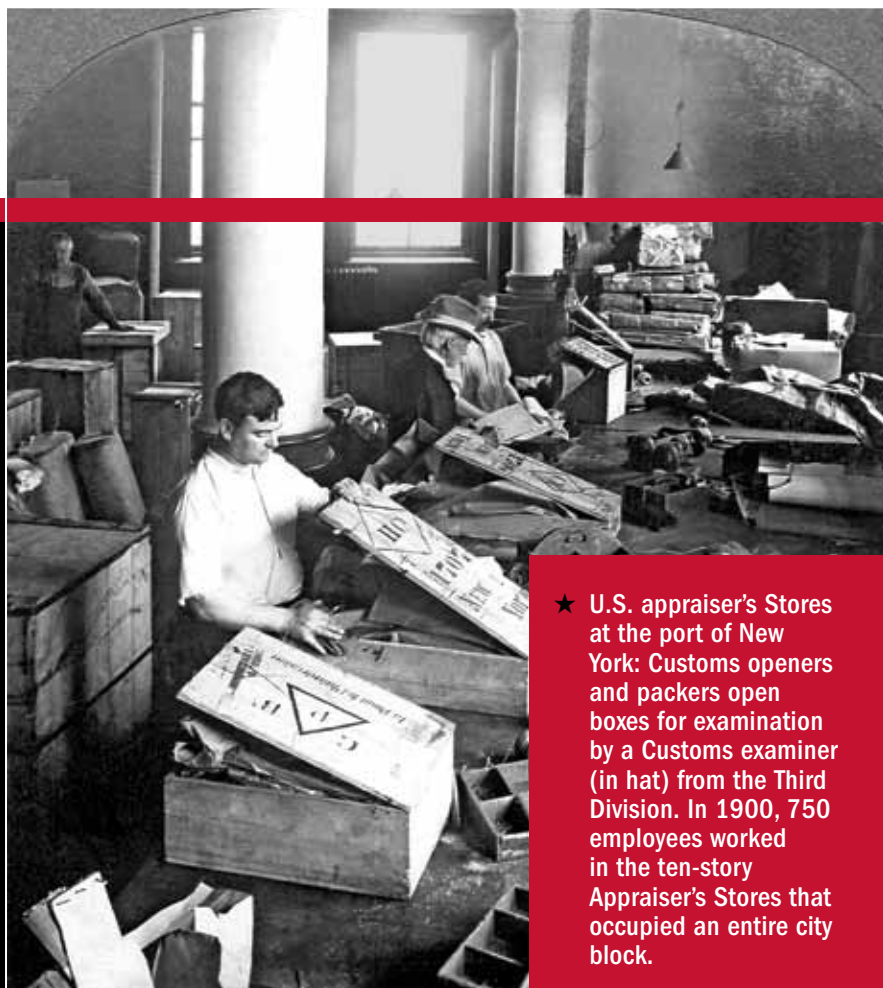
The collection of customs duties on the tonnage of ships and on goods imported into the U.S. dates to the establishment of the federal government. But when Congress created the structure and outlined the U.S. customs staff in 1789, it failed to create a federal position to determine the value of imports for imposing duties. Instead, Congress allowed the customs collector at individual ports to appoint a “reputable merchant” to appraise value and determine duties on

imports. This changed in 1818 with the establishment of customs appraiser as a professional position based on expertise. This position ultimately evolved into CBP’s import specialist.

In establishing the position of appraiser at major U.S. ports of entry, Congress was reacting to the issue of undervaluation of imports by exporters and importers. Prior to 1818, the value of goods was determined by the sworn statement of the importer and the invoice that accompanied the

shipment. Appraisals were done only in cases of forfeiture for cause, goods damaged in transit, and non-invoiced or improperly invoiced items. Recognizing that not all shipments were accurately represented in the paperwork, Congress moved to supplement an earlier law with legislation titled an “act to regulate the collection of duty on imports and tonnage passed the second day of March, one thousand seven hundred and ninety-nine.”

This legislation, which was enacted on April 20, 1818, outlined when and how appraisals would be undertaken by customs officials. For the first time, Congress specified the appointment of “well-qualified” appraisers at six major ports. These appointees could also be called



- ★ U.S. appraiser's Stores at the port of New York: Customs openers and packers open boxes for examination by a Customs examiner (in hat) from the Third Division. In 1900, 750 employees worked in the ten-story Appraiser's Stores that occupied an entire city block.



photo provided by Keystone View Co. stereoview V26131

- ★ A Customs appraiser with the Third Division examines ladies apparel on the fourth floor of the massive U.S. Appraiser's Stores at 412 Washington Street in the lower West Side of Manhattan.



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★ President James Monroe appointed the first federal appraisers in 1818.

into service in districts where there was no resident appraiser. For this service, Congress detailed that the appointee would receive a per diem of five dollars with an additional five dollars “for every twenty-five miles in going to or returning from” the district. Congress also set the appraisers’ salaries at \$1,500 per year, except for the New York City appraisers who received \$2,000.

In addition, the legislation outlined the circumstances under which appraisals were required. Now, appraisals were undertaken when the imports were suspected of being undervalued. Other categories included

goods subject to duty belonging to nonresidents, goods salvaged from wrecks, and goods damaged in transit.

Congress gave the president the power to appoint, subject to confirmation by the Senate. Before the appointees took their positions, the legislation required them to “make an oath diligently and faithfully to inspect and examine such goods” and “truly to report the true value thereof”

According to the Journal of the Executive Proceedings of the Senate of the United

States, President James Monroe nominated the first appraisers on Nov. 27, 1818. They were William Dickinson and William Haslett for Baltimore; Isaac Waters and William Little for Boston; Abraham Lawrence and Ichabod Prall for New York; and Samuel Ross and Thomas Stewart for Philadelphia. James Hepburn and Robert Welman were nominated for New Orleans on Dec. 7, 1818.

The new appraisers did not exercise their authority unilaterally. The law maintained that the appraiser should work with a resident merchant, “chosen by the party of interest,”

★ Huge volume of international mail at New York’s Varick Street Appraiser’s Stores awaits Customs examination and duty assessment.



photo provided by CBP

★ Circa the 1930s: A Customs examiner in the mailroom of the port of New York’s new Appraiser’s Stores at 201 Varick Street considers whether the doll should be sent to an appraiser for determination of duty to be assessed.



photo provided by Associated Press photograph



★ Lakehurst, N.J.: U.S. Customs inspectors and two Customs examiners from the New York Appraiser’s Stores examine salvaged baggage items from the German zeppelin Hindenburg that crashed and burned on May 6, 1937.



Photo by Wally Gaberz, 2010.

★ By the 20th century, the Appraiser's Stores were erected in the major ports of entry like this building in Baltimore, Md. The unabridged Merriam-Webster Dictionary also added "appraiser's store" to its entries and defined it as "a storeroom or building where goods are held by U.S. customs officials for appraisal."

to examine and report the value of the property. This requirement created a public-private relationship with the trade community that involved them directly in the enforcement of customs laws. But the involvement of a resident merchant in the appraisal process was short lived. Congress acted in 1823 to eliminate merchant appraisers (except in the ports that had no resident appraisers) while reaffirming the position of federal appraisers appointed by the president. In addition, the Congress added two appraisers at the port of Savannah.

Subsequent acts over the next 200 years modified the role and number of appraisers. This evolution was documented by the Office of the Comptroller for the U.S. Customs Service in 1984 in a "History of Customs through Job Titles." This history traced the role of the appraiser from 1818 to the

approval of import specialist as a civil service classification in 1967.

One of the most significant changes for the position of appraiser occurred in 1932 when local appraisers were no longer appointed by the president and were moved under the jurisdiction of the collector. In 1937, administrative oversight of the 32 appraisers at ports of entry was shifted to the newly-created Division of Appraisal Administration.

A bureau-wide reorganization of the U.S. Customs Service in 1965 abolished the position of appraiser. In its place, commodity teams were created that consisted of a port's entry officer, liquidation officer and examiners in order to streamline the clearance, valuation and assessment on imported goods. Two years later these positions were replaced by the import specialist. The import specialist determined the appropriate basis of valuing and classifying merchandise. This role quickly expanded to include detecting fraud and other violations in commercial shipments.

Seven years later, import procedures were evaluated, and import specialists began a more cooperative approach to valuation and classification. The specialists interacted with importers to exchange information on goods to assure effective examinations. Legislation once again changed the role of the import specialist with the passage of the North American Free Trade Agreement Implementation Act of 1993 as part of the concept of shared responsibility. The law changed the specialist's responsibilities from "appraise merchandise," "ascertain the classification" and "fix the amount of duty" to "fix the final appraisement," "fix the final classification" and "fix the

amount of duty." This change placed the responsibility of the appraiser on the importer or broker with CBP determining if this appraisal and classification is correct. If CBP disagrees with the importer or broker's appraisal, CBP may issue a bill or a refund to the importer. If the importer or broker disagrees with CBP's determination, the importer or broker may file a protest.

When CBP was created in 2003, the authors of the legislation were careful to ensure that the role of the import specialist would not diminish. The Homeland Security Act of 2002 required that CBP maintain its traditional customs functions at the same levels. Today, import specialists not only continue a proud tradition of federal service that dates back to 1818, but also work with organizations and federal agencies like the Consumer Product Safety Commission to ensure that imported goods pose no threats to American consumers. ■

—David D. McKinney, Ph.D.,
Chief Historian



★ An import specialist at the Port of Long Beach, Calif., examines a child's toy gun to determine if it meets the requirements for importation.