

CENTERS OF EXCELLENCE AND EXPERTISE

ANNOUNCEMENT

On Thursday, May 10, 2012, Acting Commissioner David V. Aguilar of U.S. Customs and Border Protection (CBP) will announce the expansion of Centers of Excellence and Expertise (Centers) at the West Coast Trade Symposium in Long Beach, CA. CBP will create two new Centers by the end of Fiscal Year (FY) 2012. The two new Centers will be the Automotive & Aerospace Center coordinated from Detroit, and the Petroleum, Natural Gas & Minerals Center coordinated from Houston.

These virtual centers will provide one-stop processing to lower the Trade's cost of business, provide greater consistency and predictability, and enhance CBP enforcement efforts. The Centers previously functioned as pilot programs, and continue CBP efforts to increase uniformity of practices across ports of entry, facilitate the timely resolution of trade compliance issues nationwide, and further strengthen critical agency knowledge on key industry practices. The Centers represent CBP's expanded focus on "Trade in the 21st Century," transforming customs procedures to align with modern business. By having the Centers focus on industry-specific issues, CBP is able to provide tailored support to unique trading environments.

In FY 2013, CBP expects to establish five more Centers, bringing the total number to nine. CBP will collaborate with the trade and key industry stakeholders on the placement of these additional Centers, identifying facilitation opportunities and developing strategies to address risk for each industry. The decision to expand is based on the success of the two current Centers – the Electronics Center coordinated from Long Beach, CA and the Pharmaceuticals, Health & Chemicals Center coordinated from New York City.

HOW CENTERS WORK

The Centers bring all of CBP's trade expertise to bear on a single industry in a strategic virtual location. They are staffed with numerous trade positions using account management principles to authoritatively facilitate trade.

The Centers also serve as resources to the broader trade community and to CBP's U.S. government partners. Center personnel answer questions, provide information and develop comprehensive trade facilitation strategies to address uniformity and compliance concerns.

Thus far, the current Centers have served as a single point of processing for businesses enrolled in CBP's trusted shipper programs: the Customs-Trade Partnership Against Terrorism (C-TPAT) and Importer Self-Assessment (ISA). Required import documents for trusted partners within the electronics and pharmaceutical industries are being routed to their respective Center.

Continued participation in the Center will be voluntary. CBP will issue a Federal Register Notice detailing the process, eligibility requirements, and selection criteria for participation in the Centers. Priority consideration will be given to importers enrolled in the C-TPAT and ISA programs.

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Revenue collection will continue to be carried out at the ports of entry, but the Centers will perform all validation activities, protests, post entry amendment/post summary correction reviews, and prior disclosure validations for the participants within their industry. The scope and functions will expand incrementally until all revenue related functions reside in the Centers.

While the Centers are industry focused, they are also account based. Importers whose imports cut across multiple industries, or who may import products that fall outside of their industry, will be assigned to the Center that best represents their business. The assigned Center will be the primary point of processing for the participating importer for all entries, regardless of the commodity that is entered. Centers will collaborate to resolve issues for importers that cross industry assignments. In this way, importers can truly be managed by account.

BENEFITS

By redirecting work to centralized, industry-specific locations, ports of entry are able to more effectively focus resources on high-risk shipments and importers that may pose a danger to U.S. border security, harm the health and safety of consumers, or violate U.S. trade laws and intellectual property rights critical to our nation's economic competitiveness. An overview of the Center benefits is listed below:

Action	Benefits
Eliminates unnecessary transactional work from compliant imports	<ul style="list-style-type: none">• Fewer cargo delays• Reduced costs• Greater predictability
Port of Entry focus shifts to high-risk shipments	<ul style="list-style-type: none">• More complex enforcement work for highly skilled CBP employees• Improved enforcement results:<ul style="list-style-type: none">○ Increased import safety○ Increased revenue protection○ Reduced economic loss to IPR theft
Single Point of Contact for inquiries	<ul style="list-style-type: none">• Improved relationship with CBP as small/medium-sized importers have a streamlined inquiry process for resolving concerns• Increased uniformity and transparency for the trade
Cross-functional expertise	<ul style="list-style-type: none">• Environment for in-depth learning to increase CBP expertise and therefore enforcement and facilitation

Center Benefits

The approach to trade processing represented by the Centers will reduce transaction costs for the trade community, facilitate legitimate trade through more effective risk segmentation, increase agency expertise, and deliver greater transparency and uniformity of action within a given industry.

HISTORY

The establishment of the Centers follows exhaustive idea exchange with the Commercial Operations Advisory Committee (COAC) and careful concept testing and validation both within CBP and with the broader trade community.

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During FY 2011, CBP implemented two pilots to develop new management by account concepts. The Centers pilot developed comprehensive strategies to facilitate trade and manage risk within the pharmaceutical industry. The Account Executive (AE) pilot tested CBP's ability to engage trusted partners in the electronics industry to facilitate trade while ensuring continued compliance with all import requirements.

In October 2011, the concepts tested by the Centers and AE pilots were combined into new, full-scale Centers with expanded operational capabilities that facilitate legitimate trade through more effective risk segmentation, enhance enforcement efforts, and increase industry knowledge.

In the winter of 2012, CBP conducted an evaluation of the two existing Centers. The evaluation team included members of the COAC Trade Facilitation Subcommittee, and representatives from the Electronics and Pharmaceuticals industries. The evaluation consisted of a qualitative assessment by the review team participants, a review of operational accomplishments to date, and the establishment of measures and the baseline from which to evaluate continuing performance.

The results of the evaluation were positive. Despite their limited operations at the time, the Centers were found to have made remarkable progress toward reaching their project goals. In the minds of the trade participants, the Centers were seen as “paying for themselves” in terms of the benefits they provide in one-point processing. The evaluation team recommended that CBP proceed to open additional Centers.

FUTURE CENTERS

Industry-based Centers will afford CBP the ability to develop a deeper understanding of an industry's business practices. This knowledge will provide CBP the capability and flexibility to respond to emerging threats and vulnerabilities within the sector. Nine Centers in all are currently contemplated. The nine Centers are:

1. Electronics*;
2. Pharmaceuticals, Health & Chemicals*;
3. Automotive & Aerospace;
4. Petroleum, Natural Gas & Minerals;
5. Agriculture & Prepared Products;
6. Base Metals & Machinery;
7. Consumer Products & Mass Merchandising;
8. Industrial & Manufacturing Materials; and
9. Textiles, Wearing Apparel & Footwear.

* Denotes an established Center