



CBP Industry Centers of Excellence & Expertise

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Agenda

- “Management by Account” overview
- CEE Pilot (and industry’s part)
- Current CEE Operations
- CEE Benefits
- Next Steps

Special thanks to Leon Hayward of CBP for letting me borrow some of his slides.

Management by Account (MBA) Initiative

- Changing the way CBP does business, pursuant to recommendations made by COAC
- Focus on accounts rather than transactions, and manage risk accordingly
- MBA projects included:
 - Centers of Excellence & Expertise
 - Account Executive Program
 - Risk-Based Account Management
 - Single Partnership Program
 - Simplified Entry Process
 - Simplified Financial Processing
- Common Goal:
Refocus, Reassess, Rethink

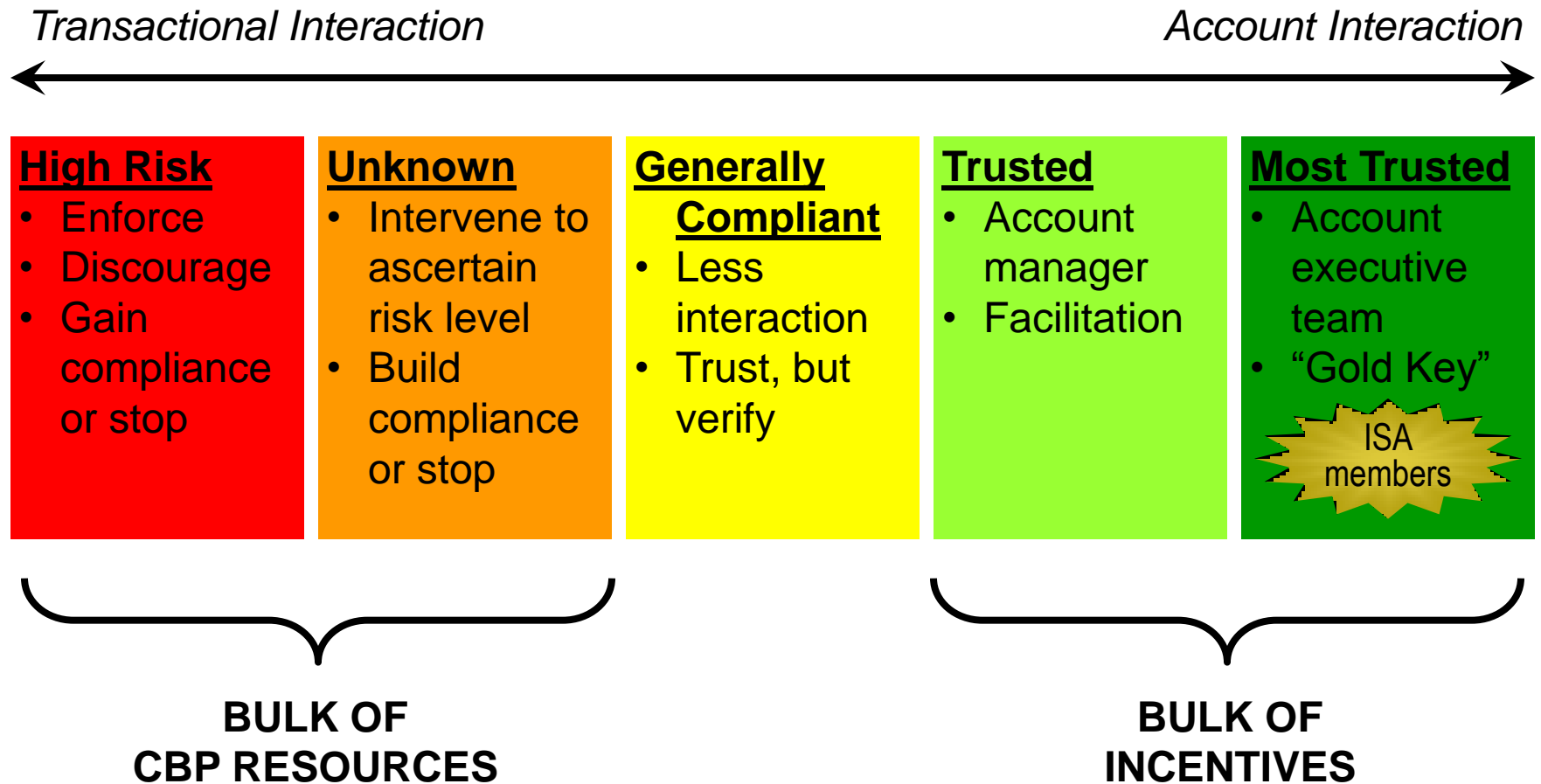


Refocus on Trade



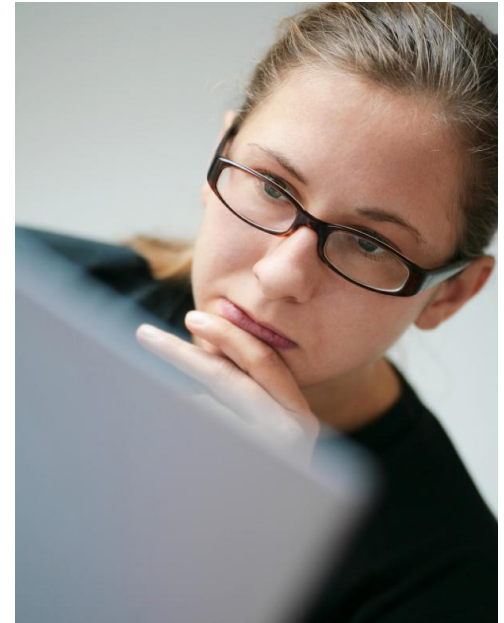
- Recognize the trade community's frustration with lack of focus on CBP's trade mission and inadequate collaboration with the trade
- Risk segmentation:
 - Security and facilitation are "two sides of the same coin"
 - CBP can secure and expedite legitimate trade (and travel) by taking a risk-based approach

“Spectrum of Traders”



Reassess Trade Processes

- Raise compliance by focusing on areas of risk, rather than volume, and expedite trade with “trusted partners” by improved targeting and risk segmentation
- Simplify entry and financial processes to expedite legitimate trade, provide for earlier release decisions, and streamline submission of information and payments
- Establish **Centers of Excellence & Expertise (CEEs)** – “virtual” concentration of CBP personnel who leverage expertise and provide uniform guidance
- Find ways to leverage the investment in ACE, to ensure it fully supports the MBA efforts



Rethink the Border

- Traditional approach: Hold the line, intercept threats as they attempt to cross
- More Holistic View: Secure and expedite flow of lawful trade and travel
- “Continental Security” (jointly managing shared borders with CA/MX)
- Improve risk targeting and segmentation
 - Separate cargo/travelers by risk level; target potential threats using advance data
- Expand trusted traveler/shipper programs (with meaningful benefits)
- New/modernized ports of entry
- Push borders out
 - Move some processes away from the physical border to relieve congestion
 - Establish secure corridors for cleared/screened/inspected people/goods



Centers of Excellence and Expertise (CEE)

- Pharmaceutical industry chosen for the CEE pilot
 - Pilot launched Nov 1, 2010
- Goals of pilot:
 - Increase industry-based knowledge within CBP
 - Facilitate legitimate trade via effective risk segmentation
 - Enhance enforcement and address industry risks
- Active solicitation of input from the trade during pilot
- Two CEEs formally established on Oct 1, 2011
 - Pharmaceuticals (New York)
 - Electronics * (Los Angeles)

* The electronics industry was chosen for the Account Executive pilot which ran concurrently with the CEE pilot. After both pilots were completed, the AE and CEE concepts were merged into one and two CEEs were launched.

CEE 101: How it Works

- Bring all of CBP's trade expertise to bear on a single industry, in a strategic location
- Increase industry-based knowledge to segment risk, develop trade facilitation strategies, and enhance enforcement
- Utilize multidiscipline teams that employ account-based principles to authoritatively facilitate trade
- Serve as a resource to the broader trade community and to CBP's U.S. government partners
- Serve as a single point of processing for businesses enrolled in CBP's trusted partner programs (C-TPAT and ISA)

Achieving Pilot Goals: Increase Industry-Based Knowledge within CBP

- Conducted knowledge workshop with importers
- Understand FDA process requirements (FDA person embedded in CEE during pilot)
- Port outreach in Chicago, Charleston, Atlanta, New York, Los Angeles
- Product identification (authentic versus counterfeit)



Achieving Pilot Goals: Facilitate Legitimate Trade via Risk Segmentation

- Port Profiles for Top 5 Ports
- Identify impediments to facilitation
- Find alternatives to paper requirements for every transaction
- Purge outdated targeting
- Finalize approvals for ISA Benefits List
- Develop policy guidance to improve uniformity

Achieving Pilot Goals: Enhance Enforcement and Address Industry Risks

- CEE, FDA, and ICE personnel attended product training held by three major pharma importers.
- Special operation in LA coordinated with Trade, ICE, FDA, and Postal Inspectors
 - 193 Parcels examined
 - 34 Seized
 - 150 FDA referrals
- Developed Enforcement Guide for ports to ensure consistency in seizure and elimination of lab testing
- Special Operation template for other ports

Industry's Part in the Pilot

- Industry workshop, 50+ attendees
- Quarterly industry group meetings
- Mail blitz operation
- Forum to discuss ISA wish list
- Opportunity to discuss concerns and current hurdles
- Feedback surveys
- Commented on draft strategic plan

Now that it's operational...

- CEE Directors report to Directors, Field Operations in New York and Los Angeles, respectively
 - Leon Hayward, Pharmaceuticals
 - Anne Maricich, Electronics
- Core staff includes: Attorney-Advisors, Entry Specialists, Field Analysis Specialists, Import Specialists, International Trade Specialists, National Account Managers, National Import Specialists, and Supply Chain Specialists
- The Center combines both security and trade compliance personnel under one roof

Pharmaceuticals CEE Staffing

Position	Core	Matrix
Supervisory Import Specialist		
Import Specialist	2	9
Entry Specialist		3
National Account Manager	3	
Analyst FAS		3
International Trade Specialist	4	2
National Import Specialist		1
Supply Chain Specialist	1	3
Auditor		7
Attorney (ORR)		1
TOTAL	10	29



Electronics CEE Staffing

Position	Core	Matrix
Supervisory Import Specialist	2	
Import Specialist	4	2
Entry Specialist		3
National Account Manager	5	
Analyst FAS	1	
International Trade Specialist		2
National Import Specialist		6
Supply Chain Specialist		1
Auditor		2
Attorney (ORR)		1
TOTAL	12	17



Achieving Ongoing Goals: Increase Industry-Based Knowledge within CBP

- Interact with relevant other government agencies to understand their processes and the impact on trade
- Regular communication with internal and external stakeholders
- Serve as primary point of contact for trade and CBP personnel for industry-related issues
- Develop national policy to address industry-specific issues
- Industry-led training
 - Training sessions with Trade on business process
 - Trade training on identifying counterfeits (Enforcement)
- Engage with small and medium-sized importers

Achieving Ongoing Goals: Facilitate Legitimate Trade via Risk Segmentation

- Analyze imports by industry and segment risk
- Collaborate with other government agencies to develop alternatives to paper-bound requirements and/or blanket statements
- Integrate trade targeting efforts by industry to reduce exams and expedite cargo release
- Monitor cargo release for trusted traders and work with the Ports to resolve holds
- Remove cargo release impediments (e.g., eliminate/raise trigger for automatic “docs required”)
- Manage and perform ISA oversight for trusted trader accounts
- Monitor and resolve uniformity issues and systemic barriers
- Develop consistent policy guidance where needed

Achieving Ongoing Goals: Facilitate Legitimate Trade via Risk Segmentation (cont')

- Process post-entry work in CEE for trusted partners
 - Entry Summary
 - Protests
 - PEAs/PSCs
 - Reconciliation (coming soon)
 - Prior Disclosure Review (but PDs still filed with Port Director)
 - Process trusted partners as “Accounts”
- General resource for brokers and importers
- Bring willing entities into compliance/ISA (trusted trader status)

Achieving Ongoing Goals: Enhance Enforcement and Address Industry Risks

■ Counterfeit Enforcement:

- National focus on IPR Violations
- Collect information regarding seizures nationwide
- Identify patterns and trends of illicit enterprises
- Support Investigative units with intelligence and expertise (disrupt distribution networks)
- Coordination with the trade community
 - Information sharing (website info, suspicious shipments, past info, internal investigations)
 - Training manuals
 - Assistance with TruScan library



Achieving Ongoing Goals: Enhance Enforcement and Address Industry Risks (cont')

- Addressing Industry Risks:
 - Focus the bulk of Officer and Import Specialist resources on known and unknown high-risk shipments, while devoting fewer employees to manage trusted, low-risk importers
 - Identify and target critical points in the import life cycle where product safety risks are greatest to protect consumers from health and safety concerns
 - Develop pinpoint targeting and special enforcement operations in conjunction with OGAs

CEE Benefits

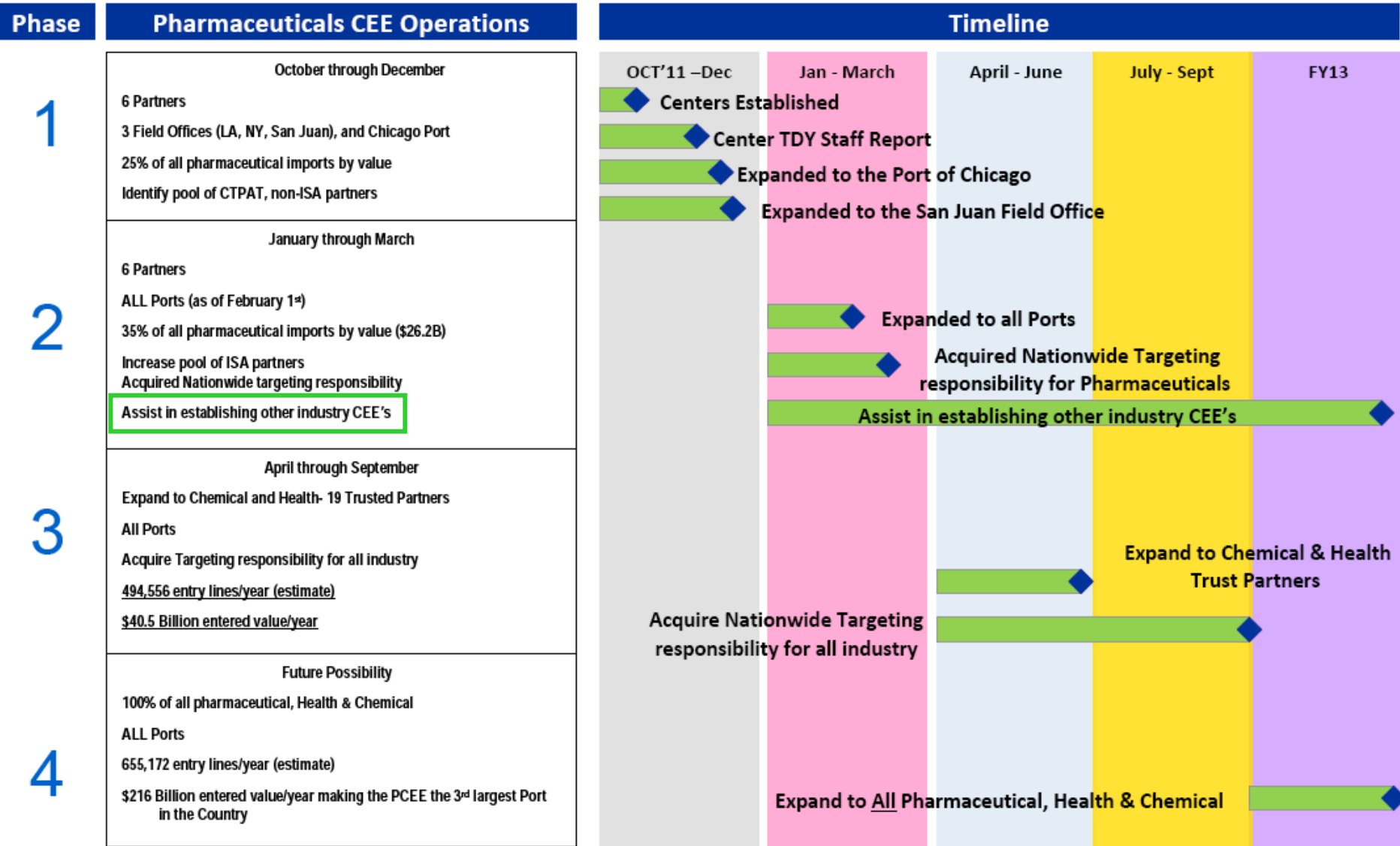
Action	Benefits
Eliminate unnecessary transactional work for compliant importers	<ul style="list-style-type: none">• Fewer cargo delays• Reduced costs• Greater predictability
Shift focus at Ports of Entry to high-risk shipments	<ul style="list-style-type: none">• More complex enforcement work for highly skilled CBP employees• Improved enforcement results:<ul style="list-style-type: none">➢ Increased import safety➢ Increased revenue protection➢ Reduced economic loss to IPR theft
Provide 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
Develop cross-functional expertise	<ul style="list-style-type: none">• Environment for in-depth learning to increase CBP expertise and therefore enforcement



Benefits we're seeing as an ISA company

- Single point of contact for all issues
- Industry-based NAMs who are part of the CEE
- Centralized entry summary – eliminates port inconsistency
- Centralized CF-28s/29s – pre-empted with phone call or email from NAM whenever possible
- Centralized PEA filing – one place, one copy, electronic
- Centralized Protest filing – handled as a trusted trader account
- Any issues with the above results in a dialog, not an automatic refusal/denial.
- Industry-based C-TPAT SCSS

Pharmaceuticals Schedule, Activities, and Milestones



Proposed CEE Locations and Industries

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



* Current CEEs



U.S. Customs and
Border Protection

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Watch for the CEE article in the upcoming April 2012 issue of
CBP's *Frontline* magazine!