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## Implementation of CEEs to Usher in Stricter CBP Enforcement Environment, Customs Lawyer Says

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Importers will soon see a “more stringent” enforcement environment and more focus on compliance as CBP expands its data collection and the Centers of Excellence and Expertise program matures, said David Forgue, a customs lawyer with Barnes Richardson, at the Georgetown Law Center International Trade Update on March 10. More data and industry expertise will allow CBP to better target importers and discover compliance issues even before the importer has a chance to discover and correct them, he said.

Having created the CEEs, CBP has much more knowledge of specific industries than it ever had before, Forgue said. Now, industry benchmarking surveys being carried out by the CEEs will allow CBP to set parameters for what is reasonable within a given industry, he said. Importers will find it harder to fall back on standard industry practice as an explanation when CBP raises compliance questions, he said. CBP is “going to know in a way you cannot whether you’re right or not,” he said. “Maybe you are. Maybe you’re not.” That increased visibility and an overall trend toward increased professionalism in the trade compliance field means CBP will have higher expectations for importers, Forgue said. CBP did not immediately comment.

The largest companies will likely be fine, but some smaller importers could be in for a “rude awakening,” Forgue said. “They’re going to be able to target so much better because they have so much more data,” he said. “I think a lot of companies, by the time they know customs has a concern, that concern will be an actual issue. It’s going to be too late to try to fix it,” he said. “I don’t think that [CBP Form] 28 is going to come because they’re already going to know the information,” Forgue said.

Meanwhile, some larger conglomerates are having issues settling into the CEEs program, said Aaron Gothelf, executive counsel for international trade compliance at General Electric. With a variety of large business lines, including healthcare, aircraft engines, locomotives and electric grid infrastructure, GE does not fall neatly into one industry-specific CEE, he said. CBP has been assigning importers to CEEs based on their HTS subheading with the highest volume of imports. But it’s “hard to tell” GE’s predominant HTS code, Gothelf said. “Do we get an exception to be placed into multiple CEEs?”

*written by Brian Feito*

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