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U.S. CBP's Centers of Excellence and Expertise Allow Centralized Entry Processing

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Arguably one of U.S. Customs and Border Protection's (CBP) most ambitious initiatives in recent years, the first Centers of Excellence and Expertise (CEEs) began operations in October 2011 as part of a pilot program launched in 2010. The first two centers, dedicated to the Pharmaceutical, Health & Chemical (New York) and Electronics (Los Angeles) industries, were joined by CEEs for the Automotive & Aerospace (Detroit) and Petroleum, Natural Gas & Minerals (Houston) industries in 2012.

Today, all ten centers are open and gearing up for full implementation later in 2013. What benefits have early adopters of the CEEs experienced? What wisdom can they share with importers who will soon have access to CEEs in other industries? This article explores those questions through the recent experiences of CEE applicants and participants.

The most recent CEEs opened cover the following industries:

- Base Metals (Chicago, IL)
- Industrial and Manufacturing Materials (Buffalo, NY)
- Machinery (Laredo, TX)
- Agriculture and Prepared Products (Miami, FL)
- Apparel, Footwear & Textiles (San Francisco, CA)
- Consumer Products & Mass Merchandising (Atlanta, GA)

The CEEs are an exercise in centralization in many ways. Not only do they provide importers with a single point of contact regardless of the physical Port of Entry crossed by their merchandise, but they create a virtual hub for Import Specialists, National Import Specialists, and National Account Managers located in offices across the United States.

In a recent webinar introducing the Base Metals CEE

operating out of the Port of Chicago, Allen Gina, Assistant Commissioner of International Trade at CBP, described the CEEs as "one of the most vital parts" of the agency's current initiatives. Together, the CEEs and the Automated Commercial Environment (ACE) are "completely transforming the way we do business," Gina reported. The CEEs are recognized as CBP's program of the future.

The goals of the CEEs have been clearly stated: consistency, harmonization, and "keeping up" with the globalization of U.S. companies by aligning CBP processes with modern business practices. According to importers currently participating in the Automotive and Aerospace CEE, consistency across ports and the harmonization of processes and procedures are recognized as early benefits of CEE participation.

Michele Wilton, Manager for U.S. Customs Operations at Chrysler Group LLC (Chrysler), states that the CEE "initiative has realized more tangible benefits than other CBP initiatives. It is wonderful to have a single point of contact who understands our business to address any concerns we have." Chrysler has been working with the Automotive and Aerospace CEE since it opened at the Port of Detroit in September 2012.

The company volunteered to participate as soon as the Federal Register Notice outlining the application procedure was issued in August 2012. That process, Ms. Wilton reports, was not complicated. Chrysler submitted a letter of interest and has been working with CEE personnel to resolve entry and post-entry issues since it was accepted by CBP. Early in implementation, Chrysler hosted a "meet and greet" where their import team met face to face with top management at the Detroit CEE, introducing the company and its operations to CEE personnel. Chrysler has also worked out with CBP in what

manner and how often the company and CEE personnel would communicate. As a result, Chrysler and CEE personnel participate in monthly check-in calls to see how things are going.

Chrysler has decided to rely on the CEE to be CBP's one point of contact with the company and has opted to raise most port-specific issues with the CEE. If necessary, they will work with the local ports. The CEE was particularly helpful resolving a recent experience involving the importation of a vehicle manufactured in Mexico and claimed duty free under NAFTA through a port not usually used. Because the commodity was new to the Port, the entry triggered a NAFTA verification request. Chrysler contacted the CEE in response and CEE personnel were able to work with the Port to resolve any concerns they held about the entry and the NAFTA claim obviating the need for the entry-specific verification.

Chrysler has been an active participant in many CBP initiatives. The company joined the Customs-Trade Partnership against Terrorism (CTPAT) in 2002 and was accepted into the Importer Self-Assessment (ISA) program in October 2005. Chrysler also participates in FAST, Simplified Entry, and Periodic Monthly Statement. Ms. Wilton noted that while participation in each of these programs has improved the entry process in its own way, CBP's response time overall to address issues, questions, and concerns has definitely improved with the availability of industry-focused, dedicated personnel at the CEE.

Recently, CBP published the third version of its *Centers of Excellence and Expertise Test Guidelines: Responsibilities and Procedures for Participating Accounts and Their Brokers, Agents, or Filers*, which is available on CBP's website¹. This guide outlines the responsibilities within the coverage of the CEE and those that remain at the port. For example, revenue collection, processing of temporary imports under bond, drawback and reconciliation processing; and most enforcement processes continue to be handled by the port of entry, but the following activities are available at the CEE:

- All validation activities, including CBP Form 28s and 29s;
- Protests;
- Petitions; and
- Post entry amendment and post summary correction reviews.

The CEE is able to intervene in both standard consumption entries and entries involving antidumping and countervailing duty assessments. In addition, a CEE participant may elect to file a prior disclosure with the relevant port(s) of entry or with the CEE. If the importer elects to file the disclosure with the CEE, then the center will conduct the validation of the disclosure.

In order for the CEE to be most effective, participating importers should be actively engaged in automating their

imports and operating in an automated and paperless environment. CBP recommends that participating accounts use ACE for transmitting entry summaries, use (or be prepared to use) the ACE portal to transmit supporting documents and use the Document Image System (DIS) to transmit invoices. The ACE portal and a dedicated email address are available for communicating required documents and filings to the CEE.

The Boeing Company (Boeing) has been participating in the Automotive & Aerospace CEE since November 2012. According to Kathryn Greaney, Vice President of Global Trade Controls in the Office of Internal Governance at Boeing, the company also participates in ACE, Simplified Entry, and CBP's Trusted Trader program. According to Ms. Greaney, Boeing "has found participation in CEE to be another positive step in the transformation CBP has been taking to improve the import process. We think there are potential benefits to any importer from participating in CEE and the other CBP initiatives."

Boeing has been involved in both ISA and C-TPAT since 2004. As a long-standing participant in these programs, Boeing "saw an opportunity with the creation of the CEE to enhance both, and was eager to join the Automotive & Aerospace CEE at the first opportunity." Participation in the CEE, according to Ms. Greaney offers a chance to ensure national security while "enabling the expeditious processing of imports to ensure production operations run smoothly."

Boeing handles all imports through the collaborative work of the company's programs and functions, including Global Trade Controls, and has opted to use the CEE to support any of the enterprise's imports, as is needed.

In addition, the company has worked together with other CEE participants on particular initiatives "to enhance processes to meet the security and import processing goals that can mutually benefit CBP and industry." For example, the CEE recently began investigating ways to improve Intellectual Property Right (IPR) protections and sought input from both Chrysler and Boeing. These companies, in turn, consulted with one another to further support the initiative.

Chrysler's Ms. Wilton also observed that a number of participants of the Automotive & Aerospace CEE are members of the same industry groups that Chrysler is a part of, and there is often ad hoc organization among those companies inside and outside the CEE.

While acceptance as a full CEE participant is currently predicated on an importer being both an ISA and C-TPAT member, the CEEs are still open and available to all importers. In fact, this could prove to be a great tool for importers. For example, a pharmaceutical importer that does not participate in the CEE was offered the opportunity to route a request for modification and revocation of a recently issued ruling for review and submission to

CBP Headquarters through the CEE. Thus, allowing the importer a single point of contact within the CEE who could follow up on the request on the importer's behalf with CBP Headquarters. Because of this, participants and CBP advise that the CEE could be a particularly useful resource for small to mid-size companies. Even those who have not yet fully implemented or documented their processes to be eligible for ISA acceptance may call on the CEE for their industry to help resolve a particular issue. This could help bring industry-wide solutions to the entire industry more efficiently.

Once an importer is accepted into a CEE, all of the importer's lines of business may be handled there. If the importer is involved in multiple industries (as designated by the ten CEEs), it may select the CEE that best fits its operations as a whole. That CEE will work with the entire entry, regardless of the commodity identified. As needed, the designated CEE will work with another CEE to resolve individual issues related to a particular business unit or product line. CBP sees this as an opportunity for importers to "truly be managed by account."

Management by account has many perspectives and corresponding benefits. According to Boeing's Ms. Greaney, "since we are a member of the CEE, we have a centralized team from CBP looking at us as a single account versus individual entries through many ports. A significant advantage to this account-based management model by CBP, is that they can recognize trends (even prior to us needing to alert them) and pro-actively execute corrective actions with the individual ports of entry to ensure a streamlined clearance process."

The tangible benefits to CEE participants and others are sure to develop as all ten CEEs become operational this year. For now, those in the importing community are looking forward to CBP and industry working together to improve operational efficiencies and security. □

1 See here for more info: http://www.cbp.gov/linkhandler/cgov/trade/trade_transformation/industry_int/test_guidelines.ctt/test_guidelines.pdf

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