



U.S. Customs and
Border Protection

CBP Trade Newsletter

www.cbp.gov FY 2012 Fourth Quarter September 30, 2012



Assistant Commissioner Gina Emphasizes Key Role for Brokers

2
The AD/CVDs of Stopping
Unfair Trade

3
Bidirectional Textile
Seminar Interweaves
Industry/Government
Expertise

2012 East Coast Trade
Symposium

4
Working Together to Get
the Lead Out

Upcoming Events

5
Shining a Light on the
Real Thing
Border Interagency
Executive Council

6
Modern Textiles:
A Science and an Art

...We steadfastly enforce the laws of the United States while fostering our Nation's economic security through lawful international trade and travel.-

From the CBP Mission Statement

Assistant Commissioner Allen Gina, Office of International Trade, told the National Customs Brokers and Forwarders Association, in their September meeting in Washington, that "CBP needs an effective partnership with the brokerage community that takes their compliance expertise to the next level."

"Brokers are vital to CBP's efforts to modernize trade and reduce costs for the industry and the government," Gina said. "You are an essential conduit between the importer and CBP, and our account-based and industry-focused Centers of Excellence and Expertise. CBP will increasingly rely on you to root out inefficiencies in our processes and procedures."

"We need the customs broker to be our force multiplier for our enforcement and facilitation efforts," Gina said. "So brokers must be allowed to assume more responsibility. That includes the processing of entries, educating themselves, the importer and the public, and maintaining the highest standards of competency and integrity."

CBP included the "Role of the Broker" program as an important component of its Trade Transformation Initiatives. While the goal is to enhance brokers as compliance professionals, the program also includes a new opportunity for CBP and the trade community to work together to overhaul the broker regulations. This year CBP



Assistant Commissioner Allen Gina

Photo: James Tourtellotte

will hold nearly 30 roundtables with the brokers on the key regulatory features of the overhaul. In introducing the Role of the Broker, CBP has hosted a number of broker Webinars, which have averaged nearly 400 participants. The next are scheduled for October 4 and October 11.

CBP is also deploying a streamlined broker licensing process to cut the application time from nearly a year down to 3 months. After pilots were successfully tested at JFK and O'Hare Airports last year, the new process is being expanded to Philadelphia, Atlanta, Laredo, Seattle, Otay Mesa, Long Beach, Houston, Dallas, San Francisco, Boston, Nogales, and Cleveland.

These sites will be able to accept both individual and corporate license applications. The new process will eliminate long delays that were costly to new applicants and their employers, and reduce the substantial administrative burden on CBP personnel.

Commercial Operations Advisory Committee (COAC) in Seattle

On August 15, 2012, Deputy Commissioner David V. Aguilar presided over the third COAC meeting, which included the launching of a new Subcommittee, the Export/Outbound Subcommittee, discussion of the

COAC Trade Efficiency Survey, and announcements of the expansion of the Simplified Entry pilot and a personnel change in the ACE Business Office.

The AD/CVDs of Stopping Unfair Trade

Antidumping/Countervailing Duties (AD/CVD) is a high-profile set of duties designed to level the playing field for U.S. manufacturers facing unfair foreign competition. For the AD/CVD laws to function effectively, the Department of Commerce and CBP must each carry out different but interdependent roles. While Commerce is responsible for administering the AD/CVD laws, CBP enforces them by collecting the duties owed to the Government.

CBP also collaborates with its sister agency, U.S. Immigration and Customs Enforcement Homeland Security Investigations to substantiate whether there is AD/CVD evasion, and to support any civil and criminal enforcement actions to be pursued. For everything to work smoothly, the agencies must work in close collaboration.

In order to carry out their joint AD/CVD responsibilities, CBP and Commerce have a unique, close partnership. AD/CVD communication must be timely and precise, and CBP and Commerce coordinate the challenging steps in the AD/CVD process. They constantly communicate and coordinate throughout a timed statutory process.

In fact, CBP and Commerce interact daily about AD/CVD cases. This includes Commerce directly inputting AD/CVD case information and instructions into the Automated Commercial Environment, ACE. This case information interacts with CBP's entry processing systems to allow importers to file AD/CVD entries for approximately 291 separate AD/CVD orders. In Fiscal Year (FY) 2011, Commerce sent over 1,400 separate AD/CVD instructions to CBP. Since a single order could involve hundreds of companies, the total impact of all these orders is huge.

CBP and Commerce also have a dedicated communication system through ACE in which CBP personnel send ACE AD/CVD inquiries to Commerce to clarify Commerce's AD/CVD requirements.

CBP and Commerce have taken several additional steps to ensure that the AD/CVD instructions the ports receive are as clear as possible.

CBP and Commerce instituted a formal process for CBP to comment on the scope of an AD/CVD investigation as soon as an AD/CVD petition is filed with Commerce. CBP provides expert advice on the Harmonized Tariff System classification of the products covered by the scope, and any enforcement-related issues. This earlier input helps Com-



Members from the CBP South Florida National Targeting and Analysis Group, the CBP Southwest Regional Science Center's mobile laboratory unit, and Port of Laredo staff team up to examine shipments of steel pipe and tubing for possible AD/CVD evasion.

Photo: CBP Archives

merce to be more precise in its scope language, and also allows CBP to better prepare for the Commerce AD/CVD investigation.

In FY 2012, CBP and Commerce held their first joint instructional webinars to discuss the scope of the AD/CVD orders on aluminum extrusions. One webinar went to CBP field staff, and another was given to customs brokers. These and future Webinars help promote the technical understanding needed to facilitate compliance with complex AD/CVD requirements.

By continually working on AD/CVD communication and collaboration, CBP, Commerce, and HSI are helping to restore fair competition for U.S. manufacturers injured by unfairly priced and subsidized imported goods. These efforts are an important part of the CBP trade mission to make America stronger by protecting our national economic security.

For more information about AD/CVD, go to:
http://www.cbp.gov/xp/cgov/trade/priority_trade/add_cvd/



U.S. Customs and
Border Protection

Bidirectional Textile Seminar Interweaves Industry/Government Expertise

CBP and the trade have much to learn from each other—especially when it comes to technical commodities like textiles. That’s the premise of CBP’s “bi-directional training” initiative, which should pay real dividends for everyone in enhanced enforcement of U.S. tariff and trade laws.

A recent example of this was a 3-day textile seminar given in August by the National Commodity Specialist Division in the Office of International Trade.

National Import Specialists played their traditional role, as they gave presentations to an audience of more than 30 Field Import Specialists. They covered basic principles of tariff classification for fibers, yarns, and cordage; nonwovens and felts; woven and knit fabric of HTS Chapters 50 – 60, embroidery and lace.

The NISs are responsible for making decisions on the proper classification of goods and whether items are eligible for preferential tariff treatment. They also issue binding rulings to entities that are parties to importations, providing definitive instructions related to specific requests from those entities regarding the goods they produce, import, or otherwise have an interest in with regard to importation.

But there were also domestic textile representatives from Unifi Manufacturing, Parkdale Mills, and Milliken and Co., who provided invaluable information on the technical aspects of manufacturing. They presented the industry’s perspective on trade facilitation and the importance of enforcement. They also noted the critical role of trade preference programs, including Free Trade Agreements, in increasing demand for domestic materials in FTA partner countries. There, the U.S. fibers, yarns, and fabrics are used in the production of apparel and other made-up articles that subsequently qualify for duty-free treatment upon importation into the United States.

The domestic textile representatives also had the opportunity to interact with import specialists from the ports to exchange information.



Left to right: Mitchel Bayer, National Import Specialist (NIS); Deborah Marinucci, Chief, Textiles Branch, National Commodity Specialist Division (NCSD); Maribeth Dunajski, NIS; Deborah Walsh NIS; Daniel E. Nation, President, Parkdale Mills; Jane L. Johnson, Gov’t Relations Manager, UNIFI; Beth Gardner, Trade Strategy and Compliance Manager, Milliken; J. Kelley Edwards, Director, Logistics & Trade Compliance, Milliken; and Jacqueline Sprungle, Chief, Textile Policy

Photo: Jacqueline Sprungle

A representative from the Office of International Trade’s Textile/Apparel Policy and Programs Division highlighted CBP’s textile enforcement strategy. And a special agent/program manager from U.S. Immigration and Customs Enforcement/Homeland Security Investigations (ICE/HSI) gave an overview of intellectual property rights, trademark violations, counterfeiting, and agency textile enforcement.

This training brought together industry insiders, CBP field and headquarters personnel, and an ICE/HSI representative—all looking at the same industry from their unique operational, policy, and business perspectives. This “bi-directional” training was unusual in this respect. But it will be more common in the future. CBP is committed to weaving together the combined expertise of the trade and CBP to strengthen enforcement of U.S. tariff and trade laws.

2012 East Coast Trade Symposium

CBP is proud to announce the 2012 East Coast Trade Symposium October 29-30, 2012 at the Renaissance D.C. Downtown Hotel in Washington, D.C. The theme is "Expanding 21st Century Global Partnerships." The Symposium will also be available via a live Webcast and recorded for subsequent on-demand viewing over the Internet. Register at:

<https://apps.cbp.gov/tradesymposium/?w=13>



U.S. Customs and Border Protection

Working Together to Get the Lead Out



Using an X-Ray Fluorescence gun, CPSC Compliance Investigator Katherine Van Peeren, Norfolk, found excessive lead in children's toys during a joint CBP RA/CPSC audit.

Photo: Illeana Reynolds

Since 2008, CBP's Office of Regulatory Audit (RA) and the Consumer Product Safety Commission's Office of Import Surveillance and Inspections (CPSC/OISI) have conducted joint product safety audits and inspections. This dual-agency collaboration leverages each agency's unique resources and expertise to better ensure the integrity and safety of imported products. Import Safety is a CBP Priority Trade Issue.

During a typical joint audit, the team looks at an importer's controls over product safety and tests potentially dangerous imports. Products that fail initial field-testing results are sent to the laboratory for confirmation. When a safety violation is confirmed, RA will trace the merchandise to consumption entries and to vendors.

These joint audits have led to recall actions, destruction orders, and penalty proceedings. In one instance, a high-profile importer was assessed and agreed to pay a \$2.05 million dollar civil penalty. The company also agreed to stop importing children's products and toys into the United States. This was a record penalty of its type for the Department of Justice.

More importantly, these audits have also led to increased product-safety compliance by importers. This benefits everyone, and particularly children who might be exposed to excessive lead. Under the Federal Hazardous Substances Act, products primarily intended for use by children 12 years of age or younger cannot have a total lead content greater than 100 ppm in any accessible part.



RA Auditor John White, Atlanta, inspects merchandise discovered to be in violation of lead limits during an audit.

Photo: Illeana Reynolds

Upcoming Events

International Air Cargo Forum and Exposition, October 2, 2012, in Atlanta, GA, Assistant Commissioner (A) Kevin McAleenan, will participate in the Security Session "Collaboration for Smart Security: Government and Industry Working Together"

Automotive Industry Action Group (AIAG), October 11, 2012, Sterling Heights, MI, a CBP representative (TBD), will participate in the annual Customs Town Hall Meeting to discuss the latest customs issues.

CBSA Meeting, October 11, 2012, in Canada, Deputy Commissioner, David V. Aguilar, will discuss Beyond the Borders Joint Initiatives.

North American Forum, October 13, 2012, in Canada, Deputy Commissioner, David V. Aguilar, will moderate a panel on strategic issues facing US/MX/CANADA.

WESCCON, October 19, 2012, in San Diego, CA, Deputy Commissioner, David V. Aguilar, will provide the keynote on the Role of the Broker, and other key issues.

CBP Trade Symposium, October 29-30, 2012, Washington, D.C., Deputy Commissioner, David V. Aguilar, will host this symposium.



Shining a Light on the Real Thing

As the world's largest market, the United States is a magnet for counterfeit foreign goods. Given the advances in manufacturing technology, it has become much easier for counterfeiters to produce fake merchandise that is quite hard to spot by appearance. So CBP itself is turning to technology for product authentication tools. The goal is to help protect both the U.S. consumer and the intellectual property of right holders, and to make the economy stronger and safer.

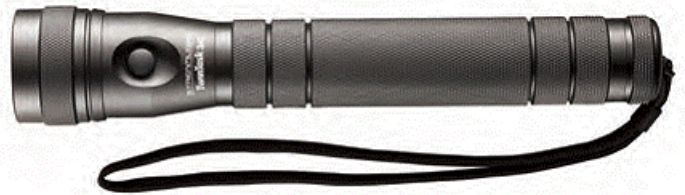
Based on industry recommendations, CBP recently purchased several new authentication tools to assist CBP Officers in the field when they inspect suspect goods being imported into the U.S. One tool is a portable ultraviolet light, commonly called a black light. Black lights can verify genuine packaging and authentic commodities for many products, such as pharmaceuticals, personal care items, and electronics.

CBP has also purchased Detection Device Machines and digital microscopes for product authentications of electronic components used in high-technology devices and

systems.

Detection Device Machines can expedite the identification of counterfeits by electronically examining multiple electronic components simultaneously. Digital microscopes have the added benefit of being equipped with digital cameras. These cameras will allow ports to share electronic images of suspect goods with CBP laboratories and other agencies involved in the product authentication process.

CBP will continue to partner with industry to identify additional authentication tools to carry out its IPR enforcement goals. This is part of the CBP trade mission to protect the health and safety of consumers while strengthening the



Black lights help CBP distinguish between authentic and counterfeit goods.

Border Interagency Executive Council Promotes Partnerships

CBP Deputy Commissioner David Aguilar and senior executives from 12 other agencies participated in a meeting of the Border Interagency Executive Council (BIEC) at the Animal Plant Health Inspection Service in Riverdale, Maryland September 21.

The BIEC provides agencies with border authority with a high-level forum to resolve issues pertaining to interagency collaboration. Effective, integrated government actions at the border streamline the import process. The primary agenda of this meeting was to continue the "One U.S. Government" approach to Import Safety. U.S. Senator Benjamin Cardin (D-MD) from Maryland praised the BIEC agencies for acting together to help keep the U.S. economy and U.S. consumers safe.

Deputy Commissioner Aguilar discussed the BIEC needs to take on the challenges of a global economy together and he pointed out how the various CBP Trade Transformation initiatives will help lower costs to the trade. He challenged BIEC members to leverage partnerships to help create modern business practices that lead to a more stable, predictable supply chain.

The BIEC strives to provide a high-level forum to resolve issues pertaining to interagency collaboration. Integrated



CBP Deputy Commissioner David Aguilar and Senator Benjamin Cardin (D-MD) Photo: James Tourtellotte

government actions at the border will streamline the import process by facilitating low-risk shipments while allowing government resources to focus on high-risk shipments.

A cornerstone of this collaboration is improved information sharing among the BIEC members. The "single window" vision is a key vehicle for exchanging information more efficiently. Single window would provide all parties involved in trade and transport access to standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements.

Modern Textiles: A Science and an Art

By J.R. Gerde Ph.D. LSS, OIT

As the global textile industry continues to expand and evolve, staying current with emerging textile technologies is vital. Nano fibers, “smart” textiles, high-tech innovations in nonwovens and fiber-reinforced composites, protective textiles for military garments, and fiber-based medical applications continue to evolve. It is only a matter of time until these innovative products enter the CBP Laboratory work stream.

One example of how CBP Laboratory staff scientists stay current is their participation in professional organizations that track industry change and growth. For textile professionals, “The Fiber Society” (FS) presents semiannual technical conferences, such as the one recently held in St. Gallen, Switzerland.

St. Gallen, the gateway to the Appenzell Alps, is an historic city (founded circa 612 CE) in eastern Switzerland and home to the Swiss Federal Laboratories for Materials Science & Technology (EMPA), which hosted this spring’s FS Technical Conference last May. The event was attended by some 200 delegates representing 20 countries, including representatives from major universities, governmental agencies, and industry. U.S. government agencies represented at the event included the National Institute of Standards and Technology (NIST), the US Army Natick Soldier Systems Center, and CBP Laboratories and Scientific Services.

Founded in 1941, FS is a non-profit professional organization for the “advancement of scientific knowledge pertaining to fibers, fiber-based products, and fibrous materials.” FS membership is international, representing diverse disciplines, including chemistry, physics, and engineering, and emphasizing fiber science and technologies. The society sponsors two technical conferences annually, a lectureship program, and an awards program including an annual student paper competition.

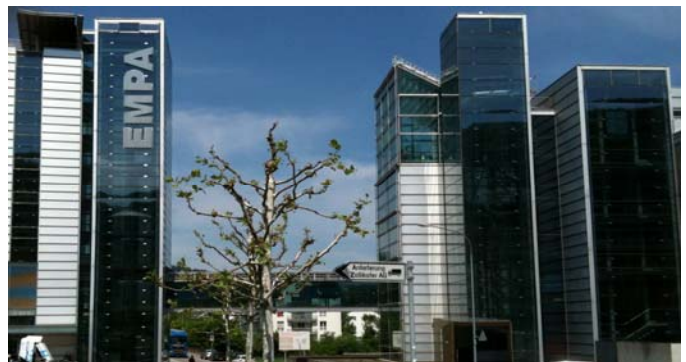
This year’s three-day conference theme was “Fiber Research for Tomorrow’s Applications.” Topics ranged from fiber development and new materials for fibers, to electrospinning and fiber-related nanotechnology, textile coating and finishing, medical textiles, smart fibers/textiles, and protective clothing.

Titles of the five keynote speeches illustrate the range of current textile research areas:

- The Contribution of Biotextiles to Human Health
- Textile Electronics—Flexible Circuits
- R & D Needs for Advanced Fibrous Compositions in Construction
- Inspired by Nature: Proteins in Biopolymers for Fiber Applications
- Modeling of Thermal Comfort: From Microscale to Macroscale

St. Gallen has deep ties to the textile industry. From the 15th century, St. Gallen was a center of linen production and later pioneered the mechanization of textile production, including development of early automated embroidery machines. Its modern textile industry is internationally renowned for embroidered fabrics, much prized by Paris design houses. EMPA is a component of the Swiss Federal Institute of Technology (ETH) Domain, comprising two national polytechnic universities, four research institutes (EMPA is one), and four competence centers. EMPA specializes in interdisciplinary materials science pertaining to textile-related research areas including clothing physiology, personal protective systems, functional fibers and textiles, biocompatible materials, materials and image modeling, and technology risk evaluation.

Armed with knowledge of the latest industry trends, CBP staff scientists continue to provide quality scientific support and analytical services to our colleagues in the field who draw upon laboratory analysis when making classification decisions.



2012 Fiber Society Spring Technical Conference,
St. Gallen, Switzerland.

Photo: J.R. Gerde

