



The Foreign Trader

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The Benefit of the CEEs - An Update on CBP's Centers of Excellence and Expertise

In October of 2011, U.S. Customs and Border Protection (CBP) announced the launch of two Centers of Excellence and Expertise, otherwise known as CEEs. The CEEs were originally designed to help further facilitate trade for trusted partners in the ISA and C-TPAT programs by building a centralized team dedicated to specific industries, which focused on risk management and trade outreach.

The first two CEEs were the Pharmaceutical CEE based in New York City, NY, and the Electronics CEE based in Long Beach, CA. In May of 2012, two additional CEEs were added: one for the Automotive and Aerospace industries, and for the Petroleum, Natural Gas and Minerals industries. When the CEEs first began, many companies found that they were "enrolled" in the CEE, essentially without a choice. The August 28, 2012 federal register notice, however, provided for an application process that all participants must go through, even if they were active previously. CBP's goal, as indicated in the notice, is to "incrementally transition the operational trade functions that traditionally reside with the ports of entry until they reside entirely with the CEEs." Essentially, the CEEs will become your central point of contact for all things related to your industry and your import activity: classification, valuation, protests, rulings, clearance assistance, requests for information and notices of action, intellectual property protection and other such things. CBP continues to add staffing to the CEEs, and some expect to grow significantly within the next 6 months to one year. The teams will be anywhere from double to triple the size of current staffing, and importers will be relieved to know that the CEE program is permanent.

In speaking with current CEE participants, BPE Global has learned that companies are benefiting significantly from the centralized intellectual property rights protection work, as well as from having a central team where they can focus their Customs outreach and training. Many companies cited that they successfully utilized the CEE team when there were disputes among ports, or simply when they had a delay in clearance. Although the CEEs do not yet have fixed members from other government agencies, the intent is to have representatives from agencies such as the FDA, to assist with OGA holds. The Pharmaceutical CEE indicated they are in the final stages of securing this resource. Overall, the word on the street is that although the CEE program still has a ways to go to continue improving, importers are finding benefits from this approach and are eager to participate!

So, how can you get involved? The eligibility criteria for the test program are pretty simple: importers must have a majority percentage of imports within the product classifications identified for each CEE,

and must also have an ACE portal account. Specific chapter headings are provided in the Federal Register Notice. While being eligible to apply is pretty open, selection is a little more specific. Priority is currently given to those importers who are C-TPAT Tier 2 or 3 members, and who are members of the ISA program. Essentially, the CEEs have stated that it will be up to Headquarters to decide if companies are allowed in who are not C-TPAT and ISA participants, but there is a commitment by Customs to find ways for importers to become "trusted partners" beyond just being a member of the ISA program.

Although the CEE test kicked off on October 12th, additional participants may be allowed throughout the duration of the test. It is not too late to consider applying, if you think your company may benefit! But keep in mind that CBP currently has limited staff in the CEEs, so there is a significant benefit to applying earlier than later. There have been indications that selection may be limited initially to ensure that CBP can handle the existing member's activities.

If you do decide to move forward with participating in the CEEs, consider some tips from companies who have participated in the CEEs to date, and from CBP directly, to get the most out of your participation:

- 1) Communicate, Communicate, Communicate! It pays off to take the time to do outreach with your CEE team to make sure they know who to communicate with inside your company, and so that they have a chance to fully understand your products and your import activity. With this new structure, Customs has really opened the door to being able to learn about your company's business; not just about how to classify your products. Take advantage and share with them your business models and decision making in supply chain areas, such as sourcing, to help smooth the road ahead when questions arise that could be avoided with some basic but broader understanding.
- 2) Partner with Customs - CBP encourages you to speak up if you have suggestions for improvements, or feedback on impact to your business.
- 3) Ensure you have a clear escalation path established both for within your company, and within Customs, should difficulties arise.
- 4) Don't forget your broker! Be sure to involve your broker as you prepare to participate in the CEEs so that they understand what changes might be required, such as providing a copy of the entry documents to the CEE versus the port.

And a recommendation from both industry and customs...

- 5) Be Patient! Everyone is learning as they go through this experiment. Be patient with Customs as they come up to speed, and remember to keep a clear and open line of communication so that you understand what is really needed, why, and then use that information to make the most of your participation in this program.

Article Courtesy of Jennifer Wade at BPE Global