



# **Department of Homeland Security**

## **U.S. Customs and Border Protection (CBP) Outbound Issues Webinar**

**Office of Trade Relations Point of Contact:  
Steven Graham, International Trade Liaison**

**Office of Field Operations Points of Contact:  
Steven Stavinoha, Director, Outbound Programs,  
Cargo & Conveyance Security**

**Robert Rawls, Outbound Program Manager  
Carla D'Onofrio, Outbound Program Manager**

**Office of International Trade Point of Contact:  
Susan Terranova, Esq., Attorney/Advisor, Regulations & Ruling**



# Other US Government Agency Roles

- **Directorate of Defense Trade Controls (DDTC), State Department - U.S. Munitions List (USML).**
- **Bureau of Industry and Security (BIS), Commerce Department - dual-use and high-tech commodities (the Commerce Control List, or CCL)**



## **Other US Government Agency Roles (cont'd.)**

- **Bureau of Census, U.S. Department of Commerce reports export statistics.**
- **Other Involved Agencies: Office of Foreign Assets Control (OFAC), Treasury Department - sanctions and trade embargoes.**



## **Other US Government Agency Roles (cont'd.)**

- **Drug Enforcement Administration (DEA) - precursor and essential chemicals.**
- **Immigration and Customs Enforcement (ICE) - investigations for export enforcement.**



# What is the Role of CBP for Exports?

- **To enforce other U.S. Government agency laws and regulations.**
- **Inspect and examine cargo, passengers and export documentation.**
- **Interdict unreported currency, stolen vehicles, and other illegal exports.**



## **What is the role of CBP with export enforcement?**

- **Border search authority.**
- **Physical location at the borders.**
- **Authority to inspect, search, detain and seize goods being exported without the proper authorizations.**



# What is the Role of CBP for Exports?

- **Preventing terrorist groups, rogue nations and other criminal organizations from obtaining U.S. Munitions List (USML), Commerce Control List (CCL) commodities.**
- **Enforce sanctions and trade embargoes.**
- **Increase export compliance**



# Revisions to Title 15 CFR Part 30

- **Mandatory filing of export information through the Automated Export System (AES) or through *AESDirect*.**
- **Effective date was July 2, 2008; Enforcement date is September 30, 2008.**
- **Increased penalty maximum/higher mitigation.**
- **CBP has been delegated the authority to issue penalties for violations of the FTR. CBP may issue a penalty to *any* party that caused the violation.**





## Revisions to Title 15 CFR Part 30 (cont'd.)

- **Penalties will be issued at \$10,000 for the failure to file EEI (if required) in AES or the filing of incorrect or incomplete EEI. For late filing of EEI, or late filing of the complete manifest by carriers who file incomplete, a penalty in the amount of \$1,100 per day late, up to a maximum of \$10,000, will be issued to these parties.**
- **The penalties issued will be mitigated in accord with the mitigation schemes set forth in CBP Decision 08-50, which was published in the Customs Bulletin on January 2, 2009 (Customs Bulletin and Decisions, Vol.43, No. 2)**



## Revisions to Title 15 CFR Part 30 (cont'd.)

- **The timelines provided for in the Trade Act of 2002 will apply to the advance filing of export information filed in the AES or *AESDirect*.**
- **Depending on the mode of transportation, data will need to be provided in advance to the carrier within specific timeframes.**



## Filing of the Electronic Export Information (EEI)-19 CFR 192.14

- **Shipper Requirements**
  - File via the Automated Export System (AES).
  - Receive AES Acceptance in the form of the Internal Transaction Number (ITN).
  - Provide the ITN, AES post-departure filing statement or AES exemption statement to the carrier when the cargo is delivered to the carrier.
- **Carrier Requirements**
  - Do not load any cargo without the ITN, the AES post-departure statement or the AES exemption statement.
  - Place the ITN on the Cargo Manifest.



# EEI Timeframes

- The time frame varies according to method of transportation for predeparture filing.
- For **non-USML** shipments, file the Electronic Export Information (EEI) as follows:
- Vessel cargo - **24 hours** prior to loading cargo on the vessel at the U.S. port where the cargo is laden.
- Air cargo - **2 hours** prior to the scheduled departure time of the aircraft.
- Truck cargo, - **1 hour** prior to the arrival of the truck at the United States border to go foreign.
- Rail cargo - **2 hours** prior to the time the train arrives at the U.S. border to go foreign.
- Mail - **2 hours** prior departure of exporting carrier.
- Pipeline - **within 4 calendar days** following the end of the month.



# EEI Filing Timeframes (cont'd.)

- For **USML** shipments, file the Electronic Export Information (EEI) as follows:
- Vessel cargo- **24 hours** prior to loading cargo on the vessel at the U.S. port where the cargo is laden.
- Rail cargo - **24 hours** prior to the time the train arrives at the U.S. border to go foreign.
- Truck cargo - **8 hours** prior to the arrival of the truck at the United States border to go foreign.
- Air cargo - **8 hours** prior to the scheduled departure time of the aircraft.



# CBP's Approach to Export Enforcement

- **Risk Management based targeting**
- **Specially trained personnel**
- **Advanced automated information**



# **CBP's Approach to Export Enforcement (cont'd).**

- **Document Review:**
  - **Invoice, packing list, manifest, master and house bills of lading/airway bills, license & license exemptions, other shipping documents.**
- **Automated Systems to screen for high risk shipments.**



# Top Errors on EEI

- **15 CFR 30.6** – Electronic Export Information (EEI) data elements.
- **15 CFR 30.4** – EEI filing procedures, deadlines and certification statements.
- **15 CFR 30.47(b)** – Clearance or departure of carriers under bond on incomplete manifest. (All required filing citations, exclusion and/or exemption legends are not filed by the carrier within the period provide by the bond).
- **15 CFR 30.2** – General requirements for filing the EEI.
- **SPECIFIC ERRORS NOTED:**
- Wrong port of export; incorrect date of departure; incorrect consignee; incorrect values on export merchandise; no or incorrect carrier identification; incorrect Schedule B Number; failure to amend the AES record when changes become known to the filer.





# **Detentions/Seizures: A 5 Step Process**

- 1. Port Inspection & Detentions –examine export documents.**
- 2. Referral to the appropriate Regulatory Agency – CBP officer forwards the relevant shipment information to the appropriate regulatory office for review and a licensing determination.**



# **Detentions/Seizures: A 5 Step Process**

- 3. Licensing Determination Made – The regulatory agency makes a determination on the detained merchandise and provides CBP with the information.**
- 4. The port is notified with the necessary information concerning the licensing determination.**
- 5. Release or Seize – The CBP Officer then notifies the exporter of the determination and either releases or seizes the merchandise.**



# Common Reasons for Detention/Seizure

- **The absence or late filing of the Electronic Export Information in the Automated Export System (AES). Late filing of AES commodity data subjects the shipment to seizure. CBP has found that many times the USPPI has submitted the information to a third party for completion of the AES transmission. The third party, in turn, “batches” the transactions and they are filed on a daily basis. This process causes the AES filing to be either not in the system or late.**
- **If the commodity has been declared as under \$2500 and invoicing or other documents show that it clearly is over \$2500, the cargo is subject to seizure.**
- **Exporters who fraudulently declare cargo as under \$2500 in order to avoid completing AES filing will be referred to fraud investigators for criminal prosecution.**



# Common Reasons for Detention/Seizure

- **Claiming an ITAR exemption rather than getting a Department of State License.**
- **Failure to file AES on USML goods.**
- **Failing to obtain DSP-61 licenses for USML in-transit movements through the U.S.**
- **Paperwork for a licensed commodity is not transmitted within the correct time frame and the commodity is at the dock.**
- **Failure to claim a license or license exemption.**
- **Parties to the movement of the cargo not listed on the license.**



# Common Reasons for Detention/Seizure

- **Indicating a license on the EEI that has nothing to do with the shipment.**
- **For licensable cargo, using a forwarder that is not an approved freight forwarder.**
- **Exporters using the ITAR exemptions in situations where they do not apply.**
- **Using the AES Canadian exemption on CCL/USML exports.**
- **Failing to submit AES filing on DSP 61/ 73 exports.**
- **Failing to submit ECCN # on AES submissions.**
- **Submitting the wrong mode of transportation.**



# Best Practices

- **AES Transmission and export documentation should match the AES transmission, commodity description(s), invoice(s) and packing slip(s).**
- **Respond quickly to FP&F notices of seizure; delayed responses can be costly.**
- **Correct problems as quickly as possible.**
- **Use the Correct Port Code - If the commodity reaches the dock and the AES transmission cannot be located for that port the shipment can be seized.**



# Best Practices

- **Voluntary Disclosure of items to be exported that were not properly imported – CBP Form 7523 and Disclosure Statement from the State Department**
- **Census Regulations violations sometimes are technical issues; exporters or their agents should ensure that documentation and AES filings are completed correctly.**



# Department of Homeland Security

**QUESTIONS?**





# **Department of Homeland Security**

## **U.S. Customs and Border Protection**

**Office of Field Operations Points of Contact:**

**Robert Rawls 202-344-2847**

**Carla D'Onofrio 202-344-1196**

**Cynthia Oliver 202-344-3277**

**Office of Regulations & Rulings –**

**Office of International Trade Points of Contact:**

**Susan Terranova – 202-325-0009**

**Christopher Pappas – 202-325-0109**