



U.S. Customs and Border Protection

LESSONS FROM CBP SUMMIT

BY ALEJANDRA MADRIGAL

CBP held its Trade Facilitation and Cargo Security Summit in Philadelphia. The sold-out event brought together government representatives and the trade community including a key note speech by the United States Secretary of Homeland Security Alejandro Mayorkas. There were two recurring threats that were highlighted throughout the conference: fentanyl and de minimis shipments. The common theme to combat these threats was to know your supply chain.

CTPAT

CTPAT continues to be CBPs leading program to combat foreign threats in partnership with the trade. Several breakout sessions focused on becoming and maintaining CTPAT membership.

CBP is currently looking at the possibility of expanding benefits to members.

While a lot was said about how to gain and maintain membership, it can easily be summarized in three takeaways:

- 1) Have written processes in place.
- 2) CTPAT is an every day program not an program you only work on the week of revalidation.
- 3) Know your supply chain.

DE MINIMIS CHALLENGE

In 2023 the US processed more than 1 billion de minimis shipments, most of which came through Los Angeles and New York. TCBP does not have the resources to effectively screen every single one of these shipments, that are sometimes used to move fentanyl, money and guns among other contraband. Last year de minimis accounted for 90% of all narcotics seized by CBP, forcing them to look toward changing statutes to help with enforcement.





PRIORITIZING FORCED LABOR

Combating Forced Labor continues to be one of CBPs priorities.

Under UFLPA the US government continues to analyze at risk commodities and entities in order to guide enforcement.

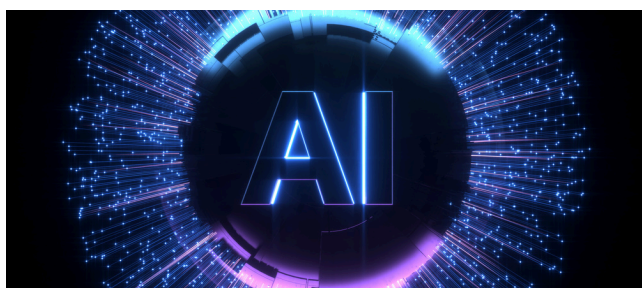
AI A GAMECHANGER

In a not too distant future AI will be incorporated in most activities. For example, it will be used to generate and review documents for international trade.

Currently CBP gathers large amounts of data but does not have the capability to analyze all that data. That will change with AI and machine learning. AI is an extremely useful tool to aid in enforcement since it can more effectively detect anomalies, allowing CBP to enhance its risk-based targeting. AI can also identify patterns and provide insights into how regulation needs to change.

In the area of cybersecurity, AI can analyze network traffic to prevent data breaches.

AI is already being used by CBP to train officers charged with interviewing those seeking asylum in the US.



FOCUS ON SUSTAINABILITY

It was telling to see that there were more than one breakout sessions related to sustainability.

While some countries are more advanced than others in this area, it is clear that sustainability regulation will increasingly be one of the elements that must be incorporated into global trade.

Regulations like CBAM (Carbon Border Adjustment Mechanism) currently only covers a small fraction of trade items between the US and EU, but will impact more sectors as it expands.

One of the major challenges is harmonization. All agree there needs to be a standard for reporting emissions globally. At the end of the day, however, you can't reduce what you can't measure, so implementing a strategy to begin measuring your company's carbon footprint is critical.

MAIN TAKEAWAYS

CBPs main objectives when it comes to international trade is to be able to facilitate the flow of goods while being able to stop drugs (mainly fentanyl) and combat forced labor.

To do this they need the support of the trade community, this is where their flagship program, CTPAT, becomes a key element to reach their objectives.

In addition AI and sustainability are new elements that will have a big impact in regulation and enforcement.

alejandra@centipid.com