

# FIATA

Schaffhauserstrasse 104, P.O. Box 364, CH-8152 Glattbrugg, Switzerland  
Tel. +41 (0)43 211 65 00, Fax +41 (0)43 211 65 65  
E-Mail bloch@fiata.com, Internet http://www.fiata.com



**CUSTOMS AFFAIRS INSTITUTE**

**Doc. CAI/127**  
**2012-11-16**

To: Delegates, Customs Affairs Institute

cc: Extended Board  
Honorary Members of the Board  
Honorary Members of FIATA  
Association Members  
CLECAT

From: Daniel Bloch, Manager Customs Affairs Institute,  
on behalf of Stephen Morris, Chairman Customs Affairs Institute

Subject: **MEETING OF THE CUSTOMS AFFAIRS INSTITUTE**  
Tuesday, 9 October 2012, Hyatt Regency Century Plaza, Los Angeles, USA

---

**Praesentia as per Annex I**

## **Minutes**

### **1. Opening and welcome**

The Chairman welcomed the delegates and thanked the hosting organisers The Transportation Intermediaries Association (TIA), and the National Customs Brokers & Forwarders Association of America, Inc. (NBCFAA) and FIATA for their cooperation and work done in preparing this Congress. He thanked the speakers for joining the panel and introduced them: Ms Brenda Smith, US Customs and Border Protection (USCBP) and Mr Gaozhang Zhu from the World Customs Organization (WCO). He also introduced to the meeting the Customs Affairs Institute (CAI) Manager Mr Daniel Bloch. Apologies were received from the CAI Deputy Chairman Mr J.F. Auzéau.

The Chairman gave a short introduction as to the work of the CAI to raise the awareness of some first time participants and explained that CAI looked at all interface issues relating to border interdiction covering areas of customs and border protection, biosecurity, finance and revenue, community health and security obligations, as well as other issues such as intellectual property rights. He explained that CAI therefore interfaced with all other FIATA Institutes and Advisory Bodies.

The Chairman referenced his comment in the FIATA annual report:

*"In essence the CAI is an information repository for FIATA members as to international developing trends, directions and observations on customs and related matters. In this regard CAI works on behalf of members through the WCO and as well through the Private Sector Consulting Group and other industry forums.*

*It should be noted that the CAI is a resource base within FIATA for its members and members are commended to work with the Institute in providing information and direction on the variety of customs related matters. "*

The Chairman drew delegate's attention to the FIATA anti-trust law requirements which had been made available in the Agenda to the meeting and displayed at the commencement.

**Statement from FIATA regarding Correct Behaviour under Anti-Trust Law**

"FIATA policy strictly prohibits any discussion or other communication the purpose or effect of which is to set prices, allocate markets or customers, engage in tying arrangements or refrain from purchasing any goods or services from any particular supplier or vendor. It is mandatory that you familiarize yourself with FIATA's written antitrust policy which the secretariat has made available to all participants."

**2. Approval of the Minutes of the Meeting in Zurich, 17 March 2012.  
(Doc. CAI/124)**

The Minutes having been previously circulated were tabled. No comments had been received by the CAI Secretariat before the meeting. The Chairman asked whether there were any issues with the Minutes for discussion. As there were none, the Minutes were approved and accepted.

**3. Chairman Report on CAI**

The Chairman provided commentary on CAI involvement in issues relating to international customs affairs and as to how these issues might impact the life and work of FIATA members, either as Association Members, or as Individual Members in them providing services in international trade logistics and supply chain management. He also noted how these international issues were being reflected in national customs administrations.

**New Developments at the WCO - FIATA**

**WCO Key Topics**

The Chairman also highlighted key working issues for the WCO and FIATA.

- SAFE Working Group/Private Sector Consultative Group (PSCG)
- Data Model Project Team (DMPT)
- Cargo Targeting System (CTS)
- Globally Networked Customs (GNC)
- Capacity Building and
- areas of Special Importance for FIATA

After addressing CAI involvement in these topics over recent months, the Chairman stated that considerable work had been done, was being done, and would continue be done to support FIATA members.

He mentioned that CAI had been fortunate to have in the WCO interface the support of CLECAT and in particular CLECAT's Mr Marc Van den Perre who was an important technical advisor on many of these key issues.

*Annex II contains a pdf file with slides referencing the Chairman's report.*

**4. Key Note address: International Customs Facilitation and Compliance**

The Chairman introduced Mr Gaozhang Zhu, Director of Compliance and Facilitation at the Directorate of the World Customs Organisation. He acclaimed Mr Zhu for not only his impressive f academia qualifications, but also for his work in the WCO which would bring

insight from an international perspective to the session as to the twin aspects of compliance and facilitation. Mr Zhu's presentation is contained at Annex III

The Chairman thanked Mr Zhu and in relation to key aspects raised noted the effort FIATA had expended on the WCO on the basis that the international freight forwarding industry was looking for the movement of goods around the world, based on uniformity, consistency and transparency in regulatory process. He went on to say that the only way this would occur was not through bilateral arrangements, between economies or customs administrations, but through multilateral outcomes in international governmental organizations where these matters could be discussed.

He stated that in terms of agriculture, quarantine and health in international trade there was no equivalent to the WCO and that the WCO played a pivotal role in bringing customs administrations together to deliver outcomes especially as customs administrations played a vital role in the implementation of government policy as to fiscal matters, border protection and other border interdiction processes.

##### **5. Key Note address: United States Customs and Border Protection Trade Policy Initiatives**

The Chairman moved the focus from the international to the national perspective by introducing Ms Brenda B. Smith, Executive Director for Trade Policy and Programs Office of International Trade, United States Customs and Border Protection (USCBP).

Ms Smith extended her thanks for having been invited to address the delegates and welcomed the delegates to the United States. She expressed her thanks for the opportunity to show the undertakings of USCBP over the previous 24 months and she would address how USCBP had taken the concepts mentioned by Mr Zhu, and put them into practice.

Ms Smith highlighted that USCBP saw its role as critical to global economic competitiveness especially in light of the current economic situation. She explained that all customs administrations had an opportunity to assist trade as being the first at the border and their involvement in the trade flow that could be impacted in either a positive or negative way to support national and global economic arrangements..

The US CBP had recognized this role and had worked to drive efficiency and predictability through the supply chain. Ms Smith noted the Chairman's thoughts on uniformity, transparency and consistency for the trade. She stated that these values had been identified when USCBP first started the process of transformation from how business was done to how business would be done in 2020. Ms Smith stressed, as Mr Zhu had mentioned, the need for international standards and their harmonization.

She noted that international freight forwarders were conducting business on a daily basis with hundreds of partners around the world and that one of the concepts that US CBP was addressing was to identify the key points of contact between the US and their international trade partners so that they could be sure to speak with a similar, if not one voice, in pursuit of identical objectives.

Ms Smith advised that she aimed to demonstrate how the USCBP fits into the above arrangements. She commented that the US was one of the very first Federal US agencies formed (1789) and at the time its primary goal was revenue protection, however over time the agency had become a key player as a protector of US borders.

She explained that after the events of September 11<sup>th</sup>, USCBP had been established as an integrated border management agency in 2003 and over the ensuing 10 years it had focussed its efforts on:

1. Use of advance data to segment risk i.e. - Secure Freight Initiative, Container Security Initiative, Trade Partnership Programme (CTPAT)

2. Combined advanced data use with its use of partnerships to segment low risk trade and traders from high risk or unknown trade and traders.
3. Integrated trade and security plans or programs as it gained better understanding that trade facilitation and trade security are integrally linked.
4. Harmonized work with the WCO and their other bilateral and multilateral partners.

Ms. Smith presentation on Trade Transformation - CPB initiatives for 21<sup>st</sup> Century Trade is attached in

#### **Annex IV**

Additional information is available on <http://www.cbp.gov/xp/cgov/trade/>

The Chairman thanked Ms Smith and aligned what she had said with a comment noted earlier at another session where another USCBP official said:

*“We (USCBP) have moved from being the regulator, telling you how you will do your business, to asking you now to help us in the outcomes of our industry.”*

He noted that in most economies since 2001, there had been a movement toward *“we are the regulator and we would like to have you with us to share the responsibility in terms of border issues and those types of arrangements.”*

The Chairman concluded that Mr Zhu and Ms Smith had provided views as to the opportunities from internationally agreed positions to be applied to national outcomes, business requirements and regulators needs.

Mr Zhu noted that the WCO had witnessed a shift in business requirements for those in international trade logistics and supply chain management and that within the WCO (seen as the United Nations of customs administrations), there were groups of administrations who were working vigorously on key projects, while other others took a different approach to see what outcomes would be beneficial for their specific administration or economy without any significant intervention..

The Chairman also suggested that perhaps some of the changes being implemented by the USCBP could move the US Government away from 100% scanning of sea-freight. and noted intelligence based risk assessment could overcome the desire to check everything, since 100% scanning was not an efficient or even effective method to meet security issues.

The Chairman suggested that due to time constraints any questions could be taken out of session with the presenters as they would be available during the following days.

#### **7. Other business**

None.

#### **8. Next meeting**

The Chairman announced that the next meeting would take place on Saturday, 16 March 2013 from 10:30 – 11:45 at the Swissôtel in Zurich.

The Chairman also announced that the FIATA Headquarters Session in Zurich, Switzerland would take place from 14-17 March 2013.

#### **9. Meeting closure**

The Chairman thanked the speakers for their input and the delegates for their attention.