

Linda M. Dempsey

Vice President

International Economic Affairs

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The Honorable R. Gil Kerlikowske
Commissioner
U.S. Customs & Border Protection Agency
1300 Pennsylvania Avenue, NW
Washington, DC 20229

Dear Mr. Kerlikowske:

As you move to develop the International Trade Data System (ITDS) and deploy the Automated Commercial Environment (ACE), the National Association of Manufacturers (NAM) urges you to ensure that availability of post-departure filing (Option 4) is retained for eligible companies. The NAM is the largest manufacturing association in the United States, representing manufacturers in every industrial sector and in all 50 states. Its membership includes both large multinational corporations with operations in many foreign countries and small and medium-sized manufacturers. International trade is vital to the success of domestic manufacturing, as exports constitute more than 20 percent of U.S. manufacturing production and already help support over seven million jobs according to the U.S. Department of Commerce.

In January 2011, the U.S. Census Bureau proposed changes to the Foreign Trade Regulations (FTR) that would have eliminated the availability of so-called "Option 4" post-departure filing for most manufactured goods exporters and would have imposed reporting of additional data elements. At the time, the NAM noted that such changes would have a significant negative economic impact on manufacturers in the United States, particularly large-scale exporters that process exports for thousands of low-risk commodities to low-risk countries each month. That is still true today. Retaining post-departure filing for eligible businesses would have a positive impact on exports by alleviating potential business interruptions for companies – in keeping with the objectives for ITDS laid out by President Obama in his Executive Order on "Streamlining the Export/Import Process for America's Businesses" earlier this year.

The NAM recognizes and strongly supports U.S. government efforts to bolster border security, and NAM members have dedicated millions of dollars and considerable personnel hours to strengthening their supply chain security practices. The NAM and its member companies have worked cooperatively with U.S. Customs and Border Protection (CBP) for many years in developing and implementing programs that provide the CBP with accurate advance information about their supply chains and their security procedures, through initiatives such as the Customs-Trade Partnership Against Terrorism (C-TPAT) and the Importer Security Filing (ISF).

Large-scale exporters include some of the largest manufacturers in the United States, whose individual annual exports top hundreds of thousands of shipments valued at billions of dollars. These companies utilize complex supply chains to produce, consolidate, ship and deliver components and finished goods to customers internationally by land, sea and air. Companies already maintain finely-developed processes to respond to varying customer

requirements while remaining in compliance with export regulations. On-time order delivery is crucial to modern manufacturing companies in a global economy and important for manufacturers in the United States to be able to boost their export sales. Just-in-time delivery systems and global supply chains mean that the utmost flexibility is required for AES filing and reporting processes for low-risk commodities to low-risk countries.

The current post-departure filing rules facilitate customer-responsive business practices by allowing freight to move in real time. Businesses are able to move freight and meet the need for any last-minute changes such as what is shipped, the mode of transportation and the port of export. Post-departure filing enables U.S. exporters to comply with regulatory requirements to transmit only accurate trade data, as the actual shipment details are known and transmitted at the time of filing.

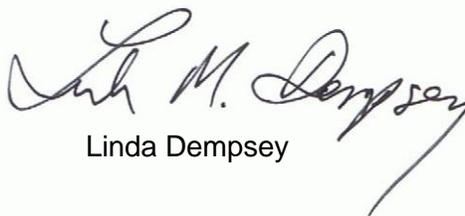
The U.S. government rightly recognized several years ago that imports from unverified sources are the greatest risk to security; in response, it created the C-TPAT program, a very successful initiative in which importers partner with the government to secure their internationally sourced supply chains against the smuggling of materials that would pose a security risk to the United States. In contrast, the post-departure filing for exports by most companies poses little risk to the United States. Licensed shipments and shipments to specified countries are already required to be pre-reported; there would be little to gain by requiring the pre-reporting of other shipments, which make up the bulk of exports. Higher-risk commodities, licensable shipments and shipments to specified countries already require export approval prior to departure.

Enhancing security and improving U.S. economic competitiveness, expanding commercial trade flows and encouraging U.S. exports are not mutually exclusive goals – as highlighted most recently by CBP with the announcement of testing for a Trusted Trader program in collaboration with the U.S. Consumer Product Safety Commission (CPSC) and the U.S. Food and Drug Administration (FDA). Greater collaboration between the U.S. government and the large volume exporters that the NAM represents will free up CBP's limited resources to scrutinize less-vetted supply chains.

The NAM urges CBP to work collaboratively with large-scale, high-volume exporters to maintain the current post-departure filing system as ACE and ITDS are deployed over the coming months. We are active partners with the Border Interagency Executive Council (BIEC), and we look forward to working with CBP and its partner agencies toward the goals established by the "Streamlining the Export/Import Process for America's Businesses" Executive Order.

We stand ready to support you as CBP works to carry out an ambitious timeline for ITDS development and ACE deployment, and we would appreciate the opportunity to meet with CBP's Office of International Trade in the coming weeks to discuss this issue in more detail.

Sincerely



Linda Dempsey