

CORRECTED: Export security program could trip exporters

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CORRECTED: U.S. Customs and Border Protection soon may issue a proposed rule on a new cargo security program for exports that could create headaches for agricultural exporters.

Begun in late 2001, the Customs-Trade Partnership Against Terrorism was initially implemented in response to a Congressional mandate after the Sept. 11, 2001 terror attack that the U.S. should have advance notice on what the U.S. imports and exports.

The focus was first on imports. From only a handful of companies participating in 2001, the U.S. Customs and Border Protection agency now reports more than 10,000 companies accounting for more than 50% of imported goods are voluntarily participating in CTPAT. Participation in the program is supposed to result in expedited arrivals and fewer intensive examinations.

Now CBP is looking to create a similar supply chain security CTPAT program for exports, but Peter Friedmann, executive director of the Washington, D.C.-based Agriculture Transportation Coalition, said the agency has much to learn about agriculture exports.

"There are a couple of problems," he said. "Customs has almost 300 years experience with imports, but they have no experience with exports," he said. While two weeks advance notice for imports may work because a vessel can be en route that long from South America, two weeks

advance notice of shipments won't work for U.S. exports like citrus, raspberries, strawberries, broccoli and other perishable commodities.

Friedmann said another issue is that agricultural exports are in production facilities and fields that can't be surrounded with chain link fences. Customs officials have had some difficulty understanding that the same safeguards in place at a factory won't work for a field of potatoes.

He said CBP has an advisory committee but so far the committee has primarily been composed of industrial exporters, with no representation from agriculture or the forest product sector.

"We are working, with some of the freight forwarder organizations, to help advise Customs as to the reality of the export supply chain," Friedmann said. He said the CPB's proposed rule on export cargo security is expected to appear soon and industry wants to make sure any new regulation does not hinder exports.

In response to U.S. regulation of imports, other countries also have begun to require advance shipping information from U.S. exporters. The list of those countries includes China, the European Union and Japan, Friedmann said.

Japan's regulations require that, 24 hours before a ship departs the U.S., the shipping line has to electronically transmit all the U.S. export data to Japanese authorities, including the cargo seller, the Japanese buyer, the destination of the shipment and other details.

Shipping lines want the information from exporters even earlier so they won't have to disrupt their cargo plan if Japan rejects a shipment.

That's already a strain on perishable exporters, he said, and adding a CTPAT secure supply chain program for exports may prove damaging, he said.

There has never been a known instance where U.S. agriculture exports have created a security risk to other countries, Friedmann said.

The benefits of participation in the export security program are unclear, he said.

"What they are now selling to us is that if you are CTPAT certified, these other countries like Japan, China and European Union will respect that and give you expedited inflow into those countries," he said.

That message has not yet come from those countries, however, he said.

Friedmann said the regulation on exports could perhaps be the greatest impediment to achieving President Obama's objective of doubling exports, adding the CBP needs to enhance efforts to understand exports and reach out to the trade and understand agriculture and forest product exports.

The Agriculture Transportation Coalition's annual meeting on June 25-27 in San Francisco will feature U.S. Customs and Border Protection officials talking about the program. An agenda for the meeting can be found at the [group's website](#).

NOTE ON CORRECTION: *The original story had the wrong date for the inception of the CTPAT program.*