

June 20, 2023

Seth Renkema
Chief, Economic Impact Analysis Branch
U.S. Customs and Border Protection
Office of Trade
Regulations & Rulings
90 K Street NE – 10th Floor
Washington, D.C. 20229-1177
Email: CBP_PRA@cbp.dhs.gov

U.S. CUSTOMS & BORDER PROTECTION
DOCKET NO. USCBP-1651-0022
REVISION OF ENTRY COLLECTION INFORMATION

I. Introductory Comments on CBP's Notice of Public Meeting

The National Customs Brokers & Forwarders Association of America, Inc.'s ("NCBFAA") submits the following comments to the Department of Homeland Security ("DHS"), Customs and Border Protection ("CBP") in response to the CBP's Notice for Comments ("Notice") published in the Federal Register at 88 Fed. Reg. 24,203 (April. 19, 2023).

Headquartered in the Washington DC metro area, the NCBFAA represents more than 1,200 member companies with 110,000 employees in international trade - the nation's leading freight forwarders, customs brokers, ocean transportation intermediaries (OTIs), NVOCCs and air cargo agents, serving more than 250,000 importers and exporters. The Association's members handle more than 97% of the entries for goods imported into the United States and are directly involved with the logistics of these goods. Further, members operating as OTIs are involved with approximately 80 to 85% of all exports from the United States.

II. Comments on CBP's Notice of Proposed Rulemaking

In its Notice, CBP is proposing to add the following required data fields to the CBP Form 7501. These include:

- For certain HTS classifications of steel, the country where the steel used in manufacture was melted and poured (e.g., the original location where the raw steel is first produced in a steel-making furnace in a liquid state and then poured into its first solid shape).
- For certain HTS classifications of aluminum, the countries where the largest and second largest volume of primary aluminum in the manufacture of the aluminum product was smelted and the country where the aluminum used in the aluminum product was most recently cast (e.g., the country where the largest volume of new aluminum metal is produced from alumina).
- The steel country of melt and pour and aluminum countries of smelt and cast for imports under those steel and aluminum HTS classifications subject to the Commerce Department's steel and aluminum import license applications, and where applicable, the Section 232 steel and aluminum measures.



CBP explains that the data fields will substantially align the CBP Form 7501 reporting requirements with the Commerce Department's existing reporting requirements for steel melt and pour and aluminum smelt and cast countries for steel and aluminum import license applications.

For the following reasons, we respectfully urge CBP to reconsider and withdraw its proposed revisions requiring additional data elements for the 7501.

It is crucial to consider the reasonableness of requiring the trade industry to submit redundant information. The proposed requirements include data elements that are already being provided to the Commerce Department by virtue of their licensing requirements as mentioned in the Notice. These required import license numbers are currently transmitted to CBP as a condition for release. We firmly believe that CBP has an opportunity to streamline the data collection process and retrieve all required information from relevant agencies, such as the Commerce Department. CBP enforces the laws of nearly fifty (50) government agencies, many of which have licensing or permit requirements. CBP's proposed revision to collect license information at the time of entry represents a slippery slope wherein hundreds of other agency licensing or permit information likewise could eventually become required customs entry data elements, making the entry and clearance process much more cumbersome. This runs completely contrary to the objectives of CBP's 21st Century Customs Framework to minimize duplicative data particularly from other government agencies.

The unnecessary duplication of data both in electronic format and through paper-based processes increases resource consumption for both the trade and Customs which also goes against Customs' green initiatives and sustainability efforts. We have previously submitted comments applauding CBP's efforts to embrace practices and policies which align with environmental sustainability goals. The collection, storage, and transmittal of data has both an economic and environmental cost for both CBP and trade. By establishing effective data sharing mechanisms, the need for redundant submissions, including country of source and cast provided in steel and aluminum licenses, could be eliminated. Moreover, it is worth noting that in cases where non-ABI transactions occur, and a steel license is required, CBP already possesses the necessary data from the paper license. Therefore, modifying the 7501 would be redundant, as the information is already accessible through the existing license documentation. We encourage CBP to explore regulatory changes to facilitate this integrated approach.

We also take note that the Notice refers to paper 7501, and we advocate that CBP should not continue to rely on the paper Form 7501 for Automated Broker Interface (ABI) entries. The paper-based approach is archaic and hinders the efficiency of importation processes. Instead, we urge CBP to continue to embrace modern technology and fully transition to electronic submission methods. This transition would significantly reduce paperwork burdens and enable faster and more accurate data exchange between importers and CBP.

In instances where additional non redundant data is deemed necessary, we strongly recommend that CBP effectuate a change in the Customs and Trade Automated Interface Requirements (CATAIR). This change should establish electronic data transmission channels, ensuring that all CBP officers have access to comprehensive information through the Automated Commercial Environment (ACE) system. By relying on electronic data, the need to modify the paper Form 7501 would be obviated, as all relevant information would be readily available through existing electronic platforms.

Lastly, the proposed rule presents a regressive step in terms of automation. As the industry moves towards ACE 2.0, it is imperative to align initiatives with the goal of enhanced automation and streamlined processes without duplicative data. We firmly believe that the proposed rule does not align with these objectives and may hinder progress in achieving a more advanced and efficient trade environment.

III. Conclusion

In conclusion, the NCBFAA respectfully urges CBP to reconsider and withdraw its Notice for additional data elements in the 7501. The data already align with Department of Commerce licensing requirements. Further, it is vital for CBP to embrace electronic data submission methods, address system inadequacies, and foster enhanced communication between relevant agencies. By doing so, we can collectively achieve a modernized importation process that prioritizes efficiency, reduces burdens on the trade industry, minimizes data duplication and aligns with the goals of automation and green initiatives.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jose D. Gonzalez", with a long horizontal flourish extending to the right.

Jose D. Gonzalez
President, NCBFAA

cc:

Sandy Coty, NCBFAA Customs Committee Chair
Ralph De La Rose, NCBFAA Customs Committee Vice Chair
Lenny Feldman, NCBFAA Counsel