

August 22, 2003

The Honorable Robert C. Bonner
Commissioner
United States Bureau of Customs and Border Protection
1300 Pennsylvania Avenue, N.W.
Washington, D.C. 20229

Re: Required Advance Electronic Presentation of Cargo Information

Dear Commissioner Bonner:

On behalf of the Electronic Industries Alliance (EIA), this letter is a response to the proposed rules by the U.S. Department of Homeland Security, Bureau of Customs and Border Protection (CBP), regarding the electronic filing of advance information for inbound and outbound shipments on all modes of transportation.

EIA is a partnership of high-tech and electronics associations composed of more than 2,500 member companies whose products and services range from electronic components to complex systems used by defense, space and industry, including the full range of consumer electronic products. U.S. electronics is a \$430 billion industry that provides 1.8 million jobs for U.S. workers. In 2000, more than one-third of U.S.-produced electronics – more than \$200 billion in goods – were exported.

EIA submitted comments in February 2003, voicing concern on several specific details of the strawman proposals, including unworkable time requirements that would seriously disrupt trade flow and impose burdensome requirements and costs on global businesses. We appreciate the opportunity to provide input prior to CBP undertaking the formal regulatory process for implementing the advance manifest submission requirements imposed by Section 343(a) of the Trade Act of 2002.

CBP clearly listened to the trade community in developing the current proposed rules, which are an improvement over the strawman proposals published in January. However, even with the reduction of lead-times, we are still concerned about changes to the just-in-time inventory system. The sensitivity of business production cycles in the electronics industry requires additional reductions in lead-times.

EIA realizes that enhancing supply-chain security is one of many important initiatives aimed at protecting our nation against terrorism. With this in mind, we make the following recommendations:

1. Clarify Required Data Elements with the Electronic Interchange Data System

CBP should consider a delay in the implementation of final rules until concerns surrounding the electronic interchange data system are adequately addressed. The roles of data elements within the electronic interchange data system need clarification. The trade community needs clarification on how the relationship will affect trade on U.S. borders. In addition, the proposed rules do not specifically address program updates and requirements needed to accommodate all electronic Automated Manifest Systems (AMS) users. For example, how will non-AMS carriers update their automated systems? How will non-AMS carriers effectively fulfill obligations to transmit advance cargo information in the interim?

CBP should outline the necessity of all required data elements. The availability of additional information will streamline the advance manifest filing procedure.

2. Create and Implement a Contingency Plan

Due to recent events in the United States and following the mission of the Department of Homeland Security, in the event of system or power failure a contingency plan is imperative for manual reporting. There is no contingency plan under the proposed rules. In case of an emergency, a contingency plan is essential in order to prevent serious disruptions in trade flow.

3. C-TPAT Members Should Reap Tangible Benefits

Members of CBP-sponsored security program such as C-TPAT and FAST should be exempt from the advance manifest filing requirements, such as reduced time frames. Under CBP programs, importers, brokers, forwarders, and carriers take suggested steps to ensure the security of cargo throughout the supply chain. Bestowing benefits on program participants will provide additional incentives for filers to participate in security programs without compromising the objectives of the proposed advance manifest rules.

3. Address Obligations to Other Government Agencies (OGA)

OGA obligations are not addressed under the proposed rules. CBP should work with other agencies that collect data provided during import and export, and synchronize the information collection process. In this regard, EIA supports one electronic filing procedure that would satisfy all import and export data submission requirements.

EIA will continue to monitor and review developments on the advance manifest proposals. We hope that you will consider our comments with a focus towards revisions that further minimize any possible disruptions to international trade. EIA appreciates the opportunity to provide input on these proposals, and we look forward to a continued productive dialogue. Please do not hesitate to call me at (703) 907.7506, should you have any comments or questions.

Respectfully submitted,

Dave McCurdy
EIA President