

March 5th 2013

SEQUESTRATION

What to Expect from CBP and OGA's

On March 1, CBP initiated the second of what will be weekly conference calls with NCBFAA leadership and other trade organizations. Soon to be available will be guidance to the private sector on the CBP website, delivering the news on how these massive government budget cuts will affect its operations. Of immediate consequence will be deep cuts in overtime, which can be instituted without delay. Linked to their overtime cuts was their statement about security measures: Radiation Portal Monitors will continue in full force but, without overtime, will likely be a source of delays at the port.

While it appears that there will be no furloughs at FDA, APHIS or CPSC (OGA's), CBP assured the private sector audience that there would be 12-14 day furloughs at Customs, beginning approximately on April 7. As is commonly known, there is a 30-day notification period that prevents them from instituting furloughs immediately.

Cuts will be taken across-the-board, CBP said, so that no single port would offer an escape from delay through diverting cargo to another port. As in last week's report, they emphasize the need to work closely with your local port(s) to stay apprised of operational developments.

Solutions suggested by CBP are to pre-file data as soon as possible, especially for those participating in trusted trader programs. On a related matter, CBP said that it would honor its commitment to those engaged in "partnership programs" such as C-TPAT, ISA or ACAS -- they will continue to get "preferential processing."

On the Office of International Trade side of CBP, the private sector was advised to expect delays for rulings, audits, ISA applications and the like. OIT advised that brokers should expect no major change in processing through ACE and ACS; however, availability of client representatives will be impacted. Further, with regard to ACE development, there will be "fewer resources for ACE," which may mean expanding the three-year schedule for completion and decreasing the scope of what has been promised.

Note however that much of the foregoing is CBP's extrapolation of DHS Secretary Napolitano's statement on the department's website. Decisions are not final and represent CBP's best efforts in forecasting the effects of these budget cuts. CBP has posted additional information on its website with regards to sequestration. Please see the links below.

Questions and Responses Regarding the Impact of Sequestration on Imports is ([here](#))

A list of frequently asked questions on the impact of budget cuts on travel and trade is ([here](#)).

U.S. Customs and Border Protection has issued this ([letter](#)) informing the trade and travel industry of the potential impacts of the federal budget cuts.

If you have any specific concerns or questions please feel free to contact us.



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