

**Statement of**

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**United States Senate  
Senate Finance Committee**

**“Growing Trade, Growing Vigilance: Import Health and Safety Today and  
Tomorrow”**

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## **INTRODUCTION**

Mr. Chairman and members of the Subcommittee, I am pleased to appear before you today to discuss the actions we are taking at Customs and Border Protection (CBP) within the Department of Homeland Security, to ensure the safety of imported products. My name is Dan Baldwin and I am the Assistant Commissioner in the Office of International Trade at U.S. Customs and Border Protection. My office holds the responsibility of formulating CBP's trade policy, developing programs, and enforcing U.S. import laws.

## **NATIONAL TRADE STRATEGY**

As a general rule CBP has not targeted imports based on import safety criteria alone. Pursuant to our twin goals of fostering legitimate trade and travel while securing America's borders, CBP has developed a National Trade Strategy to help our agency successfully fulfill our trade facilitation and trade enforcement mandate. CBP trade enforcement focuses on the collection of import duties and the enforcement of trade laws. Our National Trade Strategy is based upon six Priority Trade Initiatives (PTI). These PTI's are: Antidumping and Countervailing Duty, Intellectual Property Rights, Textiles and Wearing Apparel, Revenue, Agriculture, and Penalties. Under the terms of our trade prioritization strategy we focus CBP resources in our efforts to address areas of key trade importance.

In recent years, CBP has worked extensively to coordinate activities and enforcement actions with USDA and HHS, and in particular the FDA. As the guardian of our nation's borders, CBP has broad authority to interdict imports at the Port of Entry. We identify, target, and interdict high-risk shipments using our data along with information from other agencies. For instance, we frequently interact with USDA and FDA on questions regarding food enforcement action, as those departments house the subject matter expertise on food and agriculture admissibility standards. CBP enforces safety regulations by relying on the statutory authority of other federal agencies with the specific mandate of safety issues. It is important to note, also, that long before the recent headlines CBP had been working with agencies such as the Consumer Product Safety Commission (CPSC) on identifying and interdicting products such as flammable children's sleepwear and other products that present a danger to our citizens.

As the value and volume of our imports continue to grow, CBP recognizes the challenges we face in maintaining safe and secure imports. To meet these challenges, President Bush issued Executive Order 13439 on July 18, 2007, establishing an Interagency Working Group on Import Safety (Working Group). The Working Group, chaired by Health and Human Services Secretary Michael O. Leavitt, is comprised of senior officials from 12 federal departments and agencies, each with unique and critical import safety responsibilities. The review was ordered by the President to ensure that our work with the private sector and foreign counterparts would be comprehensive and effective in promoting the safety of imported products.

CBP is actively participating in the Working Group and has assigned a senior manager to work full time with the group. She and other CBP staff assisted with the development of the "Strategic Framework for Continual Improvement in Import Safety" released by Secretary Leavitt on September 10, 2007.

The Strategic Framework developed by the Working Group is a risk-based approach and consists of three Organizing Principles: 1) Prevention, 2) Intervention, and 3) Response. Within these three principles the Working Group has targeted six Building Blocks for further Administration action. Some of these Building Blocks specifically focus on enhancing current CBP capabilities and programs.

## **CBP CAPABILITIES**

CBP has several tools to interdict potentially unsafe imports. In my testimony today, I would like to highlight two of these tools that CBP can utilize in order to interdict unsafe imports: CBP Personnel and CBP Targeting.

## **PERSONNEL**

CBP maintains a diverse workforce that works to assist, detect and interdict imports that may be harmful to the health of the American public. For instance, CBP Officers and CBP Agriculture Specialists receive specific training on ag/bio-terror incidents. We currently have the ability to deploy more than 18,000 CBP Officers, 2,000 Agricultural Specialists, and 1,000 Import Specialists in response to emerging threats to American consumers. Furthermore, CBP's Laboratory and Scientific Services (LSS) maintains seven separate laboratories around the country, with a 24/7 technical reach back center and employs approximately 220 chemists, biologists, engineers, and forensic scientists.

Our workforce enables CBP to mount rapid and effective responses by utilizing the specialized expertise of CBP Officers, Agriculture Specialists, Import Specialists, International Trade Specialists, and Laboratory Technicians. Within existing authorities, each of these CBP occupations can work together to gather intelligence, establish target criteria, gather and test samples, and analyze and report results.

## **TARGETING**

In addition to our skilled workforce, CBP uses various targeting mechanisms to ensure the compliance of products imported into the U.S. These mechanisms are specifically designed to incorporate the safety concerns of other agencies in identifying high-risk imports.

One of the systems used is CBP's Automated Targeting System (ATS). ATS, which is based on algorithms and rules, is a flexible, constantly evolving system that integrates enforcement and commercial databases. ATS is the system through which we process advance manifest information to detect anomalies and "red flags," and determine which cargo is "high risk" and should be scrutinized at the port of arrival. ATS is essential to CBP's ability to target high-risk cargo entering the United States.

Another system CBP uses is the Automated Manifest System, which provides us with advance cargo information to be used for targeting and screening of all imported merchandise. This advance information allows CBP to identify shipments of interest in advance of arrival. By identifying shipments early, CBP is better able to focus resources on those shipments that may be of concern, prevent their introduction into the commerce and ensure appropriate coordination with other regulatory agencies.

The Automated Commercial System (ACS), CBP's automated system of record for entry processing and cargo clearance, allows us to screen for additional food and agricultural risks. The majority of the targeting criteria present in this system are used to prevent the introduction of contamination, pests, or diseases.

In addition to these CBP automated systems, CBP maintains the National Targeting Center (NTC). The NTC is the facility at which personnel from a number of government agencies are co-located to review advance cargo information on all inbound shipments. At the NTC, CBP personnel are able to quickly coordinate with personnel from other federal agencies such as the FDA, Food Safety and Inspection Service (FSIS), and Animal Plant Health Inspection Service (APHIS) to target high-risk food shipments.

Furthermore, the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (known as the Bioterrorism Act, or BTA) authorized FDA to receive prior information to target shipments of food for humans or animals prior to arrival. The Bioterrorism Act gave CBP the opportunity to assist FDA with the prior notice requirements. CBP worked in concert with FDA to augment an existing automated interface to institute a prior-notice reporting requirement with minimal disruption to the trade. In addition, under the Bioterrorism Act, we worked with FDA to commission over 8,000 CBP officers to take action on behalf of the FDA. This commissioning allows FDA to assert a 24/7 presence to enforce the Act at all ports.

A major challenge we face in our operations is the need for interoperability. Interoperability is the ability of one system to communicate with another. Too often, we build sophisticated data systems without ensuring the systems' ability to interface with one another. We need to finalize implementation of interoperable data systems, already under development, that facilitate the exchange of relevant product information among parties within the global supply chain to ensure import safety.

Government agencies should share the information they collect about activities occurring along the global supply chain to prevent, identify, mitigate, and respond to product safety hazards. Manufacturers test products to ensure that they comply with relevant performance and safety standards; government agencies inspect and test products to ensure that they meet regulatory requirements associated with public health, environmental safety, and consumer protection. Marketplace recalls are conducted to remove faulty or unsafe products from commerce. Information about these activities is often collected and recorded, and should be shared among individual actors in the import life cycle or aggregated and analyzed as a whole.

Information technology has improved the availability and exchange of information on imported products. The import entry process is one area where information technology is being used to improve the exchange of import supply chain information. Throughout most of U.S. history, a revenue-centric import system focused largely on the collection of customs duties on imported goods. In the post-9/11 environment, however, government and industry have recognized the need to expand the focus of the import system to encompass security and safety.

The International Trade Data System (ITDS) is a key component to improve systems interoperability. The recently enacted Security and Accountability for Every (SAFE) Port Act of 2006 established a requirement for an electronic interface among all federal agencies that monitor or control the movement of imported products in domestic

commerce. The ITDS will create a single-window environment in which importers, transportation carriers, and government agencies can exchange information on imported products. When fully implemented, ITDS will facilitate the processing of legitimate import transactions, improve how imported products are identified and classified, strengthen entry screening capabilities, and help to target inspection resources to areas of greatest risk.

## **CONCLUSION**

The Working Group has set out a sound framework for developing specific ways to improve the safety of American imports, and we are assisting the Working Group in developing a follow-on Action Plan. The Working Group has highlighted the need to shift from reliance on “snapshots” wherein unsafe products are simply interdicted at the border, to a cost-effective, prevention-focused “video” model that identifies and targets those critical points in the import life cycle where the risk of unsafe products is greatest and verifies the safety of products at those important phases.

CBP remains committed to partnering with other federal agencies in order to refine our targeting skills and increase coordination of government personnel and to ensure the prevention of contaminated and dangerous products from entering the U.S.