



U.S. Customs and Border Protection

Commissioner

JUN 1 2010

The Honorable Max Baucus
Chairman
Committee on Finance
Washington, DC 20510

Dear Chairman Baucus:

During my appearance before the Senate Finance Committee on May 13, you raised concerns that U.S. Customs and Border Protection (CBP) had focused on border security at the expense of its trade mission. You asked that I furnish the Committee with a list of metrics to assist it objectively to assess CBP's trade-related performance. Although this list should be considered a work in process, I am submitting to you a series of measures that can help track CBP's progress in key areas of commercial enforcement and trade facilitation. CBP aims for high scores on these metrics and for marked improvement where current performance is weaker.

As I indicated in my testimony to the Committee, security and commerce are not mutually exclusive. Through effective risk segmentation and targeting, these objectives are, in fact, complementary as indicated in the Quadrennial Homeland Security Review Report. Accurate targeting enables CBP to focus its inspection resources and associated delays not on trusted partners, but on actors more likely to violate the law. CBP's enforcement and trade facilitation efforts can be measured in several ways that reflect both the efficiency (expedited flow) of legitimate trade crossing U.S. borders and the effectiveness of CBP's efforts to protect the American economy from unfair trade practices, illicit commercial enterprises, and unsafe products. These metrics include the following:

Metric 1: Rates of material compliance of all importations with applicable U.S. laws, based on entry summary compliance measurement reviews. This is an overall compliance measurement.

Metric 2: Rates of detection of unsafe products, illicit or otherwise non-compliant cargo that represent a risk to public health and safety or U.S. economic security. This is the trade discrepancy rate of cargo transactions.

Metric 3: Rates of detection for imported cargo that is not compliant with U.S. law, including the requirement to correctly pay applicable duties, taxes, and fees. This is the targeting rate of transactional entry.

Metric 4: Rates of material compliance of all importations with the requirement to correctly pay applicable duties, taxes, and fees. This is the revenue gap.

Metric 5: Rates of material compliance of all importations by importers designated as “managed accounts” or “trusted partners”. This is the compliance rate for managed accounts.


Metric 6: Speed at which compliant imports clear CBP, as measured on a timeline beginning with lading and broker transmission of entry information through CBP clearance processes (rated on an index with different weights for different characteristics / type of goods).

Metric 7: The reduction in required paper-based documentation on imported goods, and penalties for importers designated as “managed accounts” or “trusted partners” as compared to all importers.

Metric 8: Participation in partnership programs expressed as a percentage of all cargo by value that is imported by participants in all CBP partnership programs.

CBP has a strategic plan for trade and continues to develop a wide range of performance measures. I look forward to learning the Committee’s views regarding the utility of the foregoing measures and other metrics in achieving our shared objective to maximize CBP’s commercial enforcement and trade facilitation results. I propose that our staffs convene at their earliest mutual convenience to review these metrics.

Very truly yours,

A handwritten signature in black ink that reads "Alan Bersin". The signature is fluid and cursive, with a large initial "A" and a long, sweeping underline.

Alan Bersin
Commissioner

cc: The Honorable Charles E. Grassley