

Testimony Delivered by  
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National Customs Brokers and Forwarders  
Association of America  
Before the  
Subcommittee on Trade  
Committee on Ways and Means  
U.S. House of Representatives  
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Good morning, Mr. Chairman. I am Darrell Sekin, Jr., President of the National Customs Brokers and Forwarders Association of America and also the President of DJS International Services, a small, family-owned customs brokerage and freight-forwarding firm, located in Colleyville, Texas.

Since my start as a customs broker in 1975, the industry has undergone enormous change, particularly in the area of automation. Customs automation is a powerful tool, facilitating smooth trade flows and sharpening enforcement of trade laws. Customs automation is the communications channel between importers and CBP. Customs brokers are instrumental to this process, gathering the data and transmitting the information necessary for the agency to function.

That is why my first point to the Committee needs to be about the importance of ACE and to underscore the comments of Mr. Weise.

The funding request from the Administration is inadequate and the pending House appropriations bill guarantees nothing for ACE development. Currently, ACE functionality is a bridge that only goes halfway over the river. Practically speaking, it cannot process entries – its core responsibility – until “release” is finished. Release is in the on-deck circle and, without funding for it, the system promises little incentive for customs brokers --who file 97% of the entries-- to participate.

My second point addresses the “role of the broker”.

At one point during my career, Customs regulated each and every aspect of a customs broker’s business. In the mid-80s, Customs agreed to separate the commercial and proprietary aspects of customs brokerage from what has come to be known as “customs business.” The latter signified recognition that we are an extension of Customs and that there must be intensive oversight and supervision of customs-related activities.

We are therefore licensed by CBP and subject to costly penalties for errors and omissions in conducting customs business. In short, in exchange for the privilege of engaging in customs brokerage and to assure the integrity of the entry

process, we are committed to meeting CBP's exacting standards and rigorous regulation. This is CBP's and the customs broker's "grand bargain."

CBP is now seeking to expand the *role of the broker*. A customs broker is viewed as a "force multiplier" because one customs broker reaches, educates and acts for a multitude of importers, most notably small and medium-sized businesses.

There are many ways that customs brokers can collaborate with CBP, such as:

Education and Certification. To enhance the professionalism of the customs broker, our national association developed a broker certification program that requires a rigorous course of study and examination. We are exploring a continuing education requirement. We have also begun, in partnership with CBP, a series of educational seminars for customs officials.

NCBFAA is presently engaging with CBP in an effort to update the customs regulations that apply to customs brokers.

We must also generate support for new Customs programs, and we are working closely with CBP on ACE and on the Air Cargo Advanced Screening pilot. We have also agreed to assist with incorporating customs brokers into the development of the new Centers for Excellence and Expertise.

And, finally, we must advocate for a series of high-priority Customs issues. NCBFAA recognizes that there are many challenges for CBP to accomplish its mission. We support a number of steps that will improve the commercial operations performance of the agency, such as:

- Drawback modernization and simplification.
- A prospective system for anti-dumping and countervailing duties
- We encourage efforts to expedite and facilitate the trade function

of other federal regulatory agencies. One such means to that end is the International Trade Data System -- a component of ACE that provides each participating agency a window on the importation process. We support the Committee's efforts to gain continued and adequate funding for ITDS.

Mr. Chairman, NCBFAA greatly appreciates this opportunity to outline our views on customs oversight and new policy development. We stand willing to support the Committee in all of its work to accomplish these objectives.