

Trade Relations participated in a conference call earlier this week with the CBP stakeholders most involved in the overtime billing issue that you brought to our attention early last week. The two key internal stakeholders regarding this issue are Office of Finance(OF), Revenue Division Indianapolis and the Office of Field Operations (OFO) Field and Resource Management.

Based on a review of the facts, it is the understanding of Trade Relations that overtime billing for services rendered by the federal government have been since the 1930s. Prior to the creation of the Department of Homeland Security (DHS) and Customs and Border Protection (CBP) in 2003 some of these billing processes belonged to legacy agencies as in the case of the Form 202 for Immigration and Naturalization Services (INS) under the Department of Justice (DOJ) and Form 89 for agricultural inspections under the U.S. Department of Agriculture (USDA). CBP was under a statutory obligation to address this issue after the merger of legacy processes into the Department of Homeland Security.

The Revenue Division within the Office of Finance, with guidance from Counsel, has been researching the issues in regards to overtime billing and fees since the creation of CBP. This entailed working with legacy agencies and departments as well as detailed analysis of the varied legacy statutory and regulatory authorities. Office of Field Operations also developed standard operating procedures (SOPs) to address the issue and provide guidance to the field offices as well.

Since CBP has a statutory obligation to collect this revenue on behalf of the federal government, CBP Revenue Division had no choice but to evaluate all open overtime charges and distribute outstanding charges to responsible billing parties. To date over 18,000 cases have been evaluated and bills issued were warranted and another couple of thousand are currently under review to catch up to where the agency needs to be in regards to collections of this nature.

Trade Relations cannot stop a process that is statutorily mandated but we have suggested to internal stakeholders that further information regarding this matter be made available to the trade community as soon as possible to help explain the bills that will be forthcoming. Trade Relations realizes that the international trade community, including those involved as Ship Agents and Brokers, will face additional overtime bills until the backlog of cases dating back to October 2003 are evaluated. The information expected from the CBP Revenue Division will more clearly explain how this process works.

Your concerns and those of others in the international trade community are important to us and we appreciate your bringing this matter to our attention. If you should have any questions, please contact me at 202-344-2219.

Sincerely,

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