



**Asia-Pacific
Economic Cooperation**

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E-Commerce Risk Management August 2019

Submitted by: United States



**APEC Customs Business Dialogue: Cross Border
E-Commerce and Customs Regulatory Challenges
Puerto Varas, Chile
17 August 2019**

U.S. CUSTOMS AND BORDER PROTECTION

**APEC Customs Business Dialogue
E-Commerce Risk Management
August 2019**

E-Commerce Overview

- U.S. Customs and Border Protection defines e-commerce as high-volume, low-value shipments entering the port limits of the United States.
- E-Commerce has transformed the commercial landscape over the last two decades:
 - New merchants have been able to reach new customers, and consumer choice has exploded
 - Convenience has greatly increased, especially with the rise of same-day and next-day delivery
- However, the diffusion of the supply chain from the traditional model, as well as the rise in volume of small packages, have placed stress on CBP's targeting and enforcement efforts



E-Commerce by the Numbers

Over 600 Million Mail and Express Bills

were processed by CBP in 2018

\$2.29 trillion in sales

throughout the global e-commerce market

79% of the U.S. population

shop online using some type of e-commerce platform

1.8 million mail shipments

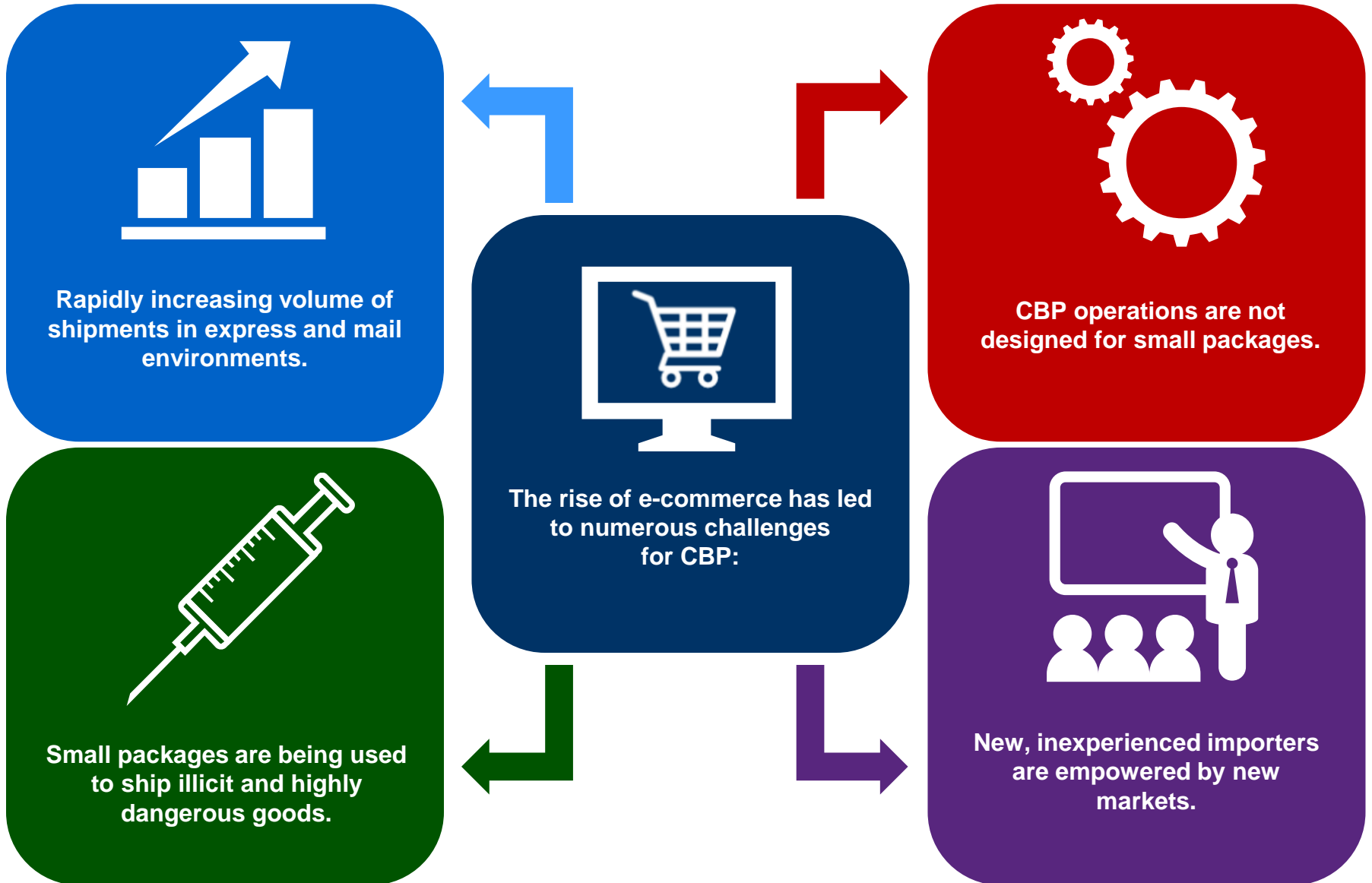
enter the United States each day

90% of all IPR seizures

occur in the mail and express environments



E-Commerce Challenges



CBP's E-Commerce Strategy

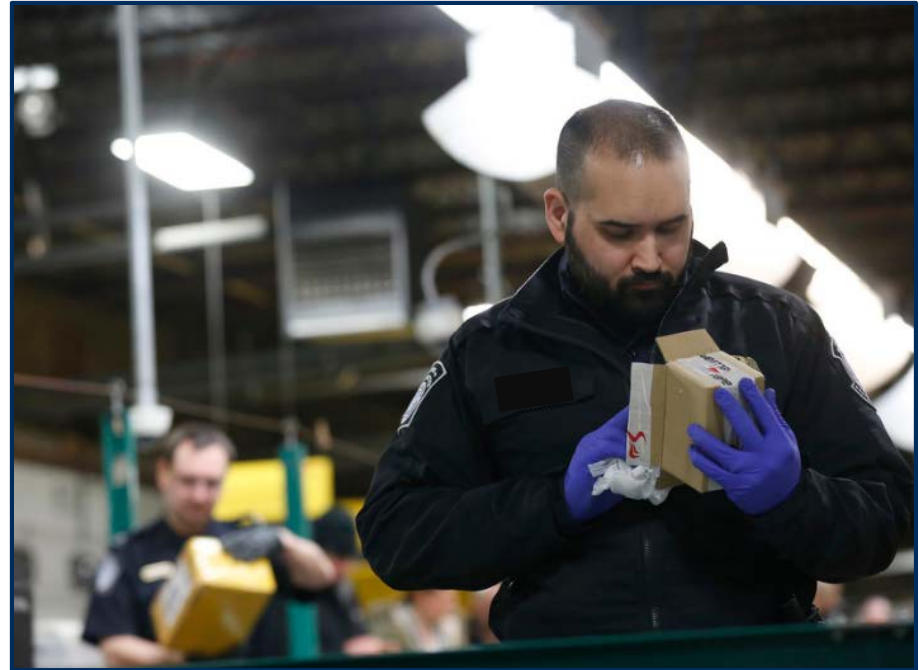
- CBP released its E-Commerce Strategy in March 2018 – comprised of four main goals, the Strategy lays out a holistic approach involving partnership, education, and enforcement
- CBP's E-Commerce Strategy lays out four strategic goals:
 - **Goal 1:** Enhance legal and regulatory authorities to better posture CBP and interagency partners to address emerging threats
 - **Goal 2:** Enhance and adapt all affected CBP operations to respond to emerging supply chain dynamics created by the rapid growth of e-commerce
 - **Goal 3:** Drive private sector compliance through enforcement resources and incentives
 - **Goal 4:** Facilitate international trade standards for e-commerce to support economic prosperity



E-Commerce Strategy Implementation

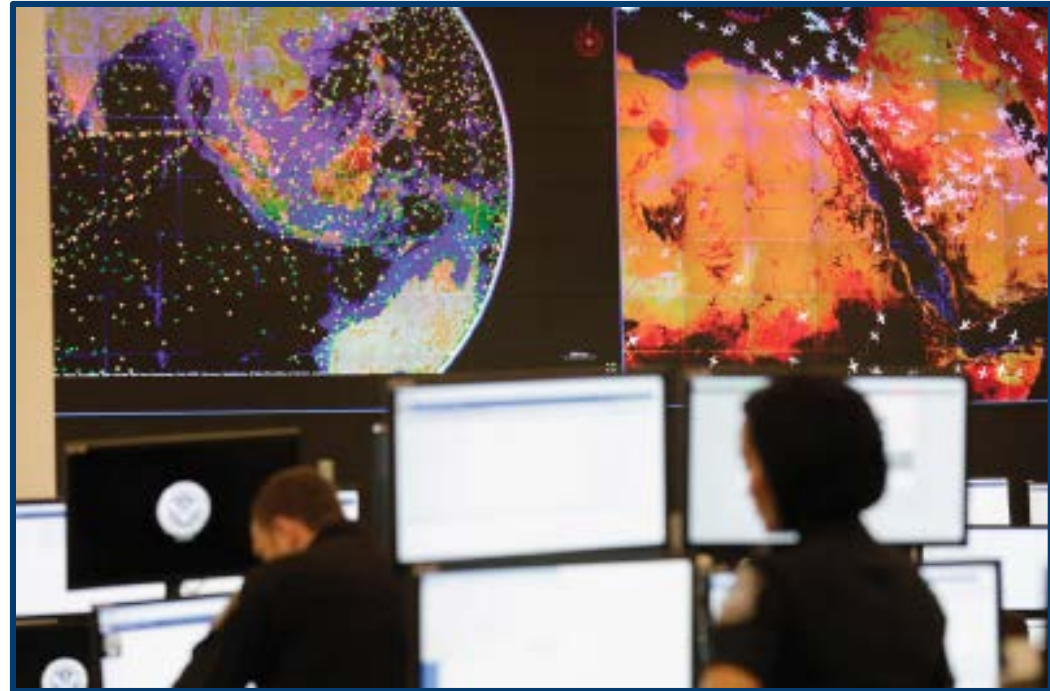
Since publication, CBP has implemented a number of high-impact projects and initiatives against the four goals outlined in the E-Commerce Strategy, including:

- Issuing new policy mandating all trucks carrying Section 321 shipments submit advance electronic manifest data.
- Developed an e-commerce supply chain map.
- Initiated a statistically valid e-commerce compliance measurement.
- Worked with the WCO on the E-commerce Framework of Standards.
- Issued a federal register notice to solicit volunteers to participate in a Section 321 pilot on accepting advance data from supply chain partners.



Section 321 Data Pilot

- Federal register notice published on July 23, 2019
- Soliciting up to nine volunteers
- Will launch on August 22, 2019
- Participants will submit advance data on various data elements
- Objective to determine feasibility of requiring advance information



Questions?

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