Fiscal Year 2022 Expenditure Plan: U.S. Customs and Border Protection – Office of Trade

July 29, 2022

Fiscal Year 2022 Report to Congress

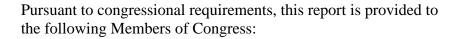Homeland Security

U.S. Customs and Border Protection

Message from the Deputy Commissioner of CBP

July 29, 2022

I am pleased to submit the "Fiscal Year 2022 Expenditure Plan: U.S. Customs and Border Protection – Office of Trade," which was prepared by U.S. Customs and Border Protection (CBP).

This report was compiled pursuant to direction set forth in the Joint Explanatory Statement accompanying the Fiscal Year 2022 Department of Homeland Security Appropriations Act (P.L. 117-103). Included is a detailed obligation plan for $20 million in appropriations enacted for CBP's Office of Trade.

Pursuant to congressional requirements, this report is provided to the following Members of Congress:

The Honorable Lucille Roybal-Allard
Chairwoman, House Appropriations Subcommittee on Homeland Security

The Honorable Chuck Fleischmann
Ranking Member, House Appropriations Subcommittee on Homeland Security

The Honorable Chris Murphy
Chair, Senate Appropriations Subcommittee on Homeland Security

The Honorable Shelley Moore Capito
Ranking Member, Senate Appropriations Subcommittee on Homeland Security

I would be pleased to respond to any questions that you may have. Please do not hesitate to contact my office at (202) 344-2001.

Sincerely,

Troy A. Miller
Deputy Commissioner

Fiscal Year 2022 Expenditure Plan:
U.S. Customs and Border Protection – Office of Trade

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I. Legislative Language

This document was compiled pursuant to direction set forth in the Joint Explanatory Statement that accompanies the Fiscal Year (FY) 2022 Department of Homeland Security Appropriations Act (P.L. 117-103), which states:

> *Trade.*—The agreement provides an additional $20,000,000 for trade activities. Not later than 30 days after the date of enactment of this Act, CBP shall provide an obligation plan for the additional funds.

II. Obligation Plan

U.S. Customs and Border Protection's (CBP) trade mission safeguards America's national security and leads to economic benefits by protecting revenue and market share for domestic industry, by protecting jobs for American workers, and by collecting more than $40 billion annually for the U.S. Government. The Office of Trade (OT) plays a critical role in defending America's economic security by enforcing current trade laws and by implementing new measures to align to the Administration's vision of protecting American industry and of creating jobs by leveling the playing field for American businesses.

P.L. 117-103 provides OT with an enhancement of $20 million in CBP's Operations and Support (O&S) appropriation. Of that amount, and pursuant to its enacted authority, CBP has designated $10 million as 2-year O&S funds, to be used to support OT's efforts to combat forced labor practices. The remaining $10 million in annual O&S funds will be utilized to maintain OT's baseline.

The table on the following page provides an obligation plan. A narrative description of OT's planned activities is provided below.

A. Trade Activities: Countering Forced Labor

CBP enforces 19 U.S.C. § 1307, which prohibits the importation of goods made wholly or in part with convict, indentured, or forced labor (including forced or indentured child labor). The agency issues withhold release orders and findings against foreign entities using forced labor to produce goods imported into the United States and may assess civil penalties against importers of products made with forced labor.

FY 2022 funding will carry out CBP's trade mission to achieve agency goals set for secure and compliant trade through FY 2025 in accordance with CBP Strategy 2021-2026, and to strengthen trade enforcement actions and processes associated with forced labor. The $10 million appropriated will be used to fund various tools and technology that support the following:

- ***Forced Labor Targeting and Trade Enforcement - $1.4 million (FY 2022, Third Quarter (Q3))***
  Targeting and Trade Enforcement funding will support services that expedite the risk assessment process by leveraging global data, targeted artificial intelligence technology, and custom risk models to connect, assess, and monitor businesses of interest and to manage the supply chain portfolio risk.
- ***Intelligent Data Automation - $5.3 million (FY 2022, Fourth Quarter (Q4) – FY 2023, Second Quarter (Q2))***
  Intelligent Data Automation funding will support technology that enhances existing systems utilized to investigate forced labor allegations, to develop forced labor cases, to analyze evidence for issuance of withhold release orders or findings, and to direct enforcement actions.

- ***Scenario-Based Threat Analysis - $2.3 million (FY 2022 Q3)***
  Scenario-Based Threat Analysis funding will provide OT with the ability to produce global supply chain maps for entities, facilities, products, and shipments that highlight at scale, where product supply chains have links to known forced labor activities.
- ***Forced Labor Division Communication - $1.0 million (FY 2022 Q3)***
  Re-engineer existing standard operating procedures and develop new policies and procedures on the basis of current knowledge associated with the forced labor modeling work and communicate to industry new requirements and policies through videos, fact sheets, narratives, mobile applications, etc. Bring private-sector experience supporting forced labor compliance assurance work to improve reception of government communications. Develop legislatively mandated strategy through a series of workshops, facilitated labs, stakeholder interviews, and research. Can include industry participants in working groups as needed/appropriate, similar to Customs Trade Partnership Against Terrorism execution, to elicit private-sector input. Operationalize new procedures internally to include change management, training, workshops, etc., to existing staff.

B. Trade Activities: Enhance Trade Enforcement

OT manages a comprehensive risk management program that includes a steady escalation of response starting with analytics, intelligence, targeting, exam, review, corporate audit, investigations, seizure, penalties, and legal action, which may include civil or criminal prosecutions, including arrest and incarceration through coordination with U.S. Immigration and Customs Enforcement and the U.S. Department of Justice. Priority trade issues represent high-risk areas that can cause significant revenue loss, can harm the U.S. economy, or can threaten the health and safety of the American people and include antidumping/countervailing duty, import safety, intellectual property rights, textiles and wearing apparel, trade agreements and preference programs, revenue, and agriculture programs. Funding enacted to enhance trade enforcement will support the following areas:

Trade Strategy and Communications - $1.713 million (FY 2022 Q3 – Q4)
Trade Strategy and Communications funding will support various strategic initiatives including:

- Development of economic benefit models to evaluate return-on-investment information on funding returned to the economy, associated job creation, and other trade outputs that result from funds invested in the trade mission;
- Enhanced support for development of internal and external communications products; and
- Operations and maintenance for technology supporting management of congressional correspondence, reports, interagency taskings, and audits.

Core Trade Enforcement - $5.12 million (FY 2022 Q3 – Q4)
Trade Enforcement funding will enhance CBP's trade enforcement and security initiatives in the following areas:

- Development of a comprehensive data-driven methodology to prioritize advanced analytics resources and workload effectively on the basis of data-driven insights,

historical trade trends, forecasting, and statistical analysis for building strategic/operational threat profiles;

- Enhancements and maintenance of trade enforcement systems designed to manage allegations of trade violations and to manage the lifecycle of enforcement actions; and
- Increased funding for management of broker licensing requirements.

Trade Modernization - $3.18 million (FY 2022 Q3 – Q4)

Trade Modernization funding will support strategic planning activities and special projects in support of the 21st Century Customs Framework. Funding will allow active engagement in OT's future strategic vision to provide strong foundations of future technology investments that facilitate, secure, and reduce costs related to the movement of cargo.

FY 2022 Enacted Funding Planning, Program and Acquisitions ($ in thousands)											
Trade and Travel Operations: OT Activity	**FY 2022**				**Total FY 2022**	**FY 2023**				**Total FY 2023**	**Total Enacted**
	First Quarter (Q1)	**Q2**	**Q3**	**Q4**		**Q1**	**Q2**	**Q3**	**Q4**		
Countering Forced Labor: Forced Labor Targeting and Trade Enforcement			$1,400		**$1,400**						**$1,400**
Countering Forced Labor: Intelligent Data Automation				$5,321	**$5,321**						**$5,321**
Countering Forced Labor: Scenario-Based Threat Analysis			$2,279		**$2,279**						**$2,279**
Countering Forced Labor: Forced Labor Division Communications			$1,000		**$1,000**						**$1,000**
Countering Forced Labor Total	-	-	*$4,679*	*$5,321*	*$10,000*	-	-	-	-	-	*$10,000*
Enhance Trade Enforcement: Trade Strategy and Communications			$1,009	$700	**$1,709**						**$1,709**
Enhance Trade Enforcement: Core Trade Enforcement			$2,892	$2,224	**$5,116**						**$5,116**
Enhance Trade Enforcement: Trade Modernization			$1,220	$1,955	**$3,175**						**$3,175**
Enhance Trade Enforcement Total	-	-	*$5,121*	*$4,879*	*$10,000*	-	-	-	-	-	*$10,000*
TOTAL	-	-	**$9,800**	**$10,200**	**$20,000**	-	-	-	-	-	**$20,000**

III. Appendix - Abbreviations

Abbreviation	Definition
CBP	U.S. Customs and Border Protection
FY	Fiscal Year
OT	Office of Trade
O&S	Operations & Support
Q1	First Quarter
Q2	Second Quarter
Q3	Third Quarter
Q4	Fourth Quarter