



US CARGO TIME RELEASE STUDY PHASE TWO EXECUTIVE SUMMARY

COMMUNICATION FROM THE UNITED STATES

The following communication, dated 30 January 2020, is being circulated at the request of the delegation of the United States for Members' information.

The WTO Trade Facilitation Agreement (TFA), Article 7.6, provides that WTO Members are "encouraged to measure and publish their average release time of goods periodically and in a consistent manner, using tools such as, *inter alia*, the Time Release Study of the World Customs Organization". Members are further encouraged "to share with the Committee their experiences in measuring average release times, including methodologies used, bottlenecks identified, and any resulting effects on efficiency".

In light of TFA Article 7.6, and to share our experience implementing this Agreement, the United States is pleased to provide this Committee with a summary of findings from Phase Two of its Cargo Time Release Study that covers Fiscal Year 2014 (1 October 2013 – 30 September 2014). This study established baseline trade facilitation performance measurements and helped to identify bottlenecks, inefficiencies, and other potential areas of improvement in the cargo release process.

The US Cargo Time Release Study was issued in two phases. Phase One, which outlines the intended parameters and approach to be undertaken in the study, was issued on 26 May 2015 and is publicly available.¹ Phase Two of the Cargo Time Release Study (completed in December 2015) reported the results and conclusions of the study proposed in Phase One. A summary of these findings and results is being made available and shared in this communication.

The US Department of Homeland Security (DHS) Directory for Science and Technology implemented this study in partnership with other key US Government agencies with border responsibilities. The study included analysis of goods arriving by sea, air, truck, and rail ports of entry. It excluded consideration of imports via mail, because differences in import procedures for portal cargo render that domain unrepresentative. The study was highly dependent on data provided by US Customs and Border Protection (CBP) and partner government agencies that may hold cargo at the border.

This study reflects the trade environment for the year it was published, 2015, and may not necessarily reflect the current trading environment and processes. There have been significant changes since then, including the implementation of the Single Window and the launch of the Automated Commercial Environment. As such, the data assessed in this study does not necessarily reflect the current performance of import processes. While the US Government is contemplating a new and updated study, those plans are still in early stages and under discussion. We note that updated information about wait times at the border, release times, and metrics are available on a regular basis on the CBP website at <https://www.cbp.gov/newsroom/stats/trade> for trade statistics and at <https://www.cbp.gov/travel/advisories-wait-times> for passenger wait times.

¹https://www.ncbfaa.org/Scripts/4Disapi.dll/userfiles/uploads/DHSTimeReleaseStudyAnnex_Study_PlanMay2015.pdf

CARGO TIME RELEASE STUDY – PHASE TWO

EXECUTIVE SUMMARY

The Department of Homeland Security (DHS), in partnership with other key agencies with border responsibilities, sought to complete a time release study (TRS), in support of Executive Order 13659, "Streamlining the Export/Import Process for America's Businesses". The purpose of the TRS is to measure the average time between the arrival of goods at the border and their release by the government. This TRS would establish baseline trade facilitation performance measurements and help to identify bottlenecks, inefficiencies, and other potential areas of improvement in the cargo release process.

This TRS includes analysis of goods arriving by sea, air, truck, and rail ports of entry. It excludes consideration of imports via mail, because differences in import procedures for postal cargo render that domain unrepresentative. The TRS is highly dependent on data provided by US Customs and Border Protection (CBP) and partner government agencies (PGAs) that may hold cargo at the border.

The most basic measure of time to release is the difference between the arrival of cargo at a port and the release of the associated entry and removal of any holds. Most PGAs that are directly involved in the import clearance process operate through CBP or have their clearance as a requirement of CBP entry release or removal of CBP holds. Therefore, data collected by CBP recording the actions of its customs officials generally suffice for calculating times for release in this fashion. Some elements complicate this simple model, requiring additional data collection, synthesis, and analysis.

- **Independent PGA activities.** The PGAs with warrant to act independently of CBP complicate the above basic model, and their actions were thus accounted for through independent data collection. Therefore, the study team collected data from five PGAs whose activities can affect the release of goods into commerce. Actions taken by these PGAs (US Food and Drug Administration, the Consumer Product Safety Commission, the US Fish and Wildlife Service, the US Food Safety and Inspection Service, and the Agricultural Marketing Service) as recorded by their data and by CBP, were incorporated into the time to release as endpoints in addition to CBP actions;
- **Importer filing delays.** CBP and the other PGAs cannot begin clearing cargo, even after it arrives, if the proper documents have not been filed. If the importer or broker has not filed for entry, or if the carrier has not submitted manifest information, government processes cannot begin. These delays thus did not count toward the time to release. Therefore, the submission of entry paperwork and manifest documents count as alternative start points for calculating time to release.

There are also unavoidable complications that affect the precision of any estimates gleaned from them. Data in many fields are entered manually, often hours after the action recorded took place. Some fields, in both CBP and PGA data, record only dates, rather than dates and times, which necessarily blunts the precision of estimates that rely on these fields.

This is the first-ever time release study conducted for the US Government. Therefore, CBP has never before collected data for this specific purpose. Instead, we are taking data used to support targeting decisions and ensure orderly collection of tariffs and duties and applying the data to a completely new use. Additionally, many of the missing data points involve activities that the US Government has no control over, like unloading of ships or movements in, out of, and around ports.

Before now, CBP had no reason to collect these data, and those entities that do collect them (e.g., terminal operators, importers, stevedores) have proven reluctant in the past to share this information. To address these complications, some adjustments and assumptions were made on the part of the study team. One of the most significant was that *no attempt has been made to parse out unloading time, in-bond transit time, or warehousing time.*

Despite the fact that the World Customs Organization recommends incorporating these time points into calculations of time to release, we lack reliable estimates of these times for any mode of transit and thus cannot reasonably include them in our study. Previous iterations of our methodology

considered the possibility of estimating these times statistically from the data. However, in discussions with stakeholders, we have come to the conclusion that clarity in what the numbers represent is more important at this point than attempting to more closely hit an unknown target. While stakeholders would have liked the ability to parse out government from non-government delays, they seem to need real results whose origins others can trace. Subtracting out approximated delays would only complicate things further. We found that results could vary dramatically based on several factors outside the government's control. Therefore, we broke our results down into the categories associated with these factors, as shown in figure ES-1. Results are presented by:

- mode of transit;
- whether entry documents were filed prior to arrival or not; and
- whether the cargo was arriving directly at its port of entry, or travelled in-bond after arrival to its port of entry.

Many shipments are released immediately upon arrival, or upon subsequent entry filing. Therefore, we further separated the results reporting into those shipments with no delay and those with a nonzero delay in order to present a more useful representation of the cargo for which some delay occurred. For shipments with a nonzero delay, we report the median, mean, and 90th percentile delay values.

While these divisions of the results are extremely relevant, we recognize that this represents a somewhat complex answer. Therefore, we also present overall results, as shown in table ES-1.

Table ES-1. Summary aggregate results

Cargo	Percent of all cargo (by number of shipments)	Median	90%	Mean
All imports	100%	0 hrs	20 hrs	15 hrs
Air	38%	0 hrs	12 hrs	8 hrs
Rail	4%	3 hrs	49 hrs	17 hrs
Truck	31%	0 hrs	7 hrs	4 hrs
Sea	27%	5 hrs	124hrs	39 hrs

The median times listed above suggest that there may not be a great deal of room for improvement of government-managed cargo delays, based on the data elements available for this study. However, by looking at details of the more specific channels represented in figure ES-1 as well as some outlier analysis, this study may help the government to identify some potential points for improvement.

A significant area for potential improvement is in the data collection and database management. While we found the data provided to us to be a wealth of information, it was not collected for this purpose and so was not always able to reveal the answers to relevant questions. Some adjustments to how CBP and the PGAs collect and store cargo data could improve the accuracy and ease of future studies. These adjustments include:

- collecting date and time information for non-governmental actions;
- collecting dates and times (as opposed to just dates) for certain key time points;
- creating a direct link between in-bonds and entries or shipments within the automated targeting system (ATS);
- integrating vessel management system vessel arrival times into ATS.

The output of this report could be strengthened by conducting a year-over-year analysis using the same metrics, to assess longer-term trends. Deeper investigation into the causes of some of the more severe delays would also improve the overall understanding of cargo. The data collected for this report are quite rich and offer insights into more than just times of release. Additional study to leverage this data, updated regularly, and to investigate and visualize the contours of trade entering the country (e.g. what comes in how and when, where and with what value) could provide enormous insight into the nature of trade flows into the country.

Figure ES-1. Time to release results

