Paving the Way to Green Customs: What Can Customs Do and What Will It Need to Do?

A United States Perspective

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Presentation Outline

- Background
- Green Trade Strategy Overview
- Internal Actions
- External Actions
- Real World Activities and Implications





Background

U.S. Customs and Border Protection (CBP) is well-positioned to fight climate change by accelerating green innovation and influencing industry behavior.



Addressing climate change is an **Executive Branch** priority

Multiple Executive Orders focused on climate change. including EO 14008, **Tackling the Climate** Crisis at Home and Abroad

Climate action plans from multiple executive agencies



Climate change and environmental protection have clear connections to the trade mission

> Global supply chains account for as much as 80 percent of carbon emissions

Environmental crime represents \$85B - \$265B in revenue, which is often used to fund criminal enterprises



Green Trade Strategy



CBP is positioned to make an impact

> CBP can influence global supply chain practices, extending beyond the U.S. border

Import data and supply chain visibility enable targeting and enforcement against bad actors

CBP developed a Green Trade Strategy to mitigate threats and seize opportunities related to climate/environment through incentives, enforcement, innovation, and climate resiliency

What Can and Should Customs Do? Look Internally

Through predominantly internal actions, CBP can improve climate resilience, enhance resource efficiency, and strengthen environmental enforcement.



Improve Climate Resilience and Resource Efficiency

Current Actions

- Designing net zero land ports of entry; 26 projects earmarked for development
- Purchasing electric vehicles; intend to electrify 50% of fleet by 2030
- Constructing electric vehicle supply equipment
- Creating metrics to improve carbon footprint tracking
- Recruiting specifically for sustainability initiatives
- Updating recycling policy and reducing waste; goal of 50% recycling rate for solid waste

Long-Term Opportunities

- Establish annual targets for lowering CBP's carbon footprint
- Regularly measure and report on greenhouse gas emissions to promote transparency and improve stakeholder awareness

Current Actions



Strengthen
Environmental
Enforcement
Posture

- Building internal capacity to expand environmental crime enforcement
- Partnering with NGOs and inter-governmental organizations to target environment crime
- Leveraging authorities from environmental penalty provisions in existing statutes
- Enforcing environmental provisions under United States-Mexico-Canada Agreement

Long-Term Opportunities

- > Establish environmental enforcement metrics
- Hire investigators specializing in environmental crime
- Coordinate with other Customs agencies and trade entities on environmental cooperation agreements

What Can and Should Customs Do? Look Externally

Collaboration with industry, academic, and Customs partners will help incentivize green trade and accelerate green innovation without disrupting the flow of trade.



Current Actions

- Understanding how existing facilitation programs reduce idling times and carbon emissions at ports of entry
- Exploring potential incentives for electric vehicles at land ports of entry
- Coordinating with environmental protection agencies on emission goals and incentive programs

Long-Term Opportunities

- Explore new incentive programs to encourage the adoption of carbon-reducing practices by industry
- Collaborate with international partners in developing and harmonizing global best practices

Current Actions



Accelerate Green Innovation

- Surveying industry and academia on practices and technologies for reducing emissions
- Pursuing legislation and emerging technology pilots that supports paperless trade
- Assessing long term agency impacts of emerging environmental trends

Long-Term Opportunities

- Explore the use of prize competitions to promote green trade innovation and research
- Research the use of alternative energy sources for trade infrastructure

Public-Private Collaboration: Global Efforts

Private sector is actively considering how to support governments' climate change mitigation goals.

- Improvements in technologies and innovative solutions
- Access to technologies to support energy transitions and sustainability

Commerce engagement with companies includes:

- Promotion of exports
- · Removing and preventing trade barriers
- Enforcing trade laws and agreements (esp. environmental protections and commitments)
- Ensuring fair and transparent procurement practices for climate-relevant infrastructure projects

Case Study: U.S.-Brazil Green Grid Summit (2021)





Public-Private Collaboration: Implications for Customs

Increased trade in environmentally-related technologies directly impacts Customs.

Considerations include:

- Understanding within Customs of the relevant technologies, both current and anticipated
- Opportunities to bring companies into trusted trader programs
- Cooperation with partnering government agencies
- Sharing experiences to build international consistency as these products increase in profile and importance
- Sharing experiences to understand new border-related risks that might emerge





Conclusions

- Customs is well positioned to positively contribute to strategic efforts to mitigate climate change
- It is also a key actor in efforts to facilitate the energy transitions in the nearer term that will enable longterm progress
- Approaches by Customs need to look internally and externally
- This is a multi-year endeavor, requiring changes in culture, infrastructure, and process
- Collaboration with the private sector, open communication, shared awareness, and monitoring will be critical.



