

Global Transshipment and Enforcement Seminar -- Bangkok, Thailand

Transshipment Overview



U.S. Customs and
Border Protection

Bangkok, Thailand - January 10, 2007

Definitions:



- In transit
 - Not off-loaded, does not enter customs territory
- Transshipment
 - Off-loaded, does not enter customs territory
- Re-export
 - Off-loaded, enters customs territory



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Why Control Transshipment Trade?

International Obligations

- United Nations Security Council Resolution 1540
- Treaty Law and International Export Control Regimes

Risk of Diversion Undermines Global and Regional Security

- Threat of diversion to terrorist or proliferation use
- Use of front companies

Damages Confidence in Global Trade Regime

- Undermines international efforts to liberalize trade
- Loss of trust by major trade partners



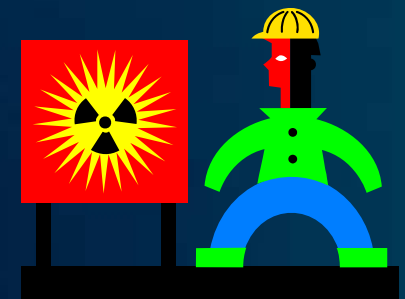
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Why Control Transshipment Trade?

Many sensitive items pose direct dangers for the safety of trade infrastructure including ports, vessels, and aircraft, as well as individuals and workers. Some examples of these items include:

- Commercial explosives
- Radiological devices
- Pathogens



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U.S. Legal Authority?

U.S. Law allows controls on the export of any items (goods or technology) subject to U.S. jurisdiction

- All items physically in the United States are subject to U.S. jurisdiction
- Items that are exported from the United States remain subject to U.S. jurisdiction even when in another country
- Items transiting through the United States from one foreign country to another are subject to U.S. jurisdiction

U.S. Department of Commerce has the authority to control exports through license requirements based on the intended country of destination at the time of export



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Transshipment Challenges?

- Limited controls/License Requirements
- Limited documentation/information (place of origin)
- Changes in the port of destination
- Ability to conduct a NII or Physical Examination
- Numerous Unknowns



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