

U.S. Customs and Border Protection **Green Trade Strategy**

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U.S. Customs and
Border Protection



Green
Trade
Strategy

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EXECUTIVE SUMMARY

As the lead law enforcement agency responsible for enforcing trade laws in the federal government, U.S. Customs and Border Protection (CBP) is responsible for ensuring that cross-border trade complies with applicable U.S. laws and promotes fair, secure, and safe competition. These efforts contribute to American economic prosperity, protect public health and safety, and strengthen global supply chains.

In the international community, there is now widespread recognition of the challenges that climate change is creating and will continue to create in the coming years. While governments and private industry have taken steps to address climate change, more significant action is needed, both to slow the effects already upon us and to prepare for the impacts yet to come. As such, CBP seeks to establish itself as a champion for the green economy and a leader in the fight against climate change by accelerating the global transition to green trade and serving as a responsible steward of our own environmental footprint.

To focus CBP's efforts and achieve our Green Trade Vision, this document lays out four strategic goals:

- **Incentivize Green Trade** – provide facilitation benefits and other incentives to promote environmentally-friendly trade practices and supply chains
- **Strengthen Environmental Enforcement Posture** – enforce against environmental bad actors to drive meaningful changes in trade practices
- **Accelerate Green Innovation** – promote and invest in the deployment of innovative, sustainable trade practices by government and private industry
- **Improve Climate Resilience and Resource Efficiency** – decrease the greenhouse gas emissions associated with CBP operations and strengthen the resilience and sustainability of trade infrastructure and assets

Executing these strategic goals will enable CBP to do its part to mitigate the threats posed by climate change, while also promoting innovation, accelerating economic growth, and supporting the development of more resilient and ethical supply chain practices.

INTRODUCTION

CBP is charged with facilitating legitimate trade while keeping the American public safe. In executing its trade mission, CBP is responsible for ensuring that cross-border trade complies with U.S. trade laws and promotes fair, secure, and safe competition. These efforts contribute to American economic prosperity, protect public health and safety, and strengthen global supply chains.

As we progress further into the 21st century, there is widespread recognition of the challenges that climate change is creating and will continue to create in the coming years. Recent studies have indicated that global supply chains account for as much as 80 percent of the world's total carbon emissions¹. In October 2021, the U.S. Department of Homeland Security (DHS) released its Strategic Framework for Addressing Climate Change² in response to Section 211 of Executive Order 14008: Tackling the Climate Crisis at Home and Abroad³. CBP's Green Trade Strategy aligns with the DHS Strategic Framework—particularly the lines of effort entitled “Incorporate Foresight and Climate Science into Strategy, Policy, Programs, and Budgets” and “Invest in a Sustainable and Resilient DHS”—and presents strategic goals tailored to addressing climate change in the context of the trade mission.

Climate change poses significant challenges to CBP's trade mission, but also provides new opportunities for innovation and improvement. This Green Trade Strategy lays out the agency's vision for seizing these opportunities to grow the economy and accelerate American innovation, while building resilience and addressing climate-related threats to our national and economic security.

CBP will continue to incorporate and act on new knowledge, information, and guidance as these become available, rather than prescribe a static list of activities. Examples provided in this document are illustrative starting points based on the important work already being done across the Agency. These examples should not be considered a comprehensive list or the limit of our aspirations.

¹ <https://www.hsbc.com/insight/topics/seven-steps-to-tackle-a-usd50-trillion-challenge>

² <https://www.dhs.gov/news/2021/10/21/dhs-releases-new-strategic-framework-addressing-climate-change>

³ <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/>



GREEN TRADE VISION & GUIDING PRINCIPLES

Green Trade Vision

Establish CBP as a champion for the green economy and a leader in the fight against climate change by facilitating the global transition to green trade and serving as a responsible steward of our own environmental footprint.

Green Trade Guiding Principles

These principles serve as the overarching ideals that will guide our strategies and actions related to green trade.

- ✓ **Leadership.** We will help solidify America's leadership role in green trade and serve as an example for others.
- ✓ **Education.** We will strengthen the climate literacy of our trade workforce and stakeholders and use this knowledge to maximize the impact of our efforts.
- ✓ **Collaboration.** We will work together with domestic and foreign partners to address the wide-reaching impacts of climate change and promote global solutions to a global challenge.
- ✓ **Commitment.** We understand the importance of addressing climate change and are committed to making a difference.
- ✓ **Investment.** We will invest our time and resources to promote green trade initiatives, spur on innovation, and build our resilience.



STRATEGIC GOALS OVERVIEW

Four strategic goals will focus CBP's efforts to address climate change in the context of the trade mission and achieve our Green Trade Vision. Executing against these goals will enable CBP to champion the green economy and accelerate the global transition to green trade both in the U.S. and abroad, while responsibly managing our own environmental footprint.



Incentivize Green Trade

Provide facilitation benefits and other incentives to promote environmentally-friendly trade practices and supply chains



Strengthen Environmental Enforcement Posture

Enforce against environmental bad actors to drive meaningful changes in trade practices



Accelerate Green Innovation

Promote and invest in the deployment of innovative, sustainable trade practices by government and private industry



Improve Climate Resilience and Resource Efficiency

Decrease the greenhouse gas emissions associated with CBP operations and strengthen the resilience and sustainability of trade infrastructure and assets

Incentivize Green Trade

Provide facilitation benefits and other incentives to promote environmentally-friendly trade practices and supply chains

TRADE CONTEXT

Trade incentives and trusted trader programs, such as the Customs Trade Partnership Against Terrorism (CTPAT), have traditionally been utilized by CBP to promote national security and supply chain integrity. As supply chains grow increasingly complex, interconnected, and international in nature, these types of trusted trader programs continue to be an effective method for CBP to incentivize positive change in private industry and could be leveraged to encourage green trade practices. In addition, coordination with foreign customs agencies to implement similar programs in their countries can further enhance the effectiveness of these incentives by increasing the overall return on investment for members of the trade that comply.

OPPORTUNITIES

- **Develop green trade incentive programs and other facilitation mechanisms:** Explore the potential deployment of green trade programs that incentivize the use of sustainable, climate-friendly practices. Engage the Commercial Customs Operations Advisory Committee (COAC) to solicit industry input on incentives that could encourage green trade while avoiding negative impacts on the flow of legitimate cargo. For example, streamlining the clearance of cargo, through processes similar to Advanced Qualified Unlading Approval (commonly referred to as AQUA Lanes) and Unified Cargo Processing, and encouraging the use of eco-friendly modes of transport—such as electric vehicles and low-emission vessels—provides tangible facilitation benefits for importers while reducing fuel consumption and cutting greenhouse gas emissions.
- **Incorporate environmental priorities into existing trade programs:** Consider adding environmental criteria into existing trusted trader programs, such as CTPAT. Working in partnership with the trade industry to advance green trade practices presents an opportunity to improve environmental stewardship throughout the supply chain.
- **Collaborate with international partners to incentivize green trade, build global capacity, and harmonize approaches:** Leverage partnerships with foreign customs agencies, non-governmental organizations (NGOs), and others to advocate for environmental protections and incentive programs that build global capacity and harmonize international environmental standards and objectives. For example, the World Customs Organization's (WCO) Environment Programme works to promote green customs practices and combat environmental crime.

DESIRED OUTCOMES

- Expedited transition to green trade practices
- Tangible financial and environmental benefits for our trade industry partners
- Enhanced green standards around the world

Strengthen Environmental Enforcement Posture

Enforce against environmental bad actors to drive meaningful changes in trade practices

TRADE CONTEXT

Climate change is truly a global challenge that requires a global solution; even small pockets of counterproductive behavior can impede progress in slowing the warming of the planet. As the lead law enforcement agency of U.S. trade laws, CBP can strengthen its environmental enforcement posture and use its position as a leader among customs administrations to build the capacity of foreign customs agencies and promote coordinated enforcement approaches.

OPPORTUNITIES

- **Prioritize enforcement of environmental laws and controls in conjunction with partner government agencies:** Bolster collaborative enforcement efforts against bad actors who seek to evade U.S. environmental laws and regulations. This could include working with partner government agencies to apply existing penalties in a more aggressive manner, as allowed under existing authorities, or exploring other consequence options. Regardless of the delivery mechanisms, we should pursue joint enforcement that is targeted, timely, and drives meaningful change in behavior.
- **Enhance supply chain visibility to illuminate environmental risk factors:** Strengthen our enforcement posture by prioritizing the targeting of bad actors and working with partner agencies, as appropriate, to enforce against environmental threats, which harm the environment and can be used to fund criminal enterprises. This could be achieved by potentially expanding the collection of supply chain data and intelligence to target polluters and parties involved in trading illicit environmental goods, such as ozone depleting substances, illicit timber, and critical minerals.
- **Bolster information sharing with stakeholders to promote coordinated enforcement:** Promote interagency collaboration to target both known and unknown bad actors, preventing bad actors from infiltrating our supply chains, and promoting similar, consistent approaches with international partners. Share data, in accordance with the law, as well as supply chain insights and best practices with international customs agencies and NGOs to coordinate enforcement efforts and build stronger enforcement capabilities worldwide. In addition, sharing, in accordance with the law, relevant environmental enforcement information with the trade would enable industry to police their own supply chains and serve as force multipliers.
- **Coordinate with domestic and foreign governments to enforce environmental provisions in trade agreements:** Encourage the inclusion of environmental requirements and other climate commitments in trade agreements (such as the United States-Mexico-Canada Agreement) so that goals, targets, and obligations are shared fairly across all parties. Holding others accountable to their obligations aligns with the need for a global solution to climate change.

DESIRED OUTCOMES

- Targeted and timely enforcement against environmental crime
- Coordinated enforcement efforts with international partners
- Strong environmental provisions in trade agreements, complemented by effective accountability mechanisms

Accelerate Green Innovation

Promote and invest in the deployment of innovative, sustainable trade practices by government and private industry

TRADE CONTEXT

Climate change will pose challenges to trade. Trade stakeholders, including CBP, partner government agencies, and private industry, will need to adapt and innovate in order to mitigate negative impacts and build climate resiliency. Paperless trade, fuel-efficient and low-emission transportation, and streamlined port operations are just a few of the current innovations that could have significant positive climate impacts. CBP has the opportunity to use its prominent position in international trade to build capacity and accelerate the adoption of sustainable practices and green innovation around the world.

OPPORTUNITIES

- **Identify ways that industry can play a role in addressing the climate crisis:** Analyze supply chains and government trade operations to identify ways to limit greenhouse gas emissions and other environmental impacts. Engage with partner government agencies, international customs agencies, and the trade industry to share outlook, strategy, knowledge, and best practices concerning green trade. Engage with the COAC to solicit industry perspectives and ideas. By building a common understanding, we can help facilitate a coordinated approach across sectors to mitigate the risks posed by climate change.
- **Promote research pertaining to green trade:** Engage the DHS Science & Technology Centers of Excellence, academia, and other avenues to conduct research on green trade. Utilize the latest research and evidence-based findings to ensure climate change and risks are appropriately considered to drive decision-making, policy updates, and investment decisions.
- **Align customs processes with a green future:** Reimagine the entry process and other trade processes to make them resource efficient. Future-proof CBP operations to make them compatible with emerging technologies and environmentally-friendly methods of commerce. Having the agility and flexibility needed to quickly adapt to the latest trade innovations will accelerate implementation and maximize environmental benefits.
- **Incentivize green innovation by industry:** Promote industry innovation to create a market for technology, products, and processes that will accelerate the adoption of green trade practices. Harness the power of American ingenuity via prize competitions⁴ and through private industry events to accelerate new ideas/invention and improve upon existing technologies. Providing a platform for innovation can inspire and incentivize others to pursue similar solutions.

DESIRED OUTCOMES

- Environmentally-conscious operations that are informed by cutting-edge research and are able to accommodate ongoing innovation in green trade
- Motivated industrial base focused on bringing green technologies and other innovations to market
- Coordinated approach by trade stakeholders to addressing the risks posed by climate change

⁴ <https://www.dhs.gov/science-and-technology/prize-competitions>



Improve Climate Resilience and Resource Efficiency

Decrease the greenhouse gas emissions associated with CBP operations and strengthen the resilience and sustainability of trade infrastructure and assets

TRADE CONTEXT

Much of our nation's infrastructure, including CBP trade infrastructure, was not built to withstand the impending effects of climate change, such as extreme temperatures, severe weather events, and rising sea levels. Proactive action before these changes impact CBP operations will enhance mission readiness and provide our workforce with the support needed to excel in a changing operational environment.

OPPORTUNITIES

- **Promote resource efficiency through renewable and/or energy efficient sources and waste management practices to reduce CBP's carbon footprint:** Pursue opportunities at the headquarters level to enhance the energy efficiency of office buildings, right-size office space, and phase in more efficient equipment, such as multifunction devices, to reduce energy consumption. In the field, consider energy-efficient updates such as transitioning to an electric vehicle fleet, which can reduce greenhouse gas emissions while cutting fuel costs. As permitted by law, explore green destruction techniques, where practical, such as waste-to-energy incineration, and maximize opportunities for recycling and/or donation of forfeited merchandise.
- **Utilize flexible and non-traditional work arrangements to decrease workforce environmental impacts:** Offer employees flexible work arrangements where operationally feasible and upgrade audio/visual equipment to promote collaboration in distributed work settings. This would help decrease overhead costs by reducing electricity and water usage and allowing for further consolidation of office space. Less commuting time for CBP employees would also reduce the agency's overall carbon footprint and energy consumption.
- **Improve the resilience of our workforce and infrastructure against the effects of climate change:** Boost mission readiness by upgrading trade infrastructure at the ports of entry to withstand rising sea levels and severe weather events. Prepare our frontline workforce to operate in more extreme environments.

DESIRED OUTCOMES

- Reduced carbon footprint and energy consumption driven by energy-efficient facilities and assets
- High levels of mission readiness and a workforce that is prepared to operate in a changing operational environment

PATH FORWARD

With the effects of climate change already being felt, it has become clear that timely and meaningful action is needed to mitigate climate risk factors and build resiliency in the face of a changing environment. Governments and private companies around the world have recognized the importance of this situation and are accelerating efforts to decrease emissions, improve resource efficiency, and build readiness for the effects of climate change. CBP is committed to doing our part to fight climate change by incentivizing green trade practices, cracking down on environmental bad actors, accelerating green innovation, and improving the resilience of our infrastructure and people. Environmental considerations will be integrated into our day-to-day operations, allowing us to execute our trade mission at the highest level, while serving as good stewards of the environment.

While climate change poses significant threats, we also see opportunities for innovation, economic growth, and more resilient and ethical supply chain practices. This Green Trade Strategy sets out an ambitious vision for the future of CBP's trade mission, aiming high to match the urgency of climate change by mitigating impacts on the environment and trade. And the opportunities outlined in this document are only a starting point. As new challenges, priorities, and opportunities arise, we will adjust with agility to best position the agency to execute its mission and fight climate change.

Moving forward, CBP's Green Trade Guiding Principles—Leadership, Education, Collaboration, Commitment, and Investment—will continue to guide our strategies and our actions related to green trade. Working together with our government and industry partners, we believe we are well-positioned to make a difference on the path to a cleaner, more sustainable future.



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