

# Gate Outs

- A gate out is defined as cargo targeted for terrorism or enforcement reasons that is released from Customs and Border Protection (CBP) custody without authorization or examination.



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# Gate Outs – Informed Compliance Phase

- In June 2005, the agency began discussions in partnership with vessel terminal operators and the carrier community regarding gate outs.
- Port Directors subsequently met with each terminal operator to emphasize the need for positive control over all containers held for CBP inspection and to discuss the control mechanisms each terminal had in place to prevent gate outs, especially the communication protocols between carriers and terminal operators.



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# Gate Outs – Enforcement Phase

- Terminal operators were advised that should instances of gate outs continue to occur, penalties would be issued under 19 U.S.C. 1595a(b), and
- CBP would increase enforcement activities at exit points at rapidly escalating levels, commencing with the gate stationing of CBP Officers to query the release status of all containers.
- The placement of Officers at terminal exit gates is a response to security concerns and is not intended to disrupt the flow of cargo nor to endanger worker or public safety.



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# Gate Outs – Bond Requirements

- On December 20, 2006, CBP issued instructions requiring marine terminal operators to post a bond to ensure payment in the event that terminal operators incurred penalties for allowing containers or cargo to be delivered from their terminals without authorization from CBP.
- Bond amounts have been established by CBP based on the number of gate outs during FY 2007.



# Gate Outs - Status

- As a result of most terminal operators becoming AMS participants, the level of gate outs experienced thus far in FY 2007 shows a meaningful reduction from October (25 gate outs), to November (16 gate outs), to December (9 gate outs), with a slight increase in January (12 gate outs, 5 of which were attributed to one-time computer mapping errors), and a resumption of the downward trend in February (8 gate outs) – a 68% reduction since CBP began implementing corrective actions to include informed compliance, escalating enforcement activities, and penalty issuance.



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# Gate Outs -Status

- On average, in FY 2006, 25.5 gate outs occurred per month. Thus far in FY 2007, the average has declined to 14 per month. Further reductions are expected as terminal operators continue to become Automated Manifest System (AMS) participants and positively ensure that all containers are free from holds prior to exiting the terminal gate.



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# Gate Outs - Status

- Gate outs are no longer occurring as a result of systemic communication issues between the carriers and terminal operators. Human error is now the main contributor. Accordingly, CBP enforcement activities at exit gates in response to gate out incidents have been scaled back and are commensurate with the current reasons which attributed to the gate outs.
- All decisions regarding gate out enforcement actions, including penalty issuances and mitigations, are made at CBP Headquarters after a careful review of the circumstances regarding each violation.



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