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**BUSINESS CLIMATE  
REFORM**

**Date:** June 13, 2007

**To:** Nato Beruashvili  
Fiscal Reform Team Leader

Olin McGill  
Chief of Party

**From:** Mark Stomski  
Customs Advisor

**Re:** Proposed Regulations on Cargo Examinations

Upon review of the proposed regulations for Customs cargo examinations, it is my recommendation that this draft not be considered for adoption in its entirety as it is flawed in concept.

- It takes no consideration for ASYCUDA selectivity or the concepts of Green, Blue, Yellow, and Red Channel.
- It implies that physical examinations must still be conducted on 100% of imported shipments. It appears that the drafter interpreted selectivity and risk management to mean that a minimum of 10% of every shipment must still be examined.
- It introduces more forms and lengthy instructions on completing these forms.
- It requires the presence of the declarant at the examination within 5 days of the goods arrival. The declarant's presence is an entitlement, not a requirement.
- It does not give provisions for the type of examinations envisioned under the Customs – Trade Partnership Program.
- It has a provision for “repeated customs examination” for “the purpose of checking and controlling of the results of the initial Customs examination of the goods and means of transport” creating double examinations.
- It defines “targeted customs examinations” as having the sole purpose of “detection of concealed goods.” While this is one of the components of any Customs examination, it is an incorrect definition of “targeted customs examination” as Customs should only have two types of exams: targeted and random.

In summary, this draft legislation not only ignores the concept of Risk Management but it presents more obstacles and barriers in efficient cargo processing. The entire draft needs to be re-written.

Mark Stomski