

De Minimis Enforcement





History of De Minimis

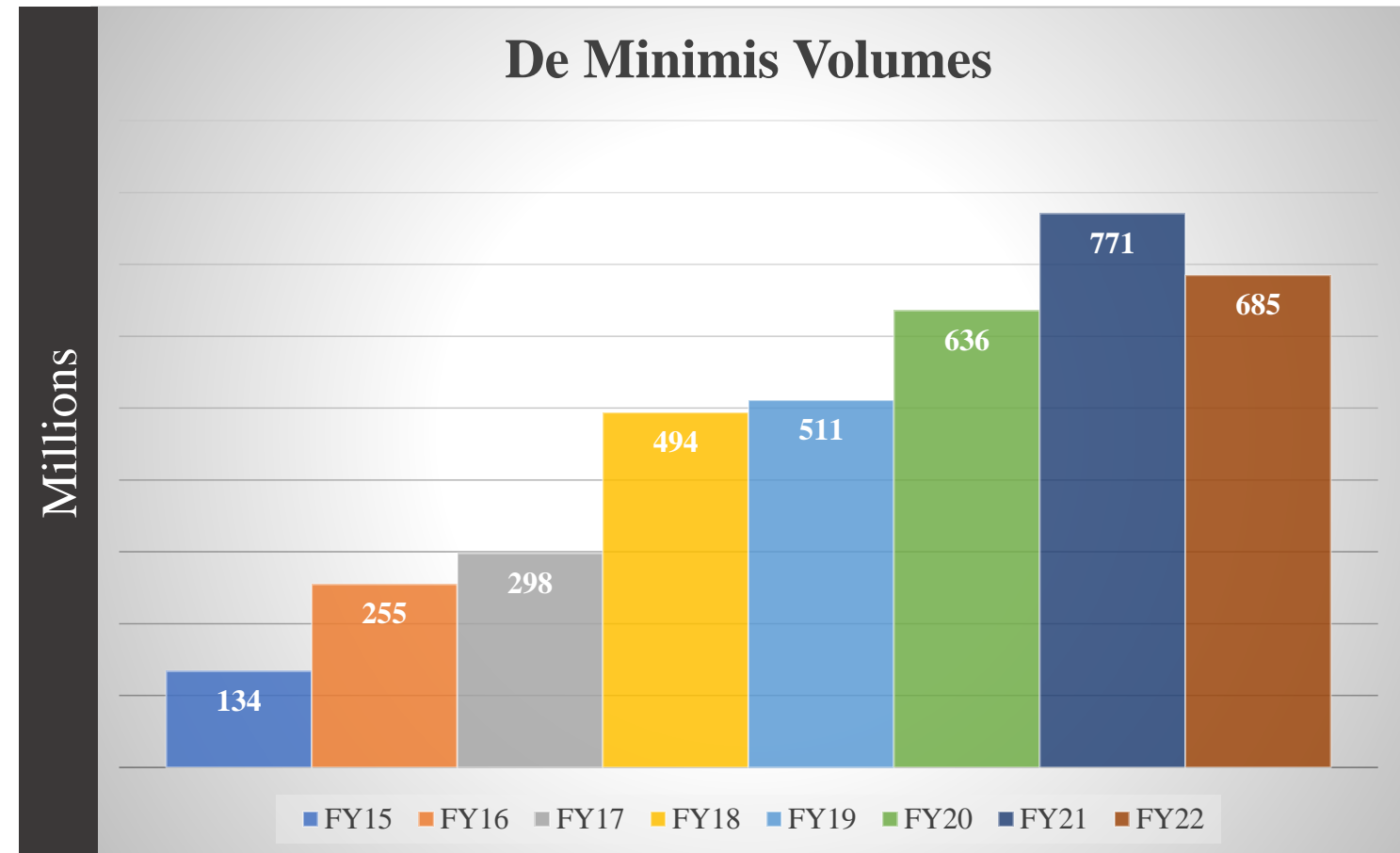
Most small packages are imported under the *de minimis* threshold

- First enacted in 1938 at \$5 to avoid administrative expense to the government disproportionate to the amount of revenue realized from inspecting low value goods
- In 2016 with the passage of **TFTEA**, Congress raised the de minimis from **\$200 to \$800**
 - 2015: shipments valued at \$200 or less were approximately 134 million
 - 2016: de minimis shipments increased by 65% to nearly 220 million
 - 2022: the number of de minimis shipments had increased to 685 million —a **410% increase** in seven years



Current De Minimis Environment

- De minimis now represents **85%** of shipments entering the U.S.
- FY23 volume has exceeded **1 billion**.
- The primary mode of transportation is air (express and postal), though ocean and truck are steadily increasing.





Operational Challenges

- Every day, nearly 2 million low value, *de minimis* shipments arrive at CBP facilities for targeting, review, and potential physical examination, based on FY22 averages.
- Although these packages are low value, they pose the same potential health, safety, economic security, and forced labor risks as larger and more traditional containerized shipments.
- The advanced data is limited and can sometimes be vague or inaccurate, providing limited visibility into the supply chain.
- The diffusion of the supply chain from the traditional model, as well as the rise in volume of small packages, have placed stress on CBP's targeting and enforcement efforts.



Ongoing Efforts

- CBP targets all shipments, regardless of value, for all violations.
 - The majority of seizure cases in FY 2022 originated in the *de minimis* environment, including those related to narcotics (including fentanyl), agriculture, intellectual property rights, and health and safety.
- Established the Commercial Customs Operations Advisory Council (COAC) De Minimis Working Group.
- Continuing to advance E-Commerce technology through the Section 321 Data Pilot and Entry Type 86 Test, that have been operational since FY 2019.
- Engaging supply chain partners to address compliance issues within the *de minimis* environment.



Path Forward

- Continue active targeting for violations in the *de minimis* environment.
- Publish Notice of Proposed Rule Making (NPRM) to update *de minimis* regulations, to formalize key successes from the Section 321 Data Pilot and Entry Type 86 Test.