

Congress of the United States

US House of Representatives Committee on Small Business

Good Morning, I am Jennifer Robertson-Ahrens the President of Robertson Forwarding Company, a 47-year-old African-American, Woman-Owned, and HubZone firm located in Miami Florida's 24th Congressional District.

I want to thank Chairman Chabot and the Subcommittee on Agriculture, Energy, and Trade for allowing me to testify today on the effects of Export Control Reform (ECR) on my business.

It has been a very difficult couple of years for my small business which specializes in the importation and exportation of aircraft parts and other sensitive military equipment. I attribute the difficulties experienced over the last two years to a lack of clarity spanning across the exporting industry.

Issues faced:

- Manufactures and shipper's reluctance to self-classify or obtain a commodity jurisdiction for their product.
- Confusion surrounding previously USML items and how they relate to their current ECCN classification.
- Identification and application of ECCN licensing requirements. Exporters are forced to navigate a confusing regulatory landscaped based on country specificity, end user, and trade agreements. Leaving the export industry vulnerable to possible export violations.
- Delays at US Customs and Border Protection, due to export officers unsure of the requirements for the ECCNs, 600 series products, and the use of export codes per country and end user submitted to them by industry in Electronic Export Information (EEI) filings. CBP's approval of these filings is required for export from the US. For exporters time is a critical component to our performance matrix and delays of any sort is costly.

Legislators need to appreciate that Freight Forwarders like myself are the "low-hanging fruit" for multiple enforcement agencies.

Examples of enforcement agencies:

- US Customs and Border Protection
- Office of Foreign Asset Control
- Bureau of Industry and Security
- Transportation Security Agency
- The Federal Maritime Commission

Regulatory uncertainty and lack of available training leaves companies like mine in fear of financial retribution and possible criminal indictment for improper export classification provided to us by shippers/vendors.

This year I have witnessed a trend in manufactures and shippers who are undoubtedly the US Principle Party of Interest pushing licensing of their equipment for export to third parties without support for classification.

Examples:

- DOD contractor customer spent \$175,000 in fees due to delays in licensing between 2014-15
- Licensing at DDTC delayed over 90 days
- Kickback of classifications between DDTC and BIS delays licensing up to three weeks.

As a US Export Compliance Officer I allocate a significant portion of our budget to training in order to keep Robertson Forwarding Company staff up to date with the regulations effecting my clients' freight. Export Control Reform has been on my radar for the last four years. I have trained and provided training to folks on the changing landscape throughout this time. With all of this said, I still had the most challenging and costly years in my professional career due to industry insecurity, confused and nervous shippers/manufactures, and government regulatory agencies not understanding the regulations resulting in unnecessary delays and cost for the industry.

In closing, I understand the motive of ECR but believe its implementation lacked sensitivity to business concerns. I believe the implementation of ACE and Export Control Reform should have been handled in a similar manner to the implementation of the TSA's Indirect Air Carrier Program in the 90's. There where multiple outreach programs provided at every major port, training by community liaisons, and web-based manuals. Updates phased in annually with notification of upcoming changes as well as implementation grace periods. This allowed industry to prepare and adapt to changes through training. Training was provided by the regulators themselves, allowing them to see how the practical implementation of regulations was effecting the industry and this information was then used to inform the upcoming annual or bi-annual changes.

Thank you for this opportunity.

Jennifer Robertson-Ahrens

President of Robertson Forwarding Company (d.b.a. RFC Logistics)