Will Rees keep the peace in the trade community?

In early March of this year, Customs Commissioner Raymond Kelly appointed Joseph M. Rees as Trade Ombudsman for the U.S. Customs Service. The Office of the Trade Ombudsman was established in 1990. Its purpose is to improve the relationship between the Customs Service and the international trade community.

Commissioner Kelly has stated that he intends to meet with Rees daily, as the Ombudsman serves as the key link between the international trade community and the Commissioner. He also acts as a neutral third party to whom members of the community can turn with issues in dispute that cannot be resolved through normal channels.

Interestingly, in the past, it is the impression of a substantial part of the trade community that the office has been underutilized, even though the Ombudsman has the potential to serve a much needed role.

One can only speculate at this point as to the reasons for its underutilization heretofore, but surely a lack of publicized concrete successes on the part of the importing public has served to erode confidence in the office.

Perhaps with the appointment of Rees, this situation will change. In a striking example of his interest in relevant issues of the day to the trading community, Mr. Rees recently attended the American Association of Exporters and Importers Conference in New York City.

His presence might not have inordinately impressed those in attendance, but for the fact that he had arrived after the air shuttle between New York and Washington was cancelled on the morning of the first day of the conference. Indeed, although several government officials were constrained to cancel due to the inclement weather, Rees had the tenacity and ingenuity (and desire) to utilize the Metroliner as an alternative means of transportation.

This rather mundane yet patent demonstration of his intent to “stay connected” is, hopefully, a portent of his attitude with respect to his role as the Trade Ombudsman.

By way of background, Rees’ career has largely concentrated on legislative matters before the Congress. As such, he is quite familiar with international trade issues, as well as those involving health care and intellectual property.

Rees has also represented the United States in speaking engagements overseas. In addition, the new Ombudsman brings a wealth of experience in community affairs to his new position.

Based upon his background and apparent current interest in the area, Rees appears to be uniquely qualified to serve as a much needed arbiter between top Customs officials and the international business community.

He has noted that one of the first goals of his administration is to change the perception that the Commissioner is sacrificing his relationship with the trading community in favor of stricter enforcement standards. The question for all of us is, how can Rees accomplish this goal?

This task will be difficult at a time when Customs regularly and persistently issues updates to its Hong Kong, Macau and Taiwan textile transshipper lists, but often fails to respond to importers’ requests for rulings with the same timely consistency. In addition, it will be interesting to see how Rees’ office implements programs to bridge the gap between Customs and the trade while the agency itself is desperate for funding for some of its high level programs such as the Automated Commercial Environment (ACE).

Finally, the continuing transition from “informed” to “enforced” compliance by Customs will no doubt create numerous opportunities for equitable and fair intervention from an impartial source.