**National Association of Maritime Organizations**



 **Simplify Overtime Billing**

June 14, 2018

# Background

Due to ongoing shortages of CBP officers at our nation’s seaports, ocean carriers and/or their vessel agents must routinely request off-hour inspections to expedite vessel or cargo entrance, clearance, and release.[[1]](#footnote-1) After completion of such services, CBP sends an invoice to the vessel agent.

Overtime calculation and billing can be unduly complicated due to statutory and/or regulatory requirements or administrative procedures. The end result is that invoices are frequently delayed by many weeks.

Since the vessels have long since sailed, the agents have previously forwarded other invoices (pilots, tugs, etc.) for processing as most carriers require that invoices be submitted within 30 days. By the time the CBO OT invoice arrives, the vessel operator will have closed the account; the ship agent is then held responsible for the CBP overtime expenses.

At an average of $100,000 in vessel port call costs, CBP overtime invoices are relatively minor at $200-$400. Thus, the cost to the agent to collect the fees can actually exceed the invoice amount. Conversely, if CBP could provide an invoice within days after service as other providers do, it would be included with the ship agent’s final accounting to the principal and paid along with other provider invoices on a timely basis.

# Current Process

It is our understanding that cost for CBP to calculate and generate overtime invoices is significant. Simplifying the process would undoubtedly provide significant cost savings for both industry and CBP.

The process as we understand it is as follows:

**Legacy Customs and Agriculture Personnel**: Following the overtime service, a work ticket is entered into the payroll system at the port office. When payroll is processed, overtime is calculated and added to the CBP officers’ payroll. Based on this data, CBP then generates the invoice for overtime services. These procedures have significantly shortened the window for receipt of the overtime invoices, however, ship agents are under constant pressure by their principals to reduce the timeframe for settlement of their accounts. This process can take from two weeks to one month, depending the payroll cycle.

**Legacy Immigration Officers**: Upon completion of service, the port must complete form G202 which can be faxed, mailed, or emailed to the Revenue Division where it is manually processed. Following the merging of Customs and Immigration and a CBP legal ruling, the G202 requires two manual calculations prior to invoicing the lesser of the two amounts. A number of actions can delay billing: the port office does not send the G202 immediately following service and/or the Revenue Division may not be prepared to handle the number of G202s if the port sends the forms in batches rather than as services is provided.

# Proposed Solutions

1. Update processes to allow for instant transmission of invoices electronically to the party requesting service.
2. Add language to DHS Title 6 whereby all CBP reimbursable overtime is based on a user fee calculated and set annually based on a simple average of the overtime fees from September through August the previous year plus the anticipated increase for the cost of the officer’s hourly service. As a set user fee, overtime can then be collected in advance of or at time of service via the Mobile Collections and Receipts device along with other fees (e.g., CBP User Fee, Tonnage Tax, APHIS User Fee).
3. Amend Immigration statute, Title 8, to align overtime calculation with legacy Agriculture and Customs officers, thereby eliminating the need to manually calculate the overtime fee which delays the billing of same for as much as two months. This, in our view, would be a temporary fix to the problem.
1. This discussion refers to services provided at the request of the agent, not those provided to the terminal operator under the 559 Reimbursable Services program. [↑](#footnote-ref-1)