



Consider These 5 Things

3PLs and 4PLs

IESS, LTD

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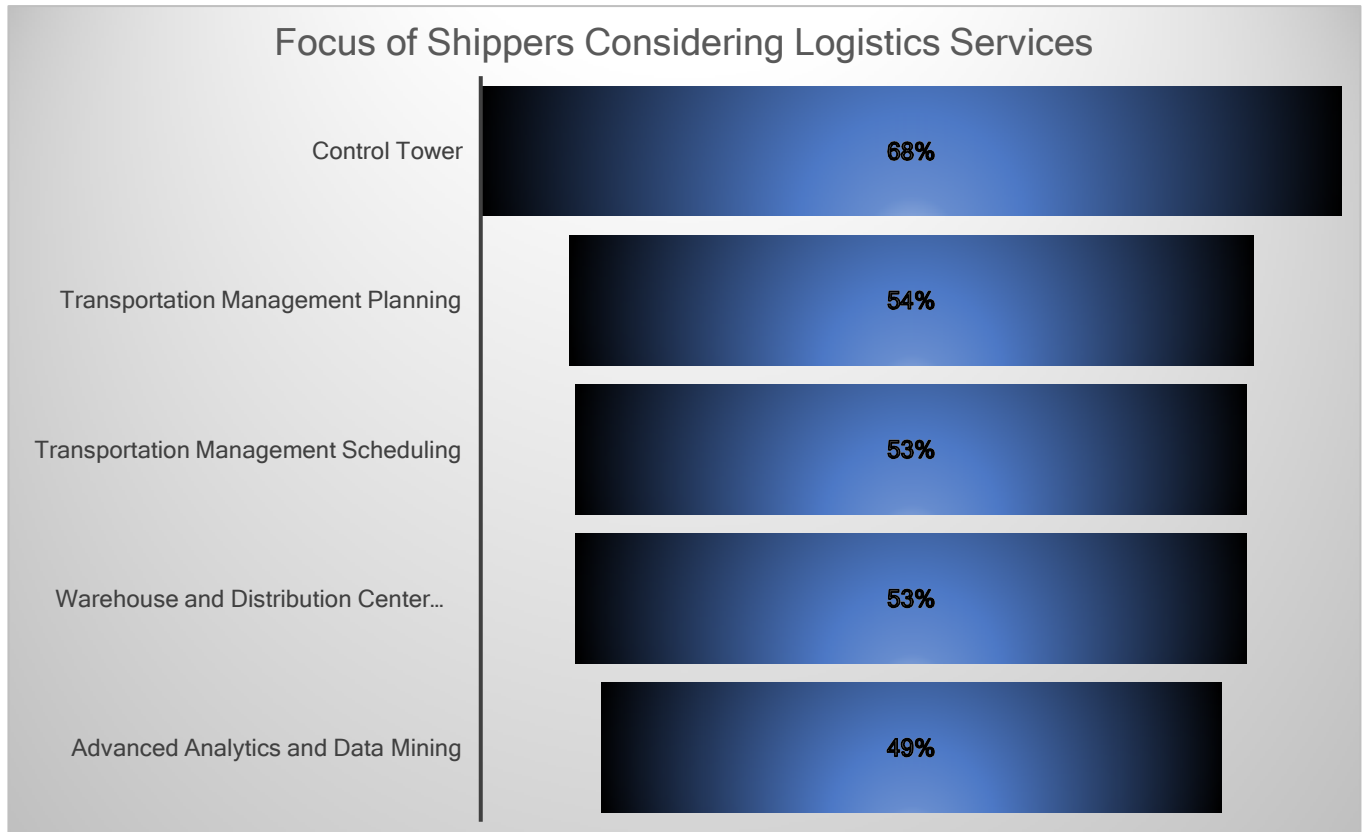
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3PLs and 4PLs

In a globally driven world under cost pressures and trying to do more with fewer people, 3PLs and 4PLs can lead the way to seemingly taking away all the negative and challenging aspects of doing business globally. But what does it mean to your risk management? What type of visibility do you truly have? If something goes wrong, how would you know? Are some types of control best left with you?

Value-Added Customs Entry

Value-Added Customs Entry is an opportunity for you, the client, to almost eliminate the cost of filing your entries while enjoying access to world-class logistics facilities, warehouses, shipping operations, and fleet vehicles. You avoid having to make those crippling capital investments. Eighty-nine percent (89%) of those shippers using 3PLs and 4PLs consider the relationships to be a success. That is down from 95% in 2024. When companies use these logistics providers, customer service is improved and overall costs come down. But why is your customs entry a “value-added” service? Short answer? Most shippers focus on other aspects: Control Tower Visibility (68%); Transportation Management Planning (54%); Transportation Management Scheduling (53%); Warehouse and Distribution Center Management (53%); Advanced Analytics and Data Mining (49%); Cloud-based Solutions (40%); and Customer Relationship Management (40%). (To see the full report, <https://share.google/Xpuffiq7q90jCQSxV>)



Consideration #1: Why does customs entry fail to make the cut?

Customs entry is often considered a cost of doing business and an unnecessary formality. In some companies, as long as everything is running smoothly and there are no clearance problems, no one even considers it a major factor. The average pay of an entry level entry-writer is \$18-\$22/hour with professional entry-writers paid only a little more than that at \$28/hr. For the customs brokers (not logistics providers) to *profitably* provide responsible supervision, training and development, and adequate systems maintenance, they must charge anywhere from \$125-\$175 per entry. For the broker to make a profit, they must also do a high volume. Where expectations are at 40 entries per day, that only allows about 10 minutes per entry. In the offices of logistics providers, that expectation can be much higher than 40 entries per day. When logistics providers can offer those entry-writing services for reduced cost (or nearly free) the upfront savings can seem substantial. But is that all to consider?

Consideration #2: Is your relationship with CBP an afterthought?

Your relationship with US Customs and Border Protection (CBP) should be one of those relationships that you don't want to delegate, especially if you are the party responsible for your company. Sophisticated and high-volume importers need to know who their contacts are in Customs. Many logistics providers have durable relationships with CBP that help expedite cargo to meet your customers' demands even when problems arise. But *how* are those problems being resolved? If your relationship with CBP and other government regulators is an afterthought, how will you know when something goes wrong? With little or no resources or attention being placed on your customs entry processes, how could you assure CBP that your relationship with them is a compliant one? But is that important in the long run?

Consideration #3: How is CBP Changing?

Alongside industry, CBP is also changing in focus, how it identifies high-risk importers, and even in whom they hold culpable. In the last evaluation by [KPMG in October 2025](#), the risk to importers is intensifying.

In addition, AI-tools are also being deployed by CBP to more rapidly identify containers that might be the subject of errors or fraud (**Empty Container Detection Model**). Just a few of the models include the AI-based **Commodity Detection Model** leverages computer vision to predict commodity codes. CBP is even using an **Agriculture Commodity Model** to perform risk-based inspections of shipments identified as having a high risk for pest infestation. As an enforcement tool, CBP is using a **Cargo Classification Tool** that supports proper classification based upon descriptions and attributes, while providing processing aids that associate specific cargo with violations that might have occurred in the past. For a full description of all the CBP AI-tools that are deployed click on the image to the right.



Consideration #4: What does it mean to your risk management?

Changing rules and regulations is important, but a greater threat lies much deeper in the directives to CBP to maximize penalties. In numerous Presidential Proclamations, the administration stresses the demand for strict compliance and maximized penalties when discrepancies are found. The number of audits is increasing; there have been increases in the dollar-value of duties that are being recovered and that paves the way for penalties and liquidated damages to also increase. When CBP does look back at an importer's entry record, they often go back as much as five (5) years. So, the decisions and resolutions that are put forth to CBP today are still subject to a second look by them for years after they are liquidated. Your records should be complete and support whatever information you are providing today. So, is it the best course of action to treat customs entry as such a low value / low priority endeavor in the supply chain? For a full explanation of what CBP's expectations are for your recordkeeping, click on the Informed Compliance Publication to the left.



Consideration #5: Does the risk seem reasonable to you?

One might argue that a few hundred audits over a period of several years by CBP is not a high enough risk factor to justify the extra costs associated with customs entry; however, if your company is using logistics providers as a tool to avoid investment in the administration of your import or export program, it could put your company in an uncomfortable position of having to scrutinize your own logistics provider in the event that CBP starts to take exceptions with the way your imports or exports are being handled. Regardless of how much the costs are reduced and how your information is reported to CBP, it could quickly become irrelevant in the event of an audit or an increase in scrutiny.

Could There Be Ways to Better Manage the Relationships?

Ask yourself the following questions.

- 1) Do the methods you use to calculate your entry values align with [CBP requirements](#)?
- 2) Do your internal practices inside your company (not your logistic provider) meet the standards of [reasonable care](#) for all the enforcement areas to which you are exposed?
- 3) Are you failing to report such aspects of your global operations that might be considered an [assist](#)?
- 4) What part of your contracts with 3PLs and 4PLs address your liabilities and who is held responsible if penalties are assessed?

Make sure you are using the tools that CBP offers to all its importers to help keep you informed.

Make sure that the tools that CBP offers are part of your normal operations (i.e., Knowledge of those areas of your operations that have been the focus of Informed Compliance Publications, ACE portal, formal account management, if possible, etc.)

Maintain control over your suppliers and vendors, so that you can track the accuracy of the documents and the supporting information that they provide to your logistics providers.

Regardless of whether your logistic providers provide you with a copy of documents for your records, you should examine the documents provided by your suppliers and vendors to make sure that all required information is being provided and any required declarations are being made.

Have the health of your import and export program evaluated by IESS once per year to help identify your high-risk exposures.

Ask IESS to evaluate a few of your imports or exports once per year to see if there are areas of concern. IESS can help you identify those types of shipments that should be examined closer.

Develop ways to evaluate broker entry quality.

Make sure you have a way to evaluate broker entry quality. Not only is this important to show reasonable care to CBP, but it can be an effective negotiating tool when it is time to re-evaluate your logistic provider.

Before you start importing or exporting your commodity, ask IESS to review your transaction strategy, so that you can take care of issues before they start.

We are always thrilled to work with companies who are interested in making the correct decisions. Whether or not you have an existing relationship with us, we are always available to speak with you candidly and confidentially regarding your trade plans.

For more information, contact us via email workrequests@iessltd.com or schedule an appointment with one of our customs brokers by [clicking here](#).