



## Customs-Trade Partnership Against Terrorism

### Glossary of Terms

Please be aware the definitions below are as they apply to the C-TPAT Program, and therefore may not be all inclusive in nature when considered within U.S. Customs and Border Protection as a whole. For specific C-TPAT eligibility questions, please refer to the specific entity under the Minimum Security Criteria page on CBP.gov.

Term	Definition
Air Carrier	An airline in the commercial system of air transportation that actively transports cargo from foreign into the U.S., has an active International Air Transport Association code, and possesses a valid continuous international carrier bond registered with CBP.
Annual Review of Security Profile	The account review that must be conducted by the Partner at least once each calendar year. This includes a review of the security profile and company profile to ensure accurate, up to date information is included throughout the account. Once submitted, the assigned SCSS must review and approve the information submitted by the Partner. The SCSS verifies the Partner continues to meet the MSC, eligibility requirements, and vetting thresholds.
Annual Work Plan	The work plan designed by C-TPAT management that identifies the Partners that will be validated or revalidated that calendar year.
Appeals	The appeals process covers both suspension and removal of the Partner and any benefits. A temporary suspension of the Partner is typically handled at the Field Office level, while removals are handled at the HQ level. For Suspensions, the response is typically successfully addressing the validation results that led to the Suspension, or actions required generated by a Post Incident Analysis after a security breach. In accordance with the SAFE Port Act, a Partner has the right to respond to an action taken by the C-TPAT program which has resulted in the removal of benefits. Such actions include: Determination of Ineligibility; Suspension; and Removal.
Applicant	A company that has applied to be a Partner in the C-TPAT Program by submitting a completed Company Profile, Security Profile, and signed Partner Agreement.



Term	Definition
Benefits	Participation in the C-TPAT program grants various benefits, some depending upon entity type. Benefits for all Partners include use of the Status Verification Interface (SVI) screen to ascertain the C-TPAT status of business partners, an assigned Supply Chain Security Specialist, the ability to advertise as a Partner, and permission to attend training seminars. Importers also receive significant reductions in the number of security-related examinations, and when selected for examination also receive “front of the line” benefits, as practical at each port of entry. Land border highway shipments are also granted use of the Free and Secure Trade (FAST) lanes, if all required entities involved in the transaction are C-TPAT certified.
Best Practice	A supply chain security measure that is innovative and exceeds the C-TPAT MSC. A Best Practice also has the following characteristics: <ul style="list-style-type: none"><li>· Management support is incorporated into the process;</li><li>· Written policies and practices governing its use;</li><li>· Employs a multi-layered series of security measures;</li><li>· Employs a system of checks and balances to ensure the procedure is carried out correctly and uniformly, such as a comprehensive auditing procedure;</li><li>· Has measures in place to ensure continuity of the process, such as a periodic management review.</li></ul>
Bond Number	A CBP bond is a contract that is given to insure the performance of an obligation or obligations imposed by law or regulation. A bond is similar to an insurance policy that guarantees payment to U.S. Customs and Border Protection (CBP) if a required act is not performed. Bonds have a number of uses for CBP. The most common use allows importers to take possession of their goods before all CBP formalities are completed. Another common use allows a carrier to move goods under bond from one place to another before those goods are actually entered for consumption with duties paid.
Broker	To qualify for the C-TPAT program, a company must be an active Licensed U.S. Customs Broker with a U.S. Customs Broker's license and filer code, and have an office staffed in the U.S.
Business Entity Identifiers (BEIs)	The unique descriptor used to distinguish one company from others. For example, the Importer of Record (IOR) number is the identifier for importers in the program. Other BEIs include the Manufacturer Identification Number (MID), and the Standard Carrier Alpha Code (SCAC). Some companies may have multiple BEIs; whereas, others may only have one.



Term	Definition
Business Partner	Any company with which a C-TPAT partner does business. This includes, but is not limited to, all types of carriers, brokers, freight forwarders, and contract service providers (e.g., security guard companies, janitorial services, IT consultants).
Carrier Initiative Program (CIP)	The Carrier Initiative Program (CIP) was a program in which carriers agreed to exercise the highest degree of care and diligence in securing their facilities and conveyances, while CBP agrees to conduct site surveys and provide appropriate training and recommendations for improving security. The CIP was a forerunner of C-TPAT and no longer accepts new applicants.
Certified	A company that has passed the initial C-TPAT application phase and had its security profile approved, thus becoming a C-TPAT Partner. For importers only, this is also referred to as Tier I status.
Certified, Validated	C-TPAT Partners that meet the minimum security criteria and have successfully completed a validation. For importers only, this is also referred to as Tier II status.
Certified, Exceeding	C-TPAT Partners that exceed the minimum security criteria, have successfully completed a validation, and operate using a pre-defined series of Best Practices that have overlapping, interlocking layers of defense that are actively monitored by management personnel. For importers only, this is also referred to as Tier III status.
Company Officer	Person who holds an office of authority, and acts in an official capacity on behalf of a company. Only company officers may sign C-TPAT agreements and submit updated security profiles.
Company Profile	The portion of a C-TPAT Portal Application or Account that contains basic company information, such as addresses and points of contact.
Compliance	Conforming to the Minimum Security Criteria set forth by the C-TPAT Program.
Container	The C-TPAT criteria uses the word “container” to describe any item whose function is to store or move freight. This includes, but is not limited to, ocean containers, road trailers, crates, Unit Load Devices (ULD), flatbed trailers, and pallets.
Consolidator	A business that functions to provide services to importers and exporters, to receive and distribute cargo or to consolidate it for onward movement. In C-TPAT this includes companies that do not necessarily physically handle freight, but work to facilitate its movement through carrier bookings, generation of bills of lading, coordination with carriers, etc. Consolidators may function as a facilitator for either or both import and export shipments to be eligible for the C-TPAT program. See also Non-Vessel Operated Common Carrier and Ocean Transportation Intermediary, below.



Term	Definition
C-TPAT Agreement	The Agreement that must be signed by a company officer prior to submitting an application to C-TPAT, and that must be signed each year as part of the Annual Review of the Partner's Security Profile.
C-TPAT Portal	The online system through which CBP and Partners share information on supply chain security and manage Partners' participation in the C-TPAT program.
Customs-Trade Partnership Against Terrorism (C-TPAT)	A voluntary government-business initiative to build cooperative relationships that strengthen and improve overall international supply chain and U.S. border security.
Eligible	A company that meets published C-TPAT requirements for its corresponding business type.
Evidence of Implementation	Documentation, activities, and processes reviewed and observed as part of a validation that verifies the Partner is maintaining the necessary processes and procedures to meet the MSC. This may include, but is not limited to, documented policies and procedures, posters of procedures displayed in work areas, playback of video recordings; review of seal logs; review of electronic tracking and monitoring records; hand written container inspection sheets; copies of completed audits, etc.
Exporter	An Exporter is a company that is actively exporting cargo from the U.S. to another country. The company must have an office staffed in the U.S., and have either an Employer Identification Number or Dun & Bradstreet Number.
FAST	Free And Secure Trade Program. A dedicated lane at land border ports of entry for highway carriers who are members of the C-TPAT program. On the Canada border, the U.S. importer and highway carrier must be certified in the C-TPAT program, and the driver must have a valid FAST card. On the Mexico border, in addition to the above three requirements, the foreign manufacturer must also be C-TPAT certified.
Foreign Manufacturer	Active manufacturer incorporated in Mexico or Canada with an active Manufacturer Identification Number (MID) issued by U.S. Customs and Border Protection.
Highway Carrier	To qualify for C-TPAT, a company must be an active highway carrier that crosses internationally into/from Mexico or Canada. It must have at least one staffed business office in one of the three countries, and have an active U.S. National Motor Freight Traffic Association issued Standard Carrier Alpha Code (SCAC) and Department of Transportation Number. When applying, carriers will be designated as either Mexican or Canadian, based on where the company crosses goods. If a company crosses freight on both borders, it should apply under the Mexican Carrier designation. Note the minimum security criteria for both types of carriers is the same.



Term	Definition
Importer	A company that is responsible for the movement of cargo into the United States as an active U.S. Importer or Non-Resident Canadian Importer. The company must have a business office staffed in the United States or Canada with a U.S. importer of record ID and a valid continuous import bond registered with CBP.
Industry Partnership	A collaboration between trade and government entities.
Ineligible	A company that does not meet published requirements for its corresponding C-TPAT business type.
Inspection	A process by which a shipment is checked to ensure it does not contain weapons, contraband, or other issues in violation of law.
Importer of Record Number (IOR)	Internal Revenue Service (IRS) number, Employer Identification Number (EIN), Social Security Number (SSN), or CBP assigned number of the entity liable for payment of all duties and responsible for meeting all statutory and regulatory requirements incurred as a result of importation.
ISA	Importer Self-Assessment program. The ISA program, launched in 2002, is a trade facilitation partnership program that reaches out to importers with the goal of evaluating and building importers' systems of internal controls. ISA members are exempt from the CBP's Regulatory Audit pool. Membership in C-TPAT is a prerequisite for ISA.
ISO 17712 Seals	ISO (International Organization for Standardization) is the world's largest developer of voluntary International Standards. A standard is a document that provides requirements, specifications, guidelines or characteristics that can be used consistently to ensure that materials, products, processes and services are fit for their purpose. ISO specifications ensure products and services are safe, reliable, and of good quality. ISO 17712 establishes uniform procedures for the classification, acceptance, and withdrawal of mechanical freight container seals. It provides a single source of information on mechanical seals which are acceptable for securing freight containers in international commerce.
Mexican Long Haul Carrier	To qualify, the company must be an active long haul carrier within Mexico that hauls cargo destined for the U.S., but does not cross the U.S./Mexico border. The company must have an SCT Number issued by the Secretaría de Transportes y Comunicaciones (Mexican Department of Transportation).
Manufacturer Identification Number (MID)	A unique identifying reference number allocated to each manufacturer that ships goods to the United States. This is the number used CBP to identify members as C-TPAT or MRA participants.



Term	Definition
Minimum Security Criteria (MSC)	<p>The Minimum Security Criteria are a set of layered, cross-departmental security procedures and standards required by the SAFE Port Act that were developed by CBP in collaboration with the Commercial Operations Advisory Committee. The MSC must be met in order for an Applicant to become certified in the program. Furthermore, Partners must continue to meet the MSC to remain in good standing. Each business type has a unique set of MSC. The criteria are designed to prevent a breach in a supply chain or to uncover a breach if a portion of a company's security procedures have been circumnavigated.</p> <p>The MSC has two qualifiers for the criteria elements:</p> <ul style="list-style-type: none"><li>· Must/Should: Elements of the MSC that are required to be successfully addressed to obtain and maintain Partnership.</li><li>· Should: Elements of the MSC that are recommended security practices.</li></ul>
MRA	<p>Mutual Recognition Arrangement. Mutual Recognition refers to those activities associated with the signing of a document between CBP and a foreign Customs Administration that provides for the exchange of information. The document, referred to as an “arrangement,” indicates the security requirements or standards of the foreign industry partnership program, as well as its validation or audit procedures, are the same or similar with those of the C-TPAT Program. The essential concept is that C-TPAT and the foreign program are compatible in both theory and practice so one program may recognize the validation findings of the other program. For a list of programs C-TPAT currently has arrangements with, visit <a href="http://CBP.gov">CBP.gov</a>.</p>
Non-Vessel Operated Common Carrier (NVOCC)	<p>A non-vessel operated common carrier (NVOCC) is akin to a non-asset based ocean freight forwarder specializing in arranging ocean shipping on behalf of its shippers. It negotiates for space on existing vessels based on volume and may be able to provide lower rates than those offered by the vessel operator.</p> <p>The NVOCC functions as a virtual carrier by issuing its own bills of lading and assuming responsibility for the shipments. NVOCCs are licensed by the United States Federal Maritime Commission (FMC).</p>
Ocean Transportation Intermediary (OTI)	<p>Ocean Transportation Intermediary (OTI) is a term used by the FMC to indicate an ocean freight forwarder or NVOCC; both deal in ocean freight and are licensed by the FMC. A Freight Forwarder specializes in arranging for the transportation, storage, and shipping of merchandise on behalf of its shippers. Freight Forwarders usually provide a full range of services including preparation of shipping and import/export documents, warehousing, inland transportation, ocean transportation, freight consolidation/deconsolidation, and specialized packing for export cargo. Freight forwarders usually ship under their own bills of lading (house bill of lading).</p>
Partner	<p>A company that has achieved Certified status, continues to meet the eligibility and vetting requirements, and adheres to the Partner Agreement.</p>



Term	Definition
Point of Contact	The Point of Contact (POC) is any person listed as a contact in C-TPAT's Portal system. These POCs are the only people authorized to work with the C-TPAT program on the company's behalf. Points of Contact must be empowered to make decisions and policy changes regarding the Partner's security procedures.
Pre-applicant	A company in the process of applying for participation in the C-TPAT program that has initiated the application process, but has not submitted its application.
Rail Carrier	To qualify for C-TPAT, a company must be an active rail carrier that transports shipments internationally into/from Mexico or Canada. It must have at least one staffed business office in one of the three countries. The company must have an active U.S. National Motor Freight Traffic Association issued Standard Carrier Alpha Code (SCAC) and have a valid common carrier bond registered with CBP.
Reinstatement	Reinstatement is the process of reactivating a company's portal account status to a Certified level after being Suspended or Removed. This level may not necessarily be at the Partner's previous level and may be subject to specific conditions.
Revalidation	A verification, subsequent to the initial validation, to ensure a Partner continues to comply with the minimum security criteria. Revalidations must meet time frames set forth in section 219 of the SAFE Port Act, as described in the Background section of this document.
Removal	<p>A removal is a loss of a Partner's membership and benefits, which may be the result of failure to adhere to the C-TPAT Partner Agreement, knowingly providing false or misleading information, failure to meet the minimum security criteria, and/or failure to meet eligibility requirements. Removals usually follow a period in Suspended status, which grants the Partner time to take action to meet the required issues that led to the Suspended status. In calendar year 2013 74% of removals were due to Partners either failing to complete their Annual Review of Security Profile or simply not responding to the Validation Report.</p> <p>A Partner is removed for a specified period of time, usually for at least one year. The duration is determined on a case-by-case basis. Eligibility for reapplication will also be determined on a case-by-case basis. Per the SAFE Port Act, Partners have the right to appeal a removal.</p>



Term	Definition
Risk Assessment	Risk Assessment for most businesses would mean identifying and evaluating levels of risks involved in all areas of the business. For example, natural disasters, civil unrest, acts of terrorism, labor strikes may all be areas of risk that a business considers when importing merchandise. For C-TPAT purposes, a Risk Assessment is more narrow in scope and may be defined as an International Supply Chain Security Risk Assessment that examines security threats and vulnerabilities associated with a C-TPAT partner's international supply chain in each node of the chain from the point of origin where the goods are manufactured, packed and stuffed for export, until they reach their final destination for distribution. The assessment should also include a plan to mitigate the risks identified in the assessment.
Sea Carrier	To qualify for C-TPAT, a company must be an active sea carrier that transports shipments internationally into the United States. The company must have an active Federal Maritime Commission Number, an active U.S. National Motor Freight Traffic Association issued Standard Carrier Alpha Code (SCAC), and must also possess a valid continuous international carrier bond registered with CBP.
Security Profile	The security profile is the Applicant/Partner's written declaration of security measures and procedures used throughout the international supply chain. The security profile is maintained in the C-TPAT Portal account. The information provided in the security profile is verified during the validation process.
Self-Assessment	A self-assessment is when a partner undertakes to validate its supply chain security program. It examines processes and procedures by conducting documentary reviews, observing processes, and conducting tests to verify that personnel are properly following security procedures. It should lead to updates and enhancements of the company's security processes, as deemed necessary. A documented self-assessment is required annually for a Partner to remain in the C-TPAT Program.
Site Assessment	An assessment to validate the supply chain security program at one location.
Status Verification Interface (SVI)	Online tool used by C-TPAT Partners to verify and monitor the membership and status of other Partners in the C-TPAT program.
Supply Chain	A supply chain is a system of organizations, people, technology, activities, information and resources involved in moving a product or service from supplier to customer.
Supply Chain Security Specialist (SCSS)	The CBP representative who manages the accounts of C-TPAT partners, and works with those companies to achieve and maintain C-TPAT certification.



Term	Definition
Suspension	<p>A Partner is suspended for a specified period of time that provides the Partner the opportunity to come into compliance with the C-TPAT Program when an issue threatening continued membership is identified. This might be failure to complete the Annual Review of the Security Profile, loss of a bond with CBP, operating authority with DOT, or a failed validation.</p> <p>When C-TPAT management has determined a Partner has met all necessary requirements for reinstatement of benefits, the Partner may be reinstated. If after the granted period of time a Partner has failed to comply, the suspension will be escalated to removal status. The duration of a suspension is determined on a case-by-case basis. However, suspensions generally do not exceed 90 days.</p>
Third Party Logistics Provider (3PL)	<p>To qualify, a company must be licensed and/or bonded by the Federal Maritime Commission, Transportation Security Administration, CBP, or the Department of Transportation; be directly involved in the handling and management of the cargo throughout any point in the international supply chain, from point of stuffing, up to the first U.S. port of arrival; manage and execute these particular logistics functions using its own transportation, consolidation and/or warehousing assets and resources, on behalf of the client company; and have an office staffed in the U.S.</p>
Tier Status	<p>Only importers have Tier status. For definitions, please see the sections above under “Certified.”</p>
U.S. Customs and Border Protection (CBP)	<p>One of the Department of Homeland Security’s largest and most complex components, with a priority mission of keeping terrorists and their weapons out of the U.S. It also has a responsibility for securing and facilitating trade and travel while enforcing hundreds of U.S. regulations, including immigration and drug laws.</p>
U.S./Foreign Marine or Port Terminal Operator	<p>To qualify for C-TPAT, a company must be an active U.S. Marine or Port Terminal Operator with an active Federal Maritime Commission Marine Terminal Operator Number. It must have a business office staffed in the U.S.</p>
Validation	<p>A verification security measures and supply chain security practices of Partners meet the minimum security criteria of the SAFE Port Act. A validation is a process, not a single event. Validations are mandated by the SAFE Port Act to take place at least every four years, but may be conducted more frequently based on risk.</p>
Verification	<p>The process SCSSs undertake during validations to ensure the security program, processes, and procedures described in a partner's security profile are accurate. It involves examining documentary evidence such as written policies and procedures, driver's and visitor's logs, and sample documents such as invoices, purchase orders, shipping notices etc. Procedures are also verified by observing processes and interviewing personnel to ensure the actual procedures the company follows match its written procedures.</p>