

**The Advisory Committee on Commercial Operations
to U.S. Customs and Border Protection (COAC)**

**April 2016
Report of the Work of the COAC
Subcommittee on Trusted Trader Program**

**Co-Chairs
Alexandra Latham - Costco Wholesale Corporation
Michael Young – OOCL (USA) Inc.**

1. Background:

At the April 24, 2015, COAC meeting, the first quarterly meeting of the 14th Term Commercial Operations Advisory Committee (COAC), it was decided that topics from the 13th Term Trusted Trader subcommittee would continue to be worked on in the 14th Term. The Trusted Trader subcommittee objectives and scope are consistent with the official charter of COAC.

2. Objectives and Statement of Work:

It is expected that, during the lifespan of this subcommittee, the focus will be on providing advice and recommendations in one or more of the following areas, and reviewing the scope and capability of meeting both national and international criteria through:

- Trusted Trader Program
- C-TPAT/AEO Programs

After engaging in full deliberation and discussion, the subcommittee shall advise the COAC of any advice or recommendations related to any CBP trusted trader program. Specifically the subcommittee is expected to help CBP develop an enhanced CBP trusted trader program and to continue to advise CBP on C-TPAT issues. By developing a program that includes trade compliance and enforcement, CBP is moving C-TPAT towards a true AEO program, thus creating an opportunity to both amend its current mutual recognition agreements (MRAs) and enhance its future MRAs by including trade compliance criteria and offering corresponding incentives for participants.

3. Summary of Work:

Since the last quarterly COAC meeting in January, the Trusted Trader Subcommittee has held five meetings, three times as a full committee, and twice as in person leadership meetings. At the meetings, the work of the Subcommittee has focused on creating a Trusted Trader Framework Strategy document that outlines the future vision of an enhanced Trusted Trader Program based on the foundation of a “continuum of activity; a consistent level of engagement between the trade and regulatory government partners that demonstrates the highest level of

commitment in practice; to security, compliance, and partnership within the global supply chain”. We expect the Trusted Trader Framework Strategy document to be finalized in the near future.

In addition, the Subcommittee was briefed on the Trusted Trader Pilot and next steps to evaluate the program and to implement and assess associated Pilot program benefits. The Subcommittee also discussed the impact of the new legislation under the Trade Facilitation and Trade Enforcement Act of 2015 (H.R. 644), specific to Section 101, Improving Partnership Programs that mandates participants to receive “commercially significant and measurable trade benefits”.

Lastly, the Subcommittee received the recommended Trusted Trader benefits as discussed under the Trade Modernization Subcommittee CEE Uniformity working group pertaining to suggested levels of service for trusted partners.

4. Next Steps:

Trusted Trader Program Test

Now that the Trusted Trader Program Test has been concluded, the Subcommittee looks forward to reviewing the results of the program and the program documentation to be able to formulate recommendations in the following areas:

- The criteria used in the selection and assessment of the participants;
- The capability to meet national and international Trusted Trader program requirements;
- The future objectives of the program and the strategy to expand participation in the program;
- The transition plan for existing members of C-TPAT and ISA;
- Opportunities to streamline and improve the existing process; and
- Additional Trusted Trader benefits that focus on facilitation, cost savings, supply chain efficiencies, international interoperability, and simplification.

Trusted Trader Strategy

The Subcommittee will provide input on the development of a new Trusted Trader Strategy document to align with the current thinking on the tenets of an enhanced Trusted Trader program that is built around the concept of a “continuum of engagement” that allows for flexibility, scalability, and attainability for multiple business models, is globally aligned with AEO programs and MRAs, includes PGAs, and provides tangible benefits.

Strategic View

Monitor activities of other COAC subcommittees where the Trusted Trader concept intersects such as the Export Subcommittee’s Option 4 Working Group, the IUSG’s North American Single Window Vision Working Group, the Trade Modernization Subcommittee’s work on the Centers of Excellence and Expertise and International Engagement, and the work of the Global Supply Chain Subcommittee on C-TPAT and International/AEO alignment.