

Trusted Trader Framework Strategy Draft

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U.S. Customs and
Border Protection



Trusted Trader Framework Strategy

Trade Compliance & Customs-Trade Partnership Against Terrorism

Trusted Trader Framework:

The strategy for a Trusted Trader framework is based on a continuum of activity providing 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. This is a trusted relationship that is articulated with trading and/or facilitative benefits, streamlining the global trading process, allowing focus and global attention on those that pose the highest risk.

The development of the CBP Trusted Trader framework will consider global trading roles, including importer, exporter, carrier, etc., and be built with the foundation of national and international interoperability, demonstrating that a commitment to CBP's Trusted Trader Programs will provide for global and mutual recognition. A key to the success of such a Trusted Traders strategy is the recognition that the program is scalable and attainable for all size traders, providing tangible acknowledgement through trading benefits and incentives. CBP continues to collaborate with participating government agencies (PGAs) such as Food and Drug Administration (FDA), Consumer Product Safety Commission (CPSC), etc., to move towards a whole of government approach to supply chain security and trade compliance.

Objectives:

The objective of the Trusted Trader Framework/Strategy is to co-create a strategy in terms and practice, which acknowledges the significant commitment of partnership between the U.S. government and trade, in global trade and security.

The Trusted Trader framework begins with a foundation of security; current certified membership in CBP's Customs-Trade Partnership Against Terrorism (C-TPAT) providing the baseline of engagement for the Trusted Trader. CBP is working, through the Trusted Trader pilot program announced June 16, 2014 in Federal Register 79FN13992, to transform the existing Importer Self-Assessment (ISA) program into the new Trade Compliance Program which will provide importers and exporters a process to achieve an integrated partnership program for security and compliance.

The Trusted Trader Strategy will call for the alignment of CBP Trusted Trader Programs with the Authorized Economic Operator (AEO) programs for mutual recognition with national and international interoperability.

The Trusted Trader Strategy will strive to provide other U.S. partner government agencies (PGAs) with a tangible opportunity to incorporate their trusted trader programs into the Trusted Trader Framework; resulting in enhanced efficiencies, a reduction in government-wide resources expenditures, enhanced information sharing, and an integrated platform to support both trade and CBP's objectives in facilitating international trade.

Benefits and Incentives

- Benefits and incentives for participation in Trusted Trader Programs must be directly aligned with risk mitigation strategies to ensure that benefits align with program requirements.
- Benefits and incentives for participation will result in tangible and measurable advantages to Trusted Trader partners.
- CBP's Trusted Trader Programs will serve as the gateway program for prioritized participation in CBP business transformation initiatives, prior to global institution, such as simplified entry.
- Enhanced communication tools - with the intent to allow industry a single platform to easily access, share, and communicate information between trading partners.
 - Convey best practices
 - Articulate lessons learned
 - Include communications provided by PGAs
- A coordinated validation process for security and compliance which includes reporting mechanisms for recommendations and best practices. Streamline the processes through aligned criteria and verification amongst CBP and the PGAs, with the goal of minimizing business operations disruption.

Scalable:

- Trusted Trader programs will have a commitment to the principle of program scalability (achievable, affordable for small, medium and large businesses) with streamlined processes for all participants.
- Trusted Traders should have an established history of trade compliance with CBP and the PGAs. CBP will need to work closely with industry during the development of the Trusted Trader Framework for PGAs. Engagement in Trusted Trader framework is a dynamic process, based on trading needs, to adapt to changing global demands and environment.

Partnering Government Agencies (PGAs):

While CBP will be the originator of The Trusted Trader Framework strategy, it will be vital to have the support of our PGAs for policy and enforcement of the strategy, and to support a streamlined mutually beneficial approach. The following Phases will occur during the development of the strategy:

- Phase I: CBP/ PGAs outline incentive
- Phase II: Joint training between PGAs
- Phase III: Application of PGA Trusted Trader Program

Trusted Trader Pilot:

On completion of the work of Phase I of the Trusted Trader pilot, announced June 16, 2014 in Federal Register 79FN13992, CBP will conduct an evaluation of the pilot performance and results, identifying lessons learned and best practices to ensure success of the Trade Compliance Program within the CBP Trusted Trader Strategy.

This will equally form the baseline and groundwork for the continued development and improvement of the integrated Trusted Trader program.