

**Commercial Customs Operations Advisory Committee
(COAC)**

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

**Co-Chairs
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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 on April 27, 2016, the Trusted Trader Subcommittee has held two meetings as a full committee. At the meetings, the work of the Subcommittee has focused on creating a Trusted Trader Strategy document that outlines the future vision of an enhanced Trusted Trader Program based on the foundation of a “continuum of activity and 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”.

In addition, the Subcommittee discussed future work on benefits based on the recommendation from the April COAC meeting as below. The Subcommittee received the current list of incentives for CBP’s partnership programs including ISA, C-TPAT, the Trusted Trader Pilot, and CPSC and FDA programs for review. This work is anticipated to commence after the completion of the Trusted Trader Pilot assessment.

April 27, 2016, COAC Recommendation:

COAC recommends CBP focus Trusted Trader strategic and tactical objectives on developing compelling benefits for voluntary participation in Trusted Trader Programs, and should outweigh the cost of participation. These benefits are essential for the advancement of Trusted Trader Programs and must be articulated in specific facilitation metrics. Benefits must be aligned with section 101 of HR 644 on Improving Partnership Programs.

4. Next Steps:

The Trusted Trader Subcommittee will be on hiatus, from July 2016 to November 2016, during which time CBP will be evaluating the Trusted Trader pilot program.

The Subcommittee will continue to be engaged in a number of COAC efforts where the Trusted Trader concept is integral, including the Global Supply Chain Subcommittee’s Working Group on the C-TPAT Minimum Security Criteria, the Export Subcommittee’s Post-departure Filing Working Group, the IUSG’s North American Single Window Alignment Working Group, and the Trade Enforcement and Revenue Collection’s Working Group on Forced Labor.

Upon resumption in November, the Trusted Trader Subcommittee plans to focus on the following:

- Development of a Trade Compliance program to replace the current Importer Self-Assessment program based on the outcome of the Trusted Trader Pilot evaluation;
- An assessment of current and future benefits under the Trusted Trader program; and
- Finalizing a Trusted Trader Strategy framework for an enhanced Trusted Trader program that allows for flexibility, scalability, and attainability for multiple business models, that is globally aligned with AEO programs and MRAs, including PGAs, and provides tangible benefits while maintaining CBPs risk assessment capability.