

Commercial Customs Operations Advisory Committee (COAC)

Secure Trade Lanes Subcommittee: Trusted Trader Working Group

December 2019



U.S. Customs and
Border Protection

Cargo and Conveyance Security/Office of Field Operations

Action Required:

The latest Statement of Work (SOW) for the Trusted Trader Working Group focuses on providing input for the transition of the Importer Self-Assessment (ISA) program into CTPAT Trade Compliance. The SOW also includes implementing forced labor requirements into the program, and proposing the methodology to receive and process industry recommended benefits and metrics to evaluate and quantify benefit effectiveness for industry and government.

CBP the COAC Trusted Trader Working Group members, and the Trusted Trader Pilot participants met in Miami from May 8-9, 2019. Key outcomes of the meeting were refinement of the Trusted Trader forced labor strategy, creating an action plan for Partner Government Agency (PGA) engagement, and the prioritization of five new Program benefits based on their feasibility of implementation and impact to industry:

- Levels of Service;
- Quantifying Member Benefits with Key Performance Indicators (KPIs);
- CTPAT Branding;
- Alternate Validations; (Digital)
- Reconciliation

At the offsite, CBP and the COAC Trusted Trader Working Group discussed and refined key policies and procedures related to CTPAT Trade Compliance. The Working Group agreed to provide feedback on these policies and procedures within 30 days, and CBP agreed to incorporate this feedback into its Trade Compliance Program. CBP also agreed and has now provided formal responses to COAC's Recommendations including all force labor recommendations (October 2019).

Since the meeting in Miami, we have made progress on the action items developed. The University of Houston has proposed a study and analysis of CTPAT Member benefits and Key Performance Indicators beginning January 2020. CBP is currently reviewing the study outline. CBP has provided answers to participant Portal functionality questions; developed and are executing a Trade Compliance Communications Plan on Program rollout, provided NAM training on Program changes, and incorporated feedback on the Trade Compliance Handbook. We have also identified four companies to conduct a pilot to test an alternate method for validations beginning in Q1 of FY2020. Finally, we are working with the Office of Trade to engage with Partner Government Agencies (PGAs) and to create a benefit for reconciliation or an alternative benefit.

CTPAT has worked with the Trusted Trader Pilot Program participants and members of the Trusted Trader Working Group to conduct a phased implementation of the legacy Importer Self-Assessment (ISA), based on Members' Annual Notification Letter (ANL) and recommendations from the National Account Managers.

On August 15, 2019, CTPAT rolled out phase one by soliciting fifty-two companies to upload their information into the Trade Compliance portal and create a business profile. In November 2019, we agreed to allow members of the Trusted Trader Working Group early access to the portal and three companies have volunteered to input their information into the portal. CTPAT plans to continue the phased implementation in February 2020.

Based on COAC's new recommendations, CBP has agreed to conduct informal meetings with stakeholders to learn about social responsibility programs prior to implementing the forced labor requirements.

CBP, the COAC Trusted Trader Working Group and the Trusted Trader Pilot participants will conduct another offsite in February 2020.

BACKGROUND

The 15th Term of the COAC instituted a restructuring of the previous subcommittees to align more with CBP's vision and priorities. Under the newly formed Secure Trade Lanes Subcommittee, a Trusted Trader Working Group was formulated. This working group has continued the great work that was completed under the auspices of the former Trusted Trader Subcommittee.

The former COAC subcommittee was asked to provide CBP with recommendations and advice on a Trusted Trader Program. Trusted Trader Strategy is an integration of the CTPAT and ISA programs into a consolidated program that includes supply chain security and trade compliance. The program is being implemented via the Trusted Trader Pilot Program, announced in the Federal Register (79 FRN 13992) on June 16, 2014.

During the period April 2016 to July 2016, the Trusted Trade Subcommittee held two meetings as a full committee. At the meetings, the work of the Subcommittee focused on finalizing the Trusted Trader Strategy document that outlined the future vision of an enhanced Trusted Trader Program. The Trusted Trader Framework Strategy was released at the July 2016 COAC meeting.

COAC's Trusted Trader Subcommittee recommended CBP focus Trusted Trader strategic and tactical objectives on developing compelling benefits for voluntary participation in Trusted Trader Programs, and these benefits 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.

Submitted by: Manuel Garza, Director CTPAT, OFO
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