

Commercial Customs Operations Advisory Committee (COAC)

Secure Trade Lanes Subcommittee: Trusted Trader Working Group

April 15, 2020



U.S. Customs and
Border Protection

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. 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 provided feedback on these policies and procedures within 30 days, and CBP incorporated this feedback into its Trade Compliance Program. CBP also provided formal responses to COAC's Recommendations including all forced labor recommendations (October 2019).

Since the meeting in Miami, we have made progress on the action items developed at the meetings in Miami. CBP has held two leadership calls and nine calls with the Trusted Trader Working Group.

Outcomes from the meeting included a University of Houston study and analysis of CTPAT Member benefits and Key Performance Indicators which began January, 2020. CBP provided answers to participant Portal functionality questions; developed and executed 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 for a pilot to conduct alternate validations beginning sometime in FY2020.

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 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 companies to upload their information into the Trade Compliance Portal and create a business profile.

On March 9, 2020 the remainder of the companies were instructed to provide their information and create a business profile in the Trade Compliance Portal.

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 had planned to conduct another offsite meeting in Houston, Texas on March 31-April 2, 2020. The meeting has been postponed due to COVID-19.

Alternatively, CBP is conducting webinars over the next several weeks on a number of topics we had planned to discuss at the offsite. Topics include:

- Trade Compliance Portal Demonstration
- CTPAT Trade Compliance Communications Plan
- New Benefits
- ITRAC data enhancements
- University of Houston Study
- Forced Labor White Paper and Implementation

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
Date: Monday March 30, 2020