

Commercial Customs Operations Advisory Committee (COAC)

Secure Trade Lanes Subcommittee: Trusted Trader Working Group

July 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 Customs Trade Partnership Against Terrorism (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.

U.S. Customs and Border Protection (CBP) and the Trusted Trader Working Group held four calls during the 3rd Quarter of 2020. Topics for discussion came directly from the SOW and included implementation of forced labor requirements into the Trade Compliance Program; renewing efforts for developing a methodology to receive and process benefits for Trade Compliance and capture the associated metrics; alternate ways to conduct CTPAT validations during COVID-19, and ways to work with Partner Government Agencies (PGAs) and create an engagement plan.

On May 12, 2020, Lea-Ann Bigelow, Director, Interagency Collaboration Division, Office of Trade, kicked off our first call. As the lead for the 1USG Working Group, she expressed COAC's work to develop Trusted Trader programs for PGAs is not new work, but said that we are now in a good position to leverage the work that has been done in the past and put these efforts into practice. They recommended that PGA engagement should include training, education, and outreach on CTPAT and the Trade Compliance Program, and determining a few mutual benefits. The group agreed to focus efforts on the Food and Drug Administration, U.S. Fish and Wildlife Service and the Animal and Plant Health Inspection Service for future collaboration.

The May 26, 2020 call focused on forced labor. At the February 2019 Quarterly meeting, COAC presented CBP with forced labor recommendations. CBP explained that a forced labor white paper had been developed which includes an implementation plan; however at this time the paper is still being reviewed by CBP's Senior Leadership. The Working Group is eager to provide input on this issue. CBP plans to implement forced labor into CTPAT Trade Compliance by the end of FY2020.

The third call was conducted on June 9, 2020, and focused on alternate methods to conduct CTPAT on-site validations due to the pandemic and the postponement of travel. CBP began developing this concept late last year, prior to the pandemic, as a way to provide a benefit to our Trade Compliance Members. The call included a discussion with CTPAT Field Directors from Miami, New York and Buffalo. The team described how CBP would conduct validations virtually. Topics such as what platform would be used, how meetings would be conducted, CTPAT's risk approach, the methods of scheduling and other issues needed to be considered before a plan could be fully operational. CBP will be sending a message to our CTPAT partners to make them aware of this new process.

The final call on June 23, 2020, consisted of a joint discussion regarding the Working Group's CTPAT - Trusted Trader Program Benefits Methodology. The plan outlines steps that include developing metrics to measure the performance of benefits for both CBP and the trade; evaluating existent CTPAT Trusted Trader Program Benefits; communicating the status and deployment timeline for CTPAT- Trusted Trader benefits; and ways to consider potential benefits from the trade and CBP. The Working Group also expressed the desire to make this process public. The Working Group will circulate the document among the members for their input. CBP will be evaluating the plan as well.

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.

COAC's Trusted Trader Subcommittee recommended CBP focus on 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.

CTPAT 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). The implementation is 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.

On March 9, 2020 the remainder of the former ISA companies were instructed to provide their information and create a business profile in the Trade Compliance Portal. CBP anticipates allowing new applications for the Trade Compliance Program by the end of FY2020.

Submitted by: Manuel Garza, Director CTPAT, OFO