

**Commercial Customs Operations Advisory
Committee (COAC)
Secure Trade Lanes Subcommittee
Trusted Trader Recommendations**

July 15, 2020

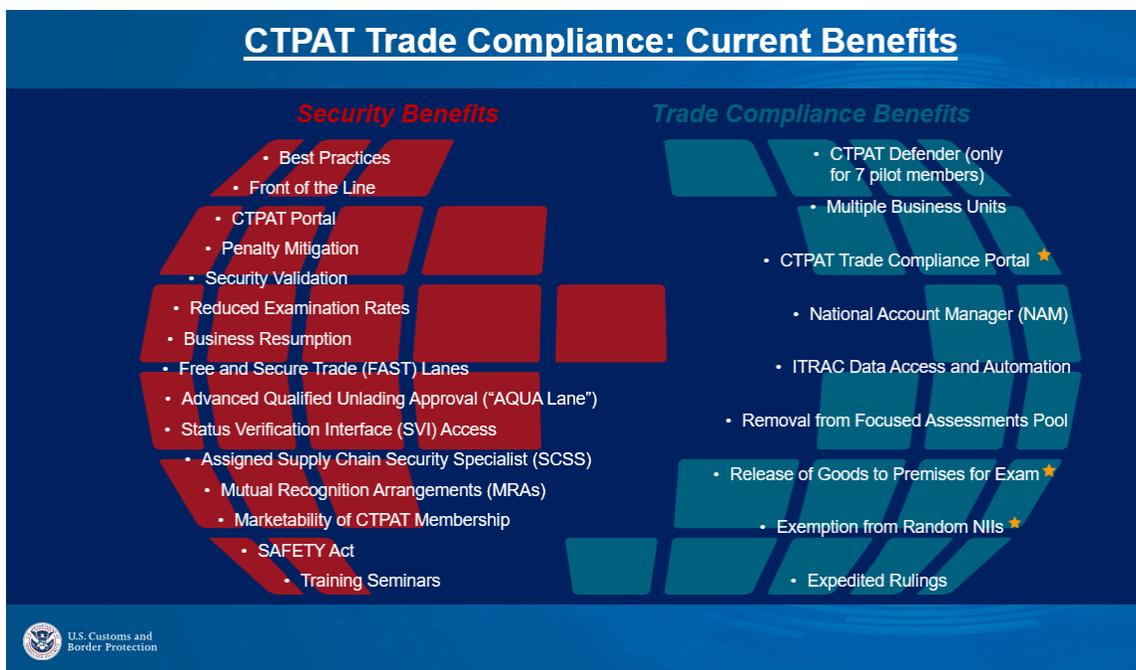
COAC

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

CTPAT- Trusted Trader Program Benefits Methodology Recommendations

In 2016, CTPAT launched the Trusted Trader Strategy, focused on the integration of the existent CTPAT (security) as well as the Importer Self-Assessment (trade compliance) voluntary programs.

The result was the creation of the voluntary CTPAT- Trusted Trader Program, a comprehensive approach to supply chain security and trade compliance, which merges CTPAT- Security and CTPAT-Trade Compliance¹, and it is available to importers who can demonstrate strong internal controls and effective self- management, of enhanced requirements in exchange for specific benefits that would not be available for non-CTPAT-Trusted Trader members.



For any voluntary program to be successful, there needs to be positive returns on investment (ROI) both for the creators of the program (CBP) as well as the participants (Trade), and these benefits should address the needs of both parties. Furthermore, the ROI must be measurable² for program administrators, and participants to determine if the benefits of the program outweigh the costs of implementation and ongoing maintenance.

¹ Participants can choose to only participate on CTPAT-Security or to expand to CTPAT- Trade Compliance. However, to be eligible for the Trade Compliance portion, participants must also comply with the Security module of the CTPAT- Trusted Trader program.

² ROI variables may be different for the program creators and participants. In the case of CBP it could be measured in better use of resources to focus on the 'high risks and unknown importers', increased security, standardization of processes, etc. while for trade the ROI would be likely measured on more agile, streamlined importation processes, costs savings on expensive audits, demurrage charges, etc.

Additionally, both government and program participants' needs may change over time, thus, it is important to have an established methodology as part of the CTPAT- Trade Compliance program to periodically re-evaluate the efficacy of existent benefits, discontinue those that are not effective or have no positive ROI, and assess potential new benefits as the environment evolves.

The following recommendations provide guidance to CBP on the different aspects related to a comprehensive methodology for CTPAT- Trade Compliance Benefits: