

Commercial Customs Operations Advisory Committee (COAC)

Secure Trade Lanes Subcommittee: Trusted Trader Working Group

October 7, 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 two calls during the 4th 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.

The August 25, 2020 call focused on a number of ongoing issues. The first was on the status of CTPAT on-site validations conducted due to the pandemic and the postponement of travel. CBP has engaged with certain low to medium risk companies and conducted several virtual validations in July, 2020. Secondly, it was announced that the IUSG Working Group is planning a brainstorming session with certain PGA partners to continue discussing information sharing and benefits. The new forced labor requirements for CTPAT Trade Compliance are being reviewed with OFO/CBP leadership. The University of Houston Study was approved by DHS and a survey will be distributed to CPTAT partners. Currently University of Houston staff are engaged with CTPAT Field Managers and Supply Chain Security Specialists on ways to improve internal and external CTPAT processes. Finally, the group focused on the development of a dashboard for members that includes current ITRAC data as well as additional data sets. This would be an additional benefit from Trade Compliance members.

The second call was conducted on September 8, 2020, and focused on a methodology for evaluating current benefits and soliciting ideas from the trade on future benefits for the Trade Compliance Program. CBP agreed to develop a bulletin for the CTPAT partners which will provide an update on the Trade Compliance Program and provide information on the benefit intake method.

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.

In March 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 has asked that this information be submitted no later than September 30 2020. CBP anticipates allowing new applications for the Trade Compliance Program in early FY 2021.

Submitted by: Manuel Garza, Director CTPAT, OFO