

CBP VIRTUAL TRADE WEEK

CUSTOMS TRADE PARTNERSHIP AGAINST TERRORISM (CTPAT) PANEL

September 9, 2020



U.S. Customs and
Border Protection

KEY TOPICS OF DISCUSSION

- ❖ CTPAT State of the Program
- ❖ Minimum Security Criteria (MSC) Updates & Program Trainings
- ❖ Security Profile Requirements
- ❖ Trade Compliance Integration
- ❖ Upcoming Virtual Validation Rollout Guidance
- ❖ University of Houston Partnership

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The Customs Trade Partnership Against Terrorism (CTPAT) is a partnership between Customs and Border Protection (CBP) and industry to **protect supply chains, identify security gaps, implement specific security and trade compliance best practices, and maintain the integrity of low-risk cargo** entering the United States.



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RECENT ACCOMPLISHMENTS

Strengthening Supply Chain Security

Several recent narcotics seizures are a result of CTPAT partners informing their Supply Chain Security Specialist (SCSS) of supply chain anomalies, demonstrating the **powerful impact of strong partnerships between CBP and the Trade**

Addressing Evolving Threats

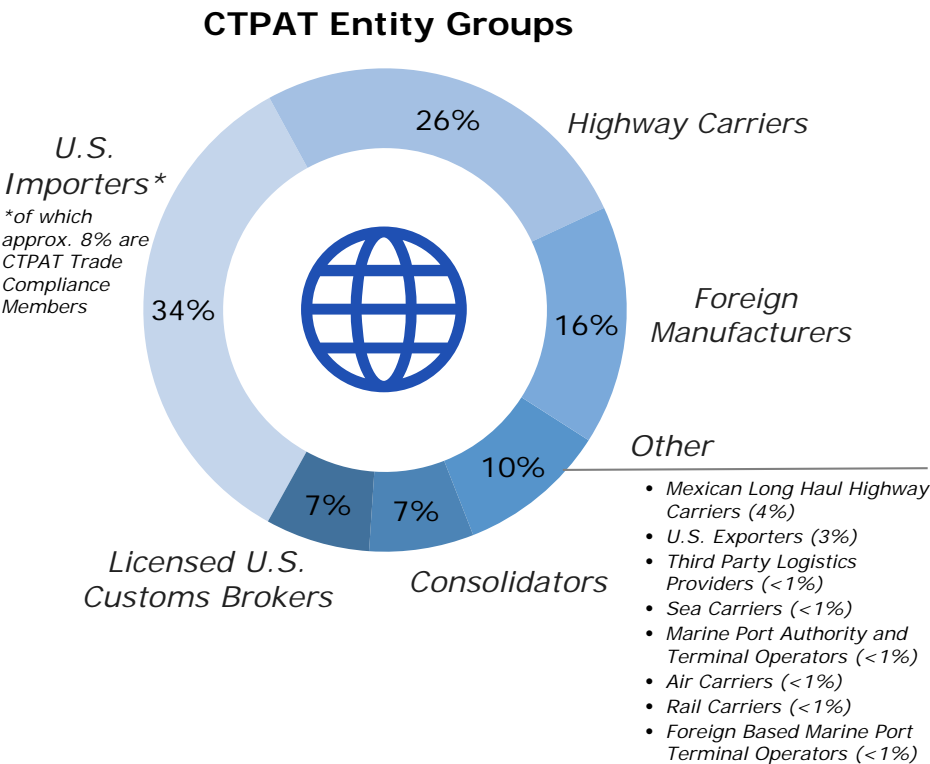
CTPAT modernized global supply chain security standards and strengthened the Program's eligibility requirements through the rollout of CTPAT's **enhanced MSC** in January 2020

Prioritizing Social Compliance

CTPAT is developing **forced labor requirements** to be incorporated by early FY21 as a part of CBP's Agency-wide efforts to combat the forced labor in global supply chains

CTPAT BY THE NUMBERS

| | |
|---------|----------------------------------------------|
| 11,400+ | CTPAT Program Members |
| 315 | CTPAT Trade Compliance Members |
| 190 | FY20 Member Suspension & Removals |
| 12 | Mutual Recognition Arrangements |
| 53.4% | Of U.S. Imports by Value are CTPAT Certified |



MSC ROLLOUT

Enhanced MSC

To keep pace with an evolving threat environment, CTPAT continuously evaluates Program requirements and rolled out enhanced MSC in January 2020; notable updates include:

- ❖ New Agricultural Security Criteria Category
- ❖ Enhanced Cybersecurity Requirements
- ❖ Focus on Corporate Security Vision and Responsibility
- ❖ "Should" Criterion on Social Compliance Standards

Global Collaboration

CTPAT works closely with its international counterparts through Mutual Recognition Arrangement (MRA) partnerships and the World Customs Organization (WCO) to further global standardization of supply chain security best practices



Training & Engagement

CTPAT continues to provide outreach to the trade community and develop guidance in support of the enhanced MSC and Program standards at large

- ✓ Participated in **75+** speaking engagements throughout CY20
- ✓ Provided numerous **virtual trainings** to rollout the enhanced MSC
- ✓ Hosted a **three-day, Spanish language** session focused on new criteria

Validation Analytics

CTPAT has deployed a new data collection and analytic tool to support the MSC rollout, enabling CTPAT to:

- 1 Identify specific areas of the validation where partners had issues
- 2 Tailor training and outreach materials to support specific MSC
- 3 Capture historical data and compliance trends to inform future MSC updates

SECURITY PROFILE UPDATES

- ❖ CTPAT rolled out a **new security profile** on the CTPAT Portal on June 1, 2020, and provided guidance to Members to begin updating their profiles

- ❖ CTPAT has **reviewed and approved 4,327 of the 5,497 security profiles submitted by Members** through 9/2/2020

- ❖ CTPAT will consider **requests for 30-, 60-, 90- or 120-day extensions** on a case-by-case basis in coordination with the Members' SCSS

Upcoming Virtual Validation Process Rollout

CURRENT VALIDATION PRIORITIES



Leverage advanced, secure technology for virtual validations to reduce validation backlog



Develop a virtual validation process that streamlines and automates actions for efficient and effective validations



Demonstrate Member and Program compliance through analysis of data captured during virtual validations



Reduce administrative burden while maintaining rigor for CTPAT's validation process

SHORT-TERM EXPECTATIONS

| Expectation | Description | Initial Actions |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Comparative Analysis of Virtual Validation Pilot Data & Feedback | Advanced analysis of data and feedback obtained from the test virtual validations via WebEx to assess overall success compared to in-person validations and identify opportunities to refine, standardize, and scale virtual validation and data collection processes | <ul style="list-style-type: none">Collect data from a variety of sources including the validation worksheet, validation analytic tool, and interviews with CTPAT SCSSs for qualitative feedbackDefine and track validation success metrics to assess any critical findings between data obtained in virtual and in-person validations |
| Virtual Validation Process Rollout & Trainings | HQ-facilitated trainings tailored for SCSSs and Members to introduce the new virtual validation process, including technology best practices, roles and responsibilities, and data and documentation submission, to communicate and scale standard guidance for the virtual validation process | <ul style="list-style-type: none">Document virtual validation process guidance for Field Offices, SCSSs, and Members informed by results of the virtual validation pilot analysis and the WCODevelop a feedback mechanism that enables CTPAT to further a data-driven approach to assessing validation outcome and effectiveness |

LONG-TERM EXPECTATIONS *

❖ **Secure Livestream Facility Tours and Member Interviews**

❖ **Intelligent Automation for Virtual Validation Processes**

❖ **Cognitive Analytics & Anomaly Detection for Virtual Validations**

CTPAT TRADE COMPLIANCE INTEGRATION

1 TRUSTED TRADER STRATEGY

- ✓ Developed a phased approach to integrate the Importer Self-Assessment (ISA) Program into CTPAT Trade Compliance

2014

2 TRUSTED TRADER PILOT

- ✓ Worked with the Trusted Trader Pilot Participants, Commercial Customs Operations Advisory Committee (COAC), and Partner Government Agencies (PGAs) to test and improve benefit and Portal processes

2014 - 2018

3 PROGRAM ROLLOUT

- ✓ Completed phased integration of ISA Members into Trade Compliance and finalized the Trade Compliance Handbook and Standard Operating Procedure

2018 - 2020

4 PROGRAM CONTINUATION

- ❑ Finalize transition of 300+ Members into the Trade Compliance Portal and open the Program to new applicants
- ❑ Operationalize automated application and continuation processes
- ❑ Incorporate new forced labor requirements into Trade Compliance by early FY21

2020 & Beyond

UNIVERSITY OF HOUSTON PARTNERSHIP

STUDY GOALS



Conduct informational assessment summarizing **perceptions** of CTPAT Program



Evaluate CTPAT Program to identify **challenges** and suggestions for improvement



Identify cost-benefit **enhancements** for industry Members and the CTPAT Program



Establish new and build upon existing Program **performance metrics**

KEY UPDATES

- ❖ **Survey Status:** The survey will be distributed to all Members in CY2020
- ❖ **Member Feedback:** CTPAT wants to hear feedback from all Members on their Program experience. Your voice is important!
- ❖ **Anonymity:** Survey results will only be viewed by the University of Houston team and will not be shared with CBP
- ❖ **Timing:** The final report will be completed March 2021. CTPAT will evaluate the findings and begin implementation