

**ADVISORY COMMITTEE ON COMMERCIAL OPERATIONS OF CUSTOMS AND  
BORDER PROTECTION (COAC)  
Trusted Trader COAC Subcommittee  
November 2013**

**Background:**

U.S. Customs and Border Protection (CBP), members of the trade community, and Partner Government Agencies (PGAs); the Food and Drug Administration (FDA), Consumer Product Safety Commission (CPSC), and Transportation Security Administration (TSA) have collaborated to create the design for a holistic, integrated trusted trader program. The Trusted Trader program will involve a unification of the current Customs-Trade Partnership Against Terrorism (C-TPAT) and Importer Self Assessment (ISA) processes. The Trusted Trader program, as envisioned, would align with Authorized Economic Operator programs implemented by other countries around the world. This approach will enable CBP to provide additional incentives to participating low-risk partners, while benefiting from the added efficiencies of managing supply chain and trade compliance within one partnership program.

**Subcommittee Workgroups:**

This Subcommittee has two workgroups: Cost Benefit Metrics and Industry Accepted Standards of Compliance. These workgroups will assist the Trusted Trader Working group by obtaining feedback from industry on metrics and compliance standards.

**Current Status:**

The combined trade and government Trusted Trader Working group have been meeting to formulate the framework and provide operational input for the implementation of a Trusted Trader program that includes security and trade compliance. The working group is leveraging the COAC Trusted Trader Subcommittee to validate the program design.

- They will review and provide feedback on the program framework
- A high level overview of the Federal Register Notice has been provided to the COAC
- The Trusted Trader Working group met Nov. 7, 2013 to ensure the incentives as documented did not deviate from the trade's perceived benefit

**Metrics:** The Trusted Trader trade working group participants requested metrics that can be utilized to justify program participation and identify cost savings. Metrics will be measured based on efficiencies gained from program participation and the realization of cost savings associated to program incentives.

**Next Steps:**

- Trusted Trader unified automated application process, trade partner information submission, and validation tracking system requirements will be included in the C-TPAT Portal 2.0 development schedule to be delivered in the spring 2014
- Federal Register Notice is currently being finalized for management approval
- FRN will solicit importer volunteers and provide program participation details
- Phase I test will be limited to 9 trade volunteers
- 6 mos. after the initiation of Phase 1 an interim evaluation of program effectiveness, cost savings realization and lessons learned will be conducted
- Phase II program details will be drafted after the Phase I FRN is posted