

Balancing Supply Chain Security and Economic Efficiency

The University of Virginia's Center of Survey Research surveyed a total of 3,901 C-TPAT members in 2010 regarding their views of the benefits and costs associated with membership in the program.

Nearly half (47.8 percent) of the 8,166 companies participating in the C-TPAT program at that time responded to the survey which identified several tangible and intangible benefits associated with program membership.

Perceptions of net benefits increased in a linear fashion with years in C-TPAT, ranging from 30.2 percent among companies certified less than one year to 47.7 percent among companies certified for more than five years. There was a similar increase in relation to company size, ranging from 36.5 percent for companies with less than \$10 million in annual revenues to 55.7 percent for companies with more than \$10 billion in annual revenue.

The broad story told by the respondents of this survey is that the value of C-TPAT membership goes beyond dollars and cents. It includes risk avoidance, a communal approach to a safer supply chain, being able to compete for contracts that require C-TPAT membership, and taking advantage of the credibility that C-TPAT membership brings. Some of the findings or conclusions of the survey include:

- Improved work force security
- Decreased disruptions to the supply chain
- Decreased wait time for carriers at land border ports of entry
- Decreased time to release cargo by CBP
- Decreased time in CBP inspection lines
- Increased predictability in moving goods

Partners are encouraged to view the complete survey results at this link:

www.cbp.gov/ctpat

What the Membership Says About C-TPAT Benefits

Other benefits C-TPAT Partners enjoy as reflected by the Partners themselves per the University of Virginia's Center for Survey Research:

- Makes Company More Competitive
- Protects Company's Brand Image
- Enhances Marketing Opportunities
- Protects Your Industry
- Facilitates Globalization
- Demonstrates Good Corporate Citizenship
- Enhances Security in Supply Chain
- Increases Personnel Security Awareness
- Improves Risk Management Procedures/Systems



Since the founding of the Department of Homeland Security more than a decade ago, CBP and the trade community have collaborated to make international travel and trade easier, cheaper and more secure. CBP's approach to cargo security leverages these partnerships to efficiently focus resources on areas of high risk or strategic importance.

In January 2012, the U.S. Government released the *National Strategy for Global Supply Chain Security*, which established the United States Government's policy to strengthen the global supply chain to protect the welfare and interests of the American people and to enhance our Nation's economic prosperity.

The C-TPAT program supports the Strategy by promoting the efficient and secure movement of legitimate goods and by fostering a global supply chain system that is resilient to natural as well as man-made disruptions.

The program also supports the Strategy by improving detection capabilities to identify illicit cargo; maximizing efforts to facilitate the flow of legitimate trade; and fostering an international approach.



U.S. Customs and Border Protection

U.S. Customs and Border Protection
Office of Field Operations
C-TPAT Program
1300 Pennsylvania Avenue, NW
Washington, DC 20229
industry.partnership@dhs.gov

Please visit the CBP Web site at
www.cbp.gov

CBP Publication No. 0191-0114
Revised January 2014



Customs-Trade Partnership Against Terrorism (C-TPAT)

Meeting the Supply Chain Security Challenges of a 21st Century Economy



U.S. Customs and Border Protection



C-TPAT is but one layer in U.S. Customs and Border Protection's (CBP) multi-layered cargo enforcement strategy. Through this program, CBP works with the trade community to strengthen international supply chains and improve United States border security.

C-TPAT is a voluntary public-private sector partnership program which recognizes that CBP can provide the highest level of cargo security only through close cooperation with the principle stakeholders of the international supply chain such as importers, carriers, consolidators, licensed customs brokers, and manufacturers. The Security and Accountability for Every Port Act of 2006 provided a statutory framework for the C-TPAT program and imposed strict program oversight requirements.

C-TPAT Partners have worked cooperatively with CBP to protect their supply chains from the introduction of all types of contraband, and global supply chains are more secure today as a result of the program. In exchange, CBP provides Partners reduced inspections at the port of arrival, expedited processing at the border, and other significant benefits, such as "front of the line" inspections and penalty mitigation.

C-TPAT imports account for 54.1 percent of all imports into the United States.



"Despite its nature as a voluntary program, this Government to business partnership continues to grow and to remain viable—a leading supply chain security partnership program here in the U.S. and across the globe. Now in its twelfth year, what started soon after 9/11 with seven importer Partners is now an initiative that has more than 10,650 certified members in over 12 business sectors of the supply chain."

**—Thomas S. Winkowski, Acting Commissioner
U.S. Customs and Border Protection**

Building Partnerships Domestically and Internationally

C-TPAT works in partnership with the trade community to leverage corporate influence throughout the international supply chain and beyond the regulatory reach of the U.S. government. Enrollment into the program is open to the following business sectors:

- U.S. Importers of Record
- U.S./Canada Highway Carriers
- U.S./Mexico Highway Carriers
- Mexico Long Haul Highway Carriers
- Rail, Sea, and Air Carriers
- U.S. Marine Port Authority/Terminal Operators
- Mexican and Canadian Manufacturers
- Licensed U.S. Customs Brokers
- Third Party Logistics Providers
- Consolidators/NVOCC

C-TPAT operates in a cooperative effort with other government agencies such as the Transportation Security Administration, the Food and Drug Administration, and the U.S. Coast Guard, in order to align security requirements and maximize efforts to facilitate the movement of legitimate cargo.

C-TPAT also promotes the internationalization of security based industry partnership programs with other trading partners and with foreign customs administrations. CBP has signed seven Mutual Recognition Arrangements (MRA), and more MRAs will be signed in the near future.

C-TPAT Benefits

C-TPAT Partners enjoy a variety of benefits, including taking an active role in working closer with the U.S. Government in its war against terrorism. As they do this, Partners are able to better identify their own security vulnerabilities and take corrective actions to mitigate risks. Some of the benefits of the program include:

- Reduced number of CBP examinations
- Front of the line inspections
- Possible exemption from Stratified Exams
- Shorter wait times at the border
- Assignment of a Supply Chain Security Specialist to the company
- Access to the Free and Secure Trade (FAST) Lanes at the land borders
- Access to the C-TPAT web-based Portal system and a library of training materials
- Possibility of enjoying additional benefits by being recognized as a trusted trade Partner by foreign Customs administrations that have signed Mutual Recognition with the United States
- Eligibility for other U.S. Government pilot programs, such as the Food and Drug Administration's Secure Supply Chain program
- Business resumption priority following a natural disaster or terrorist attack
- Importer eligibility to participate in the Importer Self-Assessment Program (ISA)
- Priority consideration at CBP's industry-focused Centers of Excellence and Expertise

How Do I Become a Partner?

Participation in C-TPAT is voluntary and there are no costs associated with joining the program.

Moreover, a company does not need an intermediary in order to apply to the program and work with CBP; the application process is easy and it is done online.

The first step is for the company to conduct and document a security risk assessment in order to determine the risks the company faces and how it mitigates those security challenges.

The second step is for the company to submit a basic application via the C-TPAT Portal system and to agree to voluntarily participate.

The third step is for the company to complete a supply chain security profile. The security profile explains how the company is meeting C-TPAT's minimum security criteria. In order to do this, the company should have already conducted a risk assessment.

Upon satisfactory completion of the application and supply chain security profile, the applicant company is assigned a C-TPAT Supply Chain Security Specialist to review the submitted materials and to provide program guidance on an on-going basis.

The C-TPAT program will then have up to 90 days to certify the company into the program or to reject the application. If certified, the company will be validated within a year of certification.

C-TPAT offers trade-related businesses an opportunity to play an active role in the war against terrorism. By participating, companies will ensure a more secure and expeditious supply chain for their employees, suppliers and customers.

For detailed information regarding C-TPAT and the application process, please visit this link:

www.cbp.gov/ctpat