



NATIONAL STRATEGY FOR GLOBAL SUPPLY CHAIN SECURITY

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THE WHITE HOUSE

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The United States and nations around the world depend upon the efficient and secure transit of goods through the global supply chain system. In recent years, advances in communications technology, along with reductions in trade barriers and production costs, have opened new markets and created new jobs and opportunity for workers. The global supply chain system that supports this trade is essential to the United States' economy and security and is a critical global asset.

We have seen that disruptions to supply chains caused by natural disasters – earthquakes, tsunamis, and volcanic eruptions – and from criminal and terrorist networks seeking to exploit the system or use it as a means of attack can adversely impact global economic growth and productivity. As a nation, we must address the challenges posed by these threats and strengthen our national and international policies accordingly.

Through the *National Strategy for Global Supply Chain Security*, we seek to strengthen global supply chains in order to protect the welfare and interests of the American people and secure our Nation's economic prosperity. We reject the false choice between security and efficiency and firmly believe that we can promote economic growth while protecting our core values as a nation and as a people. Through this Strategy, we endorse a national approach and active collaboration with the international community. We will integrate and energize our efforts to enhance our ability to manage risk by building a layered defense, addressing threats early, and fostering a resilient system that can absorb and recover rapidly from unanticipated disruptions. By institutionalizing information-sharing arrangements, streamlining government processes, and synchronizing standards and procedures, we can realize new efficiencies while strengthening global supply chains.

The Federal Government cannot achieve this alone. Partnerships with state, local, and tribal governments, the private sector, and the international community are critical to realizing our shared goal of building a new framework to strengthen and protect this vital system.

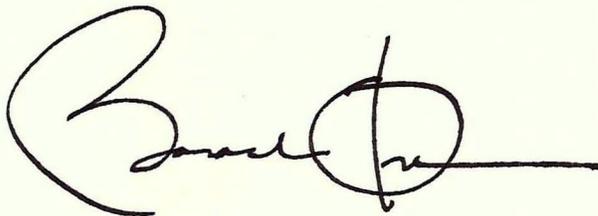
A handwritten signature in black ink, appearing to be "Barack Obama", written in a cursive style. The signature is positioned at the bottom center of the page.



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Executive Summary

International trade has been and continues to be a powerful engine of United States and global economic growth. In recent years, communications technology advances and trade barrier and production cost reductions have contributed to global capital market expansion and new economic opportunity. The global supply chain system that supports this trade is essential to the United States' economy and is a critical global asset.

Through the *National Strategy for Global Supply Chain Security* (the Strategy), we articulate the United States Government's policy to strengthen the global supply chain in order to protect the welfare and interests of the American people and secure our Nation's economic prosperity. Our focus in this Strategy is the worldwide network of transportation, postal, and shipping pathways, assets, and infrastructures by which goods are moved from the point of manufacture until they reach an end consumer, as well as supporting communications infrastructure and systems. The Strategy includes two goals:

Goal 1: Promote the Efficient and Secure Movement of Goods – The first goal of the Strategy is to promote the timely, efficient flow of legitimate commerce while protecting and securing the supply chain from exploitation, and reducing its vulnerability to disruption. To achieve this goal we will enhance the integrity of goods as they move through the global supply chain. We will also understand and resolve threats early in the process, and strengthen the security of physical infrastructures, conveyances and information assets, while seeking to maximize trade through modernizing supply chain infrastructures and processes.

Goal 2: Foster a Resilient Supply Chain – The second goal of the Strategy is to foster a global supply chain system that is prepared for, and can withstand, evolving threats and hazards and can recover rapidly from disruptions. To achieve this we will prioritize efforts to mitigate systemic vulnerabilities and refine plans to reconstitute the flow of commerce after disruptions.

Our approach is informed by the following guiding principles:

- **Galvanize Action** – Integrate and spur efforts across the United States Government, as well as with state, local, tribal and territorial governments, the private sector and the international community.
- **Manage Supply Chain Risk** – Identify, assess, and prioritize efforts to manage risk by utilizing layered defenses, and adapting our security posture according to the changing security and operational environment.

In support of the Strategy, at the Federal level, we will update our threat and risk assessments; align programs and resources; and engage government, private sector, and international stakeholders. The purpose of this engagement is to seek specific recommendations to inform and guide our collaborative implementation of the Strategy.

Introduction

The global supply chain provides the food, medicine, energy, and products that support our way of life. Many different entities are responsible for or reliant upon the functioning of the global supply chain, including regulators, law enforcement, public-sector buyers, private-sector businesses, and other foreign and domestic partners. The global system relies upon an interconnected web of transportation infrastructure and pathways, information technology, and cyber and energy networks. While these interdependencies promote economic activity, they also serve to propagate risk across a wide geographic area or industry that arises from a local or regional disruption.

The United States Government, in collaboration with state, local, tribal, international and private sector stakeholders, has undertaken a number of efforts to strengthen the global supply chain. These efforts include implementation of legislative requirements¹ and a number of strategic efforts with a specific security focus.² This Strategy incorporates and builds upon those prior efforts.

Our Strategic Goals

We seek to create and protect a global supply chain system that supports innovation and prosperity by securely and reliably moving goods within our domestic borders and around the world in a timely manner. We must both protect the current system's continuity, while simultaneously building for the future by implementing effective and cost-efficient measures that will strengthen the system and expedite the movement of lawful global commerce.

Goal 1: Promote the Secure and Efficient Movement of Goods

We all share a collective interest in promoting the timely, efficient flow of legitimate commerce while protecting and securing the supply chain from exploitation, and reducing its vulnerability to disruption. By linking security and efficiency under a single goal, the United States Government seeks to emphasize that security is an essential element of an efficient and functioning supply chain system.

To accomplish our goal, the United States Government will seek to:

- **Resolve threats early** to expedite the flow of legitimate commerce. By integrating security processes into supply chain operations, we can identify items of concern and seek to resolve them as early in the process as possible.

¹ Supply chain-related legislation includes the Security and Accountability for Every Port (SAFE Port) Act, the Maritime Transportation Security Act, the Aviation and Transportation Security Act, the Implementing Recommendations of the 9/11 Commission Act, and others.

² See, e.g., the *National Strategy to Combat Transnational Organized Crime* (July 2011), the *National Strategy for Counterterrorism* (June 2011), the updated *Strategy for American Innovation* (February 2011), the *Global Nuclear Detection Architecture Strategic Plan* (December 2010), the *Joint Strategic Plan on Intellectual Property Enforcement* (June 2010), the *National Security Strategy* (May 2010), the *International Strategy for Cyberspace* (May 2010), the *Surface Transportation Security Priority Assessment* (March 2010), the *Quadrennial Homeland Security Review* (February 2010), the *Framework for Revitalizing American Manufacturing* (December 2009), the *National Strategy for Aviation Security* (March 2007) and its supporting plans, the *National Strategy for Pandemic Influenza* (November 2005), the *National Strategy for Maritime Security* (September 2005) and its supporting plans, and the *National Strategy to Combat Weapons of Mass Destruction* (December 2002).

- **Improve verification and detection** capabilities to identify those goods that are not what they are represented to be, are contaminated, are not declared, or are prohibited; and to prevent cargo from being compromised or misdirected as it moves through the system
- **Enhance security of infrastructure and conveyances** in order to protect the supply chain and critical nodes, through limiting access to cargo, infrastructure, conveyances, and information to those with legitimate and relevant roles and responsibilities
- **Maximize the flow of legitimate trade** by modernizing supply chain infrastructure and processes to meet future market opportunities; developing new mechanisms to facilitate low risk cargo; simplifying our trade compliance processes; and refining incentives to encourage enhanced stakeholder collaboration

Goal 2: Foster a Resilient Supply Chain

Integrated supply chains are fast and cost-efficient but also susceptible to shocks that can rapidly escalate from localized events into broader disruptions. We will seek to develop a global supply chain system that is prepared for and can withstand evolving threats and hazards and can recover rapidly from disruptions. Increased resilience and flexible, dynamic capabilities will improve the Nation's ability to absorb shocks, save lives, and reduce the overall impact of a disruption.

To accomplish our goal, the United States Government will seek to:

- **Mitigate systemic vulnerability** to a supply chain disruption prior to a potential event by using risk management principles to identify and protect key assets, infrastructure, and support systems; and promoting the implementation of sustainable operational processes and appropriate redundancy for those assets
- **Promote trade resumption policies and practices** that will provide for a coordinated restoration of the movement of goods following a potential disruption by developing and implementing national and global guidelines, standards, policies, and programs

Our Strategic Approach

Our approach to achieving these goals is informed and guided by a set of principles that reflect our values, beliefs, and priorities as a Nation. The guiding principles that define our approach include our ability to galvanize action within and beyond the Federal Government, and effectively manage risk by focusing our efforts on those enhancements that result in the most significant improvement or reduction in risk.

This Strategy is focused on those components of the worldwide network of transportation, postal and shipping pathways, assets, and infrastructures by which goods are moved until they reach an end consumer. This includes the points of manufacturing, assembly, consolidation, packaging, shipment, and warehousing as well as supporting communications infrastructure and systems.³

Galvanize Action

In order to meet the challenge to strengthen the global supply chain we must promote integrated and collective action among all levels of government, the private sector, and other key stakeholders. As we work to achieve our strategic vision, we will seek to:

- **Integrate our Federal efforts** by finding smarter and more cost-effective ways to address security threats and maximizing resources and expertise from across the United States Government. We will work to improve initiatives throughout the Federal Government by developing similar requirements, streamlined processes, and enhancing our information-sharing practices.
- **Foster an all-of-nation approach** to leverage the critical roles played by state, local, tribal and territorial governments, and private sector partners in strengthening supply chains. We will manage seams between their activities and Federal efforts by empowering these stakeholders to contribute to the mission. This will also develop a culture of mutual interest and shared responsibility.
- **Think globally** by enhancing our coordination with the international community and foreign stakeholders who also have key supply chain roles and responsibilities. The global supply chain transcends national borders and Federal jurisdiction. In recognition of this, we will seek to develop and implement global standards, strengthen detection, interdiction, and information sharing capabilities, and promote end-to-end supply chain security efforts with the international community.

Manage Supply Chain Risks

The global supply chain is subject to an ever-evolving array of risks. Our competitiveness as a Nation depends on managing risks to supply chain-related physical infrastructures to enable the movement of goods, energy, people, and information from one place to another. To manage risks, we will work to:

- **Understand and address vulnerabilities** to the supply chain that stem from both exploitation of the system by those seeking to introduce harmful products or materials and disruptions from intentional attacks, accidents, or natural disasters. We will focus our efforts on those risks that can bring the most harm to American citizens or threaten the functionality of the supply chain system.

³ In particular, the Strategy is intended to address: cargo transported within the legitimate supply chain, including imports and exports; movement of U.S. military cargo by commercial conveyances; commercial transport modes (air, land, and sea), including the intermodal freight transportation system; and organizations, groups, or individuals who have, or otherwise control, or have direct access to cargo, infrastructure, or information associated with the supply chain.

- **Utilize layers of defense** to protect against a diverse range of traditional and asymmetric threats. These layers include: intelligence and information analysis; appropriate use of technology; our laws, regulations, and policies; properly trained and equipped personnel; and effective partnerships
- **Adapt our security posture** to meet evolving threats. We will work to promote a dynamic and flexible risk management approach that prioritizes actions to address risks with the greatest potential impact. We must also establish an environment in which we assess emerging threats and reprioritize our actions accordingly

The Path Forward

Implementation of this Strategy will begin immediately upon its release. In the near term, we will focus our efforts on priority action areas identified during the development of the Strategy. These include:

- Align Federal activities across the United States Government to the goals of the Strategy
- Refine our understanding of the threats and risks associated with the global supply chain through updated assessments
- Advance technology research, development, testing, and evaluation efforts aimed at improving our ability to secure cargo in air, land, and sea environments
- Identify infrastructure projects to serve as models for the development of critical infrastructure resiliency best practices
- Seek opportunities to incorporate global supply chain resiliency goals and objectives into the Federal infrastructure investment programs and project assessment process
- Promote necessary legislation that supports Strategy implementation by Federal departments and agencies
- Develop, in concert with industry and foreign governments, customized solutions to speed the flow of legitimate commerce in specific supply chains that meet designated criteria and can be considered low-risk
- Align trusted trader program requirements across Federal agencies. We will consider the potential for standardized application procedures, enhanced information-sharing agreements, and security audits conducted by joint or cross-designated Federal teams

We will also actively engage domestic and international partners to develop specific recommendations in addition to the Federal efforts discussed above, and chart a course forward for achieving them. We have established a formal process to solicit feedback from the range of stakeholders with missions and

interests in the global supply chain. The input received through this process will help develop and prioritize recommendations for out-year implementation of the Strategy. In particular, we will garner input from the private sector and state, local, tribal, and territorial partners through the Cross-Sector Supply Chain Working Group under the Critical Infrastructure Partnership Advisory Council (CIPAC) framework.⁴ We will also work to solicit inputs from foreign governments and interested international organizations.

Departments and agencies will submit to the President, through the Assistant to the President for Homeland Security and Counterterrorism, a consolidated report on implementation status within 1 year of the release of the Strategy. This report will detail progress made on each of the priority action areas identified above. It will also include additional recommendations for future action developed during the outreach process.

Conclusion

The global supply chain system that we seek will support innovation and prosperity by expeditiously, securely, and reliably moving goods and services within our domestic borders and around the world. This Strategy stands as testimony to partners, as well as warning to adversaries, that our efforts to strengthen this vital system will continue. We will build upon the solid foundation of previous efforts but also look ahead to the future we are working to create. Our Strategy is therefore one of continuity and of change. The threat of natural disasters remains, and the global supply chain and its components continue to be attractive targets for terrorist attacks and criminal exploitation. And while the security of our citizens and our nation is the paramount concern, we must work to promote America's future economic growth and international competitiveness by remaining open for businesses to the world.

⁴ The CIPAC is a Federal Advisory Committee Act-exempt body established by the Secretary of Homeland Security, as authorized in Section 871(a) of the Homeland Security Act [6 U.S.C. §451(a)], to implement the National Infrastructure Plan (NIPP) Framework. The NIPP Framework is a partnership between government and critical infrastructure and key resources owners and operators, and provides a forum in which they can engage in a broad spectrum of activities to support and coordinate critical infrastructure protections. For more information, please visit http://www.dhs.gov/files/committees/editorial_0843.shtm

