

United States Customs and Border Protection
Advisory Committee on Commercial Operations of
Customs and Border Protection and Related Functions (COAC)
May 22, 2013
Report of the Work of
Subcommittee on Trusted Trader Programs

1. Background:

On March 6, 2013, during the 13th Term Advisory Committee on Commercial Operations of U.S. Customs and Border Protection (COAC), the COAC made a decision to establish a Trusted Trader Subcommittee. The Trusted Trader Subcommittee objectives and scope are consistent with the official charter of COAC.

2. Objectives and Scope of Activities:

It is expected that, during the lifespan of this subcommittee, the focus will be on providing advice and recommendations in one or more of the following areas:

- Trusted Trader Program
- C-TPAT/AEO

CBP has asked the Trusted Trader Subcommittee to concentrate in support of the Trusted Trader initiative as being developed by the Trusted Trader Working Group in order to realize a test of the trusted trader concept by the September timeframe. An FRN will be forthcoming calling for a maximum of nine (9) participants to pilot the new concept. The Trusted Trader Program intends to be a holistic approach to achievement of trusted trader status with enhanced incentives and benefits involving the consolidation of C-TPAT and ISA programs as well as entertaining the participation of PGA into a new trusted trader partnership process.

3. Activities and Progress:

A. Established the Industry Accepted Standards Working Group

This group is assigned to identify existing industry accepted standards of compliance and controls:

CBP is requesting the workgroup to put together a list of industry accepted standards (outside of ISA) that are currently implemented by companies to achieve compliance and maintain internal controls.

This information will be used by CBP to achieve two goals:

- i. Understand what standards industry is implementing to achieve compliance and establish internal controls.
- ii. Consider the feedback as potential standards to satisfy the trade compliance element of the trusted trader framework.

Timeframe: the workgroup should have the list ready in 30 days”.

Status: This workgroup requires participation of those outside of COAC, to date a meeting has not materialized. A group of key industry stakeholders has been identified and will soon be assembled to take on this task. This workgroup will have 30 days to complete this task.

B. Established the Metrics Working Group

CBP is requesting the subcommittee to provide information that identifies what program participants would find valuable when assessing the benefits of being part of a trusted trader partnership program with the government. Some aspects related to:

- i. Time and resources related to the processing of cargo
- ii. The cost savings. How is the cost measured?
- iii. Other metrics of value as perceived by trusted trader partners.

Status: This workgroup chaired by Jim Philips has undertaken to evaluate over 21 benefits identified in the trusted trader working group discussions and prioritize them by their value and what is deliverable by the inception of the pilot in September. Many new benefits identified by the trusted trader working group may require amendment to rulings, accordingly these will be considered in later phases of Trusted Trader Metrics development. This working group has been given 60 days to complete this task for deployment in the pilot.

End of report.