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Trusted Trader Subcommittee Overview

1. General description

a. **Objective/ Goal:**

The objective of this subcommittee is to help advise CBP on trusted trader programs (Holistic CBP Trusted Trader Initiative and expansion of C-TPAT/AEO).

b. **Where does it fit in our Trade Transformation Strategy?**

The Trusted Trader Subcommittee fits within several guiding principles of CPB's Trade Transformation Strategy including: Comprehensive Trusted Trader Program, Consistency & Harmonization, Co-Creation, Bi-Directional Education.

c. **Chair /Co-Chair Names:**

The COAC Trade Co-Chairs are Bill Ferguson, NYK Line North America and Bill Earle, National Association of Beverage Importers. The government subcommittee Co-Chairs are Daniel Baldwin, Executive Director, and Executive Director Brenda Smith.

d. **Number of Participants from COAC:**

18 of the 20 COAC members participate in this subcommittee.

2. Workgroups Under the Subcommittee

a. **Cost Benefit Metrics:**

- i. **Goal:** Develop metrics to determine the cost savings and efficiency realized by participating in the Trusted Trader Program. Results will be shared with industry and program partners to communicate the benefits of program participation.

1. **Update**

- a. The subcommittee prioritized the benefits that will be tested in phase 1 of the program and gave their input as to whether or not they were valuable incentives.
- b. The working group has met 2 times since the May 22nd COAC meeting and 6 times in total.
- c. As of July 24th, the working group has completed their prioritized list of incentives which is undergoing final review before discussing with the entire COAC.

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b. Industry Accepted Standards of Compliance

- ii. **Goal:** Analyze and collect industry-accepted trade compliance and standards that may be utilized to satisfy the trade compliance elements of the Trusted Trader Program.

1. Update

- a. The subcommittee has concluded its tasking and determined that there is no one solution and that each company handles compliance differently.
- b. The working group has met 5 times since the May 22nd COAC meeting in order to meet their 30-day tasking timetable. The working group invited various compliance consultant groups to provide insight to existing industry compliance standards.
- c. We expect that the working group will recommend that CBP look at compliance on a case by case basis at the August 7th Meeting.

3. Highlights

a. Accomplishments:

- i. The Industry Standards Working Group was very productive and met with analyst, software providers, and looked into international standards. They were able to determine that no one company looks exactly like another and that there is no “silver bullet” catch-all solution to compliance.
- ii. The Metrics Working Group clarified how some of the incentives will apply to participants in the Trusted Trader program.

4. Next Steps

Having completed the taskings for the second quarter (May-August 2013), the Trusted Trader Subcommittee will address the C-TPAT program for the next six months (August-January). The scope of activities may include the following areas:

- Advise on the development of trade functions in Portal 2.0 and subsequent releases.
- Consider the feasibility of expanding C-TPAT to include domestic transportation hubs, further expanding to additional Foreign Manufactures, foreign trade zones and looking at leveraging the use of Partner Government Agency (PGA) programs.
- Advise on the development of a framework for C-TPAT for Exports.