



**Customs-Trade
Partnership Against Terrorism**

Partnering in Supply Chain Security and Facilitation for the 21st Century



**U.S. Customs and
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Welcome



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July 18, 2014

It is my great pleasure to announce that the 2014 C-TPAT National Conference has been approved and will be held after all. As many of you may know, the C-TPAT conference was facing substantial scrutiny and restriction due to much more significant Department of Homeland Security (DHS) guidelines for government sponsored conferences. With exceptional effort, and by agreeing to substantially scale back on amenities and costs, DHS did finally provide approval for the event.



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C-TPAT Achievements

August 1, 2014

10,756 - Certified Partners

157 - Staffing Level

334 - Tier 3 Importers

25,607 - Total Validations Completed

12,546 - Initial Validations Completed

13,601 - Revalidations Completed

Number of completed validations by year:

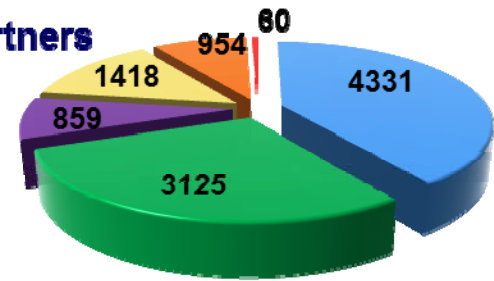
2013: 578 Initial Validations + 1,553 Revalidations = 2,131 Total Validations

2014: 235 Initial Validations + 756 Revalidations = 991 Total Validations

1,878 - Total Suspensions

1,342 - Total Removals

C-TPAT Partners by Type



■ Importers - 4331

■ Brokers - 859

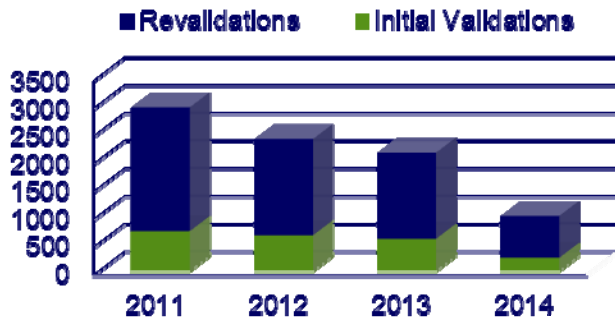
■ Consolidators/3PLs - 954

■ Carriers - 3125

■ Foreign Manufacturers - 1418

■ MPTOs - 60

Validations Completed by Year



Program Initiatives:

8 - Mutual Recognition Arrangements: New Zealand, Canada, Jordan, Japan, Korea, European Union, Taiwan, Israel

4 - Mutual Recognition Projects: Singapore, China, Mexico, Switzerland

12 - Technical Assistance Projects: India, Turkey, Jamaica, Dominican Republic, Honduras, Panama, Colombia, Chile, Peru, Uruguay, Brazil, Costa Rica

4 - Partner Government Agencies: FDA, TSA, USDA, Coast Guard



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In Program History...



101,173

Recommendations

- 44,092 Importers
- 37,181 Highway Carriers
- 7,148 Foreign Mfr.
- 6,161 Consolidators
- 5,585 Brokers

35,799

Actions required

- 17,538 Importers
- 12,605 Highway Carriers
- 2,289 Consolidators
- 1,652 Brokers
- 1,492 Foreign Mfr.



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C-TPAT: Customs-Trade Partnership Against Terrorism

- C-TPAT seeks to safeguard the world's vibrant trade industry from terrorists, maintaining the economic health of the U.S. and its neighbors.
- The partnership develops and adopts measures that add security but do not have a chilling or detrimental effect on trade.



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Exam rates/Benefit rates

- Entries filed by Tier III partners are **9 times less** likely to undergo a security based examination than those entries filed by non C-TPAT partners.
- Entries filed by Tier II partners are **3.5 times less** likely to undergo a security exam than those entries filed by non C-TPAT partners.
- If you flip this around, it means non C-TPAT entries are up to **9 times more likely** to face a security exam.



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CBP's Trade Mission

U.S. Customs and Border Protection has direct responsibility for enhancing U.S. economic competitiveness.

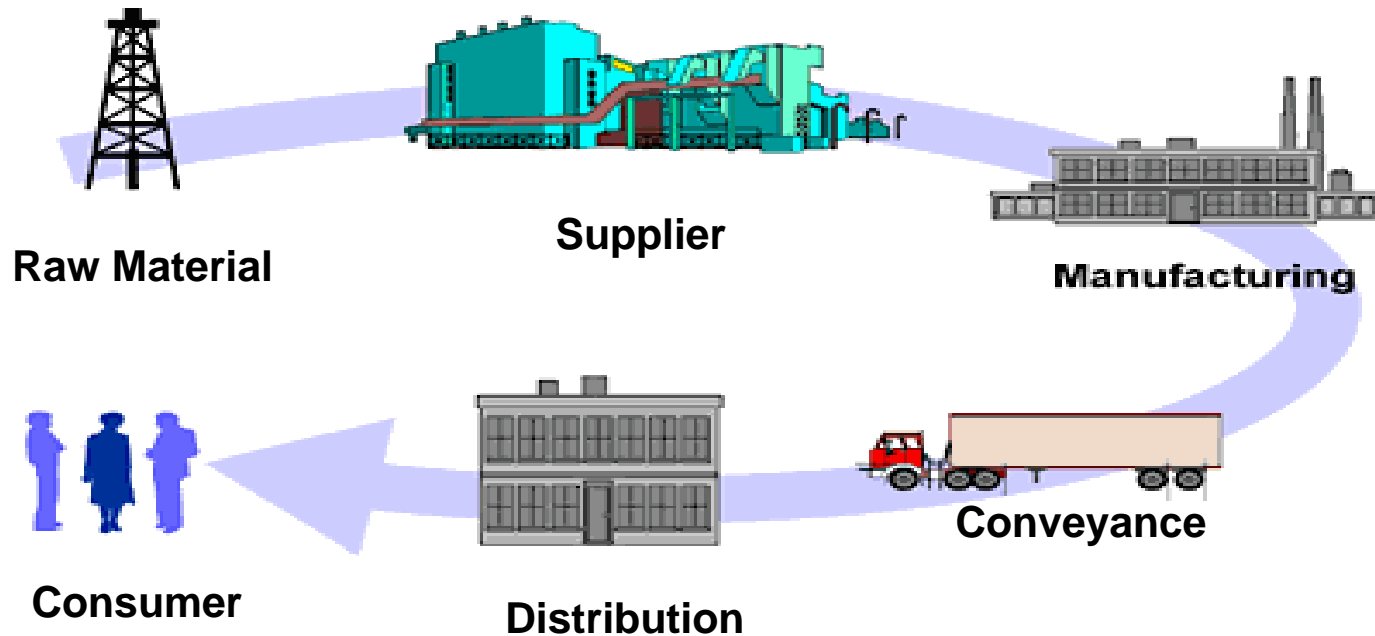
By:

- Reducing costs for industry
- Enforcing trade laws against counterfeit, unsafe, and fraudulently entered goods
- Working to enable legitimate trade
- Contributing to American economic prosperity, and protecting against risks to public health and safety.



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C-TPAT Supply Chain



The supply chain for C-TPAT purposes is defined from point of origin (manufacturer/supplier/vendor) through to the point of distribution

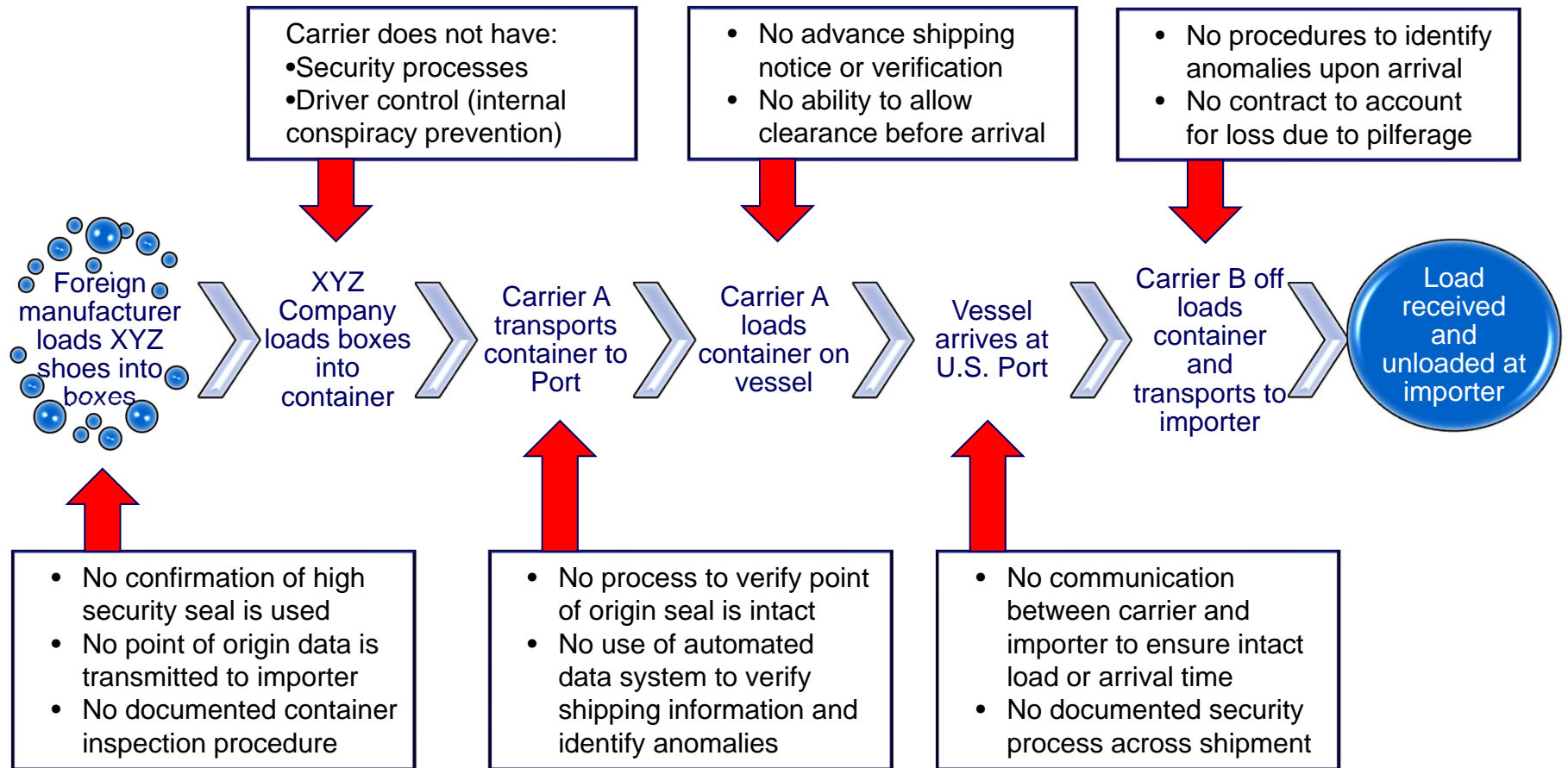
FOR HIGHWAY CARRIERS:

The supply chain for highway carriers for C-TPAT purposes is defined from point of origin from the yard or where the tractors and trailers are stored, through pickup at the manufacturer/supplier/vendor, through to the point of distribution.



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C-TPAT: Supply Chain Without Security



C-TPAT Benefits

- Access to the Free and Secure Trade Lanes (FAST)
- Stratified Examination Benefit
- Front of the Line
- Business Resumption
- Favored processing with CEEs
- Access to a C-TPAT SCSS
- Access to the C-TPAT Portal System
- Eligible to attend C-TPAT conference
- Eligibility to participate in the ISA program



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C-TPAT Technical Enhancements

- C-TPAT participants will be able to print their own C-TPAT certificate upon successful completion of all validation requirements. This feature will be part of the late phase 2 Portal roll out.
- Icons for C-TPAT designation in the AES and ATS systems have been improved to allow CBP Officers the ability to recognize a C-TPAT partner more easily. These icons also identify Tier status for Importers.



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New Program Benefits

- Publications
- Exporter Entity
- SAFETY Act Insurance “Block” designation
- Aqua Lane



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New Program Membership

- **FTZ's** (1,200 plus)
 - Already regulated by CBP
 - Could provide benefit of grantee getting global exposure through membership
 - Further elimination of segmented elements of supply chain
 - Some identified gap between regulatory compliance and C-TPAT criteria
- **Exporters** (200,000 plus export only)
 - Provide benefits for US Exports
 - Bring C-TPAT more inline with global AEO's
 - Very large pool of possible participants



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Trusted Trader and C-TPAT

- Formulating a design for a holistic, integrated trusted trader program.
- Coordinating with Partner Government Agencies (PGAs):
 - Food and Drug Administration (FDA),
 - Consumer Product Safety Commission (CPSC)
 - Transportation Security Administration (TSA).
- Trusted Trader will also involve a unification of C-TPAT and the Importer Self Assessment (ISA) process to join supply chain security with trade compliance.
- C-TPAT working to be more inline with global AEO's that have a compliance component.



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Interagency Partnerships

- Streamline processes
- “Whole government approach”
- Allow for regulatory authority to be considered and applied in validation process (end duplication)
- Enhance information sharing and expand resource pools
- Contributes towards single window concept
- “Team” approach
- Trusted Trader Pilot



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Compliance Concerns

- Tier III C-TPAT member
- 19 significant compliance violations
- Some are repeat violations
- C-TPAT certified Broker filed entries
- Tuesday.....



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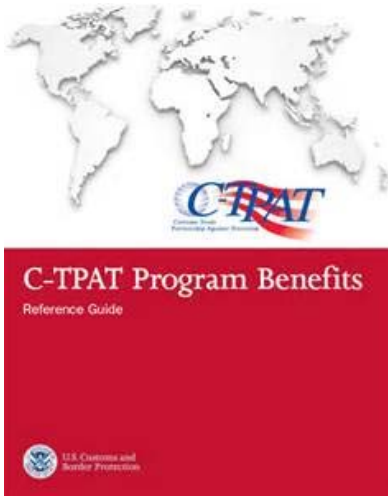


New Program Visions

- Academic Institutions
 - Engage academia for resource deployment
 - Support academic development of supply chain security concept
 - Provide networking of additional SME's
- DHS State Components
 - Most states have DHS component
 - Engage for application of supply chain security at State level
 - Support domestic element of supply chain



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Thank you



Container Inspection...

7-Point Container Inspection Process:

1. Outside/ Undercarriage (before entering facility)
2. Inside/ Outside doors
3. Right side
4. Left Side
5. Front Wall
6. Ceiling/Roof
7. Floor (Inside)



7 Point

Supply Chain Security » New Business Environment



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