



CTPAT<sup>TM</sup>  
YOUR SUPPLY CHAIN'S STRONGEST LINK.

# CTPAT Program Overview & Updates



U.S. Customs and  
Border Protection

# CTPAT Security – Impact Today



Since CTPAT was established in November 2001, the Program has increased supply chain security and improved the safety of cargo at all points along the international supply chain.



**11,400+  
Certified  
Partners**

A world map with a dark purple silhouette of the continents. The map is overlaid with a grid of white lines representing latitude and longitude. The text '11,400+ Certified Partners' is written in a large, bold, dark blue font over the map.

- **200+ minimum standards for membership**
- **Over 30,000 validations conducted**
- **Validation site visits conducted in 109 countries**
- **11 Mutual Recognition Arrangements**

CTPAT provides a variety of benefits to CBP that allow the Agency to more effectively carry out its mission:

## **Increased Security**

- Seeks to decrease supply chain attacks that may disrupt the flow of international commerce and pose a national security or safety threat to domestic industry and the public.

## **Greater Efficiency**

- 54.1% of all imports (by value) into the U.S. are CTPAT Certified, importers make up the bulk of members at 37% and by taking advantage of program benefits cargo moves more effectively into the U.S.

## **Shared Responsibility**

- Promotes shared responsibility from the trade community
- Promotes coordination and taking a proactive stance with industry to increase supply chain security as a voluntary program



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# CTPAT Security



As a supply chain security program, CTPAT requires participants to adhere to Minimum Security Criteria (MSC) and in exchange participants within the three different tiers experience benefits throughout the import process.

## Impetus for Creation

- Created in the aftermath of 9/11 in response to an ongoing threat
- Voluntary government-business program to build cooperative relationships that strengthen and improve overall international supply chain and US border security
- First worldwide supply chain security program
- Requires businesses to ensure the integrity of their security practices and verify the security guidelines of their business partners within the supply chain

## CTPAT Tiers (Importers & Exporters)

Tier 1—Certified Member

- ✓ Risk Score reductions

Tier 2—Validated Member

- ✓ MSC have been met
- ✓ Significant Risk Score reductions

Tier 3—Validated Member

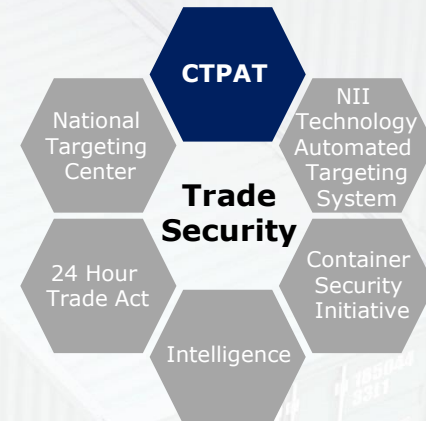
- ✓ Security measures exceed MSC and best practices have been adopted
- ✓ Most significant Risk Score reductions



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## Piece of the Puzzle

- CTPAT is part of a layered law enforcement strategy



## Benefits

- Reduced number of CBP examinations
- Front of line inspections
- Shorter wait times at the border
- Assignment of a Supply Chain Security Specialist to the company
- Access to Free and Secure Trade (FAST) Lanes at land borders
- CTPAT web-based Portal system and a library of training materials
- Eligibility for other U.S. Government pilot programs

# CTPAT Program Overview



**CTPAT is a voluntary public-private sector partnership program to strengthen the security of international supply chains and the U.S. Border, and increase trade compliance.**

## Trade Security

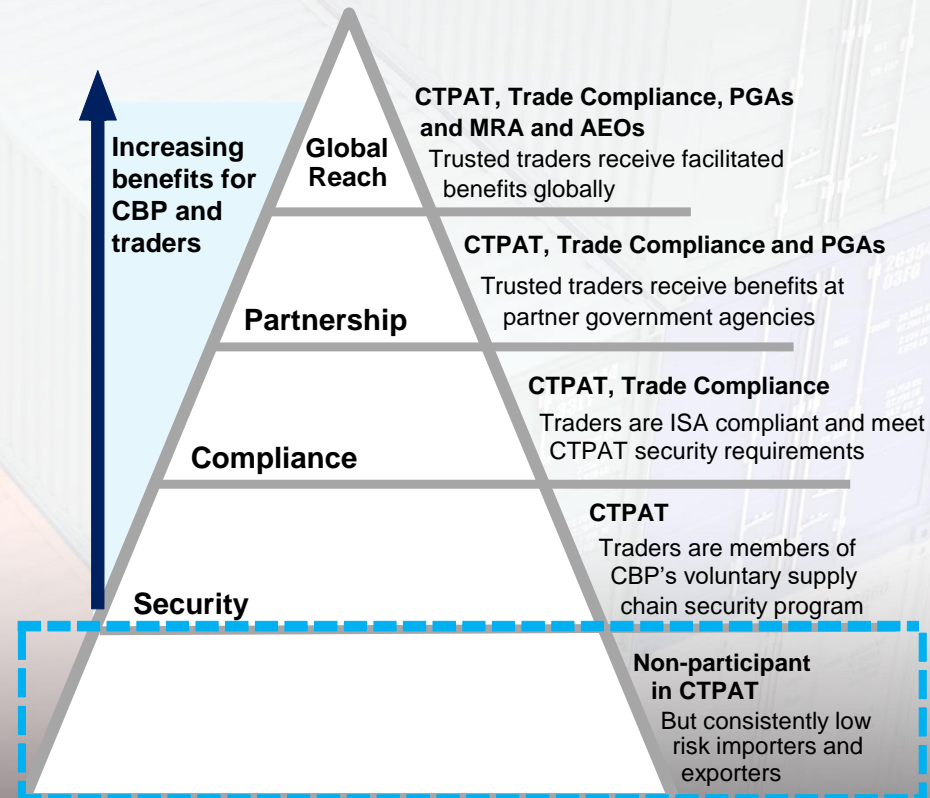
Trade Security refers to the security of supply chains relative to current and emergent threats.

- CBP partners with industry and foreign governments, and uses a risk-based approach to identify threats at the earliest point possible and before they reach U.S. Ports of Entry (POE).
- CTPAT processes 54% of all imports into the U.S. Industry Partners in CTPAT experience decreased supply chain disruptions, reduced and expedited inspections, and decreased wait times at land border POEs.

## Trade Compliance

Trade compliance refers to an importer's ability to meet regulatory requirements imposed by CBP and other government entities.

- CTPAT currently maintains the Importer Self Assessment (ISA) Program to allow approved members to ensure their own compliance with regulatory requirements.
- After the Trusted Trader Pilot assesses benefits, the office will transition existing ISA members to the Trade Compliance portion of CTPAT.



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## — International Strategy —

- MR means that the security requirements/standards of the industry partnership program, as well as its verification procedures, are the same or compatible with those of the potential MR partner.
- **MR is a long term goal**
- Customs, AEO Programs & Trade Community must realize the time, effort and resources that goes into achieving MR.





# Global Reach – MRAs and SAFE Framework Pillars



CTPAT's partnerships with international trade communities and authorities strengthens its role as an integral part of global supply chain security.

## International Strategy

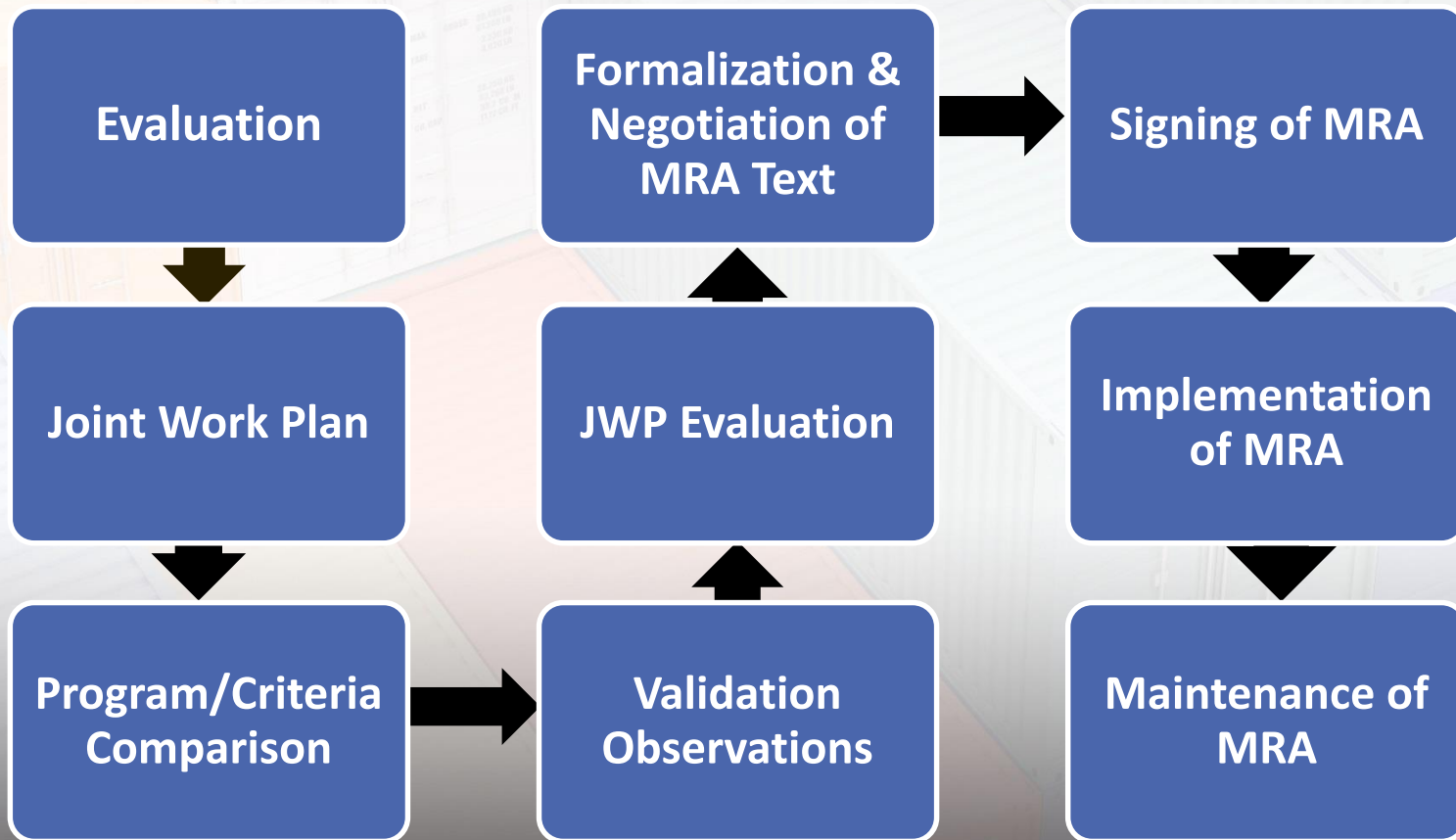
- Commitment to MRAs link various international industry partnership programs together creating a unified and sustainable end-to-end security posture that facilitates safe and efficient global trade
- Support of organizations such as the WCO and the Asia-Pacific Economic Cooperation (APEC) working to improve the security and integrity requirements of their membership

## 11 Mutual Recognition Arrangements:



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## **MRA Process** **Before, During & After an MRA**



## MRA Challenges

- **Entity Identifiers**- there are many (i.e. IOR, EORI, etc.)
- **Language differences**
- **Resources vary**
- **Timelines**
- **Personnel** – Frequent turnover
- **Difference in benefits** (vary from country to country)
- **Legal regulations** - can block sharing of information





## MRA LESSONS LEARNED

### **Communication**

- Internally – Upper Managements & Field Level
- Externally – Trade Community
  - Face to face meetings & updated information on internet
- Communication between MRA Partners
  - Updates; POC changes; Maintenance of MRA

### **Automation**

- C-TPATs Portal system was created in 2007 and is currently being upgraded

### **Working with Partner Government Agencies (PGA)**

- Many PGAs have similar programs that overlap
- Reduce redundancies
- Provide additional benefits



## Benefits

### CTPAT (AEO) Members

- Expedited Shipping of Cargo
- Fewer CBP (Customs) Examinations
  - Priority if selected
- Increased Security in all Aspects of the Supply Chain
- Increased Efficiency & Predictability
- Access to Industry Best Practices
- Marketability and Safeguarding of Brand
- An Assigned Supply Chain Security Specialist
- Access to Training, Seminars, Conferences, Pilot Projects, etc.
  - Face to face meetings & updated information on internet
- Communication between MRA Partners
  - Updates; POC changes; Maintenance of MRA



## Benefits

### **CBP(Customs Administrations)**

- Increased & More Effective Communication with the Trade Community
- Increased revenue
- Increased security in all parts of the supply chain
- More efficient allocation of resources
- More efficient and effective of managing risk
- Exposure to more processes/knowledge
- Potential to influence industry technology and/or systems
- Broader, more comprehensive view of global supply chain, with opportunity to eliminate duplication and multiple reporting requirements.





# Questions?

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