CTPAT – The Road Ahead

In November, it will be 17 years since the inception of the CTPAT program that was instituted in the wake of the September 11th terrorist attacks. The program, which began with only seven participants, now boasts over 11,000 members in multiple industry segments. The twin mission of the program remains supply chain security AND trade facilitation. Given the age of the program, lessons learned along the way, and a continuously evolving security landscape, U.S. Customs & Border Protection ("CBP"), working in conjunction with the Commercial Customs Operations Advisory Committee ("COAC"), has recently taken a new look at the program and published new proposed minimum security standards. Additionally, an updated CTPAT compliance program will be rolled out that will be the successor to CBP's current Importer Security Assessment ("ISA") program. The updated CTPAT security program coupled with the new CTPAT compliance program creates a "trusted trader" program on par with the international Authorized Economic Operator programs that boasts both security and compliance components.

As part of the update, in July CBP published new proposed Minimum Security Requirements for each partner category that strengthens some of the existing requirements and created three distinct new categories: "Security Vision and Responsibility," "Cybersecurity" and "Agricultural Security." In strengthening the existing requirements, many of the items previously categorized by CBP as activities that importers "*should*" undertake, have now been categorized as activities the partner "**must**" undertake in order to meet the minimum security requirements. The new Security Vision and Responsibility category is focused on the integration of CTPAT into corporate business practices and culture ensuring high-level buy-in and support by top management. Cybersecurity requirements recognize the need for organizations to safeguard intellectual property, client and financial data, and employee records in an ever increasing threat environment. Last, but not least, the Agricultural Security requirements recognize the threat of the unwitting introduction of pest, disease and animal contaminants that may be dangerous to the United States.

CBP is considering this as a period of socialization for the new criteria to allow companies to review and become familiar with the proposed changes/criteria. CBP will continue to accept comments and feedback on the new criteria during October through the CTPAT portal. Partner companies should take full advantage of this opportunity to provide comment. The expectation is that the new criteria will be finalized after reviewing the feedback. Validations in 2019 would be handled under the currently existing requirements, with 2020 being the target for implementation of the new criteria.

CBP has also indicated that the current ISA program will transition to a CTPAT compliance program. Current ISA participants will be "grandfathered" in to the new program. A new portal is in development and will be released to accommodate the updated and enhanced program. The new portal will allow CBP to move away from the current manual or spreadsheet based processes currently used to manage the program and will include the ability to upload information on the required self-tests performed, and enable participants to provide the annual certification directly through the new portal. Companies interested in participating may still apply to the ISA program while the final CTPAT compliance program development is underway.

CBP has worked to identify additional benefits for ISA/CTPAT compliance participants when the new program rolls out. In addition to the current benefits of having a national account manager, removal from the general Focused Assessment Pool and access to free ITRAC data, proposed new benefits include expedited rulings, release of goods to premises for exam, exemption from random non-intrusive exams and ITRAC data automation. Additionally, companies that are both CTPAT security and compliance participants may receive additional benefits that include penalty mitigation and access to CTPAT defender, which is similar to identity theft protection for importers in that it alerts them when their Importer Number is used for transactions not matching their import profile.

While the proposed changes and strengthened programs will create additional work for partners, CBP understands the level of commitment required from the trade community and is working to ensure that the effort is rewarded through new and more robust benefits while keeping sight of its twin mission of supply chain security and trade facilitation.

Rockefeller Group has substantial experience assisting clients with participation in the CTPAT program. We stand ready to assist current CTPAT participants with navigating the new requirements as well as companies that are considering applying for the new CTPAT security and compliance programs. Please contact us to learn more about CTPAT and how we can help your company take advantage of the program.