

CUSTOMS TRADE PARTNERSHIP AGAINST TERRORISM (CTPAT)

May 2021



U.S. Customs and
Border Protection

The Customs Trade Partnership Against Terrorism (CTPAT) is a partnership between Customs and Border Protection (CBP) and industry to **protect supply chains, identify security gaps, implement specific security and trade compliance best practices, and maintain the integrity of low-risk cargo** entering the United States.



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 Director, CTPAT
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RECENT ACCOMPLISHMENTS

Strengthening Supply Chain Security

Several recent narcotics seizures are a result of CTPAT partners informing their Supply Chain Security Specialist (SCSS) of supply chain anomalies, demonstrating the **powerful impact of strong partnerships between CBP and the Trade**

Prioritizing Social Compliance

CTPAT is developing **forced labor requirements** to be incorporated in FY21 as a part of CBP's Agency-wide efforts to combat the forced labor in global supply chains

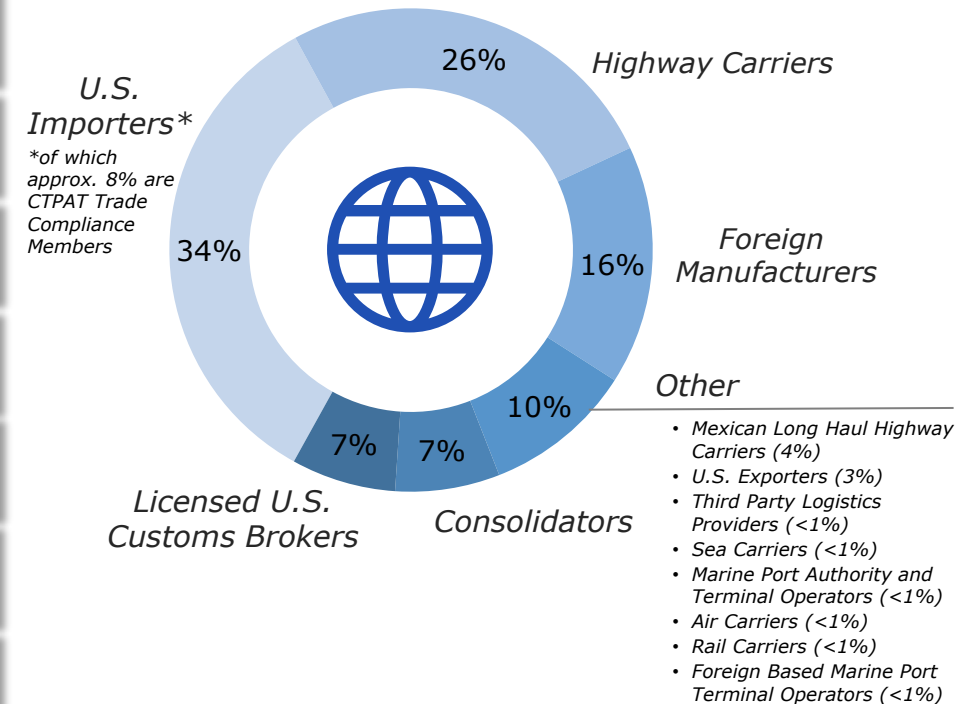
Collaborating with Global Partners

CTPAT works closely with its international counterparts through Mutual Recognition Arrangement (MRA) partnerships and the World Customs Organization (WCO) to further global standardization of supply chain security best practices. In January 2021, **the U.S. and the U.K. virtually signed an MRA**

CTPAT BY THE NUMBERS

11,100+	CTPAT Program Members
301	CTPAT Trade Compliance Members
234	CY20 Member Suspension & Removals
13	Mutual Recognition Arrangements
53%	Of U.S. Imports by Value are CTPAT Certified
90+	Speaking events in CY2020
99.5%	Compliance rate for C-TPAT members with the established CTPAT security guidelines
31.8M	Reduced examination cost savings benefit for C-TPAT trade members

CTPAT Entity Groups



In FY21, CTPAT will continue adapting operations to execute its mission during these unprecedented times while ensuring that its **partnership with Members remains strong and continues to set a high standard for global supply chain security and trade compliance.**

KEY FY21 PRIORITIES



Strengthen Global Supply Chain Security

*Advocate for global adoption of CTPAT's standards for end-to-end security to **address emerging threats across the global supply chain***



Rollout the Virtual Validations Process

*Leverage a risk-based approach that prioritizes Members eligible for the virtual validation process to **drive progress on the validation backlog***



Scale CTPAT Trade Compliance

*Finalize the Trade Compliance rollout that enables CTPAT to be a fully-fledged AEO Program to **ensure importer compliance with U.S. trade laws***

ADDITIONAL FY21 PRIORITIES

- ❖ Begin transition of the current **CTPAT Portal** to Salesforce platform with OIT to streamline Member processes and enhance data-driven decision making
- ❖ Define CTPAT's approach to incorporate **E-Commerce** into the Program to advance CBP's E-Commerce Strategy and identify low-risk, e-commerce shipments
- ❖ Finalize and rollout **Forced Labor requirements** with OT and industry to support Member adoption of mitigation measures and enforce requirements
- ❖ Evaluate findings from the University of Houston Study on Program sentiment to identify areas to **implement advancements** to the Program
- ❖ Refine delivery and data collection process for **Member benefits** to enhance value to Members, process efficiency, and access to quantifiable metrics
- ❖ Update SAFE standards and AEO implementation guide with the **World Customs Organization** to strengthen global supply chain security

MSC ROLLOUT

Enhanced MSC

To keep pace with an evolving threat environment, CTPAT continuously evaluates Program requirements and rolled out enhanced MSC in January 2020; notable updates include:

- ❖ New Agricultural Security Criteria Category
- ❖ Enhanced Cybersecurity Requirements
- ❖ Focus on Corporate Security Vision and Responsibility
- ❖ "Should" Criterion on Social Compliance Standards

Training & Engagement

CTPAT continues to provide outreach to the trade community and develop guidance in support of the enhanced MSC and Program standards at large

- ✓ Participated in **93** speaking engagements throughout CY20
- ✓ Provided numerous **virtual trainings** to rollout the enhanced MSC
- ✓ Hosted a **three-day, Spanish language** session focused on new criteria

Validation Analytics

CTPAT has deployed a new data collection and analytic tool to support the MSC rollout, enabling CTPAT to:

- 1** Identify specific areas of the validation where partners had issues
- 2** Tailor training and outreach materials to support specific MSC
- 3** Capture historical data and compliance trends to inform future MSC updates

SECURITY PROFILE UPDATES

- ❖ CTPAT rolled out a **new security profile** on the CTPAT Portal on June 1, 2020, and provided guidance to Members to begin updating their profiles

- ❖ CTPAT has **reviewed and approved 5,769 of the 7,234 security profiles submitted by Members** through 1/26/2021

- ❖ CTPAT will consider **requests for 30-, 60-, 90- or 120-day extensions** on a case-by-case basis in coordination with the Members' SCSS

CURRENT VALIDATION PRIORITIES



Leverage advanced, secure technology for virtual validations to reduce validation backlog



Continue to refine virtual validation process that streamlines and automates actions for efficient validations



Demonstrate Member and Program compliance through analysis of data captured during virtual validations



Reduce administrative burden while maintaining rigor for CTPAT's validation process

SHORT-TERM EXPECTATIONS

Expectation	Description	Initial Actions
Comparative Analysis of Virtual Validation Pilot Data & Feedback	Advanced analysis of data and feedback obtained from the test virtual validations via WebEx to assess overall success compared to in-person validations and identify opportunities to refine, standardize, and scale virtual validation and data collection processes	<ul style="list-style-type: none"> Collect data from a variety of sources including the validation worksheet, validation analytic tool, and interviews with CTPAT SCSSs for qualitative feedback Define and track validation success metrics to assess any critical findings between data obtained in virtual and in-person validations
Virtual Validation Process Rollout & Trainings	HQ-facilitated trainings tailored for SCSSs and Members to introduce the new virtual validation process, including technology best practices, roles and responsibilities, and data and documentation submission, to communicate and scale standard guidance for the virtual validation process	<ul style="list-style-type: none"> Document virtual validation process guidance for Field Offices, SCSSs, and Members informed by results of the virtual validation pilot analysis and the WCO Develop a feedback mechanism that enables CTPAT to further a data-driven approach to assessing validation outcome and effectiveness

LONG-TERM EXPECTATIONS*

❖ **Secure Livestream Facility Tours and Member Interviews**

❖ **Intelligent Automation for Virtual Validation Processes**

❖ **Cognitive Analytics & Anomaly Detection for Virtual Validations**

UNIVERSITY OF HOUSTON PARTNERSHIP

STUDY GOALS



Conduct informational assessment summarizing **perceptions** of CTPAT Program



Evaluate Program to identify **challenges** and suggestions for improvement



Identify cost-benefit **enhancements** for industry Members and the CTPAT Program



Establish new and build upon existing Program **performance metrics**

PRELIMINARY FINDINGS

- ❖ **33%** of CTPAT Members participated in the survey
- ❖ **24%** of CTPAT Field Office Personnel were interviewed
- ❖ **Thousands of free text comments** from Members were received and analyzed as part of the survey
- ❖ **More than half of respondents** said CTPAT membership benefits outweigh the cost, which was measurably higher than the Program assessment from 2007

The final report will be completed by late Spring 2021. Following completion, CTPAT will evaluate the findings and begin implementation

CBP - SAT UNIFIED CARGO PROCESSING (UCP)

1 UCP PROOF OF CONCEPT

- ✓ Developed a proof of concept where CBP and SAT could jointly inspect cargo in the U.S. to streamline the processing of trusted partners cargo in Nogales, AZ

2016

2 PILOT AT MULTIPLE PORTS

- ✓ Worked with other ports of entry to pilot the process with trucks and quickly included rail cargo as the pilot proved successful at all locations: Land 15, Air 2; Rail 3

2016 - 2017

3 PROGRAM ROLLOUT

- ✓ Signed MOU on UCP and a Joint Statement on commitment to facilitate the secure flow of cross-border trade and reinforce our commitment to a "joint border management" approach

2017 - 2020

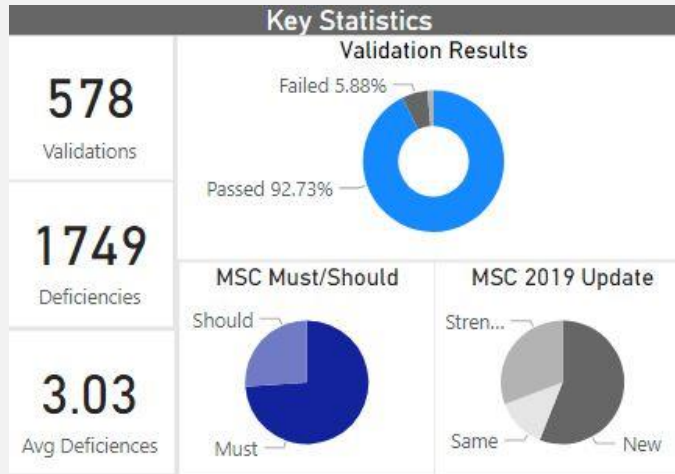
4 PROGRAM CONTINUATION

- ❑ Continue efforts to transition personnel to co-locations;
- ❑ Leverage co-locations for information sharing; and
- ❑ Streamline NII image sharing for both Customs administrations

2020 & Beyond

The Program deployed a new internal data collection and analytic tool, **MSC Performance Tracking Dashboard**, that enables CTPAT to analyze Member validation performance, identify areas of improvement, and **capture historical data and compliance trends to inform future MSC updates**.

KEY VALIDATION INSIGHTS

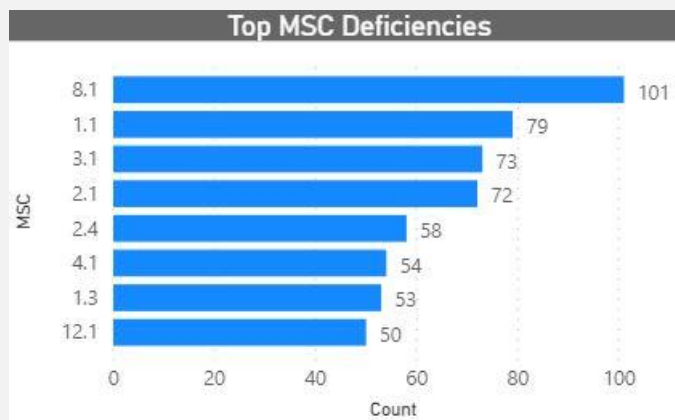


Key Statistics: Provides **summary validation information** and insights at a high level using key performance indicators and visualizations

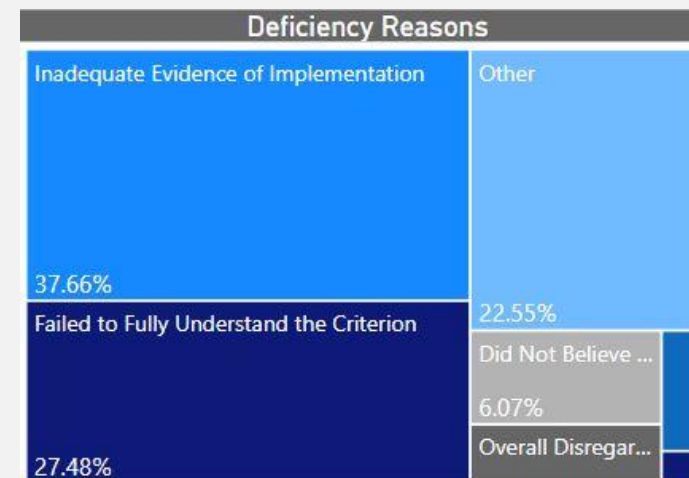
Deficiencies by Criteria Category

Criteria Category	Count	Percentage
1. Security Vision and Responsibility	187	10.69%
10. Physical Access Controls	73	4.17%
11. Personnel Security	48	2.74%
12. Education, Training, & Awareness	176	10.06%
2. Risk Assessment	171	9.78%
3. Business Partner Requirements	193	11.03%
4. Cyber Security	229	13.09%
5. Conveyance and IIT Security	224	12.81%
6. Seal Security	82	4.69%
7. Procedural Security	151	8.63%
8. Agricultural Security	101	5.77%
9. Physical Security	114	6.52%
Total	1749	100.00%

Deficiencies by Criteria Category: Demonstrates the number of deficiencies within a specific criteria category and compares the percentage of deficiencies within each category



Top MSC Deficiencies: Shows **specific MSC that have the highest rates of deficiency** and the number of deficiencies within each category



Deficiency Reasons: Details **why MSC deficiencies occurred** and the percentage of total deficiencies that the specific reasoning represents

CTPAT Q&A

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