

Commercial Customs Operations Advisory Committee (COAC) Government Issue Paper: (Trusted Trade Subcommittee)

February, 2018



U.S. Customs and
Border Protection



(OFO/CCS/Trade Compliance Branch)

(Trusted Trader Pilot Program)

February 28, 2018

Action Required: Informational

Background:

- COAC's Trusted Trader Subcommittee has been asked to provide CBP with recommendations and advice on a Trusted Trader Program. By developing a program that includes trade compliance and security, CBP is addressing the totality of threats confronting international supply chains.
- The Trusted Trader Subcommittee recommended that CBP focus Trusted Trader strategic and tactical objectives on developing compelling benefits for voluntary participation in Trusted Trader Programs, and that these benefits should outweigh the cost of participation. Benefits are essential for the advancement of Trusted Trader Programs and must be articulated in specific facilitation metrics. Benefits also must be aligned with Section 101 of HR 644 on Improving Partnership Programs
- During the period of April 2016 to July 2016, the Trusted Trade Subcommittee held two meetings as a full committee. At the meetings, the work of the Subcommittee focused on finalizing the Trusted Trader Strategy document that outlines the future vision of an enhanced Trusted Trader Program. The Trusted Trader Framework Strategy was released at the July 2016 COAC meeting.

Issue:

- Trusted Trader is an integration of the CTPAT and ISA programs into a consolidated program that includes supply chain security and trade compliance. The program is being implemented via the Trusted Trader Pilot Program, announced in the Federal Register (79 FRN 13992) on June 16, 2014.
- Currently in Phase II of the pilot program, CBP is working closely with the seven approved Trusted Trader pilot participants and Partner Government Agencies (PGA) to evaluate program incentives and move toward a whole of government approach to supply chain security and trade compliance.
- CBP is prioritizing three areas of focus for the Trusted Trader Program, including (1) evaluating program incentives, (2) establishing a whole of government approach via PGA partnerships, and (3) preparing the program to be fully operational.
 - Evaluating Program Incentives: CBP has developed a unified database to catalogue and evaluate the impact of the program incentives via operational metrics developed in coordination with pilot participants. The database will help improve and standardize incentive delivery as the pilot transitions to a fully operational program.
 - Partnering with PGAs: CBP has established connections with PGAs to promote a whole of government approach to supply chain security and trade compliance. CBP is working with these PGAs to facilitate existing program incentives and evaluate additional incentives based on the input of pilot participants.
 - Operationalizing Full Program: CBP is prioritizing incentives with pilot participants to prepare for the program to become fully operational and available to additional participants.

Current Status:

- Following a hiatus from July 2016 to November 2016, the Subcommittee met on November 8, 2016 and reported it would continue to focus on the development of a Trade Compliance program to replace the current Importer Self-Assessment program, and on the outcome of the Trusted Trader Pilot evaluation. The Subcommittee also agreed to make an assessment of current and future benefits under the Trusted Trader program and to complete a Trusted Trader Strategy framework for an enhanced Trusted Trader program that allows for flexibility, scalability, and attainability for multiple business models, and that is globally aligned with Authorized Economic Operator (AEO) programs and Mutually Recognized Arrangements (MRA) and includes MRAs.
- The Subcommittee held one meeting February 14, 2017 as a full committee.
- Since that meeting, the Trusted Trader Subcommittee continued to engage in a number of COAC efforts where the Trusted Trader concept is integral, including the Global Supply Chain Subcommittee's Working Group on the C-TPAT Minimum Security Criteria, the Export Subcommittee's Post-departure Filing Working Group, the IUSG North American Single Window Alignment Working Group, and the Trade Enforcement and Revenue Collection's Working Group on Forced Labor.
- CBP, the Trusted Trader Subcommittee members and the Trusted Trader Pilot participants held a meeting after the public COAC meeting on the afternoon of August 23, 2017. This meeting was an opportunity for the subcommittee members and pilot participants to meet, and for CBP to report on the progress and future vision and timeline for full implementation of the Trusted Trader Program.
- On October 31, 2017 CBP held a call with the Trusted Trader Subcommittee and discussed progress on the Trusted Trader Pilot Program including our work on the benefits catalogue. We agreed to have another joint meeting with the Trusted Trader Pilot participants.
- CBP, the Trusted Trader Subcommittee members and the Trusted Trader Pilot participants met again January 17-18, 2018. Key outcomes of the meetings were prioritization of program benefits, a discussion on COAC recommendations as they pertained to CTPAT, and ISA process re-engineering.

Next Steps:

- FY 2018 priorities include plans to continue working with the Trusted Trader Subcommittee on developing the Trusted Trader Program to become operational and transition current ISA Program members by the beginning of FY 2019. This will include deploying a Trade Compliance section of the CTPAT portal, and operationalizing new benefits.

Submitted by: Lori Mennitt, OFO/CCS/TRADE COMPLIANCE BRANCH

Date: 2/6/18