

The US Customs-Trade Partnership Against Terrorism (C-TPAT) Experience and Outlook

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Agenda

- C-TPAT Current Statistics & Environment
- Status and Outlook of Mutual Recognition with AEO
- Expected Outlook for Global Customs Security Programs

C-TPAT Current Statistics & Environment

November 2001

- Just 7 major importers as members
- One level program
- Manual security profile submittal process

March 2008

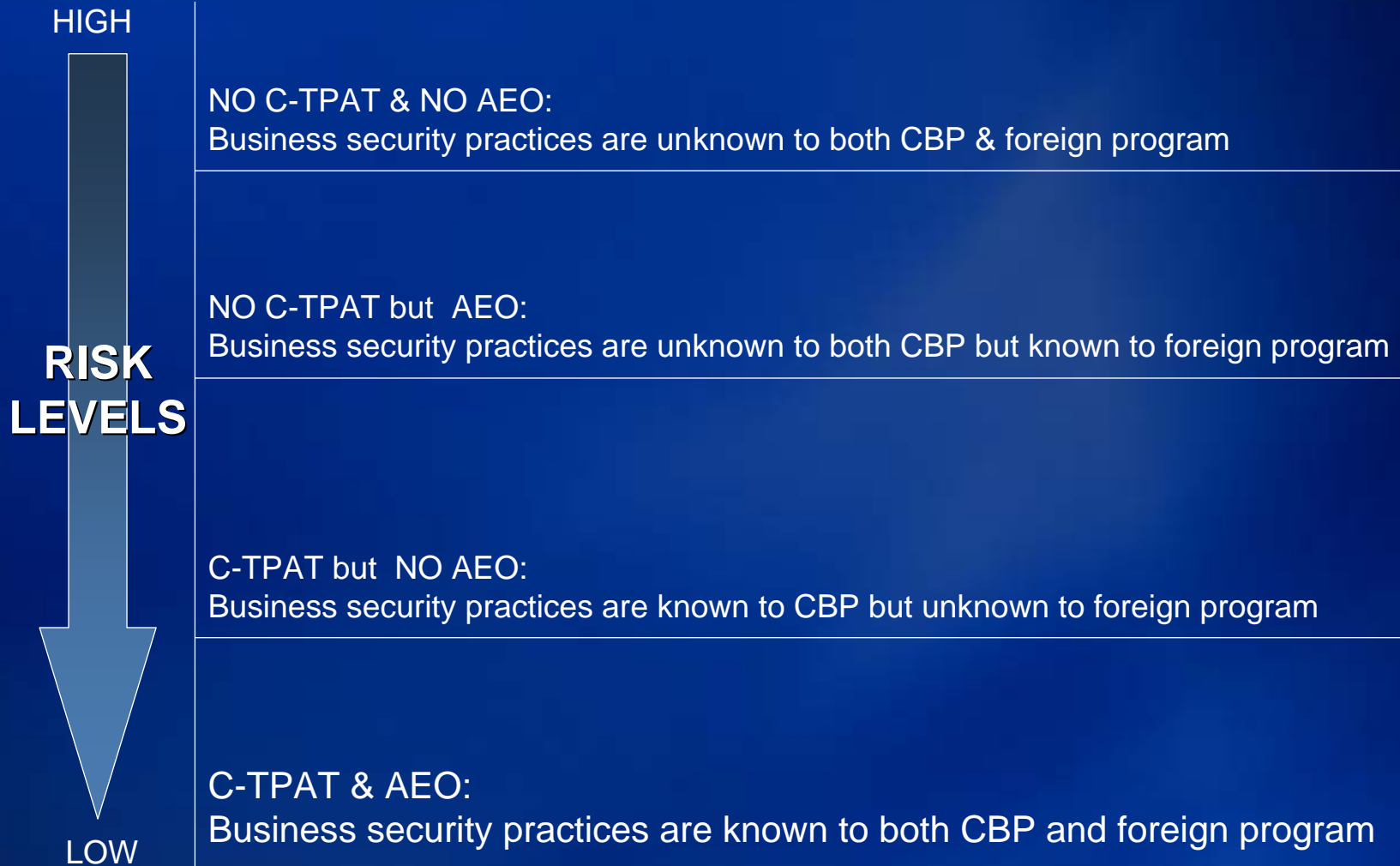
- More than 8,200 certified partners
 - Over 50 % (by value) of total imports into the United States.
- Three Tier Program
- On-line security profile submittal process
- 87 countries underwent Foreign Validations
- 167 companies have been removed from the C-TPAT certified status
- 200 C-TPAT Supply Chain Specialists

What is Mutual Recognition?

Goal of Mutual Recognition

- Link the various international industry partnership programs to achieve end-to-end supply chain and conveyance security
 - Objective:
 - Create a unified and sustainable security posture
 - Assist in securing and facilitating global cargo trade
- Principle of Aligning Partnership Program
- Create a participatory system between Customs authorities and industries under specific standards in supply chain and conveyance security and relevant information

Mutual Recognition Security Model



C-TPAT Mutual Recognition: Four Phases

1 Side-by-side comparison of the program requirements

- Goal: To determine if the programs align on basic principles

2 Pilot program of joint validation visits

- Goal: To determine if the programs align in basic practices

3 Signing of a mutual recognition arrangement

4 Development of mutual recognition operational procedure

- Primarily associated with information sharing

C-TPAT and Mutual Recognition

New Zealand – Secure Export Scheme

- June 29, 2007 – Mutual Recognition Arrangement Signed

Canada – Partners in Protection

Jordan – Golden List

- Arrangement Completed – Signing Pending

Japan – Authorized Economic Operator

Singapore – Secure Trade Partnership

Australia – Authorized Economic Operator

- Side-by-Side Comparison – Under Development

Mexico – Alliance for Secure Commerce

- Under Development

Status and Outlook of Mutual Recognition (AEO)

European Union – Authorized Economic Operator

- Development – 2007
 - Side-by-side comparison: Completed
 - Pilot joint validation visits: Completed
- Implementation – January 2008
 - European Commission is responsible for the implementation of the AEO program in the 27 member states
- Operational – January 2009
 - Mutual recognition – To Be Determined

Outlook for Global Customs Security

- World Customs Organization (WCO) is actively addressing trade security.
 - Developed guidelines equivalent to C-TPAT for mutual recognition between WCO members and industries.
 - 2004 Issued “Resolution of the Customs Co-Operation Council on Global Security and Facilitation Measures Concerning the International Trade Supply Chain.”
 - 2006 announced Safe a framework of standards to secure and facilitate global trade and The WCO SAFE Framework of Standards.

U.S. Customs and Border Protection intends to start a pilot project evaluating potential expansion of C-TPAT program to include exports.