



CTPAT 2023 IMPACT REPORT

CTPAT is a global leader in supply chain security and trade compliance. The program continues to play an integral part in U.S. Customs and Border Protection's (CBP) multi-layered cargo enforcement strategy, empowering CBP to prioritize the facilitation of secured and compliant trade.

In 2023, the program championed four key priorities:

1. Strengthening the Security of the International Supply Chain
2. Expanding CTPAT's Global Partnerships
3. Enhancing Program Functionality and Benefits
4. Further Integrating Trade Compliance into CTPAT

CTPAT is committed to continue working with its strategic partners, both domestic and international, to identify new program opportunities, promote the efficient and secure movement of goods, and foster a resilient supply chain.

CTPAT By the Numbers

In calendar year 2023, CTPAT leveraged its resources and partnerships to protect a global supply chain system that supports innovation and prosperity by securely and reliably moving goods from trusted, law-abiding partners around the world in a timely manner.

2023 Program Impact

<p>CTPAT provides partners significant benefits to maintain the highest level of cargo security.</p>	<p>\$45.8 M Partner Savings from Reduced Cargo Examinations*</p>	<p>2 New Mutual Recognition Arrangements (MRAs)</p>	<p>2 New Forced Labor Benefits for Trade Compliance (TC) Partners</p>	<p>\$31.3M Advance Qualified Unlading Approval (AQUA) Lane Partner Savings* 40.4% from 2022</p>
<p>CTPAT represents the most secure companies in the global supply chain.</p>	<p>98.04% Partner Compliance* 40.4% from 2022</p>	<p>6 TC Forced Labor Requirements for all Current and Future Partners</p>	<p>1 Forced Labor Minimum Security Criteria (MSC) Requirement</p>	<p>199 Partner Suspensions & Removals 6.6% from 2022</p>
<p>CTPAT is leading the fight against climate change as an Authorized Economic Operator (AEO).</p>	<p>3,423 Total Validations Completed in 2023 173.2% from 2022</p>	<p>48% Of Completed Validations Were Conducted Virtually</p>	<p>653.5 metric tons Quantified Reduced Emissions from Virtual Validations</p>	<p>~\$2.4M Program Savings from Virtual Validations 140% from 2022</p>

Program Overview

Across membership and the organization, CTPAT has continued to diversify the program's footprint and benefits, resulting in an extensive membership roster and expansive program presence.

Membership Highlights	10,594 CTPAT Members	288 Trade Compliance Members	38+ Total Program Benefits for All Partners	CTPAT Footprint	154 CTPAT Employees	110 Total Countries Where CTPAT Conducts Validations
	18 Total MRAs	1 Joint Work Plan	13 Eligible Supply Chain Entities		12 MSC Categories	51.2% U.S. Imports by Value are CTPAT Certified* 0.4% from 2022

*Fiscal Year 2023

2023 Accomplishments and Future Priorities

In 2023, CTPAT's emphasis on the four priorities enabled the program to successfully execute its mission of strengthening the security of the international supply chain, expanding CTPAT's global partnerships, enhancing program functionality and benefits, and further integrating Trade Compliance into CTPAT.

2023 Accomplishments



Looking Ahead



1. Strengthening the Security of the International Supply Chain

- **Addressed the Fentanyl Threat:** Started an outreach campaign on fentanyl smuggling with 17 briefings to 2,634 CTPAT partners, representatives from the World Customs Organization (WCO), and foreign customs Authorized Economic Operators (AEOs) under Mutual Recognition Arrangements (MRAs) with the U.S. The trainings included common smuggling techniques, best practices to counter smuggling schemes, and conducting risk assessments of supply chain vulnerabilities to fentanyl and its precursors.
- **Initiated Verifiable Credentials Integration:** Conducted testing and issuance modeling of CTPAT electronic trust-verified status identifiers for CTPAT members and MRA partners. These identifiers can be relayed between stakeholders, help modernize partner benefit reciprocity, and establish global interoperability for multiple shipment data originators.
- **Developed 3.0 Portal:** Enhanced the new CTPAT Security and Trade Compliance portal to achieve greater system security, reliability, and functionality. The new portal deployed in early 2024.

- **Streamline Partner Pre-Validation Documentation:** In collaboration with the Commercial Customs Operations Advisory Committee (COAC), streamline the validation experience for industry.
- **Develop E-Commerce Standards and Processes:** Enhance status identifiers and electronic data exchange processes to enable the integration of e-commerce supply chain entities into the program in 2024.



2. Expanding CTPAT's Global Partnerships

- **Evolved Partnership with the Trade:** Formalized professional relationships with non-profit organizations whose agenda is focused on supply chain security. The goal is to develop, in concert with industry, customized solutions to secure and facilitate the flow of legitimate cargo. In 2023, CTPAT led CBP's efforts in implementing the working relationship with the World Business Alliance for Secure Commerce (BASC) Organization, and the program positioned CBP towards the establishment of a similar partnership with the Supplier Compliance Audit Network (SCAN) Association, which will be formalized through the signing of a Joint Statement in 2024.
- **Collaborated with the WCO:** Submitted a proposal to the WCO on the elimination of forced labor from the supply chain, participated in technical assistance missions to Saudi Arabia and the Philippines, and engaged international partners in the WCO on issues related to the AEO program.
- **Signed New MRAs:** Signed MRAs with Guatemala and Colombia, and a Joint Work Plan (JWP) with Australia, extending the program's global reach to 18 MRAs encompassing 44 countries from around the world and ensuring CTPAT partners receive reciprocal benefits in those countries.

- **Implement the Joint Statement with SCAN:** Finalize an Action Plan between CBP and the SCAN Association to guide implementation efforts across 11 objectives.
- **Expand CTPAT's Mutual Recognition Partnerships:** Continue to work with strategic partners in Asia, such as Indonesia, Malaysia, the Philippines, and Vietnam, as well as South Africa, towards potential JWPs in the future.

2023 Accomplishments and Future Priorities

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2023 Accomplishments



Looking Ahead

3. Enhancing Program Functionality & Benefits

- **Enhanced Free And Secure Trade (FAST) Lane Functionality:** Identified system deficiencies in the CBP Truck Manifest Modernization that were preventing CTPAT shipments from being properly identified as being eligible for the FAST Lane at CBP Ports of Entry.
- **Developed and Deployed Virtual Validations Carbon Emissions Savings Model:** Developed a model to quantify 653.5 metric tons of carbon emissions saved in fiscal year 2022 to help partners understand how program participation can help them uphold their stakeholders' environmental, social, and governance standards and goals.
- **Identified Program Opportunities to Address Climate Change:** Explored ways to collectively leverage CTPAT's 10,000+ members to support the CBP Green Trade Strategy and lead the rest of the world towards the global transition to sustainable green trade, including strengthening the program's eligibility requirements and vetting protocols and possibly expanding its security criteria.

- **Explore CTPAT Process Automation:** Identify opportunities to incorporate automation, such as replacing manual validation processes, to streamline and modernize core program functions.
- **Vessel Entry Clearance System (VECS) Collaboration:** Analyze the effect of electronic data submission and process automation on providing additional time savings for CTPAT partners as VECS is rolled out across additional Advanced Qualified Unloading Approval (AQUA) Lane ports.

4. Further Integrating Trade Compliance into CTPAT

- **Completed Program Transition:** Completed the transition from the Importer Self-Assessment program to CTPAT Trade Compliance (TC) and finalized the integration of forced labor benefits and requirements. The TC program has been engaging trade stakeholders to further expand program membership.
- **Engaged the Trade Community on Adding New TC Benefits:** Worked closely with the trade community on prioritizing future TC benefits, quantifying and socializing benefits to the trade, and identifying interagency partnership opportunities.
- **Supported a Resilience Center:** Represented CTPAT at the Department of Homeland Security's new Supply Chain Resilience Center, which was established to address critical supply chain vulnerabilities and disruptions that impact the U.S. economy. Among other issues, the Center is evaluating the risks to U.S. maritime ports from our overreliance on untrustworthy equipment that is subject to foreign nation state control, data extraction, insider risk, and unvetted virtual and physical access.

- **Develop New Benefits:** Develop new benefits to further expand the TC program membership base to facilitate legitimate trade for trusted partners.
- **Streamline Processes:** Identify opportunities in existing CBP processes to eliminate redundancies in reporting and other requirements.



Message From the Executive Director

Welcome!

As the Executive Director of Cargo and Conveyance Security (CCS), I am committed to further promoting CTPAT's partnership with industry and upholding supply chain security and trade compliance. Your partnership in the CTPAT program plays a critical role in CBP's layered law enforcement strategy by allowing CBP to prioritize high-risk cargo, optimizing trade facilitation without compromising security.



CTPAT is actively collaborating with our 10,000+ partners to develop a cohesive, consistent, and innovative vision to modernize the CTPAT program. Some of my priorities for the program in calendar year 2024 will include:

- **Increase CTPAT Partner Cost-Savings** | Collaborate with Office of Field Operations stakeholders to identify opportunities to expedite CTPAT cargo processing to increase partners' return on investment.
- **Identify Opportunities for Data Exchange** | Evaluate CBP's trade intelligence to identify information that could be shared with CTPAT partners to increase threat identification.
- **Increase Fentanyl Training** | Provide CTPAT partners with further training guides and resources to disrupt importation of fentanyl, pill presses, and precursor chemicals.
- **Protect the U.S. Economy** | Promote fair and safe trade practices by expediting processing of low-risk cargo.

With new CCS leadership at the Executive Director, Deputy Executive Director, and Director levels, we look forward to comprehensively reviewing and evaluating the CTPAT program to modernize program procedures and partner benefits to further strengthen program value to both CBP and industry.

I am excited for all of the new and important accomplishments we will achieve this year and what it will mean for the growth of the program and recognition of your partnership.

Susan S. Thomas
Executive Director

*Cargo and Conveyance Security
Office of Field Operations*

For more information on the CTPAT program, visit our website by scanning this QR code:

