

# Commercial Customs Operations Advisory Committee (COAC) Trusted Trader Subcommittee – Trade Executive Summary

February 28, 2018

The logo for the Commercial Customs Operations Advisory Committee (COAC) features the letters 'COAC' in a large, bold, serif font. The 'C' and 'A' are blue, while the 'O' and 'C' are red. Below the letters is a horizontal line consisting of two parallel lines, the top one red and the bottom one blue.

COMMERCIAL CUSTOMS OPERATIONS  
ADVISORY COMMITTEE

**Commercial Customs Operations Advisory Committee  
(COAC)**

**February 2018**

**Report of the Work of the COAC  
Subcommittee on Trusted Trader Program**

**Co-Chairs**

**Alexandra Latham - Costco Wholesale Corporation  
Michael Young – OOCL (USA) Inc.**

**1. Background:**

At the April 24, 2015, COAC meeting, the first quarterly meeting of the 14<sup>th</sup> Term Commercial Customs Operations Advisory Committee (COAC), it was decided that topics from the 13<sup>th</sup> Term Trusted Trader Subcommittee would continue to be worked on in the 14<sup>th</sup> Term. The Trusted Trader Subcommittee objectives and scope are consistent with the official charter of COAC.

**2. Objectives and Statement of Work:**

It is expected that, during the lifespan of this Subcommittee, the focus will be on providing advice and recommendations in one or more of the following areas, and reviewing the scope and capability of meeting both national and international criteria through:

- Trusted Trader Program
- C-TPAT/AEO Programs

After engaging in full deliberation and discussion, the Subcommittee shall advise the COAC of any advice or recommendations related to any CBP Trusted Trader Program. Specifically, the Subcommittee is expected to help CBP develop an enhanced CBP Trusted Trader Program and to continue to advise CBP on C-TPAT issues. By developing a program that includes trade compliance and enforcement, CBP is moving C-TPAT towards a true AEO program, thus creating an opportunity to both amend its current mutual recognition agreements (MRAs) and enhance its future MRAs by including trade compliance criteria and offering corresponding incentives for participants.

**3. Summary of Work:**

Since the last quarterly COAC public meeting on November 15, 2017, the Trusted Trader Subcommittee held two conference calls as a full committee. The Subcommittee is currently focused on two work efforts: the development of a CTPAT Trade Compliance program and the CTPAT Minimum Security Criteria Working Group.

For the CTPAT Trade Compliance program, the Subcommittee held a two-day in person meeting in Long Beach, CA, on January 17-18, 2018. The in-person meeting had over 30 participants including member of the Trusted Trader Pilot, the Trusted Trader Subcommittee, and CBP representation from the CTPAT program, the ISA program, Regulatory Audit, National Account Managers, and the Centers for Excellence and Expertise (CEE). The meeting agenda covered discussions on priorities for FY18 including proposed trade compliance benefits prioritization for future implementation, previous COAC recommendations related to Trusted Trader, the future functionality of a Trade Compliance portal, and the experiences of the Trusted Trader Pilot group in the application and review process with suggestions for streamlining the program administration. Subsequent to

the in person meeting, the Subcommittee held two leadership calls to debrief on the meeting outcomes and establish a path forward for the work of the Subcommittee in regards to Trade Compliance.

For the CTPAT MSC, the subcommittee continues to work with CBP and the six working groups to refine and address the recommended improved and new criteria that will be included in the new proposed MSC. Based on the collated input from these working groups, CBP distributed the MSC registry list that also included input from CBP Field office personnel and the CBP HQ team, based on additional reviews in November 2017, and January 2018, which removed / refined some of the initial recommended changes to the MSC. Feedback from the working group participants was completed on the February 2, 2018, on the registry list and provided back to CBP. Once the input has been consolidated we expect to receive the updated registry by mid-February for any potential additional input. It is anticipated, and is part of COAC's earlier recommendation, that the finalized list would be circulated to additional members of the CTPAT membership / Trade associations for any additional feedback before proposing a potential implementation plan.

#### **4. Next Steps:**

For the Trade Compliance program, it is anticipated that the Subcommittee will form a Partnership Working Group to engage additional subject matter expertise, socialize the program and seek additional industry input and feedback on the development and implementation of the program. The scope of work will be forthcoming; however, it is anticipated that the COAC Working Group will focus on the following:

- Supporting the development and socialization of the Trade Compliance program;
- Establish a review process for Trade Compliance and Trusted Trade benefits;
- Create an engagement strategy for Partner Government Agencies to take a one government approach and operationalize new benefits;
- Defining program metrics to assess impact of requirements and benefits; and
- Establishing and increasing the level of service for Trusted Traders in the Centers.

For the CTPAT MSC Working Group, as this work moves forward, much larger outreach effort must be done for members of the CTPAT program, allowing them appropriate time for comment, revisions and implementation. Outstanding work remains on a cost-benefit analysis for the new MSC, an implementation and communication plan, and any new benefits that will be offered to program participants.

For the Trusted Trader Subcommittee as a whole, there is longer term work to be done to solidify the future direction in line with the developed Trusted Trader Framework strategy document. More specifically, in regards to developing the program as it relates to exporters and export benefits, partner government agencies, as well as achieving international interoperability.

In line with the agreed direction, the Trusted Trader Subcommittee has and will continue to focus on the objectives as stated in the statement of work: providing advice and recommendations on the enhanced Trusted Trader program to encompass both trade compliance and supply chain security, and to review the scope and capability of meeting both national and international criteria.