

Commercial Customs Operations Advisory Committee (COAC)

Secure Trade Lane Subcommittee

Trusted Trader, Forced Labor Strategy Recommendations

February 2019

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 being blue and the bottom one being red.

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

Commercial Operations Advisory Committee
Trusted Trader Working Group
DRAFT Recommendations

February 27, 2019

Introduction

Trusted Trader programs are a critical element in trade facilitation and are a proven benefit to both CBP and the Trade. Trusted Trader programs allow companies to demonstrate security and trade compliance and provide the opportunity to establish and maintain a low risk status with CBP in order to increase predictability and consistency in the global supply chain.

As new priority issues arise and the trade environment evolves, the creation of additional components of trusted trader programs is necessary to expand the scope for risk assessment and facilitative purposes. In this vein, the COAC recognizes the need to address forced labor in a trusted trader environment and welcomes the opportunity to participate in the conversation to build a partnership program for a Forced Labor Trusted Trader Strategy incorporated into the future CTPAT Trade Compliance Program.

We offer the following recommendations regarding the current Trade Compliance: Forced Labor Strategy document:

Recommendations

1. COAC recommends that CBP adopt a Forced Labor strategy and continue to develop a Forced Labor component of the future CTPAT Trade Compliance program that allows companies who have a Corporate Social Responsibility or Compliance program to demonstrate compliance and self-identify as low risk in the area of forced labor, expanding their trusted trader scope.
2. COAC recommends that CBP include a definition of the term Forced Labor in the strategy document.
3. COAC recommends CBP allow companies that have forced labor programs the option of opting in or opting out of the Forced Labor component of the future CTPAT Trade Compliance program to be in line with the voluntary nature of CTPAT for security and Importer Self-Assessment (ISA) for trade compliance, and similar to existing ISA programs for Product Safety and Drawback.
4. COAC recommends CBP clearly identify the program requirements, participant qualifications, and detail documents required as “evidence of implementation” by stage of participation such as the initial application and review, an annual notification and a periodic validation, as appropriate. Existing standards, such as the California Supply

Chain Transparency & Disclosure Act, should be reviewed for sufficient evidence of implementation to leverage efforts and programs companies already have in place.

5. COAC recommends wherever possible, a standard of sharing key applicable information such as a company's forced labor program approach, risk areas, and remediation steps taken is preferred over requiring prescriptive documents such as audit reports, corrective action plans, etc.
6. COAC recommends that when documents such as audit reports or corrective action plans are provided, the information should only be related to forced labor and importers should be allowed to redact or omit sections related to other corporate social responsibility areas.
7. Regarding the proposed strategy criteria on "Remediate Violations", COAC recommends that, as is the case with other product admissibility or compliance components *e.g.*, intellectual property or commercial negligence, CBP provide guidance regarding the potential enforcement actions such as issuing a detention, redelivery or seizure notice or a monetary penalty when CBP suspects or a program participant discloses a violation.
8. COAC recommends that CBP detail the disclosure process and the mitigation that could be afforded to participants as program benefits when forced labor violations occur and are voluntarily disclosed.
9. COAC recommends CBP continue to work with the TTWG on the requirements, development, and implementation of the specific criteria and benefits of the strategy to achieve the objectives of the overall Trusted Trader Strategy Framework to include alignment with current Trusted Trader programs as well as achieving a balance of requirements, investment, and benefits for participants