

## Information Bulletin - *United States* *Customs - Trade Partnership Against Terrorism (C-TPAT)*

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In support of Australian Federation of International Forwarders (AFIF) this paper has been written to keep you better informed on the United States – Customs-Trade Partnership Against Terrorism (C-TPAT). Veritas Analytics, a Global Business Consultancy firm outside the U.S. Capitol, is pleased to provide this Information Bulletin to AFIF members as part of their efforts to foster *stronger security practices* and *operational efficiencies* within the Global Supply Chain.

***What is C-TPAT?*** To protect against terrorists using attacks of the United States to destroy the global supply chain, the U.S. Customs and Border Protection office of the United States has implemented an security standard for companies that ship manufactured goods into the U.S. This program, now two years into its implementation, is recognized as the Customs - Trade Partnership Against Terrorism or C-TPAT program. Although membership is voluntary, it is widely being recognized throughout the world's supply chain as a required method of conducting business with the U.S. Some C-TPAT practices are being adopted internationally by other countries as a method of protecting their own national economic interests. Together these nations and the world's supply chain participants are working to keep the world's supply chain secure.

***What are the anticipated benefits of participation?*** According to U.S. Customs and Border Protection, the chief benefits of participation in C-TPAT will be:

- **A reduced number of inspections.** For registrants of the C-TPAT program US Customs and Border Patrol will feel more confident in the integrity of member organization's shipments. Because of their active participation in securing their supply chain members' shipments will require less scrutiny by US Customs and Border Patrol at the port of entry;
- **An assigned account manager.** As a member of C-TPAT U.S. Customs and Border Patrol will assign a customs representative with whom you can communicate directly concerning your company's shipment regardless of Port of Entry. This assigned official representative will be your organization's point of contact for all shipments. One of the economic benefits of this assignment is through the fostering of a strong relationship between the U.S. Customs and Border Patrol and the member organization thereby resulting in operational efficiencies;
- **Access to the C-TPAT membership list.** As a member of the C-TPAT program you will see other member organizations. This can greatly benefit your supply operations as you build relationships with other organizations that have already met C-TPAT requirements thereby reducing the level of concern by US Customs officials;
- **Eligibility for account-based bimonthly monthly payments.** Subject to U.S. Customs C-TPAT approval, your organization may qualify for a monthly/bi-monthly payment schedule on shipments. This could have a positive financial impact as you are able to manage your organization's cash flow on a more routine basis;
- **An emphasis on self-policing, not Customs verifications.** Ultimately, the C-TPAT program intends for members to be more vigilant in regards to the overall integrity of their supply chain. Residual benefits experienced by C-TPAT members include gaining greater control and confidence of their shipped goods resulting in a reduction cargo theft as well as experiencing operational efficiencies throughout their supply chain; and

**Who should become members?** To experience the full benefits of participation any organization that has manufactured goods shipped into the United States should become a member. Additionally, member organizations should look throughout their supply chain to encourage participation. Membership would include:

- Manufacturers (outside the United States)
- Importers
- Licensed Brokers
- Air Carriers
- Sea Carriers
- Rail Carriers
- Air Freight Consolidators/Ocean Transportation Intermediaries and NVOCCs
- Marine Port Authority/Terminal Operators



**What is the Process?** It's simple. The first step to becoming a member is to register with the U.S. Customs and Border Patrol C-TPAT office and fill out their membership form and fulfill program requirements.

**What are members required to do?** Once you register for acceptance into C-TPAT organizations are required to fulfill program requirements to include:

- Conducting a comprehensive self-assessment of supply chain security using the C-TPAT security guidelines jointly developed by Customs and the trade community. These guidelines, which are available for review on the Customs website, encompass the following areas: Procedural Security, Physical Security, Personnel Security, Education and Training, Access Controls, Manifest Procedures, and Conveyance Security.
- Submit a supply chain security profile questionnaire to Customs.
- Develop and implement a program to enhance security throughout the supply chain in accordance with C-TPAT guidelines.
- Communicate C-TPAT guidelines to other companies in the supply chain and work toward building the guidelines into relationships with these companies.

**What is the Possible Costs of Not Participating?** Participants who become members avoid the consequences that may occur if they or members of their supply chain do not apply. Non-participation will likely result in classification of the importer into an "unknown" security category, and accordingly your chances increase for:

- Higher scrutiny of cargo;
- Increased reviews and audits;
- Added examinations;
- Requests for information; and
- No guarantees for cargo processing times.



Depending on your business operations not participating in the U.S. Customs and Border Patrol C-TPAT program could have a significant negative financial impact on your organization. Non-participation could result in increased expenses at the Port of Entry if your shipment requires further examination by U.S. Customs and Border Patrol. Further negative financial impact may be experienced as a result of the time loss if your shipment is held at the Port of Entry and not delivered to its final destination in the time required.

**About the Author/Company:** Benito Vattelana has operated in the global security field for over 25 years. Working with Veritas Analytics, a leading Business Consultancy Firm based outside Washington D.C., he has built a resident expertise in Veritas Analytics ([www.veritas-analytics.com](http://www.veritas-analytics.com)) that assists companies in becoming members of the U.S. C-TPAT program. Veritas Analytics has conducted Threat and Vulnerability Assessments Internationally and assists corporations in developing security guidelines that operate throughout their supply chain. Veritas Analytics maintains an industry C-TPAT information web site ([www.c-tpat.info](http://www.c-tpat.info)) and conducts training for organizations to better understand the details of the program as well as conduct their Threat and Vulnerability Assessments. You can contact the author at [bfvattelana@veritas-analytics.com](mailto:bfvattelana@veritas-analytics.com).