

Supply Chain Security in a New Business Environment



Customs-Trade Partnership Against Terrorism (C-TPAT)



Supply Chain Security in a New Business Environment

CBP Presence...

Over 30,000 uniformed officers protecting over 96,000 miles of U.S. Borders.

- 18,000 CBP Officers
- 12,000 Border Patrol Agents

On a Typical Day, CBP Officers Process over:

- 1.3 million passengers / (470 mil. Per year)
- 327, 000 vehicles / (120 mil. Per year)
- 60,000 trucks, rail cars & sea containers / (23 mil. Per year)
- 24,000 screened sea containers / (nearly 9 mil. Per year)
- 557 vessels / 1,919 aircraft cleared for entry
- 97 narcotics seizures (35,000 per year)
- 46 arrests (17,000 per year)



Supply Chain Security in a New Business Environment

CBP Layered Enforcement Strategy...

- Advance information analysis and targeting. **(24 Hr. Rule and NTC)**
- Employing the use of advanced inspection technologies. **(NII)**
- Expanding our borders by pre-screening high-risk shipments prior to arrival in the U.S. **(Container Security Initiative)**
- Partnering with the private sector to increase supply chain security. **(Customs - Trade Partnership Against Terrorism)**



Supply Chain Security in a New Business Environment

Advanced and Accurate Information...

- **24 hour Rule**
 - transmission of manifest information
 - 24 hrs. prior to lading
 - accurate and timely cargo descriptions
- **National Targeting Center (NTC)**
 - utilizes Automated Targeting System (ATS) to identify high-risk cargo
- **Trade Act of 2002**
 - electronic submission of manifests, clear description of cargo
- **Automated Commercial Environment (ACE)**



Non-Intrusive Inspection Technology...

- Radiation Portal Monitors (RPM)
- Radiation Isotope Identifier Devices, (RIID)
- Personal Radiation Detectors
- Large-Scale Gamma-Imaging Systems
- K-9 (narcotics, currency, explosive, chemical)



Supply Chain Security in a New Business Environment

Container Security Initiative (CSI)



MISSION STATEMENT

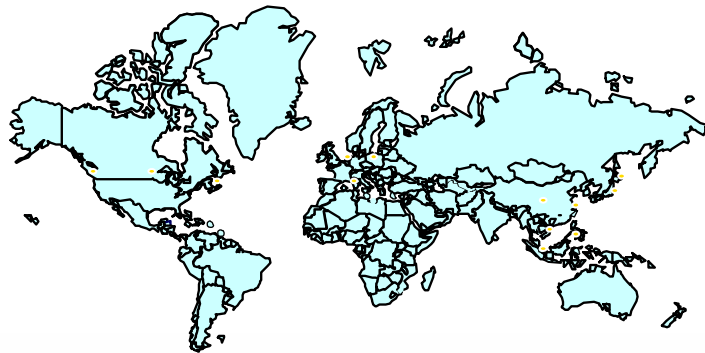
**To Prevent and Deter Terrorist Use of Maritime Containers while
Facilitating the Movement of Legitimate Trade**



Supply Chain Security in a New Business Environment

Container Security Initiative (CSI)

- Prescreening & foreign examination of high-risk shipments
- Implemented in January 2002
- Pre-screening containers 24 - 48 hours prior to foreign lading
- CBP Officers working at foreign seaports
- 58 CSI ports are fully operational and process 86% of all containerized maritime cargo entering the U.S.



Creation of C-TPAT...

- **Launched in November 2001 with seven trade partners**
- **Begin to view “the border” as more than a mere physical boundary between countries.**
- **Government-Private Sector Partnership to increase security of international supply chains from the foreign manufacturer to the U.S. ports of arrival in exchange for faster processing.**
- **Establishing sound security practices throughout the entire supply chain**



C-TPAT Objectives...

- **Emphasize prevention vs. interdiction**
- **Promote shared responsibility**
- **Promote security awareness**
- **Increase supply chain security and supply chain efficiency.**



The C-TPAT Approach ...

- **Voluntary Partnership** - cooperatively developed minimum security criteria vs. mandatory requirements
- **Provides tangible benefits**
- **Trust but verify information by CBP (Validation)**



C-TPAT Membership...

- **U. S. Importers**
- **U. S. Brokers/Forwarders/ Consolidators**
- **Carriers (Air, Sea, Rail, Truck)**
- **U. S. Port Authorities/Terminal Operators**
- **Mexican & Canadian Manufacturers**
- **Mexican Long Haul Carriers**



C-TPAT Benefits...

- **Reduced Inspections/ Green Lane**
- **Assigned Supply Chain Security Specialist (SCSS)**
- **Access to Free and Secure Trade (FAST)**
- **Access to CBP/C-TPAT Training Seminars**
- **Access to C-TPAT Web Portal**
- **Front of the line treatment for exams**
- **Emphasis on self-policing not CBP inspections**
- **If another event occurs requiring temporary shutdown of borders, certified C-TPAT members shipments will be first to move.**
- **Reduced cargo theft and pilferage**
- **Supply chain awareness**



C-TPAT Member Examination Rate...

- **Post 9-11 examination rates by CBP have more than quadrupled.**
- **Exams:**
 - **12% - 15 % = (High-Risk, NII, Compliance & Random)**
 - **Appox. 14 million U.S. inbound containers/ per year**
- **C-TPAT membership does not preclude shipments from possible examination, however, Certified C-TPAT members are:**
 - **6 times less likely** to be subject of an **inspection** than non-members
 - **4 times less likely** to be subject of a **compliance inspection**



C-TPAT Participants

- **3,966 Importers. Over 80 of top 100 U.S. importers are C-TPAT members.**
- **2,274 carriers (includes Mexico & Canada highway, Air, Rail and Ocean carriers)**
- **48 of top 50 Ocean Carriers are C-TPAT members and transport over 96% of all inbound sea container cargo into the US.**
- **FAST (Free and Secure Trade) over 87, 000 commercial drivers enrolled. 55 of 105 land border ports have FAST processing ports.**
- **735 Brokers**
- **645 Consolidators**
- **51 Marine Port Authorities and Terminal Operators.**
- **692 Foreign Manufacturers**



Supply Chain Security in a New Business Environment

Minimum Security Criteria

- 1. Business Partner Requirements**
- 2. Container Security**
- 3. Physical Access Controls**
- 4. Personnel Security**
- 5. Procedural Security**
- 6. Security Training & Threat Awareness**
- 7. Physical Security**
- 8. Information Technology Security**



Do You Know How Your Cargo Is Handled and Moved Overseas?



Supply Chain Security in a New Business Environment

Do You Know How Your Cargo Is Handled and Moved Overseas?



Supply Chain Security in a New Business Environment



Do You Know How Your Cargo Is Handled and Moved Overseas?



Supply Chain Security in a New Business Environment

What is a C-TPAT Validation?

- **Process to ensure Supply Chain Security measures are implemented and effective**
- **Joint Process**
- **NOT an AUDIT**
- **NO Unannounced Validations**
- **Each validation is customized according to each business partner/ risk assessment**
- **Validation is focused and concise**



Validation Steps....

- 1. Domestic Visit (Risk/Scope)**
- 2. Foreign Visit**
- 3. Close-out**
- 4. Validation report generated**
- 5. Partners application of report findings**



C-TPAT 2008 Achievements:

Jan. 2005

- 8,643 Applicants;
4,615 Certified Partners
- Paper Submissions
- Guidelines
- 38 Supply Chain Security Specialists, 4 Field Offices
- **403 Validations Completed 518**
- One Standard Benefits Package

Today

- 10,000 Applicants;
8,363 Certified Partners
- On Line Electronic Submissions
- Minimum Security Criteria – Importers
Sea Carriers, Highway Carriers,
Brokers, Rail, Air,
Port/Authorities/Terminal Operators
- 195 Supply Chain Security Specialists,
7 Field Offices
- **7,632 Validations Completed**
- Tiered Benefits Structure



Supply Chain Security in a New Business Environment

C-TPAT

- **New legislation “Safe Port Act”**
- **Up to 100 new Supply Chain Security Specialists**
- **Annual Training Seminar – New Orleans April 2008**
- **Developing C-TPAT framework with foreign countries (World Customs Organization)**
- **Developing Technology (Smart Container/ E-Seal)**





U.S. Customs and Border Protection

Ozzie Martin
Supervisor, Houston C-TPAT
Field Office
713-744-6645

