



Professional Perspective

CTPAT Validation and Minimum Security Criteria

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CTPAT Validation and Minimum Security Criteria

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U.S. Customs and Border Protection has temporarily suspended new applications to join the Customs Trade Partnership Against Terrorism program, due to CBP's long awaited updates of the program's Minimum Security Criteria. Applications were suspended from Jan. 1, 2020 through June 1, 2020.

This article discusses background on CTPAT and participating member companies, importer specific requirements to join the program, a detailed account of all MSC changes, and how to assess company supply chain and best practices when preparing a CTPAT application, an annual update, or validation.

Background

CTPAT is voluntary trade partnership in which CBP and members of the trade community work together to secure and facilitate the movement of legitimate international trade. The program focuses on improving security throughout the supply chain, beginning at the point of origin through a point of distribution to the destination.

CTPAT member companies, or partners, agree to implement certain security procedures throughout their supply chains. To become a partner, the applicant needs to identify vulnerabilities in its supply chain and implement security procedures to safeguard their supply chains from terrorism and other illegal activities that threaten the security of the U.S.

As a result, the program helps CBP achieve its dual mission of securing the nation's borders while facilitating legitimate trade and travel. In the course of applying, being certified, and thereafter validated, CTPAT applicants/partners are required to submit, via the CTPAT secured portal, business confidential information and sensitive details on how their company adheres to minimum security requirements to join the program.

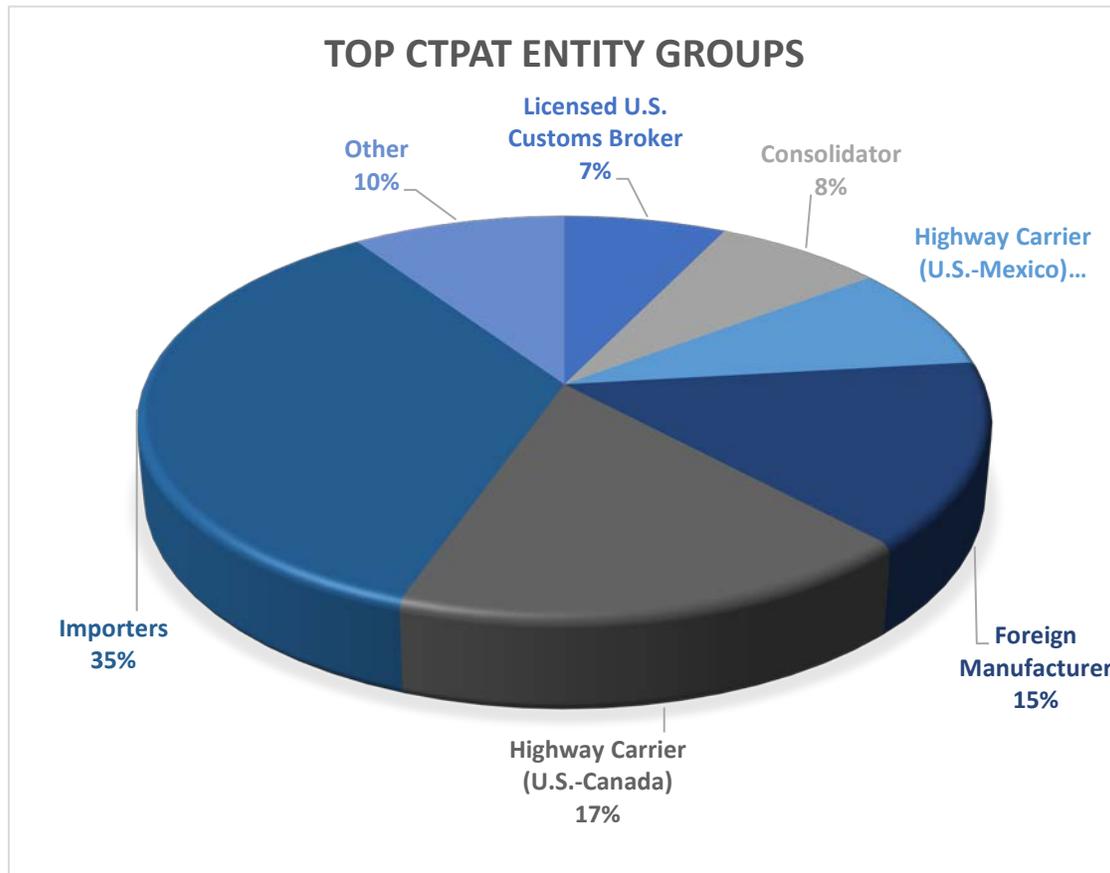
Membership and Scale

CTPAT partners enjoy a variety of benefits, including taking an active role in working closer with the U.S. government in its war against terrorism. Partners are able to better identify their own security vulnerabilities and take corrective actions to mitigate risks. Some of the [benefits](#) include reduced number of CBP examinations, shorter wait times at the border, front of the line inspections, and assignment of a supply chain security specialist to the company.

Since its inception in 2001, CTPAT has grown to include 11,569 certified partners throughout the trade community in its program. There are 12 different business entities that are eligible for CTPAT membership, including importers, exporters, carriers, third-party logistics providers, and custom brokers. Below is the list of the business entities eligible for membership:

- [Air carriers](#)
- [Consolidators](#)
- [Customs brokers](#)
- [Exporters](#)
- [Foreign manufacturers](#)
- [Highway carriers](#)
- [Importers](#)
- [Long-haul carriers in Mexico](#)
- [Marine port authority and terminal operators](#)
- [Rail carriers](#)
- [Sea carriers](#)
- [Third-party logistics providers](#)

According to data from CTPAT, out of the 11,569 members in the CTPAT Security Program, 318 members are in the CTPAT Trade Compliance Program (which includes both CTPAT and the Importer Self-Assessment program). The total value of U.S. imports from CTPAT-certified partners amounts to 53.5%, which equates to about \$1.3 trillion in value of U.S. imports from CTPAT members. The majority of CTPAT members are importers, comprising 35%, followed by foreign manufacturers, at 15%.



Importer-Specific Requirements

CTPAT is open to members of the trade community who can demonstrate excellence in supply chain security practices, and who have had no significant security related events.

For an importer to be eligible for CTPAT, it must meet the following criteria:

- An active U.S. importer or non-resident Canadian importer that has imported goods into the U.S. within the past 12 months
- An active U.S. importer of record (IOR) number
- A valid continuous import bond registered with CBP and operate a business office staffed in the U.S. or Canada
- Designate a company officer that will be the primary cargo security officer responsible for CTPAT
- Sign and demonstrate a commitment to maintaining the CTPAT supply chain security criteria outlined in the CTPAT Importer Agreement
- Complete a supply chain security profile in the CTPAT Portal, identifying how the company meets and maintains the Program's MSC for U.S. Importers

- No unpaid debt owed to CBP at the time of the application for which a final judgment or administrative disposition has been rendered. This is a new eligibility requirement, and applies to all 12 business entities eligible for CTPAT

How to Apply

An entity interested in becoming a member of CTPAT should first review the Minimum Security Criteria to confirm it meets the program's eligibility requirements. If eligible, applying for CTPAT can be done online on the secured [CTPAT Portal](#). CBP offers a [tutorial](#) on how to apply.

Upon satisfactory completion of the application and supply chain security profile, the applicant company is assigned a Supply Chain Security Specialist to review the submitted materials and to provide program guidance on an ongoing basis. The CTPAT program will then have up to 90 days to certify the company into the program or to reject the application. If certified, the company will be validated within a year of certification.

Once the company and security profile are reviewed and accepted by the SCSS, your company is accepted into the CTPAT program as a "certified" partner and will start receiving some benefits. At this time, the company's assigned SCSS will be in contact to set up a validation, to meet with company representatives, and visit selected domestic and foreign sites to verify supply chain security measures contained in the CTPAT participant's security profile are accurate and are being followed.

When the SCSS confirms successful domestic and foreign validations, the company will become validated as a Tier II company, and will begin receiving the full benefits of the CTPAT Program.

Practitioner's Tip

To avoid a rejection of your CTPAT application and having to re-submit your application, proactively communicate with the SCSS during the review process to ensure any deficiencies in your company and security profile are cured in a timely manner. Also, after your company and security profile are approved, it is not uncommon for a SCSS to conduct a foreign site visit prior to a domestic site visit.

New Minimum Security Criteria Changes

CTPAT has conducted its first-ever review and update of its MSC since inception in 2001. The main goal of this review was to strengthen the MSC to address current challenges and threats. The new MSC structure established 3 focus areas, inclusive of three new criteria categories: security vision and responsibility, cybersecurity, and agricultural security.

The CTPAT MSC structure is divided up into three focus areas: corporate security, transportation security, and people and physical security. Within those focus areas there are 12 security criteria categories.

Clarified language has been added to explicitly organize criteria into "Musts" and "Shoulds" to distinguish requirements and recommendations. These changes are accompanied by Implementation Guidance to provide members with additional background to the criteria and assist them with understanding and implementation.

Member Tips

CTPAT requires that all members of the program document compliance with the MSC changes that went into effect on Jan. 1, 2020 by updating their security profile in the CTPAT portal. The following are [guidelines](#) on how to update your security profile if you're already a CTPAT member:

If your annual security profile update was due in Jan. or Feb. 2020, you would have needed to ensure completion/submission of your security profile in the portal by that due date.

- The members that completed their annual security profile update will not have to answer the new security profile questions until Jan. or Feb. 2021. They also will not need to answer the new security profile questions in June 2020. Put it simply, for those members whose security profiles were due in January or February, it is business as usual during 2020, until your annual update is due again in 2021.

If your security profile is due during the months of March, April or May, you will ignore the due date, complete, and submit the security profile after June 1, 2020, when the new security profile in the portal is ready. These members will need to answer the new security profile questions.

If your security profile is due after June 2020, you will need to update your security profile on its regular schedule meeting the new MSC requirements.

CTPAT put together Excel spreadsheets with the security profile questions to facilitate the eventual submission to a security profile. The spreadsheets have an MSC ID number column which allows member to easily identify the security profile question with its corresponding MSC ID. The spreadsheets are available on the portal for members to have a preview of the questions before they are released on the portal. All CTPAT members are expected to comply with the new MSC regardless of when their security profile is due.

Resources for New Information

CTPAT provides a variety of resources to stay informed with MSC changes and CTPAT guidelines. The following are some useful for dealing with the current MSC changes:

[Workshops](#) where the focus is on minimum security criteria updates. The webpage is updated when there are new workshops available.

[Glossary of terms](#) that details essential terms and their definitions to better understand CTPAT.

[CTPAT's Five Step Risk Assessment](#), a guide on how to reduce risk and threats within your company to better comply with CTPAT's standards.

[CTPAT Resource Library and Job Aids](#), available in the member portal, which contain samples or demonstrations of CTPAT's MSC for smaller companies or companies with multiple locations.

[CTPAT Security Training and Threat Awareness "Mindmap,"](#) a guide for companies that need tips for security training.

[Annual Security Profile Review](#), a guide on how to complete an annual review of the security profile submitted to CTPAT.

How to Prepare

Below are some tips to better help you prepare for the new MSC changes:

- Stay up to date with the MSC changes through CBP's [announcements page](#).
- Be mindful of your annual security profile due date and complete all necessary tasks on time.
- Be cognizant of any partners, suppliers, factories, or representatives that need to be compliant with the new criteria through security or technology upgrades and ensure you communicate with them ahead of time.
- Ensure you implement the new security requirements well in advance of both your annual profile update and any potential validation.
- Keep track of your membership and note that it is likely you will be revalidated by your SCSS every four years.