



Customs-Trade Partnership Against Terrorism (C-TPAT)

Fact Sheet

What is C-TPAT?

- C-TPAT is a joint government-business initiative to build cooperative relationships that strengthen overall supply chain and border security.
- C-TPAT recognizes that Customs can provide the highest level of security only through close cooperation with the ultimate owners of the supply chain— importers, carriers, brokers, warehouse operators and manufacturers.
- Through this initiative, Customs is asking businesses to ensure the integrity of their security practices and communicate their security guidelines to their business partners within the supply chain.

What does participation in C-TPAT require?

Businesses must apply to participate in C-TPAT. Participants will sign an agreement that commits them to the following actions:

- Conduct 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 are the benefits of participation in C-TPAT?

C-TPAT offers businesses an opportunity to play an active role in the war against terrorism. By participating in this first worldwide supply chain security initiative, companies will ensure a more secure supply chain for their employees, suppliers and customers. Beyond these essential security benefits, Customs will offer potential benefits to C-TPAT members, including:

- A reduced number of inspections (reduced border times)

- An assigned account manager (if one is not already assigned)
- Access to the C-TPAT membership list
- Eligibility for account-based processes (bimonthly/monthly payments, e. g.)
- An emphasis on self-policing, not Customs verifications

Who is eligible for C-TPAT?

- C-TPAT is currently open to all importers. Customs plans to open enrollment to a broader spectrum of the trade community in the near future. C-TPAT membership will be made available to all sectors of the supply chain. Customs will be consulting with the trade community to develop the most effective approach for each sector to participate in C-TPAT. Please refer to this site for the latest information on eligibility and application procedures.

How do I apply?

- Applicants will submit signed agreements to Customs, which will represent their commitment to the C-TPAT security guidelines.
- Applicants will also submit a supply chain security profile questionnaire at the same time they submit their signed agreements or within a specified time thereafter.
- Complete application instructions will be maintained on this site.

When will benefits begin?

- Benefits will begin once Customs has completed an evaluation of the importer's C-TPAT application package and notified the importer of our findings. Customs aims to complete these evaluations within 30-60 days after the supply chain security questionnaire has been submitted.

How will the partnership work on an ongoing basis?

- Account managers will contact participants to begin joint work on establishing or updating account action plans to reflect C-TPAT commitments.
- Action plans will track participants' progress in making security improvements, communicating C-TPAT guidelines to business partners, and establishing improved security relationships with other companies.
- Failure to meet C-TPAT commitments will result in suspension of C-TPAT benefits. Benefits will be reinstated upon correcting identified deficiencies in compliance and/or security.

Where can I get more information on C-TPAT?

C-TPAT information will be maintained on this site.

Frequently Asked Questions

Q: What exactly are Customs expectations for the trade on this program?

A: To make a commitment toward the common goal of creating a more secure and efficient supply chain through partnership. Customs understands that it has entered a new era and requires the assistance of

private industry to ensure increased vigilance throughout the supply chain. Customs recognizes that just as it protects the trade and our borders, businesses must ensure that their brands, employees, and customers are protected to the best of their abilities.

Q: Will the information our company provides be confidential?

A: All information on supply chain security submitted by companies applying for the C-TPAT program will be confidential. Customs will not disclose a company's participation in C-TPAT without the company's consent.

Q: As a company, we are very interested in C-TPAT but we are not interested in spending a lot of money, nor putting ourselves in a liability position if something goes wrong. Is it still possible to do this partnership?

A: Yes. Customs intent is to not impose security requirements that will be cost prohibitive. For this reason, we worked in concert with the trade community in developing security guidelines that reflect a realistic business perspective. Potential C-TPAT participants may find that they already have many of these guidelines in place.

C-TPAT is also not intended to create any new "liabilities" for companies beyond existing trade laws and regulations. However, joining C-TPAT will commit companies to follow through on actions specified in the signed agreement. These actions include self-assessing security systems, submitting security questionnaires, developing security enhancement plans, and communicating C-TPAT guidelines to companies in the supply chain. If a company fails to uphold its C-TPAT commitments, Customs would take action to suspend benefits or cancel participation.

Q: What is the overall vision for C-TPAT in the coming months and years?

A: Customs recognizes that a safe and secure supply chain is the most critical part of our work in keeping our country safe. For this reason, Customs is seeking a strong anti-terrorism partnership with the trade community through C-TPAT. Trade partners will have a commitment to both trade security and trade compliance, which are rooted in the same business practices. Customs wants to work closely with companies whose good business practices ensure supply chain security and compliance with trade laws.

Q: How will audits work in the future?

A: Audits will continue to be used to assess overall trade compliance. Customs Regulatory Audit will apply the new "Focused Assessment" methodology, a risk-based audit program, in conducting these audits. Companies will not be required to undergo a Focused Assessment in order to participate in C-TPAT. However, to take advantage of Customs Regulatory Audit Importer Self-Assessment (ISA) program, importers must be C-TPAT participants.

Q: As a carrier, I already participate in the Customs Carrier Initiative— is it a duplication of effort in joining C-TPAT?

A: Customs will be looking for carriers to join C-TPAT to enhance existing

security practices and better address the terrorism threat to international air, sea, and land shipping. We will work to ensure that C-TPAT participation does not require duplicate work for current Customs Carrier Initiative Program (CIP) participants. CIP participants already subscribe to the importance of security from a narcotics-smuggling perspective and are well positioned to expand their security focus to encompass anti-terrorism.

Q: Is the C-TPAT program a viable consideration for medium or small size companies?

A: C-TPAT is designed for the entire trade community and Customs encourages all companies to take an active role in promoting supply chain and border security. While the benefits of C-TPAT are greatest for large companies that rely heavily on international supply chains, C-TPAT is not just a big-company program. Medium and small companies may want to evaluate the requirements and benefits of C-TPAT carefully in deciding whether to apply for the program. Moreover, even without official participation in C-TPAT, companies should still consider employing C-TPAT guidelines in their security practices.

Further Information:

Contact Industry Partnership Programs at (202) 927-0520 or email us, at industry_partnership@customs.treas.gov

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Frequently Asked Questions For Carriers

Q: Is C-TPAT a voluntary program for carriers?

A: Yes. C-TPAT will build upon existing relationships with the transportation industry, to enlist voluntary carrier participation in the program and enhance the security "best practices" employed by carriers.

Q: What carriers are eligible to participate in C-TPAT?

A: All common commercial air, rail, and sea carriers are eligible to enroll in C-TPAT beginning July 15, 2002, including, air passenger and cargo carriers, express consignment carriers, and ocean container and bulk carriers.

Q: How will C-TPAT become available to the trucking industry?

A: Along our northern border, the U.S. Customs Service is working with our Canadian counterparts to create a harmonized processing system to be used in conjunction with U.S. and Canadian industry partnership programs. This program, currently being referred to as "FAST" (Free and Secure Trade) will provide the platform for implementation of C-TPAT along the northern border and will include the conduit for trucking companies to enroll into the program. We expect this process to be in place within the very near future.

The U.S. Customs Service is working with our Mexican counterparts to create a more secure and efficient processing system along the southwest border, much like our efforts with Canada. C-TPAT for trucking companies along the U.S.-Mexico border will build upon the industry partnership programs already established in the region.

Q: As a carrier, I already participate in the Customs Carrier Initiative Program. Is it a duplication of effort in joining C-TPAT?

A: C-TPAT participation will not require duplicate work for current Customs Carrier Initiative Program (CIP) participants. Customs will be looking for carriers to join C-TPAT and enhance existing security practices to better address the terrorism threat to international air, sea, and land shipping. CIP participants already subscribe to the importance of security from a narcotics-smuggling perspective and are well positioned to expand their security focus to encompass an anti-terrorism approach.

Q: Will the Air and Sea Carrier C-TPAT agreements apply to all distinctions of carriers within the specific transportation group?

A: Yes. Like the CIP agreements, one comprehensive C-TPAT agreement will apply to all distinctions of carriers within one transportation sector. Accordingly, an airline or sea carrier will only be responsible for those elements of the C-TPAT agreement that apply to their individual operation. For example, if your airline does not carry cargo, you will not be expected to implement the elements of the agreement that address cargo security. In the maritime environment, if you are purely a bulk cargo operation, those elements of the C-TPAT sea carrier agreement pertaining to containers will not apply.

Q: Are there monetary penalties associated with C-TPAT?

A. No.

Q: Will C-TPAT replace the Carrier Initiative Programs?

A: C-TPAT will serve as the umbrella program for all USCS Industry Partnership Programs. For the near term, the Carrier Initiative Programs and C-TPAT will co-exist as two similar but separate Customs Industry Partnership programs. The most notable distinction being that the issuance of drug penalties under existing regulations, and the mitigation provisions for current carrier initiative participants, will continue to be administered under the CIP agreements.

Q: As an active member of the Carrier Initiative Program, am I automatically enrolled into C-TPAT?

A: No. Because C-TPAT entails higher security practices and a broader scope (e.g., terrorism), in order to realize C-TPAT benefits, each carrier must enroll into C-TPAT by signing the appropriate agreement, and submit a completed Carrier Supply Chain Security Profile Questionnaire.

However, because active CIP participants already subscribe to stringent security standards throughout the scope of their operations, it is anticipated that these carriers will rapidly meet the standards of C-TPAT thus expediting the enrollment process and realization of benefits. For current Super Carrier Initiative participants, the process will be yet more streamlined.

Q: What additional benefits are there for carriers to join C-TPAT?

A: The more Customs knows about your security, the more effective we will be at making risk determinations concerning your conveyance or operation. Through C-TPAT, Customs will make available to the carrier community benefits not attainable under the Carrier Initiative Programs, including, reduced exams, the assigning of an Account Manager, and expedited processing.

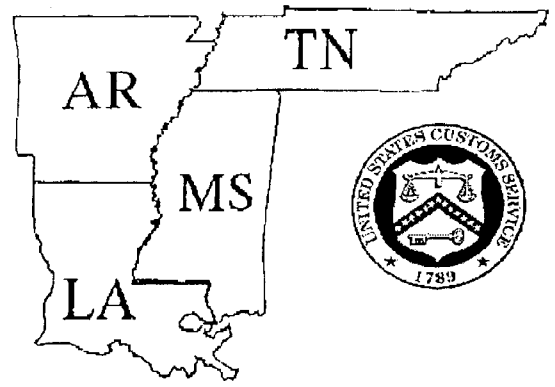
Q: Can I remain in the Carrier Initiative Program and choose not to participate in C-TPAT?

A: Yes. However, for you as a carrier to receive the benefits listed above, you must be C-TPAT certified. Also, as C-TPAT evolves, USCS plans to eventually phase CIP into C-TPAT beginning with the drug penalty mitigation process.

For more information, contact the Industry Partnership Programs, at (202) 927-0520 or email us, at industry.partnership@customs.treas.gov

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Southern Currents



Notice to the Service Port of New Orleans Trade Community

Date June 26, 2002

No.: 02-016

SUBJECT : Customs – Trade Partnership Against Terrorism (C-TPAT)

In November 2001, Commissioner Bonner declared that the number one priority of the U.S. Customs Service is border security and introduced the Customs –Trade Partnership Against Terrorism (C-TPAT) as the key component of Customs efforts to foster secure international supply chains.

C-TPAT is a joint government-business initiative to build cooperative relationships that strengthen overall supply chain and border security. C-TPAT recognizes that Customs can provide the highest level of security only through close cooperation with the ultimate owners of the supply chain -- importers, carriers, brokers, warehouse operators and manufacturers. Through this initiative Customs is asking that every business ensure the integrity of their security practices and communicate their security guidelines to their business partners within the supply chain. Beyond these essential security benefits, Customs will offer potential benefits to C-TPAT members, including a reduced number of inspections, reduced border times, and eligibility for account-based processes such as bimonthly/monthly payments.

On April 16, 2002, the Commissioner announced that enrollment in the C-TPAT was open to all importers immediately. C-TPAT membership will soon be made available to all sectors of the supply chain, and Customs plans to open enrollment to a broader spectrum of the trade community in the near future.

C-TPAT is designed for the entire trade community and Customs encourages all companies to take an active role in promoting supply chain and border security.

The national web site for C-TPAT information is:

- <http://www.customs.gov/enforcem/tpat>

New Orleans Chief Inspector Robert Galloway has been designated as a single point of contact assigned to the executive staff of the Director, Field Operations for the Gulf Customs Management Center to coordinate C-TPAT development. The area of coverage is the five central Gulf States of Louisiana, Mississippi, Alabama, Arkansas and Tennessee with the corresponding seventeen Customs Ports of Entry.

Mr. Galloway will serve as the local C-TPAT point of contact, outreach coordinator and liaison to technical experts within Customs, and can be reached at 504.670.2283, or via email at "ROBERT.L.GALLOWAY@customs.treas.gov."



Todd C. Owen
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FACTSHEET

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U.S. Customs Container Security Initiative to Safeguard U.S., Global Economy

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Related Web Pages:

- [U.S. Customs Container Security Initiative](#)
- [Speech Before the Center for Strategic and International Studies \(CSIS\)](#)
- [USCS Press Offices](#)
- [Previous Press Releases](#)

The U.S. Customs Container Security Initiative (CSI), proposed by Commissioner Bonner in a January 17, speech given at the Center for Strategic and International Studies, would secure an indispensable, but vulnerable, link in the chain of global trade: the oceangoing sea container. Ensuring the security of the maritime trade system is essential, given that approximately 90% of the world's cargo moves by container.

Each year, more than 16 million containers arrive in the United States by ship, truck, and rail. In 2001, U.S. Customs processed more than 214,000 vessels and 5.7 million sea containers. A proactive stance by Customs in screening sea containers will significantly contribute to the agency's overall efforts to secure the borders against dangers that might be introduced through commercial traffic.

The Container Security Initiative consists of four core elements. These are (1) establishing security criteria to identify high-risk containers; (2) pre-screening containers before they arrive at U.S. ports; (3) using technology to pre-screen high-risk containers; and (4) developing and using smart and secure containers. The fundamental objective of the CSI is to first engage the ports that send highest volumes of container traffic into the United States, as well as the governments in these locations, in a way that will facilitate detection of potential problems at their earliest possible opportunity.

What is the risk from sea containers?

Osama bin Laden and the Al Qaeda terrorist network have vowed to cripple the U.S. and world economy. More than half of all goods that enter the United States arrive by oceangoing cargo containers. A terrorist attack using a sea container would prove detrimental to this portion of the global trading system, by bringing the worldwide movement and processing of oceangoing cargo containers to a halt.

What is the Container Security Initiative?

Recognizing that trade is vital to the world economy, U.S. Customs has proposed a four-part program designed to achieve the objective of a more secure maritime trade environment while accommodating the need for efficiency in global commerce. The program's pillars are: establishing security criteria to identify high-risk containers; pre-screening containers before they arrive at U.S. ports; using technology to pre-screen high-risk containers; and developing and using smart and secure containers. A critical element in the success of this program will be the availability of advance information to perform sophisticated targeting.

As a first step, U.S. Customs has determined the top 10 "mega-ports" that send containers to the United States, and will contact the governments in these locations to solicit their participation in the CSI. These locations were identified based on their volume of sea container traffic destined for the U.S.; however, the CSI approach is not something that must be restricted

to only these locations. Risk assessments and trade analysis will play an important part in future deployments, and increased security measures are vital to the operations of any port in today's environment.

How do you currently screen and process cargo arriving at U.S. seaports?

U.S. Customs currently employs a multi-layered strategy of targeting to screen out suspicious goods from legitimate trade. Our strategy relies heavily on the use of strategic and tactical intelligence to target incoming goods for scrutiny.

U.S. Customs pre-screens people and goods entering the country at all 301 ports of entry. This long-established screening process enables U.S. Customs to determine which containers may be "high-risk" and which one are not. The goal of the CSI is to pre-screen cargo containers at ports of origin or transit rather than waiting for these goods to arrive in our ports for inspection.

What benefits can other countries derive from participation in the CSI?

While the pre-screening that would be performed in the CSI presents clear benefits to U.S. security, early targeting of high-risk containers is potentially of great value to the ports that have implemented heightened security initiatives. A more secure maritime trade infrastructure would help ensure the continued smooth flow of merchandise through seaports. Ports that have implemented increased security and pre-screening become more attractive locations to those companies that depend on timely movement of merchandise or processing inputs. In the event of a catastrophic event involving the use of seagoing containers and subsequent paralysis of maritime trade, those ports that have participated in the CSI are well positioned to resume operations quickly and with the confidence of the trade community.

In addition to these benefits, advance targeting of containers destined for the United States should, under normal circumstances, result in those shipments not presenting identifiable risks clearing Customs rapidly, taking full advantage of the facilitative mechanisms that U.S. Customs has already been employing for some time.

**Report Drug Smuggling to
1-800-BE-ALERT or 1-888-NO-DROGA
www.customs.gov**