



The New CTPAT | Presented by CBP

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Meet the Speakers

Mark Isaacson – Buffalo Field Office Director CTPAT
U.S. Customs and Border Protection

- More than 25 years tenure with CBP
- Named acting Field Office Director of Buffalo, NY in 2015, then Director in 2018

Peter Touhy – Miami Field Office Director, CTPAT
U.S. Customs and Border Protection

- Miami CTPAT Field Office Director since 2018
- Directs 26 Supply Chain Security Specialists



CUSTOMS TRADE PARTNERSHIP AGAINST TERRORISM (CTPAT)

Virtual Validation Process

April 20, 2021



U.S. Customs and
Border Protection

The Customs Trade Partnership Against Terrorism (CTPAT) is a partnership between Customs and Border Protection (CBP) and industry to **protect supply chains, identify security gaps, implement specific security and trade compliance best practices, and maintain the integrity of low-risk cargo** entering the United States.



Manuel A. Garza
Director, CTPAT
Office of Field Operations
U.S. Customs and Border Protection

RECENT ACCOMPLISHMENTS

Strengthening Supply Chain Security

Several recent narcotics seizures are a result of CTPAT partners informing their Supply Chain Security Specialist (SCSS) of supply chain anomalies, demonstrating the **powerful impact of strong partnerships between CBP and the Trade**

Prioritizing Social Compliance

CTPAT is developing **forced labor requirements** to be incorporated in FY21 as a part of CBP's Agency-wide efforts to combat the forced labor in global supply chains

Collaborating with Global Partners

CTPAT works closely with its international counterparts through Mutual Recognition Arrangement (MRA) partnerships and the World Customs Organization (WCO) to further global standardization of supply chain security best practices. In January 2021, **the U.S. and the U.K. virtually signed an MRA**

11,200+ CTPAT Program Members

301 CTPAT Trade Compliance Members

234 CY20 Member Suspension & Removals

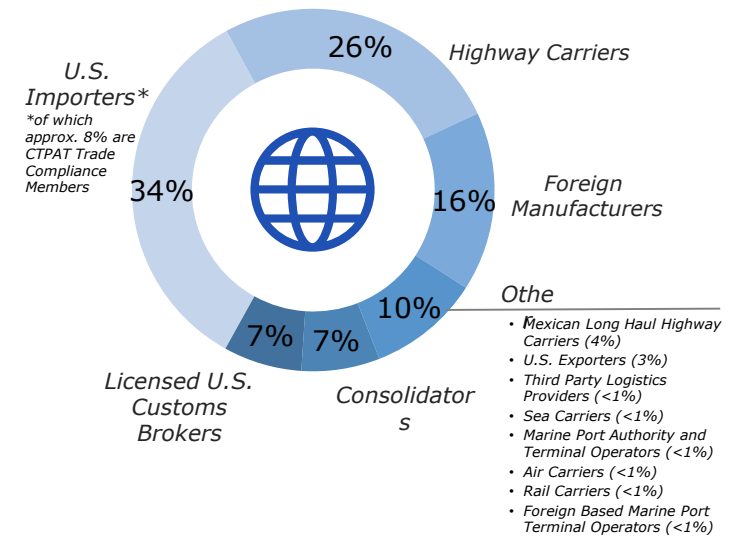
13 Mutual Recognition Arrangements

54% Of U.S. Imports by Value are CTPAT Certified

90+ Speaking Engagements Participated in CY20

CTPAT BY THE NUMBERS

CTPAT Entity Groups



In FY21, CTPAT will continue adapting operations to execute its mission during these unprecedented times while ensuring that Members **uphold the highest standards for global supply chain security and trade compliance.**

KEY FY21 PRIORITIES



Strengthen Global Supply Chain Security

*Advocate for global adoption of CTPAT's standards for end-to-end security to **address emerging threats across the global supply chain***



Rollout the Virtual Validations Process

*Leverage a risk-based approach that prioritizes Members eligible for the virtual validation process to **drive progress on the validation backlog***



Scale CTPAT Trade Compliance

*Finalize the Trade Compliance rollout that enables CTPAT to be a fully-fledged AEO Program to **ensure importer compliance with U.S. trade laws***

ADDITIONAL FY21 PRIORITIES

- ❖ Begin transition of the current **CTPAT Portal** to Salesforce platform with OIT to streamline Member processes and enhance data-driven decision making
- ❖ Define CTPAT's approach to incorporate **E-Commerce** into the Program to advance CBP's E-Commerce Strategy and identify low-risk, e-commerce shipments
- ❖ Finalize and rollout **Forced Labor requirements** with OT and industry to support Member adoption of mitigation measures and enforce requirements
- ❖ Coordinate with the **University of Houston** to conduct a holistic assessment of the Program and value provided to Members
- ❖ Refine delivery and data collection process for **Member benefits** to enhance value to Members, process efficiency, and access to quantifiable metrics
- ❖ Update SAFE standards and AEO implementation guide with the **World Customs Organization** to strengthen global supply chain security

CURRENT VALIDATION PRIORITIES



Leverage advanced, secure technology for virtual validations to reduce validation backlog



Continue to refine virtual validation process that streamlines and automates actions for efficient validations



Demonstrate Member and Program compliance through analysis of data captured during virtual validations



Reduce administrative burden while maintaining rigor for CTPAT's validation process

SHORT-TERM EXPECTATIONS

Expectation	Description	Initial Actions
Comparative Analysis of Virtual Validation Pilot Data & Feedback	Advanced analysis of data and feedback obtained from the test virtual validations via WebEx to assess overall success compared to in-person validations and identify opportunities to refine, standardize, and scale virtual validation and data collection processes	<ul style="list-style-type: none"> Collect data from a variety of sources including the validation worksheet, validation analytic tool, and interviews with CTPAT SCSSs for qualitative feedback Define and track validation success metrics to assess any critical findings between data obtained in virtual and in-person validations
Virtual Validation Process Rollout & Trainings	HQ-facilitated trainings tailored for SCSSs and Members to introduce the new virtual validation process, including technology best practices, roles and responsibilities, and data and documentation submission, to communicate and scale standard guidance for the virtual validation process	<ul style="list-style-type: none"> Document virtual validation process guidance for Field Offices, SCSSs, and Members informed by results of the virtual validation pilot analysis and the WCO Develop a feedback mechanism that enables CTPAT to further a data-driven approach to assessing validation outcome and effectiveness

LONG-TERM EXPECTATIONS*

❖ **Secure Livestream Facility Tours and Member Interviews**

❖ **Intelligent Automation for Virtual Validation Processes**

❖ **Cognitive Analytics & Anomaly Detection for Virtual Validations**

*Currently in progress



Introduction to Virtual Validations

As a leading Authorized Economic Operator (AEO) Program, CTPAT is coordinating with global partners to identify and address emerging threats by setting high standards for global supply chain security in virtual validations.

CTPAT'S COLLABORATION WITH GLOBAL PARTNERS



- **Current Status:** CTPAT is working with the World Customs Organization and other partners to update key documents, including AEO implementation and validation guidance. The Program is also incorporating CTPAT proposals into the SAFE Framework of Standards in coordination with the Office of International Affairs
- **Relevance to Virtual Validations:** CTPAT will build in best practices for virtual validations into the updated validation guidance



- **Current Status:** CTPAT is coordinating with Mutual Recognition Arrangement (MRA) partners to continue validating Members and with Joint Work Plan (JWP) partners to draft MRA agreements
- **Relevance to Virtual Validations:** CTPAT will work with MRA partners to uphold CTPAT's standards for the virtual validation process

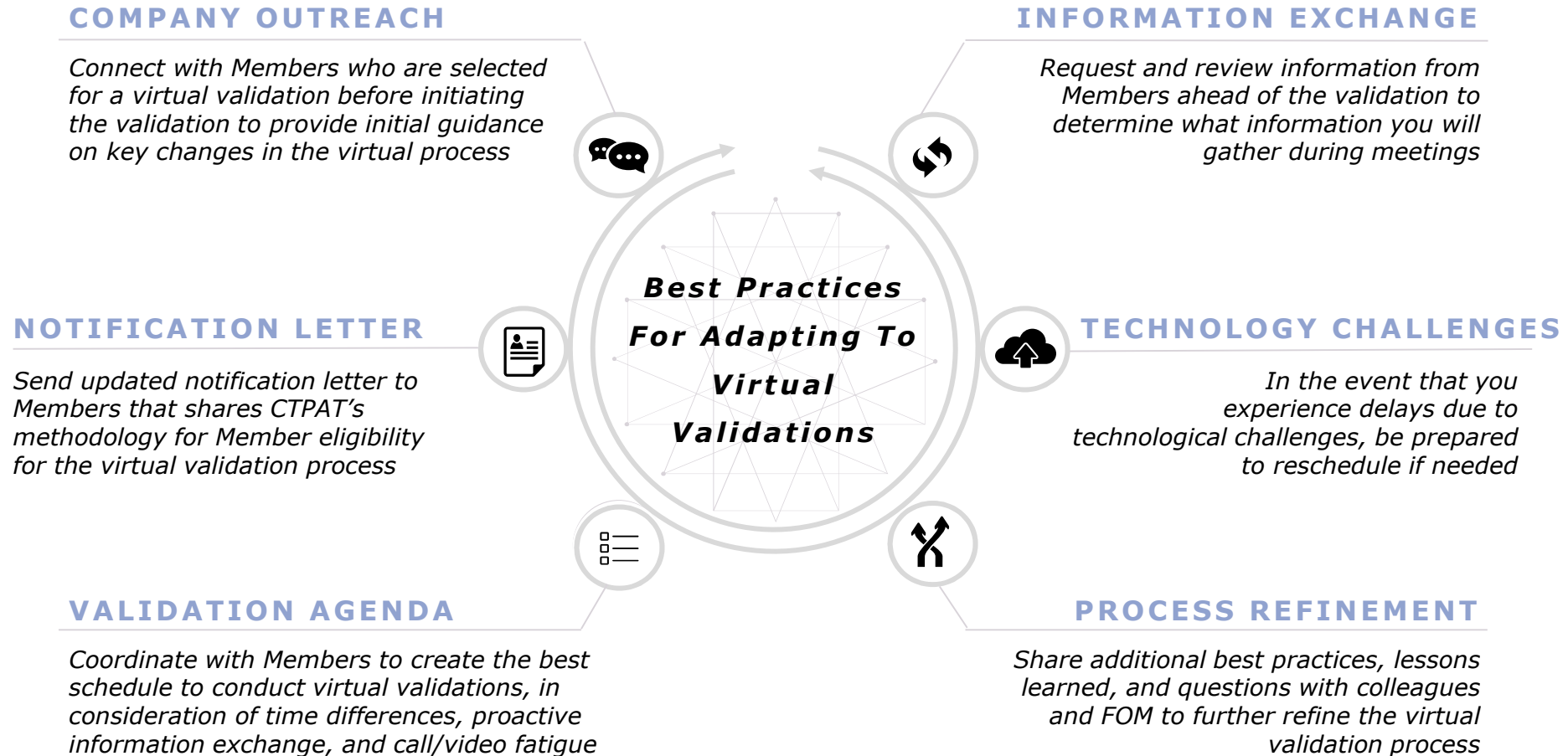


- **Current Status:** As a leading global Authorized Economic Operator (AEO) program, CTPAT is setting the highest global standards for supply chain security and trade compliance with global partners and trade organizations
- **Relevance to Virtual Validations:** CTPAT will facilitate the global adoption of MSC and virtual validations via global partners, including BASC and B5

SCSS and CTPAT Partner Roles

SCSSs	<ul style="list-style-type: none">• Consult with management in determining risk of companies• Research assigned companies and verify locations• Schedule virtual validations to meet the timelines• Complete all assigned companies• Close-out companies in a timely manner
CTPAT Partner	<ul style="list-style-type: none">• Adhere to already established CTPAT terms and conditions• Continued contact and correspondence with assigned SCSS• Be open and honest with assigned SCSS of any issues and/or limitations during the virtual validation process.

While the CTPAT virtual validation process includes minimal changes compared to the in-person validation process, SCSSs are encouraged to leverage best practices for effective and efficient validations in the virtual environment.





Virtual Validations Lessons Learned

CTPAT conducted the second CTPAT virtual validation test with A.N. Deringer during June 12 and July 21, which resulted in the best practices and lessons learned below.

VIRTUAL VALIDATION TEST PARTICIPANTS



A.N. Deringer
Member, CTPAT

BEST PRACTICES

- Initiate validation well in advance (30 days) to provide a reasonable amount of time to prepare
- Provide a detailed validation agenda highlighting the criteria to be covered, along with a pre-validation questionnaire including business profile information
- Schedule an initial validation opening meeting using Webex to test functionality and provide training on the use of the system (such as sharing screens), along with discussing the flow of the validation
- Request supporting documentation to be uploaded to the portal prior to the validation for SCSS review
- What worked well: receiving the documents well in advance, and the sharing of their screen during the validation to review their CTPAT manual and written procedures



LESSONS LEARNED

- Test equipment/connectivity with another SCSS prior to any meeting. Consider upgrading your router if you are having connectivity issues at home
- Be flexible when scheduling the validation. Some POCs are working from home and are dealing with similar work/life balance issues
- Be adaptable, your schedule/validation plan could change based on availability
- If a live video tour of the facility is not possible, consider accepting photos of high-risk areas instead (if applicable)
- Breaks during the validation when necessary (simply turn off camera/mic)

CTPAT Q&A

MARK ISAACSON

Director, Buffalo CTPAT Field Office
mark.isaacson@cbp.dhs.gov

PETER TOUHY

Director, Miami CTPAT Field Office
peter.c.touhy@cbp.dhs.gov

CTPAT
Office of Field Operations
U.S. Customs and Border Protection





Thank you!

Mark Isaacson- Director
Buffalo CTPAT Field Office
mark.isaacson@cbp.dhs.gov

Peter Touhy- Director
Miami CTPAT Field Office
peter.c.touhy@cbp.dhs.gov

Amy Lauziere, LCB, CCS
Senior Trade Advisor
alauziere@anderinger.com

