



The New CTPAT | Presented by CBP

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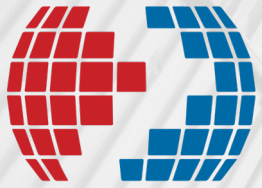
Meet the Speakers

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

Raymond Monzon – Miami Field Office, Supervisory SCSS
U.S. Customs and Border Protection

- More than 20 years tenure with CBP
- Supply Chain Security Specialist since 2003



CUSTOMS TRADE PARTNERSHIP AGAINST TERRORISM (CTPAT) IN THE MARITIME ENVIRONMENT

April 15, 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**

CTPAT BY THE NUMBERS

11,200+ CTPAT Program Members

301 CTPAT Trade Compliance Members

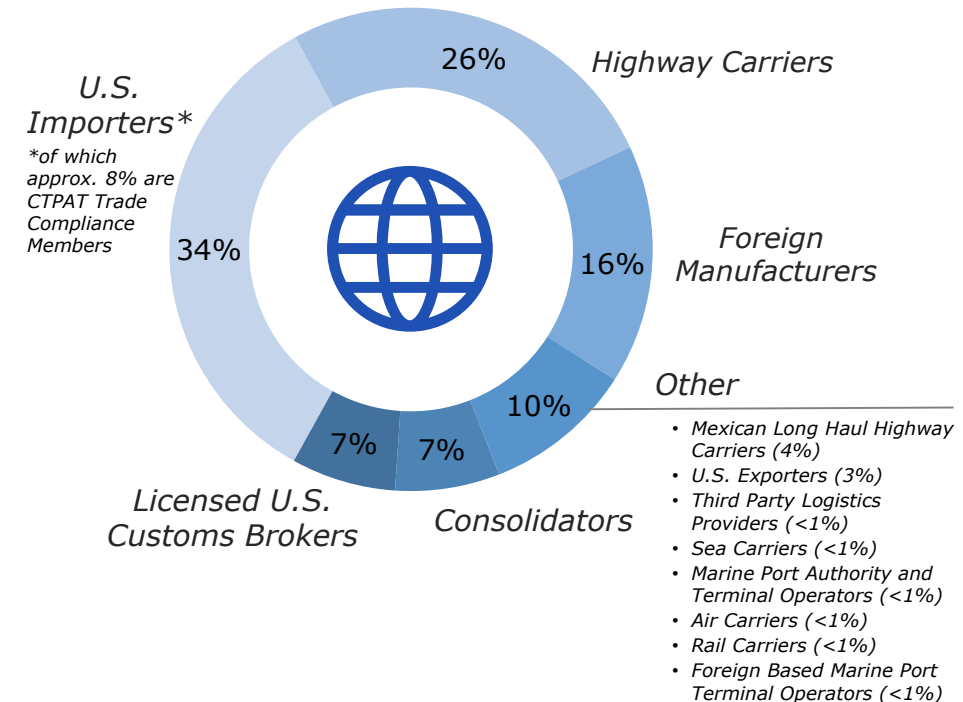
234 CY20 Member Suspension & Removals

13 Mutual Recognition Arrangements

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

90+ Speaking Engagements Participated in CY20

CTPAT 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

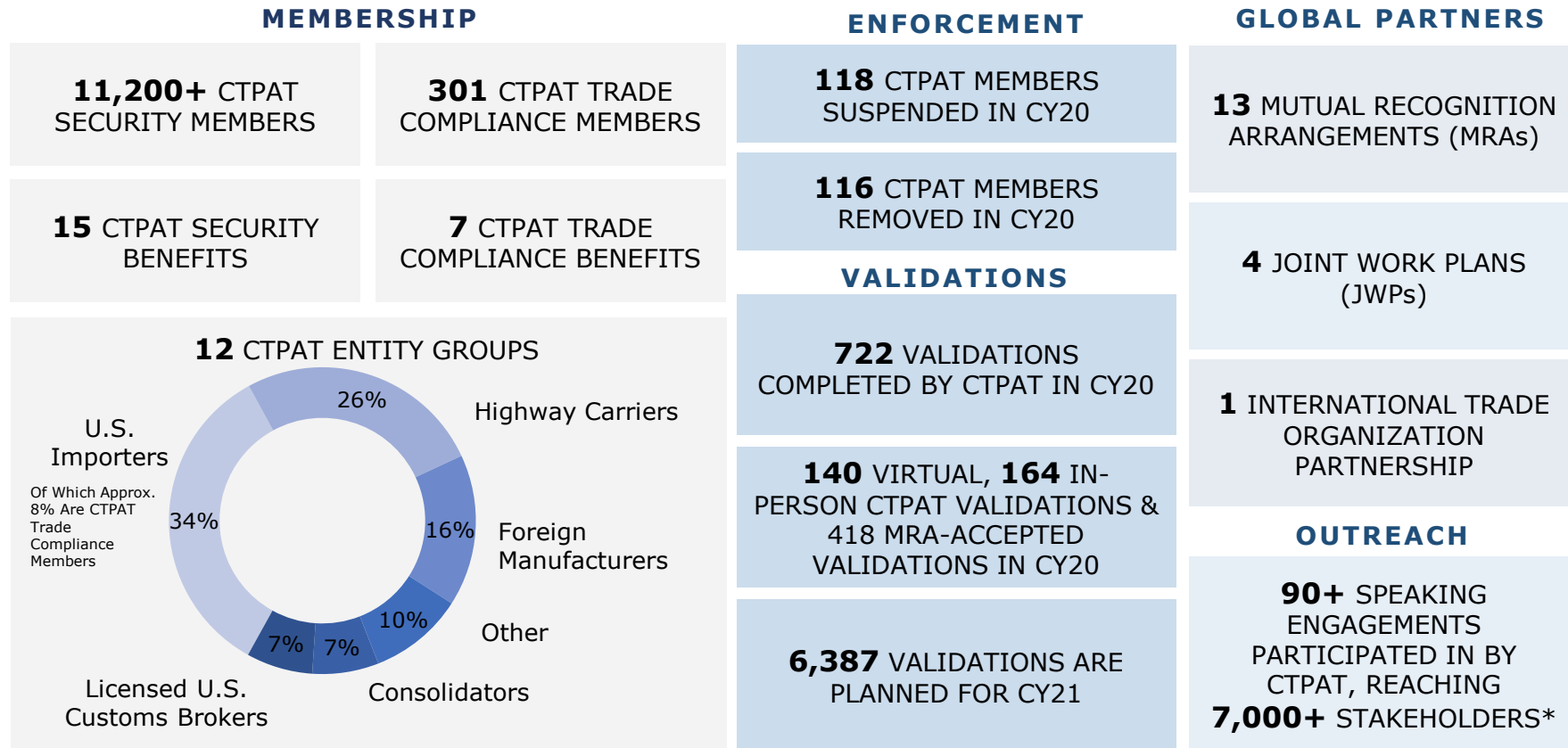
*Finalize the Trade Compliance rollout that enables CTPAT to be a fully-fledged AEO Program to **ensure importer compliance with U.S. trade laws***

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

CTPAT has quickly adapted operations throughout CY20 and the COVID-19 pandemic while continuing to **enforce Program standards, deliver Member benefits, and virtually engage partners across government and industry.**

– CTPAT At A Glance...



– Our Program Members...

\$ Represent **54%** of U.S. imports by value

📦 Saved **\$65.9M** in FY20 through the benefit of reduced rate of exams

🚢 Saved **\$22M** in CY20 by receiving the AQUA Lane Member benefit

🔍 Have a **98.8%** Compliance Rate with the Established CTPAT Security Guidelines

*Operations impacted due to COVID-19

The Customs Trade Partnership Against Terrorism (CTPAT) is **CBP's flagship Trusted Trader Program** designed to identify and certify low-risk cargo entering the U.S. through an expansive network of industry partners committed to supply chain security.

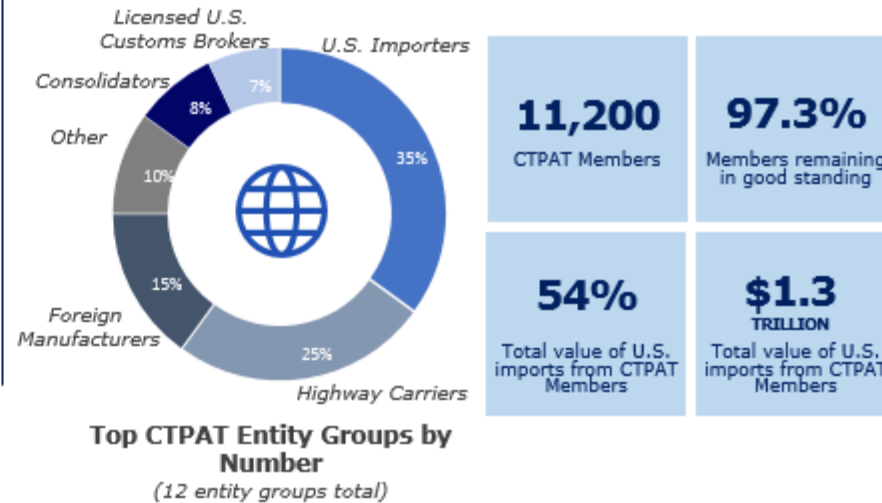
CBP's Layered Approach to Security

CTPAT is a part of CBP's law enforcement strategy, establishing industry partnerships to ensure the safety and security of goods entering the U.S.



CTPAT Membership & Scale

CTPAT collaborates with industry stakeholders to improve supply chain security through the development of security requirements, validations, and communications.



CTPAT's Maritime Footprint

74

Sea Carriers

58

U.S. Marine Port Authority & Terminal Operators

7

Foreign Marine Port Authority & Terminal Operators

3.8M

Cargo Containers Imported by CTPAT Members (2018)

21

U.S. Seaports Accepting AQUA Lane Requests

80%

Acceptance Rate for all AQUA Lane Requests

CTPAT is continually **assessing the unique challenges and threats its Members face within the maritime environment** to understand proactive measures Members can take to secure their supply chains globally.

Maritime Environment Challenges

Ensuring CTPAT Members can effectively secure their supply chains in the maritime environment is uniquely challenging compared to other modes of transportation because:

1

- Sea Carriers are **vulnerable to internal conspiracy breaches**, especially on routes originating from South and Central America

2

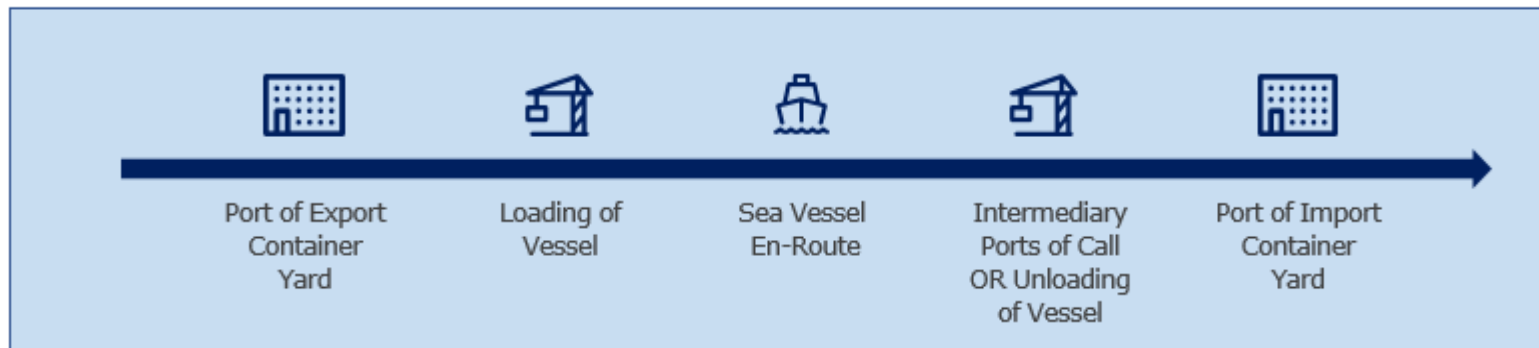
- Significant resources are required** to identify maritime breaches due to the large volume of cargo per vessel

3

- Internal conspiracies and neglected access control** procedures at foreign MPTOs allow smugglers to gain access to ocean containers and clone/compromise affixed seals

CTPAT Members in the Maritime Environment

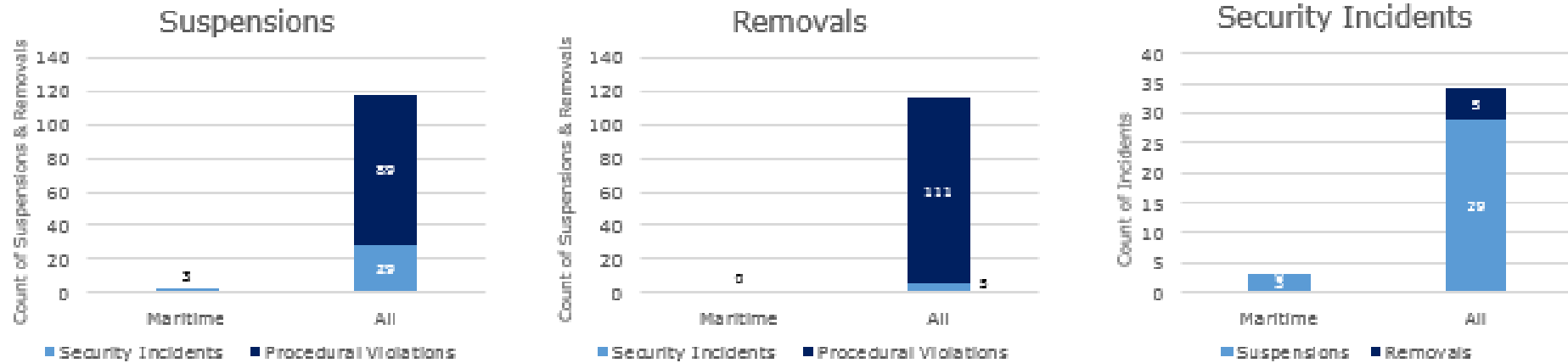
CTPAT's partnership includes Members in all stages of maritime transportation, emphasizing the need for comprehensive security requirements to address vulnerabilities across the supply chain.



CTPAT takes a **multifaceted approach to address and mitigate these evolving threats** to ensure all Members remain low-risk in the evolving threat environment.










CTPAT Program Enforcement

CTPAT is responsible for validating that Members adhere to the Program's security requirement and takes swift and just enforcement action when Members fail to meet these requirements.



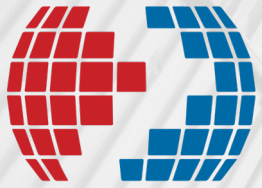
New Maritime Minimum Security Criteria (MSC)

To address and mitigate the full range of threats in the maritime environment, CTPAT will introduce the following Minimum Security Requirements as part of its 2020 Minimum Security Requirement update:

Threat Prevention	Vessel Monitoring	Post-Incident Response & Accountability
 Crew Member Rotation for High-Risk Routes	 Active Monitoring of Automatic Identification System	 Unannounced Security Audits by Third-Party
 Restricted Access of Sensitive Security Information (SSI)	 Security Guards for High-Risk Routes	 Internal Investigations Following Incidents
 Mandatory Employee Code of Conduct	 Video Surveillance of Access Points	 Supply Chain Breach Inclusion into Vessel Response Plan

Maritime Security Unit (MSU) - 2020 in Review

- Established in April 2020 by Director Garza
- One Supervisor, eight SCSSs and four CTPAT Field Offices
- Promoting communication channels between CBP and Maritime entities
- Establishing communication channels between Maritime entities and other government agencies (NTC, DEA, FMC, etc.)
- Has initiated approximately 70 post incident analysis and requests for information
- Has worked with CBP's manifest branch to research seals that have been tampered/cloned for illicit smuggling attempts
- Introducing Maritime entities to CSI contacts at foreign seaports
- Collaborating with World Shipping Council (WSC) and its members
- Collaborating with the World Business Alliance for Secure Commerce (BASC)
- Working on improving the AQUA Lane benefit
- Provided three webinars covering important topics for the Maritime community



ADVANCED QUALIFIED UNLADING APPROVAL

AQUA Lane

April 15, 2021



U.S. Customs and
Border Protection

Contents



What is AQUA Lane & Why Have it



Process



Benefits



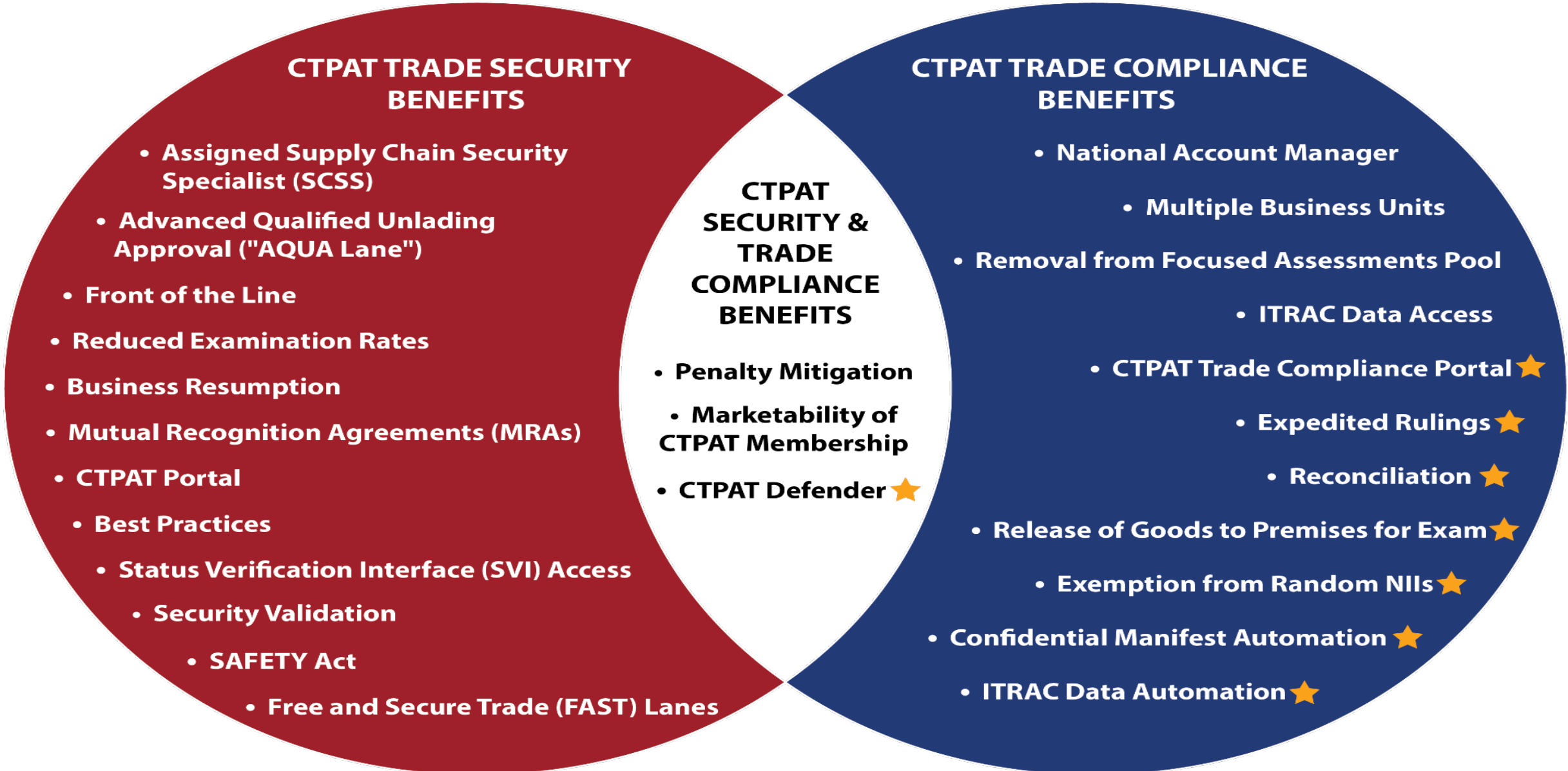
Stats



Challenges



Moving Forward



What is AQUA Lane?

- Unload cargo prior to CBP arrival
- Requests made in advance
- Approval by Port Director
- Developed in partnership with CBP management, carriers, COAC, APTL, Trade Associations

Why Have AQUA Lane?

- Process standardization
- Benefit uniformity at granting POEs
- Streamline vessel time in port
- Provide mutual benefit to trade community and CBP

*Includes Tampa

Where AQUA Lane Operates

The AQUA Lane program currently operates at 20 ports across the U.S. and Puerto Rico.




Requesting Advanced Unlading

- Vessel Agent
- 3171, line 9, box 5 "AQUA Lane Requested"
- Vessel Agent emailed the approval/denial
- Requests must be made each voyage
- Coverage is not blanket; meaning each terminal must be CTPAT validated
- Crews **MUST** stay on board; vessel isn't cleared (only unlade)
- Containers delivered directly to a CTPAT Validated Terminal Operator

Requesting Advanced Unlading

- Vessel Agent
- 3171, line 9, box 5 “AQUA Lane Requested”



DEPARTMENT OF HOMELAND SECURITY
U.S. Customs and Border Protection

OMB APPROVAL NO. 1651-0005
EXPIRES: 11-30-2022

APPLICATION-PERMIT-SPECIAL LICENSE UNLADING-LADING-OVERTIME SERVICES
19 CFR 4.10, 4.30, 4.37, 4.39, 4.91, 10.60, 24.16, 122.29, 122.38, 123.8, 146.32, 146.34

1. Name of Vessel, Vehicle or Aircraft G Rudy Go Vessels	2. Port ABC	3. Flag 123					
4. Name and Nationality of Owner/Operator	5. Name/Phone No. of Agent Day Phone: _____ Night Phone: _____						
6. Arriving from (Port Name and Country)	7. Date/Time of Arrival	8. Locations (Dock/Terminal)*					
9. Application is made for a permit for the operations indicated: <ul style="list-style-type: none"> <input type="checkbox"/> (1) To unlade merchandise (intended to be unladen at this port, as shown by the manifest), baggage or passengers. To discharge ballast, and to land "in bond" merchandise. (Sec. 551, Tariff Act of 1930). <input type="checkbox"/> (2) To land supplies, ship's stores, sea stores, or equipment not to be reladen, subject, however, to free or duty-paid entry (Sec. 446, Tariff Act of 1930). <input type="checkbox"/> (3) To lade merchandise or baggage requiring CBP supervision. <input type="checkbox"/> (4) To land and release for repair, adjustment, or refilling and to relade under CBP supervision articles of carrier's equipment. (Articles to be listed reverse side hereof showing date and hour of unlading and relading.) The undersigned certifies the articles listed on the reverse hereof for release under this term is to be landed only for the purpose mentioned in this item and will be reladen on this carrier. <input checked="" type="checkbox"/> (5) Other <u>AQUA Lane Requested</u> 							
10. Itinerary of Vessel/Aircraft (show port country and departure dates for entire voyage including U.S. itinerary)*							
11. Type of Cargo: <input type="checkbox"/> Container <input type="checkbox"/> Break Bulk <input type="checkbox"/> Bulk <input type="checkbox"/> Other (Specify) _____							
12. List all carriers, including carriers sharing or chartering space onboard the vessel and check the box that describes how the carrier presented the cargo manifest.*							
SCAC	AMS	CBP 1302	Paperless	SCAC	AMS	CBP 1302	Paperless
ABCD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	[Redacted]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

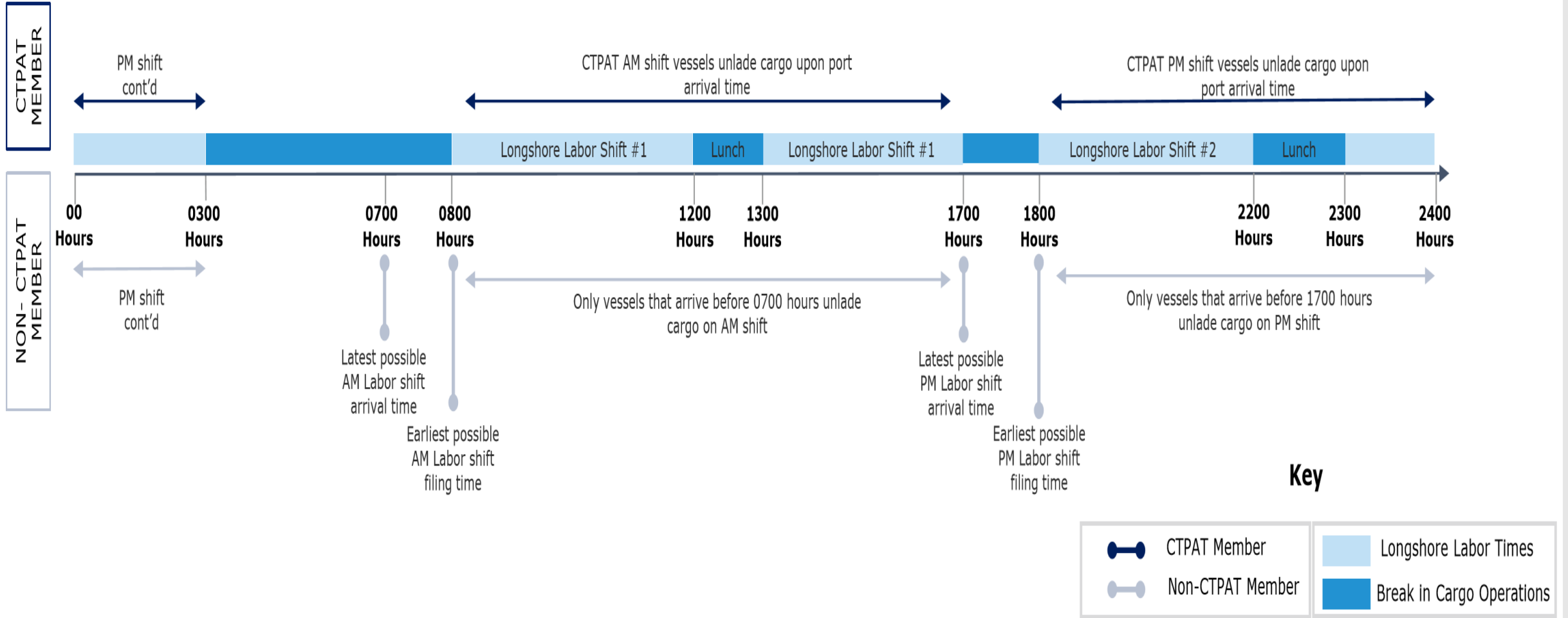


Benefits

- Save time, money
- Move on to next port faster
- Clearing of port for emergencies and business resumption efforts
- Carriers predict dock labor scheduling and costs
- Savings in vessel and truck fuel as well as dockage fees
- Better utilization of resources; increase turnaround

Benefits

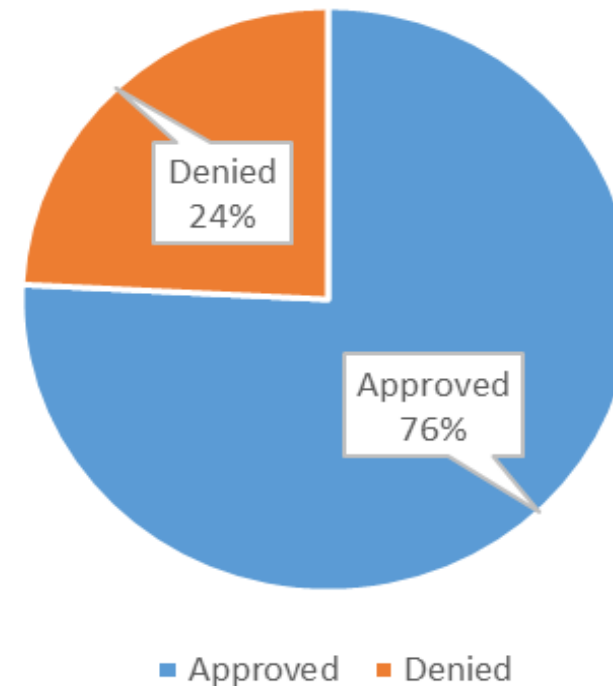
Unlading Timeline | Below is a breakdown of the process for Containerized Cargo to unlade at ports of entry in the U.S.*



AQUA Stats (FY21, Q1)

- Approvals vs Denials
- Sea Carriers 65
- MPTO 54
- 24,270 Requests
5,870 **Denials**
18,400 **Approvals**

AQUA Lane Approved vs. Denied Since 2016



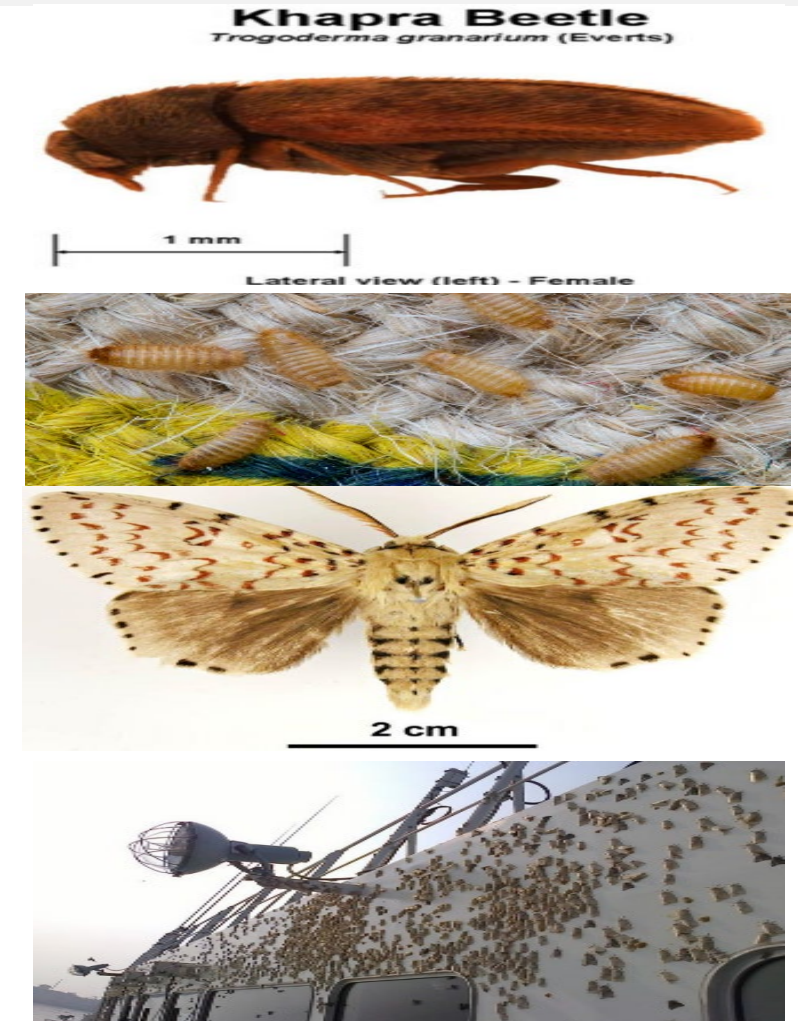
Common Denials

- Not in CTPAT – Carrier and or the terminal operator
- Each terminal operator must obtain their own CTPAT status
- Not Validated (just Certified); either the carrier or the MPTO
- No **Stow Plan**
- Requested under 24 hours

Denials

- AQUA Lane will **not** be granted should the carrier meet one or more of the following conditions:
 - High risk season for Asian gypsy moth (AGM) from high-risk countries (if AGM inspection is required)
 - Fumigation required upon arrival for Khapra beetle infestation
 - High risk for pests
- Break bulk fruit vessel without:
 - Advanced submission of pre-cleared documentation, as applicable
 - Advanced submission of load plans
 - Advanced submission of final closed-out manifest

**Conditional Denials may be a possibility*



Denials Cont'd

- Cattle Vessels (Vessels for cattle export with containers or trailers to discharge)
- Containers w/cold treated commodities arriving into ports below the 39th parallel without confirmation from the Animal and Plant Health Inspection Service, Plant Protection and Quarantine that the shipment has passed cold treatment
- Vessel is on the garbage violation list

Pre-Departure Certificate Issued

- High Season
- Inspection and certification be conducted as close to time of departure as possible
- The ship's crew should ensure freedom from AGM by conducting inspection of the ship superstructure while en-route to North America and removing and destroying all life stages of AGM detected (USDA)
- Present a pre-departure AGM inspection certificate from an approved entity in Russia, China, Korea, or Japan, stating that the vessel is free of AGM life stages
- C-TPAT sea carriers must provide CBP with two-year port of call data at least 96 hours prior to arrival to a U.S. port

Challenges

- Notification of approval to vessel agents
- Inter-port coordination
- Officer rotation and training
- Port Director Discretion
- Additional Requests:
 - Vendor deliveries
 - Local state regulations/cold ironing
- AGM High Season

Moving Forward

- Automation of the 3171
- AQUA Lane requests included in the automation
- Notifications will be automated:
 - ACE portal
- Regulatory discussions concerning advance unloading

CTPAT Q&A

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CTPAT
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Thank you!

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