

The logo consists of the letters 'CTS' in a bold, dark blue, sans-serif font, centered within a white hexagonal shape. This hexagon is superimposed on a larger, semi-transparent purple hexagon. The background of the entire slide features a collage of transportation-related images: an airplane in flight, a semi-truck on a road, and a cargo ship at sea.

**CTS**

# The U.S. CTPAT Program Virtual Validations

Presented by:  
Andrew Farrelly  
CEO CT Strategies

29 June 2022



# CTPAT Basics

# What is CTPAT?

- Customs-Trade Partnership Against Terrorism (CTPAT) is a **voluntary public-private partnership program** between U.S. Customs and Border Protection (CBP) and the trade community.
- Program members agree to comply with the supply chain security standards set by CBP in exchange for trade benefits.
- The objective of the program is to strengthen international supply chains and improve U.S. border security while facilitating trade.
- CTPAT is the United States' **Authorized Economic Operator (AEO)** program.

# Who is in the CTPAT Program?

- There are currently more than 11,400 members of CTPAT.
  - Since the program began in 2001, over 2,100 members have been suspended and approximately 1,500 removed.
- Membership covers 53% of all U.S. imports by value.
- There are 12 different eligible enrollment sectors.
  - This includes rail, sea, air, and highway carriers; licensed U.S. Customs brokers; and importers and exporters.
  - Importers represent the largest sector (38%)

# What are the Benefits?

## Direct Benefits

- Reduced number of CBP examinations
- Front of the line inspections
- Assignment of a Supply Chain Security Specialist (SCSS)
- Priority consideration at CBP Centers of Excellence and Expertise
- Access to FAST Lanes at land borders
- Possibility of being recognized as trusted trader by other AEO programs through Mutual Recognition Arrangements / Agreements (MRA)

*Official benefits published by CBP*

## Indirect Benefits

- Enhances brand reputation
- Demonstrates good corporate citizenship
- Makes the company more competitive
- Enhances standards within the industry
- Meets security requirements of business partners
- Fewer security-related supply chain disruptions
- Improved workforce security and integrity

*Unofficial benefits identified by CT Strategies*

# How does CTPAT work?

- To apply for the program, a company must complete a **Security Profile** to demonstrate it complies with each of the program's security requirements, called the **Minimum Security Criteria**.
  - Upon Security Profile approval, the company is a **Certified** CTPAT member.
- The company is assigned a **Supply Chain Security Specialist**.
- The company must then participate in an on-site **validation**, during which the SCSS verifies the information submitted in the Security Profile.
  - Upon successful completion, the company is a **Validated** member and can access all the program's benefits.
- The company must continue to maintain its membership, **updating the Security Profile at least annually**.
- The company is **revalidated every 3-4 years**.



# CTPAT Virtual Validations

# — Overview of Virtual Validations

- The CTPAT program has completed about **2700** virtual validations between July 2020 – Present.
- In Calendar Year 2021, CBP completed **2158** virtual validations.
- The average length of time for completing a virtual validation has been **4 hours or less for 63% of companies and up to 8 hours for the remainder of the companies.**
- Compliance through virtual validations has been **98.5%.**



# Meeting (re)validation requirements remotely: What to Expect



Virtual Validations will continue for the foreseeable future. Ideally, on-site validations should be the primary validation method, rather than remote ones.



If social distancing measures are in place, Customs should conduct physical follow-up visits as soon as possible.



AEO companies who were initially validated virtually should be re-validated on-site, or at least through a hybrid approach, at the start of the re-validation cycle.



The “trust but verify” approach will be applied by carefully using the Self-Assessment Questionnaire (SAQ).

# Meeting (re)validation requirements remotely: How to Prepare



Collect as much evidence as possible in advance.



Store data through an automated record-keeping system or an encrypted USB drive (e.g. Iron Keys)



Make sure that the record is properly maintained during the participants' life cycle in the AEO programme.



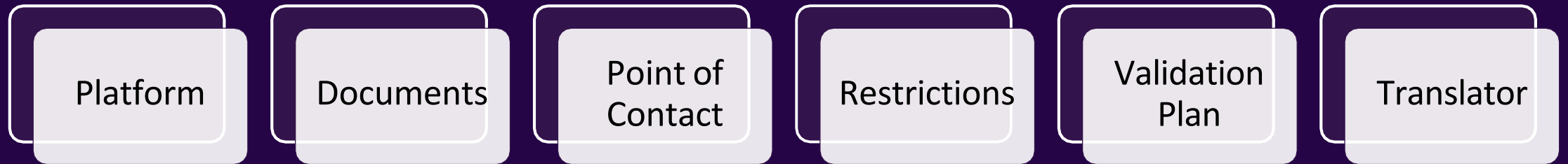
Use a video conferencing platform for face-to-face question and answer sessions.



Ensure that the company has relevant documentation available in a digital format

Unlike on-site validations, which are usually conducted in one day, virtual validations should be more flexible and may be organized over several days or even weeks,

# — Virtual Validation Best Practices: Preparation



# — Virtual Validation Best Practices: Technology

Facility

Photographs

Screen  
Sharing

Microphone

Individual  
Devices

# Virtual Validation Best Practices: During the Virtual Validation

Virtual Call  
Etiquette

Executive  
Representation

Business  
Partners

Designated  
Lead

Paint the  
Picture

# Issues We've Encountered During Virtual Validations



**Senior Executive Commitment to Security Vision & Responsibility**



**Agricultural Security**



**New MSC**



**Risk Assessment**



**Evidence of Implementation**

# Questions?

afarrelly@ct-strategies.com

<https://ct-strategies.com/>

<https://www.linkedin.com/company/ct-strategies/>

