

# A Guide to the New C-TPAT Exporter Entity



This guide provides some background information, eligibility requirements, benefits and enrollment instructions for companies that are considering participating in the U.S. Customs and Border Protection (CBP) Customs Trade Partnership Against Terrorism (C-TPAT) Exporter Program.

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## Why now?

CBP's C-TPAT Program has adopted the recommendation made by the Advisory Committee on Commercial Operations (COAC), which encouraged the creation of the C-TPAT Exporter Entity. CBP has developed the exporter entity to support export growth and increase the competitiveness of the U.S. business community, as outlined by President Obama's National Export Initiative. The new exporter component will provide U.S. exporters with benefits currently enjoyed by foreign importers through the numerous Mutual Recognition Arrangements (MRA) that CBP has signed with foreign customs administrations.

U.S. companies certified in the trusted trader program and exporting to countries that had signed an MRA realized that their export shipments were not receiving the reciprocal import benefits as promised under the MRA. When the question of reciprocal benefits was raised the answer was very simple. Since C-TAPT did not have an export component in place to ensure that the U.S. export supply chain was secure, foreign customs administrations would not provide any import benefits for those shipments.

The issue was raised to the senior executive level at CBP through COAC, which lead to the agreement to adopt the recommendation and create an export component.



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## What is an exporter?

**For C-TPAT purposes, an exporter is defined as:**

A person or company who, as the principal party in interest in the export transaction, has the power and responsibility for determining and controlling the sending of the items out of the United States.

## Exporter entity eligibility requirements

Entities that wish to participate in the C-TPAT Exporter program must meet with the program's definition of an Exporter as well as meet with the following eligibility requirements:

1. Have a business office staffed in the U.S.
2. Be an active U.S. Exporter with a documentable
  - a. Employer Identification Number (EIN), or
  - b. Dun & Bradstreet (DUNS) number
3. Have a documented export security program and a designated officer or manager who will act as the C-TPAT program main point of contact. Additionally the participant should have an alternate point of contact should the designated point of contact be unavailable
4. Commit to maintaining the C-TPAT supply chain security criteria as outlined in the C-TPAT Exporter agreement
5. Create and provide CBP with a C-TPAT supply chain security profile which identifies how the Exporter will meet, maintain, and enhance internal policy to meet the C-TPAT Exporter security criteria
6. In order to be eligible the Exporter must have an acceptable level of compliance for export reporting for the latest 12-month period and be in good standing with U.S. Regulatory Bodies such as: Department of Commerce, Department of State, Department of Treasury, Nuclear Regulatory Commission, Drug Enforcement Administration, and Department of Defense

## What are the benefits offered to exporters who enroll in C-TPAT?

Some benefits companies can receive by becoming C-TPAT Export Entity partners include:

- **Mutual Recognition Arrangements:** By adhering to C-TPAT requirements, participants may receive heightened facilitation from foreign partners with which CBP has signed an MRA
- **Marketing:** The C-TPAT logo and membership is an excellent marketing tool in the trade industry where companies are confident that their cargo is more secure than those that are not in the program
- **Reduced examination rates and time:** C-TPAT exporters will receive trade facilitation, including prioritized examination over non C-TPAT members
- **Front of the line processing:** To the extent possible, C-TPAT shipments are moved ahead of any non-C-TPAT shipments
- **Business resumption:** In the event of a significant disruption / delay in CBP cargo processing operations, actions are taken to maintain communication and coordination

- **Access to an assigned C-TPAT Supply Chain Security Specialist (SCSS):** Each C-TPAT Partner is assigned a SCSS who manages C-TPAT's relationship with CBP. The SCSS is available to discuss security issues and review problems
- **Eligibility to attend C-TPAT training and seminars:** Such as the annual C-TPAT conference which provides opportunities to network with other C-TPAT members
- **Access to the web based C-TPAT Portal system:** The portal provides a means of communication with the SCSS and a way to easily correct company information
- **Common Standard:** Application of a common set of security requirements facilitates international trade by minimizing the duplication of efforts and procedures

Similar to the importer entity, exporter benefits will be provided on a tiered system based on the results of the certification and on-site validations.

## What benefits will be afforded to the exporter's customers?

Benefits provided by foreign customs authorities with whom CBP has a mutual recognition arrangement will vary based on the country. Typical benefits at destination customs authorities include: priority treatment, less frequent physical inspections, and less intrusive inspections.

Benefits are currently being provided on a limited basis through agreements with Canada, Japan and the European Union. In the future, benefits will be expanded to all countries that have signed MRA's with the U.S.

## How do you enroll as a C-TPAT Exporter?

Presently, only C-TPAT certified companies can register as an exporter within the program. The C-TPAT web portal allows companies that are certified to self-identify and acknowledge the terms of the agreement and provide the requested information. Companies do not have to provide a new security profile.

Expansion is on the horizon. C-TPAT is currently developing an export module within their web portal which will provide a company and security profile questionnaire to accommodate new applications from companies that are exporters only. The module should be released as part of C-TPAT's Phase 2 of their newly released Portal 2.0.

## Enroll now or later?

If you are a C-TPAT certified importer that also exports to a member state of the European Union or Japan and your export security policies are comparable to your import procedures you can start receiving immediate benefits for your export shipments. A few simple steps in the C-TPAT portal will designate your shipments as a C-TPAT export for the foreign customs administration. These benefits will eventually be expanded to the other eight mutually recognized countries. If your export policies and procedures are not aligned with your import practices, BSI can assist you to conduct a gap analysis and recommend the most effective and efficient methods to make the necessary adjustments so that you can start receiving the reciprocal benefits under the mutual recognition arrangements as soon as possible.

If you export exclusively you cannot apply until the new exporter application becomes available but that doesn't mean you can't be ready. BSI is available to assist companies with the preparation of their company and security profiles. Once the new application becomes available the required information can be uploaded immediately and submitted to CBP for immediate review and certification.

## Why BSI Supply Chain Solutions?

BSI has a full suite of solutions to assist corporations to attain the highest level of benefits that government sponsored supply chain security programs have to offer.



### Advisory Services

Our advisors will work with you to develop or enhance your supply chain security programs to include compliance with the new export component of C-TPAT, PIP, AEO, and NEEC and navigate through the various Mutual Recognition Arrangements. BSI's subject matter experts will assist you with the application, certification and validation process of these various programs and proactively identify and mitigate global supply chain risks. BSI is available to assess your export program and review your export supply chain to ensure compliance with the exporter minimum security criteria.



### Supplier Compliance Manager (SCM)

SCM is BSI's web-based risk and audit analysis solution that links BSI's supply chain intelligence with your global corporate and supplier operations to quantify and track compliance and risk to help manage your supply chain security. SCM is being modified to address CBP's minimum security criteria for the new export entity.



### Supply Chain Risk Exposure Evaluation Network (SCREEN)

SCREEN is the most complete, publically available Supply Chain Security, Corporate Social Responsibility, and Business Continuity intelligence and analysis resource used to measure country level risk factors through BSI's 20+ proprietary supply chain risk ratings in over 200 countries. SCREEN's robust intelligence enables you to make solid data-driven decisions in both the import and export environment.



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