



Asia-Pacific  
Economic Cooperation

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**2005/STAR/002**  
Joint Plenary Session 2

## **Enhancing Security and Trade Facilitation**

Submitted by: U.S.A



**Third Conference on Secure Trade in the APEC  
Region  
Incheon, Korea  
25-26 February 2005**



# U.S. Customs and Border Protection



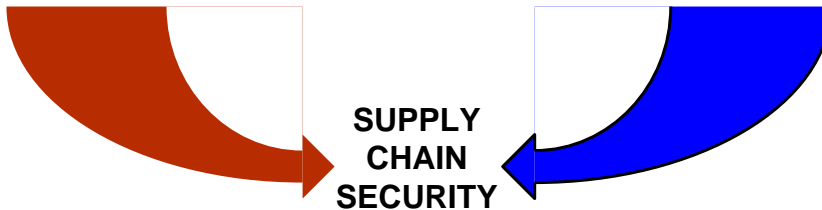
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## OFFICE OF TRADE RELATIONS

Explain CBP policies and procedures and US law

Understand trade issues and requirements



**SUPPLY  
CHAIN  
SECURITY**

New technologies



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# SECURITY AND TRADE FACILITATION



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## We are a large open society with extensive borders





Annually 500,000,000 people, 330,000,000 non-citizens, through 317 ports of entry



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## But we face a dangerous new threat...

Terrorist Threat	
	
▶ Transnational, covert and unknown	
▶ Individuals and commercial transactions	
▶ Use our infrastructure against us	
▶ Exploit seams in government	
▶ Both international and domestic	
▶ Long planning cycles	
<b>GOALS: MASSIVE CASUALTIES VIOLENT DESTRUCTION OF ECONOMY</b>	

...that demands a new response



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## WHAT IS A SECURE SUPPLY CHAIN

- ▶ IDENTIFY TRUE POINT OF ORIGIN
- ▶ SECURITY AT THE POINT OF STUFFING – SEAL/SMART BOX
- ▶ ACCURATE COMMODITY INFORMATION
- ▶ VISIBILITY INTO INTERMEDIATE PORTS
- ▶ IDENTIFY ALL PARTIES ASSOCIATED WITH SHIPMENT
- ▶ SEAL INTEGRITY
- ▶ ENHANCE TARGETING AND RISK ANALYSIS



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## SUPPLY CHAIN VISIBILITY – WHAT ARE WE MISSING?



Container #	DOT #	BL #	Seal Type	Origin	Loaded	Unloaded	Destination	Vessel	Voyage
▶ PLU775132	▶ 20020115	▶ 3324803	▶ IT	▶ Karachi	▶ Karachi	▶ Singapore	▶ Long Beach	▶ Peking Senator	▶ 31E
▶ PLU775132	▶ 20020115	▶ 3324803	▶ IT	▶ Karachi	▶ Singapore	▶ Long Beach	▶ Long Beach	▶ Long Pennsylvania	▶ 14E

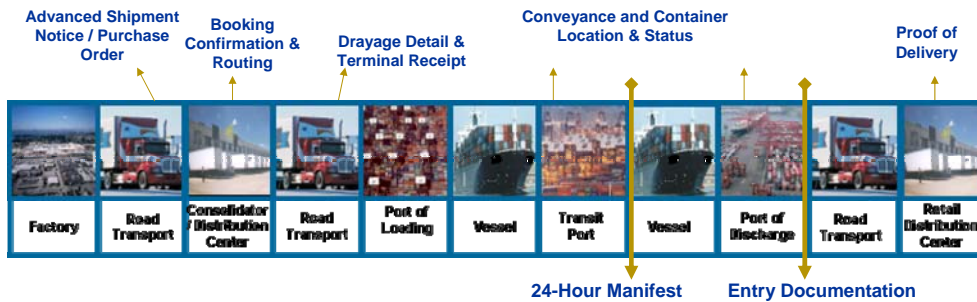


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## SUPPLY CHAIN ROAD MAP

Today, CBP receives trade data via Manifest and Entry Filings, which is essential for basic risk management and trade facilitation



A significant amount of additional information can be gathered at other phases of supply chain operations, thus enhancing the effectiveness of CBP selectivity and targeting efforts



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## **GREEN LANE REQUIREMENTS**

- ▶ SECURITY ASSURANCE AT POINT OF STUFFING
- ▶ SEAL INTEGRITY AND TRACKING
- ▶ C-TPAT STANDARDS – ENTIRE SUPPLY CHAIN
- ▶ CSI PORT
- ▶ NO COMPLIANCE PROBLEMS



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## **GREEN LANE BENEFITS**

- REDUCED INSPECTIONS
- ACCESS TO FAST BORDER CROSSING PROCEDURES
- SELF-ASSESSMENT PROGRAM FOR AUDITS
- BUSINESS BENEFITS: LESS PILFERAGE, BETTER INVENTORY CONTROL, BRAND INTEGRITY
- ENHANCED COMMUNICATION CHANNELS: DEDICATED WEB SITE
- PRIORITY EXAMINATIONS
- PENALTY MITIGATION
- PRIORITY TREATMENT IN RECOVERING FROM INCIDENT
- PAPERLESS ENTRY
- EXPEDITED RULINGS
- FASTER PORT CLEARANCE



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## WCO FRAMEWORK

- ▶ HIGH LEVEL SECURITY GROUP – JUNE 2004
- ▶ FRAMEWORK OF STANDARDS TO SECURE AND FACILITATE GLOBAL TRADE
- ▶ POLICY COMMITTEE – DEC 2004
- ▶ ROLLOUT EVENTS
- ▶ INPUT FROM TRADE – BRUSSELS, FEB 28
- ▶ HLSG MEETING – APRIL
- ▶ WCO APPROVAL – JUNE



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## 4 PRINCIPLES

- ▶ HARMONIZED INFORMATION REQUIREMENTS
- ▶ CONSISTENT RISK MANAGEMENT PROCEDURES
- ▶ REASONABLE REQUESTS FOR OUTBOUND INSPECTIONS
- ▶ COMMON BENEFITS FOR BUSINESSES MEETING MINIMUM STANDARDS



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