



Asia-Pacific
Economic Cooperation

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A Paradigm Shift

Submitted by: US



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A Paradigm Shift

- Tragic events of 9/11 changed forever the relationship between the public and private sector
- Legacy US Customs Service moved to DHS and renamed to CBP
- Departure from the “gotcha mentality”
- Altering the status quo and ingrained mindsets – new era of cooperation

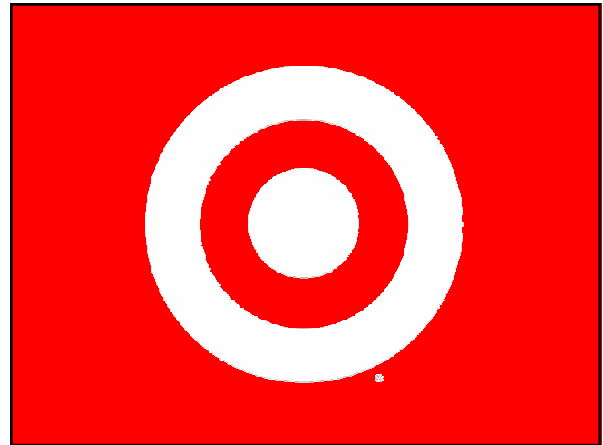
U.S. Customs & Border Protection
U.S. Department of Homeland Security

CBP.gov



New Words in the Customs Vocabulary

- Supply Chain
- Partnership
- Trust



Target Metrics

- Large US retailer
- \$50 billion in sales – 2010 stores in 2010
- 300,000 forty foot containers annually
- 80 countries
- Imports US\$12 billion at first cost
- 260,000 customs entries
- One of the *Magnificent Seven* Charter Members of C-TPAT

Customs-Trade Partnership Against Terrorism (C-TPAT)

- A voluntary program designed to separate the “known” from the “unknown”
- Most successful US private-public partnership ever created
- Participants pledge to use their own assets to protect their supply chain from unlawful incursions



All Supply Chains were not Created Equally

- What is it and how does it work?
- Who are the stakeholders?
- What are the mechanics and touch points?
- One size will not fit all
 - Auto, petroleum, perishable, etc.
- No silver bullet or single solution

Building a C-TPAT Program

- Senior management support
- Be innovative
- Leverage all assets at your disposal
- Cover all aspects of the C-TPAT Program
 - Physical security
 - Personnel security
 - Procedural security
 - Information technology security
 - Training and awareness
- Know your vendors and suppliers
- Risk based – intelligence led



Look at Your Supply Chain End-to-End

- Vulnerability assessment
- Harden it
- Increase velocity (cargo at rest is cargo at risk) and enhance visibility
- Opportunity to reduce costs
- Layered security is a strong force multiplier

Other Considerations

- Business continuity or disaster recovery and contingency planning
- ROI
 - Theft reduction
 - Brand protection
 - Lower insurance premiums
- Post Seizure Analysis (PSA)

C-TPAT Lessons Learned

- If you build it they will come
- Big learning curve
- Training and good communication is vital
- Trust but verify
- Validation or vacation?
- No bright line of distinction between the “haves and have not's”

C-TPAT Lessons Earned

- Conduct a comprehensive analysis of your supply chain and a vulnerability assessment
- Recruit strong internal and external partners
- Data – Gather, score, analyze, report and store
- Build the program in layers
- Training and good communication is vital
- Plan for supply chain disruptions



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