

C-TPAT, a limited membership?
JoC Week
Monday, November 04, 2002
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There are many things that are well-known about the Customs-Trade Partnership Against Terrorism, the program U.S. Customs unveiled shortly after Sept. 11, 2001, to begin the process of securing the international trade system. It's a voluntary program, in which importers and logistics providers agree to take steps within their companies to improve security in exchange for the prospect of fewer border inspections for their goods. It's open not just to importers, but to ocean, air and rail carriers, as well as forwarders, customs brokers and freight consolidators.

What is less known is where Customs intends to take the program now that more than 900 firms have signed letters of intent to join and have begun the process of bringing their operations into compliance. Will it be open indefinitely? How will compliance be measured? Customs in recent weeks has begun to provide answers to those questions.

In a speech at a recent conference of the Organization of Women in International Trade in Dallas, Andrew B. Maner, chief of staff to Customs Commissioner Robert Bonner, said C-TPAT enrollment will not be open-ended in terms of time and the number of firms eligible to join. "C-TPAT is not open to everyone, and it is not open forever," Maner said.

He said Customs ultimately wants to limit C-TPAT enrollment to a group of companies that it can work closely with to ensure the goals of the program are being met. He said Customs hasn't put an upward limit on the number of firms that can enroll, nor has it set a deadline for membership. But at the same time, it won't be open-ended. "We want to take the companies that are in and make that meaningful, rather than taking the next five years and to let everybody in," he said.

That means Customs is turning its attention to ensuring that firms in the program and receiving the benefits are holding up their end of the bargain, he said. "Verification is going to be the next step of C-TPAT," Maner said. "We are going to verify. We don't think you should get benefits if you don't take the program seriously." He said Customs is still gearing up to administer what will be a massive program no matter how many firms ultimately participate. It is identifying the skills and organization that will be needed for security audits, but is not ready to go forward with a full-fledged verification effort. "Before we get into rigorous verification, we want to make sure we have the right skill sets in place. We're not there yet," Maner said.

Many companies understand that C-TPAT needs to be taken seriously. They are writing detailed descriptions of their security processes to be submitted with their applications, and are working their vendors and supply chain partners to ensure the program's requirements are being fulfilled. "This is an ongoing process. It's not just 'let's collect paper.' It's an ongoing review of your supply-chain partners," said Betty Little, import manager for New England Pottery Corp., which imports about 1,200 containers a year.

Some importers have worried that even though C-TPAT is ostensibly a volunteer program, the verification process could end up being similar to Customs audits in which the agency determines if a firm is in compliance with a decidedly non-volunteer program - the law. Rumors of armed agents showing up for C-TPAT visits have given some importers the impression that the program has a law enforcement element, even though Customs has taken steps to reassure importers that that's not the intent.

But it could still be an issue, because the very prospect of armed special agents accompanying C-TPAT verification teams could make some importers leery of participating.

"Some big companies are stepping back and saying, 'I don't know that I want to do this,'" said Adrienne Brau-miller, an attorney with the Dallas firm of Braumiller & Rodriguez LLC. "This could be too heavy-handed, with concerns about possible overreaching into other areas of compliance. If Customs really wants to sell this, it would be very wise for them to remove special agents from (C-TPAT inspection) teams. I'm all for the program, but I'm just concerned about having special agents as part of it."

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