

US Customs and Border Patrol (CBP) Announces Trusted Trader Program Test

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U.S. Customs and Border Protection (“CBP”) [announced](#) today the commencement of its long-anticipated **Trusted Trader Program** test which will run for 18 months in collaboration with the **U.S. Consumer Product Safety Commission** (“CPSC”) and the **U.S. Food and Drug Administration** (“FDA”). In effect, the Trusted Trader Program will combine the current Customs-Trade Partnership Against Terrorism (“C-TPAT”) and Importer Self-Assessment (“ISA”) program with the objective of streamlining the process through which importers can establish that they strive to secure their supply chains and strengthen their internal controls for compliance with the laws and regulations administered or enforced by CBP, including those of other government agencies.

Currently, importing companies can participate in C-TPAT, which focuses on securing supply chains, and ISA, which focuses on strengthening internal controls to comply with Customs laws and regulations in exchange for special benefits. If a company wants to participate in ISA, that company must also be in C-TPAT. By combining the two programs, the Trusted Trader Program will move toward a whole-government approach to supply chain security and trade compliance thereby strengthening government collaboration among different government agencies – CBP, the FDA, and the CPSC. It will also align with the Authorized Economic Operator (“AEO”) programs around the world, which focus on a combined security and compliance model.

Benefits of Participation

To encourage participation in this dual model, CBP is offering the following additional benefits to those currently offered to C-TPAT and ISA members:

- A reduced FDA targeting/examination risk score;
- A penalty offset, upon request, as part of a CBP penalty mitigation decision;
- For Reconciliation program participants, an ability to flag and unflag entries retroactively after the entry summary is filed up until 60 days prior to the date of liquidation;

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- A reduction in Foreign Trade Zone on-site inspections;
 - An exemption from on-site visits from Drawback Specialists, for drawback claimants;
 - A limit of one full desk review per year for drawback claimants;
 - An exemption from random Non-Intrusive Inspections (although the right is reserved to conduct the inspections as appropriate for operational reasons);
 - A quarterly submission of the CAS number, the use, and the description for the chemical compound in advance of the calendar year quarter;
 - A promise from CBP to process Post-Entry Amendments on unliquidated entries within a 90-day timeframe;
 - A choice of exam location when CBP selects an entry for examination;
 - When a single entry contains multiple containers, but only one container is selected for examination, the remaining articles will be released; and
 - Additional incentives for the companies that complete the Product Safety portion of the Trusted Trader application.

Application Process

Importing companies that are interested in participating in the Trusted Trader Program test and meet the eligibility criteria must submit an email; if they are provisionally selected they will be given the Trusted Trader application. CBP will begin accepting emails on Monday June 16, 2014, and plans to begin selecting the initial test participants no later than July 16, 2014. CBP plans to limit the Trusted Trader program test to fewer than 10 participants. Specifically, CBP is looking for test participants to include at least one importer currently participating in C-TPAT, one importer not currently participating in any CBP partnership programs, and one or two participants monitored by CPSC and FDA.

To be eligible to apply for the Trusted Trader Program test, a company must be an active U.S. or Non-Resident Canadian importer with an Importer of Record or CBP-assigned number and at least two years of importing history. The company must also have written policies and procedures pertaining to its import process, a business office staffed in the United States or Canada, and a valid continuous importation bond filed with CBP. A company must also conduct an assessment of its supply chain based on C-TPAT's security criteria for importers, implement and maintain security measures and supply chain security practices meeting C-TPAT's security criteria, have a designated company officer responsible for C-TPAT, and create and provide a C-TPAT security profile. Finally, it must maintain books and records to establish compliance with U.S. Customs laws and regulations.

Through the Trusted Trader Program, CBP will: achieve integrated U.S. government collaborations that will result in enhanced efficiencies leading to a reduction in government-wide resource expenditures; expand information sharing between government agencies; reduce administrative costs by streamlining the application and validation processes; and increase efficiencies in the existing trade programs. Just as CBP has done with C-TPAT, ISA, and the Centers of Excellence and

Expertise, the Trusted Trader program should strengthen security, identify low-risk trade entities, and increase overall efficiency of trade by segmenting risk and processing by account.

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