

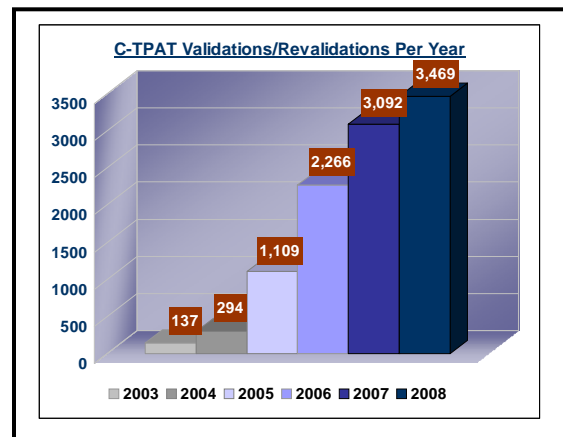


## 2008 - A Year in Review

In 2008, U.S. Customs and Border Protection's Customs Trade Partnership Against Terrorism (C-TPAT) program met key member certification and validation requirements, created a new enrollment sector, conducted the first-ever joint validations in China, signed two additional mutual recognition arrangements, issued a membership benefits guide, made major progress toward meeting Government Accountability Office recommendations to strengthen the program and took part in several security conferences to explain the function of the program and its criteria.

### 2008 Accomplishments:

- ★ Certified 1,448 new members and validated 3,469 supply chains in 2008. Since 2003 C-TPAT has performed over 8,149 total initial validations and over 2,218 revalidations.
- ★ Created a new enrollment sector for Third Party Logistics Providers (3PL) involved in the international movement of cargo and started taking applications as of January 2009.
- ★ Issued [“A Guide to Partner Benefits”](#) illustrating how C-TPAT companies realize lower examination rates compared to non-members as well as providing an explanation of the many additional benefits of C-TPAT membership.



**C-TPAT validated 3,469 supply chains in 2008 which is 377 more validations than conducted in 2007.**

**Since 2003 and as of December 31, 2008, C-TPAT performed 10,367 total initial validations and revalidations.**

- ★ Concluded a pilot to assess the feasibility of having 3rd party entities gather validation information on CBP's behalf to determine compliance with program criteria.
- ★ Added an additional 50 supply chain security specialists (SCSS) at two regional offices in Buffalo and Houston significantly improving visibility into supply chains coming from Canada and Mexico, respectively. C-TPAT now has more than 200 SCSS.
- ★ Conducted 391 actions to ensure adherence to the program's requirements as follows:
  - Suspended 121 members of which 49 were suspended as a result of an incident such as a seizure at a port of entry and 72 were suspended as a result of a C-TPAT validation.

- Removed a total of 118 C-TPAT partners of which 62 were removed because of a serious security incident and 56 were removed as a result of a validation due to issues such as providing false statement or failing to show commitment to the program.
  - Conducted 40 Post Incident Analysis to identify root causes of security breaches and developed corrective action plans.
  - Adjudicated 52 appeals of which 26 were denied; 18 were approved and the partner was re-instated into the program; and eight received shortened suspensions. A member may appeal the decision to suspend or remove due to an incident or if their initial application was deemed “ineligible”.
- ★ Conducted first ever joint validation exercises with the General Administration of Customs of the People’s Republic of China (GAC) resulting in 18 validations of C-TPAT members’ supply chains originating in China.
  - ★ Concluded two Mutual Recognition Arrangements (MRAs), with the Canada Border Services Agency (CBSA) and the Jordanian Customs Service. Laid the foundation for additional MRAs with similar programs in other countries further internationalizing C-TPAT cargo security standards.
  - ★ Participated in 99 conferences and training seminars all over the world to provide information on C-TPAT. The program also conducted its annual three day seminar in New Orleans which was attended by more than 700 representatives of C-TPAT member companies who came together to learn the latest about cargo security matters.

Established in 2001, C-TPAT is a voluntary government-business initiative to build cooperative relationships that strengthen and improve overall international supply chain and U.S. border security. C-TPAT recognizes that U.S. Customs and Border Protection (CBP) can provide the highest level of cargo security only through close cooperation with the ultimate owners of the international supply chain such as importers, carriers, consolidators, licensed customs brokers, and manufacturers. Through this initiative, CBP is asking businesses to ensure the integrity of their security practices and communicate and verify the security guidelines of their business partners within the supply chain.