May 7, 2015
Ms. Tracey Denning
U.S. Customs and Border Protection
Regulations and Rulings, Office of International Trade,
90 K Street NE., 10th Floor,
Washington,
DC 20229–1177.

Re: **Agency Information Collection Activities: C–TPAT and the Trusted Trader Program**
        OMB Number: 1651-0077

Dear Ms. Denning:

We were pleased to see CBP's above-referenced Federal Register Notice of March 9, 2015 regarding proposed new/revised information collection requirements in regards to the Customs-Trade Partnership Against Terrorism (C-TPAT) and Trusted Trader programs. AAEI strongly supports the merging of the C-TPAT and Importer Self-Assessment (ISA) programs into a single holistic partnership program which can more effectively meet the goals of both CBP and the Trade in reducing risk, cost and time associated with border-crossing activity. We also feel deeply that by incorporating other Participating Governmental Agency needs and requirements, this holistic program can be a foundational piece in moving towards the true "Single Window" vision outlined in President Obama's Executive Order—*Streamlining the Export/Import Process for America's Business*—published on February 19, 2014. We interpret the publication of this particular Federal Register Notice as indication that CBP is continuing to move towards these goals, which we support.

I. Introduction

AAEI has been a national voice for the international trade community in the United States since 1921. AAEI represents the entire spectrum of the international trade community across all industry sectors. Our members include manufacturers, importers, exporters, wholesalers, retailers and service providers to the industry, which is comprised of brokers, freight forwarders, trade advisors, insurers, security providers, transportation interests and ports. AAEI promotes fair and open trade policy. We advocate for companies engaged in international trade, supply chain security, export controls, non-tariff barriers, import safety and customs and border protection issues.

AAEI is the premier trade organization representing those immediately engaged in and directly impacted by developments pertaining to international trade. We are recognized as technical experts regarding the day-to-day facilitation of trade. We have commented extensively on regulations promulgated by U.S. Customs and Border Protection regarding export and import compliance practices and procedures.

II. General Comments

Although AAEI supports the stated goal of the March 9, 2015 Federal Register Notice, we do disagree with a number of the estimates stated in the Notice with reference to how long it will take a business to complete the C-TPAT or Trusted Trader applications and to complete the Annual Notification Letter and how many companies will execute these tasks each year. In some cases, it is possible that our disagreement rises from a failure to understand exactly how CBP defines each of these activities. We were uncertain of CBP's intent on the categorization of these activities, particularly between the two applications. We will, therefore, make clear the assumptions we made in presenting our responses. We look forward to further clarification from and communication with CBP about these information collection estimates and the Trusted Trader program in general.

III. Specific Comments

A.   C-TPAT Program Application

Our first confusion in reading the Notice is why the C-TPAT Program Application is defined as a separate task from the Trusted Trader Application. It is our understanding that a business applying for Trusted Trader membership will complete a single application which would incorporate both security and compliance functions/processes. We appreciate, though, that in the beginning, applicants are likely to be companies who are already validated in the C-TPAT program, so our assumption is that the two applications are intended to separate the security from the compliance aspects of the application. Put another way, we assumed that in the estimate for the Trusted Trader application, it was supposed that the company has already done all the work of providing security-related information, and they are basically "copy/pasting" that information from their C-TPAT application.

Based on that assumption, we disagree that an average company will take only 5 hours to prepare their C-TPAT (security) application. As CBP is very aware, a successful supply chain security program requires excellent cross-departmental communication and coordination, because the nature of supply chain security is that it covers many different functional areas and their associated processes. As a result, companies involve many associates (could be dozens of different employees) to pull together and review for completeness/accuracy the information they provide to CBP in the Security Profile. This process involves weeks (sometimes months) of meetings and coordinated document sharing and review to complete. An average company probably spends closer to 100 man-hours across all those employees and partners to prepare their C-TPAT application. Note, this estimate assumes that no omissions were identified and changes needed to be addressed before finalizing the application. Companies may end up spending many hundreds of hours if they had significant controls or processes to improve upon before submitting their application.

We are also unclear as to what the estimate of 2,541 companies per year is intended to reflect. This feels too high to represent how many total NEW applicants CBP receives in the C-TPAT program every year, but too low to represent the companies already validated in the program. It is also too high to reflect the number of companies who are likely to apply for Trusted Trader membership and would be required to complete the C-TPAT portion first.

B.   Trusted Trader Application

As mentioned above, our assumption in assessing the time to be spent on the new Trusted Trader application is that it would involve no real work in collecting/submitting security-related information. To that end, it will be more similar to today's ISA application process. We feel that the 90 minutes estimated by CBP is also significantly under-represented. While responsibility for Trade Compliance processes may not be quite as diversely dispersed throughout a company as security ones are, they definitely extend beyond the small group

of associates who "officially" manage compliance for the organization. Processes in Financial, Warehousing, Manufacturing and Sourcing functions, for example, often directly impact a company's ability to manage trade compliance activities effectively. Therefore, as with the collection of C-TPAT application data, a company is likely to set up internal meetings and other communication processes with multiple associates in order to build their Trusted Trader application. AAEI feels that a more accurate estimate of the time an average company will spend is 50 man-hours.

We are also unclear as to the assumptions CBP has made in estimating 75 companies will submit the Trusted Trader application. It has been our understanding that current C-TPAT and ISA validated companies will be almost automatically "grandfathered" into the Trusted Trader program. If that is so, we anticipate that a higher number of companies than 75 will want to take advantage of that opportunity. If, however, the number is intended to represent non-ISA companies who will want to participate in the new Trusted Trader program, we believe that may, unfortunately, be too high an estimate. Unless CBP is able to offer more in the way of benefits to companies than has been published to date, we do not anticipate that the Trade will increase its participation rate significantly beyond what has been seen in terms of ISA participation. We are hopeful that new and meaningful benefits from CBP and other agencies WILL be offered, and then we feel even more than 75 new companies might be enticed to participate.

C.   Trusted Trader Program Annual Notification Letter

The description of the Annual Notification Letter (ANL) requirement within the Trusted Trader program sounds very similar to the current ISA ANL requirement. Based on that assumption, we feel that the estimated 60 minutes to complete the letter is also significantly under-represented. The information included in the ANL represents data in several different areas of a company's trade compliance team, because it covers both transactional and organizational/overview information. While actually writing the letter may only take about an hour, pulling together the information to represent a year's worth of import activity is likely to involve at least 2-3 people and require closer to 15 man-hours to complete.

Our assessment of CBP's estimates of the number of companies that would be filing the ANL is in line with our comments above regarding the number of Trusted Trader applicants. Depending on what it is intended to represent, it is either too high or too low.

In closing, AAEI would like to reaffirm our support of the Trusted Trader program and further developments that CBP and other agencies can make to build it into a model partnership program. While we feel the time estimates in this Notice are under-represented, it bears stating that we feel that the higher estimates we have suggested are well worth a company investing in if the program can be developed into one that truly offers benefits of lower cost, time and risk resulting from import shipments. We look forward to continued conversations on this topic with CBP and the other PGA's.

III. Conclusion

AAEI appreciates the opportunity to submit our member's concerns for your consideration. We would be happy to meet with you and your staff to discus in further detail.

Sincerely,

Marianne Rowden
President & CEO