



# Validation / Revalidation Preparation

Presented by

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# Presentation Objectives

- C-TPAT Approach
- Validation / Revalidation Statistics
- Safe Port Act Requirements and C-TPAT Program Mandates
- Validation / Revalidation Process Overview
- Validation / Revalidation Preparation and Documentation Checklist
- Validation / Revalidation Agenda
- Validation / Revalidation Site Pre-Planning and Site Visit
- Minimum Security Criteria
- Validation / Revalidation Wrap Up Session
- Validation / Revalidation Report and Response
- Consistency-Efficiency-Accountability
- Summary



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# Validation / Revalidation

The purpose of the validation or the revalidation visit is to ensure that the supply chain security measures contained in the C-TPAT participant's security profile have been implemented and are being followed. In the context of the company's operations and the C-TPAT security recommendations, the validation team will evaluate the status and effectiveness of key security measures in the participants profile and make recommendations where appropriate.



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# Validation / Revalidation

## C-TPAT Approach

- Cooperative Voluntary Partnership - cooperatively developed minimum security criteria.
- Provides for the customized application of guidelines/criteria by membership entities.
- Trust but verify security measures
- Continue to improve the overall security of the international supply chain
- Identify any new and existing gaps & vulnerabilities and make the correct and secure the supply chain
- Ensure the validity of submitted and certified minimum security profile criteria (Initial Validation)
- Re-visit and verify previous action plans and recommendations (Revalidation)



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# C-TPAT Achievements

August 5, 2010

**9,950** - Certified Partners to current date:

**183** - Total C-TPAT staffing level is

**169** - Current staffing level in 7 Field Offices

**14** - Headquarters current staffing level

**15,511** - Total Validations Completed

**9,842** - Initial Validations Completed

**5,669** - Re-Validations Completed

**Number of completed validations by year:**

- 2003 / **135**-Validations    2004 / **287**-Validations    2005 / **1,086**-Validations
- 2006 / **2,234**-Initial Validations / **13**-Revalidations / **2,247**-Total Validations in 2006
- 2007 / **2,520**-Initial Validations / **567**-Revalidations / **3,087**-Total Validations in 2007
- 2008 / **1,845**-Initial Validations / **1,634**-Revalidations / **3,479**-Total Validations in 2008
- 2009 / **1,190**-Initial Validations / **2,247**-Revalidations / **3,437**-Total Validations in 2009
- 2010 / **522**-Initial Validations / **1231**-Revalidations / **1,753**-Total Validations in 2010

**803** - Total Suspensions (392 Highway Carriers)

**684** - Total Removals (307 Highway Carriers)

**Internationalization Efforts:**

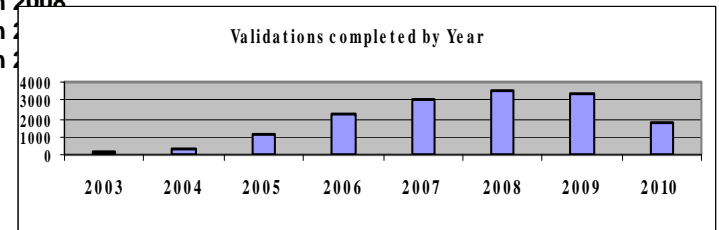
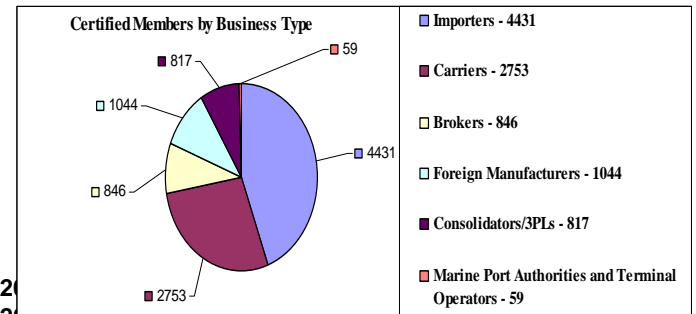
- 5** - Mutual Recognition Arrangements: New Zealand, Canada, Jordan, Japan, Korea
- 1** - Mutual Recognition Projects: European Union
- 8** - Technical Assistance Projects: Malaysia, Mexico, Philippines, Guatemala, China, Colombia, Israel, Peru
- 2** - Capacity Building Training Programs: Ghana, Kenya
- 3** - Rounds of joint validations with the General Administration of China Customs

**Security Criteria Implemented:**

**10** - **Business Entity Types:** Importers, Air Carriers, Highway Carriers, Mexico Long Haul Highway Carriers, Rail Carriers, Sea Carriers, Foreign Manufacturers, Customs Brokers, Port Authorities/Terminal Operators, Third Party Logistics Providers (3PLs).

**Tiered Benefits Structure** – commensurate with security enhancements. Best Practices Catalog.

**314** - Tier 3 Importers



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## Safe Port Act Requirements

The Security and Accountability For Every Port Act (SAFE Port Act,  
October 2006)

### SAFE Port Act C-TPAT Mandates

Initial Validation: must be completed within one year of certification.

Revalidations: 2006 Safe Port Act mandates periodic revalidations of C-TPAT participants not less than once every (4) years following the initial or previous. However, C-TPAT has currently been conducting revalidations every (3) years.

At a minimum: U.S./Canadian Highway carriers are to be revalidated within a three year period from the initial or previous validation.

CBP has the right to revalidate based on cause or incident on a more frequent basis as it deems necessary.



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# Validation / Revalidation Safe Port Act Requirements

Validation reports completed, approved and sent to partner normally within 90 days of validation closeout.

Validation responses are due from partners within 90 days of the report's issuance.



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# Validation / Revalidation Process Overview

- Security Profile Review - C-TPAT Guidelines and Security Criteria
- Conduct Pre-Validation Risk Assessment
- Conduct domestic and/or foreign site visit
- Facility Visits: distribution centers, customers or service providers
- Verify security policies and procedures against MSC
- Jointly identify gaps, vulnerabilities, and weaknesses
- Close-out meeting
- Provide Recommendations
- Specify Actions Required
- Prepare revalidation report - supervisory review/approval
- Revalidation Report sent to partner via Portal
- Partners have 90 days to respond to the report via Portal
- Self Policing /continued relationship with CBP



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# Validation / Revalidation Preparation

- Notification letter is required – at least 30 days in advance of validation or revalidation visit.
- Work with your SCSS to establish a date for the visit.
- Forward information to your SCSS:
  - Facility Name
  - Address
  - Points of Contact
  - Pervious Audits conducted
  - Who will be in attendance
  - Company officer and/or upper level management will be asked to attend the meeting.
- **Ensure that all written procedures and completed checklists are ready for the SCSS to review to verify the established process. Start uploading supporting documentation into the C-TPAT portal under C-TPAT Partner Document Exchange. Written documentation to support security criteria claims is a MUST!**



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# Validation / Revalidation Preparation

Before the validation or revalidation meeting review your company's Supply Chain Security Profile with your management team to determine if anything in the security profile or process has changed since the initial certification or last visit.

**Security Enhancements:** Practices which have been implemented since the initial certification or last validation visit.

**Gaps/Vulnerabilities/Weaknesses Identified:** Identify discrepancies between company policy and actual practices.

- Management should have a documented Action Plan for the visit and include the following:
  - Issues to be addressed prior to visit.
  - The actual validation/revalidation visit.
  - Post visit activities
  - Responsible persons, due dates, action items.



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# Validation / Revalidation Preparation

Forms you may receive from your SCSS prior to  
the validation / revalidation visit:

Documentation Checklist  
Information Requests  
Revalidation Agenda  
Pre-validation Questionnaire



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# Validation / Revalidation Documentation Checklist

- A guide members can use to gather the appropriate written policies, procedures, forms and checklists needed for the revalidation visit.
- It is **STRONGLY** recommended documentation be gathered prior to the meeting and have it be available during the visit.
- Documents pertaining to the following areas will be needed:
  - **Risk Assessments** – copy of company’s supply chain risk assessment
  - **Audits/Testing** – Internal – External/Third party
  - **Business Partner Requirements** – Screening Processes, Assessments and Surveys.
  - **Conveyance, Container & Trailer Security** – Inspection Checklist, Seal Logs
  - **Physical Access Controls** – Access Policies
  - **Personnel Security** – Permanent vs. Seasonal employee screening
  - **Procedural Security** – Compliance with Secure filing requirements
  - **Security Training & Awareness** – Security Training logs, agendas
  - **Information Technology** – Written policies and procedures
  - **Transponders** – SOP for ordering



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# Validation / Revalidation Risk Assessment

The 5 Step Risk Assessment Process includes:

1. **Mapping** Cargo Flow and Identifying Business Partners (directly or indirectly contracted)
2. **Conducting** a Threat Assessment focusing on: Terrorism, Contraband Smuggling, Human Smuggling, Organized Crime, and conditions in a country/region which may foster such threats and rate threat – High, Medium, Low
3. **Conducting** a Vulnerability Assessment in accordance with C-TPAT Minimum Security Criteria and rate vulnerability – High, Medium, Low
4. **Preparing** an Action Plan
5. **Documenting** How Risk Assessments are Conducted



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# Validation / Revalidation Agenda

The validation / revalidation agenda includes:

- Introduction of all meeting participants
- Brief review of the C-TPAT Program by the CBP Validation Team
- Business Review
- Years in operation
- Market areas served
- Products or Services
- Management team
- Certifications/membership in other security programs (e.g., PIP, ISO)



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# Validation / Revalidation Agenda

## Validation Site Visit:

- Review of the Supply Chain Security Profile against company policies and procedures.
- Verify evidence of implementation which includes document reviews and observations.
- Site tour
- Physical verification by the validation team are in place.
- Question and answer session
- Wrap Up
- Plan to use the entire day (eight hours) for the visit.



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# Validation / Revalidation

## Pre-planning

- Have your documents and presentations ready for review prior to the validation date.
- Be ready to present evidence of implementation to support the company's policies and procedures.
- Anticipate and plan for any questions, issues and/or concerns that you believe the validation team will ask.
- Conduct briefing with participants to discuss validation objectives.
- If you are using a PowerPoint presentation it should address the company's security procedures and how you have implemented the Minimum Security Criteria.
- Gather or know where documentation is stored prior to the validation and assemble in a logical manner.
- Ensure the appropriate company personnel are available to answer questions related to their area of responsibility. (i.e., HRM, Corporate Security, Logistics, etc.).



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# Validation / Revalidation Pre-planning

Who should be present and for what?

- Plan on having your entire team present during the opening of the meeting.
- A Senior Management representative should be present during the opening of the meeting as it demonstrates their level of commitment to the C-TPAT program.
- Subject Matter Experts (SME) should be available during the documentation review and



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# Validation / Revalidation Site Visit

Revalidation Site Visit: In general, the validation and the revalidation site visit will be similar.

- Review Security Criteria and company infrastructure.
- Review changes to company policies and procedures.
- Review of evidence corrective actions have been taken from previous validation (if applicable).
- Meet with parties responsible for each component of the minimum security criteria.
- Review processes and procedures, and verify evidence of implementation to determine if there are:
  - Actions Required
  - Recommendations
  - Site tours will be conducted



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# Validation / Revalidation

## (Must & Should)

Evidence of Implementation for each process related to the minimum security criteria will be requested (observe processes/document reviews)

- Business Partner Requirements
- Container Security & Inspection
- Physical Access Controls
- Personnel Security
- Procedural Security
- Physical Security
- Security Training & Threat Awareness
- Information Technology Security
- Transponder Controls



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# Validation / Revalidation Site Visit Wrap Up Session

## Wrap Up Session:

- During this session the validation team will discuss:
  - Best Practices
  - Recommendations
  - Actions Required
- You should not walk away from the Wrap-Up session with unanswered questions. The validation team will take as much time as is necessary to address your concerns.
- Begin working on recommendations and actions required immediately following visit – do not wait for the report.



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# Validation / Revalidation Site Visit Wrap Up Session

- Evidence of implementation should be uploaded into the portal (e.g., policies, procedures, photographs).
- Company may be subject to a revisit to verify Actions Required have been implemented.
- Be timely in your submissions and review them carefully to ensure they are complete and accurate.



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# Validation / Revalidation Report and Response

- The revalidation report from CBP will normally be issued within 90 days after the closeout date of the revalidation.
- Revalidation report will be uploaded into the secure web portal.
- Best Practices will be identified (if any).
- The validation team may include recommendations in their report which should be strongly considered by the partner.
- Actions Required **MUST** be addressed by the partner and supporting documentation uploaded into the portal.
- Findings, actions required, and recommendations in the report should be shared with pertinent parties.
- Validation response **MUST** be completed by the company via the secure web portal within 90 days and must clearly document how the Recommendations / Actions Required will be addressed.



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# Validation / Revalidation

## Continual Efficiency & Accountability

Annual Self Assessment – Expectations:

- Company Management must conduct annual reviews of the company's security profile, conduct security risk assessments and audits the company's supply chain and conduct audits of business partner security practices.

Consistency between company offices and departments.

Management oversight of the company's C-TPAT program.

Continual Security and Threat Awareness Training and continual evaluation of company's training program.

Assimilating the C-TPAT program into the company's overall business model.



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## Continual Efficiency & Accountability

C-TPAT – continued commitment to the program. SCSS's are committed to helping partners reach their C-TPAT minimum security potential as it relates to their current business model.

Partner – Continue to conduct annual self assessments to include verification of supply chain security.

- Self-policing or auditing to ensure compliance.
- Notify SCSS of any important changes to company structure and/or security profile.
- No question is considered irrelevant when it comes to supply chain security.



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# Validation / Revalidation Summary

- Communicate with your SCSS early and often.
- Ensure corrective actions from previous validations have been corrected and addressed and evidence of implementation is available.
- Pre-plan for the visit and ensure all relevant parties are present.
- Prepare staff for the visit and explain the process.
- Ask questions, no question is irrelevant.
- Begin working on corrective actions before the report is issued
- Respond timely to the validation/revalidation report.
- The validation/revalidation visit is a good opportunity for Senior Management and employees to discuss updates to the C-TPAT program, learn more about the program and discuss any new company security processes or ideas.



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