

September 1, 2006

## Customs and Border Protection Issues New C-TPAT Security Criteria for Foreign Manufacturers and Rail Carriers

For all existing C-TPAT members and potential C-TPAT members, Customs and Border Protection (“Customs”) has announced new minimum security requirements. The New Minimum-Security Criteria for Foreign Manufacturers and Rail Carriers for the Customs-Trade Partnership Against Terrorism (“C-TPAT”) became effective August 29.

New foreign manufacturers that are not yet C-TPAT members will need to meet or exceed the new security criteria before they will be “certified” and accepted into the C-TPAT Program. For those that are already C-TPAT members, the deadline to address the following security requirements is November 29, 2006. Criteria addressed should include:

- Container and Trailer Security (seals, container/trailer security, etc.)
- Physical Access Controls (employees, visitors, etc.)
- Physical Security (fencing, lighting, parking, etc.)
- Personnel Security (background checks, employee hiring, etc.)
- Procedural Security (documentation, manifesting procedures, etc.)
- Security Training and Threat Awareness
- Information Technology Security (passwords and accountability)
- Business Partner Requirements

Customs will use validations to determine whether the foreign manufacturers have adopted the new security criteria. If found to be unsatisfactory, benefits can be suspended or the foreign manufacturers may lose their membership in the program.

Under the New Minimum Security Criteria for Rail Carriers, a documented process of security measures must be maintained and implemented. Below are examples of measures that must be covered:

- Business Partner Requirements: documented process of screening all new partners (carrier’s agents, sub-contracted rail carriers, service providers, etc.)
- Additional security for non-C-TPAT partners
- Physical Access Controls: procedures to deter unauthorized personnel and material into secure areas
- Conveyance Tracking and Monitoring Procedures
- Personnel Security: procedure for screening prospective employees and for periodically checking current employees
- Procedural Security/Physical Security: measures to ensure the transportation, handling and storage of cargo is secure and to prevent un-manifested material and unauthorized personnel from contacting conveyance and rail cars
- Security Training and Threat Awareness Training/Information & Technology Security Training for all employees

C-TPAT will allow each company to develop its individual security plan based on the company’s business model.

## We Can Help

If you have any questions regarding these New Minimum Security Criteria, or any other C-TPAT question, please contact one of the Katten Muchin Rosenman LLP Customs and International Trade attorneys or professionals listed below.

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**Additional Note:** As reported in an earlier Client Advisory, the C-TPAT Security Link Portal became operational on June 1, 2006. This Security Link portal is mandatory for all eligible participants. Because of programming problems, the deadline to submit the supply chain security profile data was extended to October 1, 2006. Members who fail to provide their security profiles by October 1, 2006, may lose all program benefits.

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