



# International Warehouse Logistics Association

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Dear IWLA Members:

U.S. Customs and Border Protection (CBP) recently announced that they will allow certain 3PLs to qualify for Customs Trade Partnership Against Terrorism (C-TPAT) certification. This is an important incremental step, but, **it is only a partial step**, and one that leaves a large portion of our membership still unable to qualify. The incremental step enables 3PLs with overseas, waterside port or land border operations to qualify, and yet does not apply to 3PLs who first touch the freight, still under a customs seal, at an inland destination.

While IWLA sees benefit in expansion of this program, the action taken will not address the following two serious defects:

1. Non-standardization with our trading partners in Europe and Canada. Both of these jurisdictions provide for inland 3PLs handling freight under a customs seal to be eligible for C-TPAT certifications.
2. Failure to keep the freight under heightened security until the seal is broken by the licensed receiver, or its agent (the 3PL). Customs is of the impression that security is achieved once the freight reaches the seaside port. The C-TPAT Module for Importers, the IWLA, the Commercial Operations Advisory Committee (COAC), Europe and Canada hold that supply chain security is not achieved until the container seal is broken and the freight unpacked at a secure facility.

IWLA feels so strongly about this issue that, as we did on the Michigan tax issue, we believe we should secure a white paper, produced by recognized international supply chain security experts. This white paper will enable us to go to Customs and Congress with the intellectual heft to advance our position. And, our position, subject to the findings of the research, will be that security over-rides the position of Customs. Customs current position is that adding inland port 3PLs will strain their resources, however, with almost all of the initial validations completed, and the C-TPAT re-validations commencing, and with C-TPAT supply chain specialists at their full employment, this argument is not strong enough against the threat created by not harmonizing the importer's requirements with the 3PLs requirements.

Our time line is very short. If we are to advance this position before the effective date of the January 1 regulations, we need to act now. This issue was discussed during our October IWLA Government Affairs (GA) Steering Committee conference call. We are currently preparing to present the matter to our membership for action, in part through a series of GA regional meetings in early December 2008.

Sincerely,

Joel D. Anderson  
President & CEO