



**Abridged External Partner Version of the U.S.-  
EU Joint Customs Cooperation Committee  
Roadmap Towards Mutual Recognition  
of Trade Partnership Programs**

**January 2009**

## **INTRODUCTION:**

The United States (U.S.) and the European Union (EU) are the two largest trading blocks in the world. As such, Customs and Border Protection (CBP) has collaborated extensively with the EU to facilitate this trade and enhance security cooperation. In 1997, under the U.S.-EU Customs Mutual Assistance Agreement (CMAA), the U.S.-EU Joint Customs Cooperation Committee (JCCC) was established. The JCCC is co-chaired by the Commissioner of CBP and the Director General of the Taxation and Customs Union Directorate (TAXUD) of the European Commission.

On April 22, 2004, the former Irish Finance Minister, Charlie McCreevy, on behalf of the EU's Council of Ministers, and the former Secretary of the Department of Homeland Security, Tom Ridge, signed an agreement to intensify and broaden the 1997 CMAA in Customs matters between the U.S. and the European Community (EC). Following this historic signing, two expert working groups were established under the direction of the JCCC: one to focus on joint efforts in security standards and the other to focus on customs-trade partnerships.

In November 2004, CBP and TAXUD agreed to a set of action items in the areas of cargo security and industry partnership, which were made into a working agenda for the JCCC. The action items were established to further develop minimum standards for risk-management techniques and controls and the improvement of public - private partnerships to secure the supply chains of transatlantic trade. Furthermore, to the extent practicable, achieving reciprocal standards and systems for securing and facilitating legitimate trade on both sides of the Atlantic.

In 2006, in support of the World Customs Organization's SAFE Framework of Standards, the U.S. and EU agreed to assess the feasibility of establishing "mutual recognition" of respective security trade partnership programs – CBP's Customs-Trade Partnership Against Terrorism (C-TPAT) and the EU's security Authorized Economic Operator (AEO). This work would be carried out under the JCCC work plan. Mutual Recognition allows the companies of one supply chain security program to receive benefits identical or comparable to those conferred to companies participating in another supply chain security program.

In 2007, the U.S. and the EU adopted a Framework for advancing transatlantic economic integration and began efforts to implement Mutual Recognition. The initial steps consisted of completing an in-depth comparison of both the U.S. and EU AEO programs as well as conducting a pilot program in which CBP observed security components of the EU's AEO audit process. Based on the conclusions drawn from these U.S.-EU efforts, a Roadmap towards Mutual Recognition was drafted and endorsed setting key performance-based stages required to reach Mutual Recognition.

CBP and TAXUD will continue their efforts to achieve the Mutual Recognition of their respective programs in 2009 by concentrating on addressing the Roadmap tasks outlined as follows.

## OPERATIONAL/TECHNICAL

Action Description	Lead	Status	Accomplishments
Agree upon proper data elements to be exchanged in order to enable mutual recognition of C-TPAT or AEO status	Joint effort	In progress	
Determine the appropriate guidelines/parameters for exchanging information on C-TPAT/AEO members as well as the exchange of status	Joint effort	In progress	TAXUD IT and Policy experts visited the U.S. to hold a joint discussion on respective IT systems to provide basic understanding, which will allow for development of further IT support. Implementation of the first phase of the EU's AEO IT project has been completed.
Establish an expert-level working group to develop an information technology (IT) platform to conduct information exchanges as well as identify various IT needs to enable a fully automated data exchange	Joint effort	In progress	CBP and TAXUD regularly update one another on developments in their respective programs via the Joint Customs Cooperation Committee.
Update one another on legal and policy developments, respectively, which might affect the work towards Mutual Recognition	Joint effort	Ongoing	EU Member State Customs representatives participated in the annual C-TPAT Conference held in February 2008 and will be invited to participate in the April 2009 C-TPAT Conference. The EU shared the AEO training module developed for Member States and Industry.
Exchange training modules and participate in one another's training programs, workshops and/or conferences as a mechanism to exchange best practices	Joint effort	Ongoing	During the pilot project, CBP experts participated in AEO audits conducted within various Member States, which concluded with a Customs-Customs discussion and exchange of best practices. EU officers are occasionally invited to participate in C-TPAT validation visits taking

				place within the EU by participating companies.
Join together subject matter experts from CBP and the EU's 27 Member States to participate in a "Sharing of Best Practices Seminar"	Joint effort	Pending	Target date:	
Provide business with information on Mutual Recognition developments and Roadmap activities, including identification of benefits for Mutual Recognition participants	Joint effort	Ongoing		
Gather feedback from the business community and incorporate within the Roadmap as appropriate	Joint effort	In progress		
Organize a joint conference involving high-level U.S. and EU government representatives and trade representatives in order to promote the benefits of Mutual Recognition	Joint effort	In progress		

## LEGAL

Action Description	Lead	Status	Accomplishments
Develop an export component within the C-TPAT application, certification and validation processes in order to address the export related security requirements for C-TPAT exporters consigning goods to the European Union	Customs and Border Protection	In progress	CBP is working with various U.S. Government entities to conduct a review of U.S. export processes.
Continue information exchange in existing forums and/or via the established information channels with the objectives to avoid delays that may arise as a result of various policy developments	Joint effort	Ongoing	CBP and TAXUD utilize the Steering Group, the JCCC as well as frequent electronic and telephonic correspondence to exchange information on policy developments.
The U.S. and EU will explore options and come to agreement upon the legal framework necessary to implement Mutual Recognition. Once concurrence is reached on the legal framework, the U.S. and EU will draft a document to support the effort, which will be endorsed and signed by both parties	Joint effort under the JCCC	In progress	CBP and the EU have engaged in legal consultations regarding the proper framework for implementation of Mutual Recognition
Draft proper document, supporting the implementation of	Joint effort	Pending	

Mutual Recognition to be endorsed and signed by the U.S. and EU	under the JCCC		
Establish a legal basis by which C-TPAT, despite previous proprietary arrangements, may share member information with the EU under the auspices of Mutual Recognition	Customs and Border Protection	In progress	C-TPAT members interested in participating in Mutual Recognition may "opt-in" to disclose information for purposes of Mutual Recognition

<b>EVALUATION</b>			
<b>Action Description</b>	<b>Lead</b>	<b>Status</b>	<b>Accomplishments</b>
Possible participation in joint verification exercises prior to implementation of Mutual Recognition.	Joint effort	Pending	
Evaluate the benefits received by AEO/C-TPAT members under Mutual Recognition post implementation including reduced cross border customs controls	Joint effort	Pending	