



DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Asset-Based and Non-Asset-Based Third Party Logistics Customs Trade Partnership Against Terrorism (CTPAT) Program Pilot

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: General notice.

SUMMARY: This notice announces that the Department of Homeland Security, acting through the Commissioner of the U.S. Customs and Border Protection (CBP), plans to conduct a pilot for Asset-Based and Non-Asset-Based Third Party Logistics Providers to participate in the Customs Trade Partnership Against Terrorism (CTPAT) Program to determine whether allowing such entities to participate in CTPAT would enhance port security, combat terrorism, prevent supply chain security breaches, or otherwise meet the goals of CTPAT as provided for by Congress. This notice describes the purpose of the pilot, eligible participants, duration of the pilot, and pilot procedures.

DATES: The pilot will begin no earlier than December 1, 2025, and will run for no more than five years. Any extension of this pilot will be announced by a notice published in the *Federal Register*.

ADDRESSES: Applicants who wish to participate in the CTPAT Pilot Program must send an email to OFO-INDUSTRYPARTNERSHIP@CBP.DHS.GOV, and indicate if they wish to participate as a non-asset-based third party logistics provider (3PL) or an asset-based 3PL. In the subject line of the email, please use “CTPAT 3PL Pilot Program Interest.” Written comments concerning program, policy, and technical issues may also be submitted via email to OFO-INDUSTRYPARTNERSHIP@CBP.DHS.GOV. In the subject line of the email, please use “Comment on CTPAT Pilot Program”.

FOR FURTHER INFORMATION CONTACT: Peter Touhy, CTPAT-Miami, Office of Field Operations, U.S. Customs and Border Protection, via email at Peter.C.Touhy@cbp.dhs.gov.

SUPPLEMENTARY INFORMATION:

Background

In 2006, the Security and Accountability For Every (SAFE) Port Act authorized the Secretary of the Department of Homeland Security, acting through the Commissioner of the U.S. Customs and Border Protection (CBP), to establish a voluntary government-private sector program to be known as the “Customs Trade Partnership Against Terrorism” or “CTPAT.” The goal of CTPAT is to strengthen and improve the overall security of the international supply chain and United States border security, and to facilitate the movement of secure cargo through the international supply chain. Specifically, CTPAT establishes a customs clearance process for eligible entities¹ that voluntarily meet or exceed enhanced security screening requirements.² Entities certified as CTPAT participants may be eligible for benefits such as reduced risk scores assigned in the Automated Targeting System (ATS), reduced examinations of cargo, priority searches of cargo, and expedited release of cargo. *See* 6 U.S.C. 964-966. By ensuring that participants meet minimum security standards, CTPAT helps CBP improve trade facilitation and enhances the security of incoming cargo and processing of cargo through ports of entry, which also benefits CTPAT members. These members submit to enhanced security screening measures improving security throughout the supply chain. *See* S. Rep. No. 118-27 at 2 (2023).

¹ Eligible entities include importers, customs brokers, forwarders, air, sea, land carriers, contract logistics providers, and other entities in the international supply chain and intermodal transportation system. *See* 6 U.S.C. 962.

² *See* 6 U.S.C. 962. *See also* *CTPAT Minimum Security Criteria*, U.S. Customs and Border Protection (Oct. 5, 2022), <https://www.cbp.gov/border-security/ports-entry/cargo-security/ctpat-customs-trade-partnership-against-terrorism/apply/security-criteria>.

In 2008, CBP expanded CTPAT membership to include third party logistics providers (3PLs) that meet the eligibility requirements and minimum security criteria set forth by the Program.³ 3PLs are firms that provide outsourced or “third party” logistics services to companies for part, or sometimes all, of their supply chain management function. There are two types of 3PLs: asset-based and non-asset-based. Asset-based 3PLs own or lease warehousing facilities, vehicles, aircraft, or any other transportation assets using their own resources. Non-asset-based 3PLs do not own assets but instead partner with a network of other carriers and providers to arrange and manage a client’s supply chain needs. CBP has permitted some non-asset-based 3PLs to participate in the CTPAT Program, including indirect air carriers, non-vessel operating common carriers (NVOCCs) and customs brokers. However, their participation was limited.

On October 1, 2024, Congress passed the “Customs Trade Partnership Against Terrorism Pilot Program Act of 2023” or the “CTPAT Pilot Program Act of 2023” (Pub. L. 118-98, 138 Stat. 1575) to address the exclusion of certain types of 3PLs from participation in CTPAT. Congress recognized that non-asset-based 3PLs and asset-based 3PLs play a role in the safety of the international supply chain and national security. Specifically, the CTPAT Pilot Program Act of 2023 directs DHS to establish a pilot to assess whether allowing both non-asset-based 3PLs and asset-based 3PLs to participate in CTPAT would enhance port security, assist in combatting terrorism, prevent supply chain security breaches, or otherwise meet the goals of CTPAT. Sec. 3, Pub. L. 118-98, 138 Stat. 1575.

Pilot Program for Participation of 3PLs in CTPAT

Authority

³ See U.S. Customs and Border Protection, *Customs-Trade Partnership Against Terrorism (CTPAT) Minimum Security Criteria: Third Party Logistics Providers (3PL)* (Jan. 2009), www.cbp.gov/sites/default/files/documents/3pl_security_criteria_3.pdf.

The pilot described in this notice is authorized pursuant to Section 3 of the CTPAT Pilot Program Act of 2023, which directs the Secretary of Homeland Security to carry out a pilot where non-asset-based 3PLs and asset-based 3PLs that meet the criteria outlined in the statute are allowed to participate in CTPAT.

Purpose of the Pilot

In 2001, the federal government engaged the trade community to improve supply chain security to protect the United States from acts of terrorism. One resulting development was the creation of CTPAT. CTPAT is a partnership between the federal government and the private sector that seeks to improve security throughout the supply chain, from point of origin to point of destination. The Program created a customs clearance process for eligible entities that voluntarily meet or exceed enhanced security screening requirements. When an entity is certified as a CTPAT participant, it agrees to work with CBP to protect the supply chain, identify security gaps, and implement specific security measures and best practices. Applicants must address a broad range of security topics and present security profiles that list action plans to align security procedures throughout the supply chain. As a result, CTPAT members are considered to be of low risk, and therefore are less likely to be examined at a U.S. port of entry, helping CBP improve overall trade facilitation and focus resources on cargo that presents unknown risk. The purpose of this pilot is to assess whether expanding current membership of 3PLs to participate in CTPAT would enhance port security, assist in combatting terrorism, prevent supply chain security breaches, or otherwise meet the goals of CTPAT.

Eligibility for Participation

Participation in the pilot is voluntary. CTPAT is open to members of the trade community who can demonstrate excellence in supply chain security practices and who have had no significant security related events. Entities interested in participating in the

pilot must meet the eligibility criteria outlined in this notice as well as the Minimum Security Criteria (MSC) for 3PLs. Each applicant to the CTPAT Program is considered on an individual basis, and CBP may determine an applicant to be ineligible for participation in the pilot if issues of concern exist.

All participating entities must comply with the eligibility requirements of the CTPAT Program including:

- Be directly or indirectly involved in the handling and management of international cargo. Entities which only provide domestic services and do not handle or manage international cargo are not eligible.
- Does not allow subcontracting of service beyond a second party other than to other CTPAT members (does not allow the practice of “double brokering,” that is, the 3PL may contract with a service provider, but may not allow that contractor to further subcontract the actual provision of this service).
- Be licensed and/or bonded by the Federal Maritime Commission, Transportation Security Administration, CBP, or the U.S. Department of Transportation.
- Maintain no evidence of financial debt to CBP for which the responsible party has exhausted all administrative and judicial remedies for relief, a final judgment or administrative disposition has been rendered, and the final bill or debt shall not remain unpaid at the time of the initial application or annual renewal.
- Maintain a staffed office in the United States, Canada, or Mexico.

In addition to meeting the general existing eligibility criteria of CTPAT, all pilot participants must be a 3PL and meet the eligibility requirements for their entity type. The pilot will consist of ten entities of each of the two types of providers described below:

- Asset-based 3PLs that facilitate cross border activity and manage and execute logistical functions for clients, using their own personnel, with owned or leased transportation, consolidation or warehousing assets and resources.
- Non-asset-based 3PLs that arrange international transportation of freight and manage and execute these particular logistics functions using other carriers with owned or leased transportation, consolidation or warehousing assets and resources, or contracting any or all of these services, on behalf of the client company.

Application Process and Acceptance

All interested applicants must send an email to OFO-INDUSTRYPARTNERSHIP@CBP.DHS.GOV to indicate their intent to participate in the pilot, as either a non-asset-based 3PL or asset-based 3PL in the pilot. In the subject line of the email, please use “CTPAT 3PL Pilot Program Interest.” Pilot participants will be selected on a first come, first-served basis. Approved applicants will be notified via email and directed to complete the online application in the CTPAT portal, as outlined below. Applicants who are not selected for participation at this time may be eligible to participate at a later date, and will be notified in the order in which the original interest emails were received.

Once approved, applicants must complete an online application to participate in the pilot, via the CTPAT Portal (<https://www.cbp.gov/border-security/ports-entry/cargo-security/c-tpat-customs-trade-partnership-against-terrorism/apply>), applying as a Third Party Logistics Provider. There are two components to the application process: the Company Profile and the Security Profile. The company profile section of the application will ask for general company information such as addresses and contact information. Applicants must indicate in the first line of the “Brief Company History” section that they are “Applying as a non-asset-based 3PL to the 3PL CTPAT Pilot” or

“Applying as an asset-based 3PL to the 3PL CTPAT Pilot,” depending on the type of operation.

The Security Profile section contains questions of a more detailed nature that the Supply Chain Security Specialist (SCSS) responsible for reviewing applications will use to determine the company’s ability to meet CTPAT MSC. All approved applicants are required to complete the Security Profile addressing the company’s security procedures to meet the MSC of a 3PL.⁴ When completing the Security Profile, not all sections of the MSC may directly apply to non-asset-based 3PLs. Non-asset-based 3PLs are encouraged to consider the criteria in relation to their business partners, and “N/A” will not be an accepted response. All applicants must show how they meet the criteria by educating and addressing the criteria with their business partners such that the business partners understand the criteria required.

Upon completion of both the Company Profile and the Security Profile in the CTPAT portal, each applicant will be assigned a SCSS to review the applicant’s submitted materials. The SCSS will determine if the applicant meets the pilot’s eligibility requirements and the MSC for a 3PL. The SCSS will communicate with the applicant if any deficiencies are discovered and will work with the applicant to resolve identified issues or will notify the applicant if it is not eligible to participate in the pilot. If the application is approved, the applicant will be notified through the CTPAT portal and the company’s status will change from Applicant to Certified, and the company will start receiving CTPAT benefits.

Certified CTPAT pilot participants will be contacted by their assigned SCSS within one year of certification to set up a validation to observe the security practices at the participant’s location(s) of operation. The validation will consist of an on-site visit

⁴ See *Third Party Logistics Providers (3PL)*, U.S. Customs and Border Protection (Mar. 6, 2024), <https://www.cbp.gov/border-security/ports-entry/cargo-security/ctpat/security-guidelines/third-party-logistics-providers>.

for the assigned SCSS to verify the information submitted for the Security Profile to determine if the applicant meets the MSC for 3PLs and is eligible to become a validated partner.⁵ Certified partners who become validated will continue to participate in the pilot and receive the benefits afforded to 3PLs in the CTPAT Program.

Evaluation

After concluding the validations of all pilot participants, CBP will evaluate the process under the pilot to see what worked, what did not, and where CBP can improve.

Duration of Pilot

This pilot will begin no earlier than December 1, 2025, and will run for no more than five years. Any extensions of this pilot will be announced by a notice published in the *Federal Register*.

Privacy

CTPAT information for businesses and individuals is protected under the Privacy Act of 1974 and will not be improperly collected, used, or disseminated. CBP will ensure that all Privacy Act requirements and applicable DHS privacy policies are adhered to during this pilot. DHS's Fair Information Practice Principles (FIPPs) account for the nature and purpose of the information being collected in relation to DHS's mission to preserve, protect and secure the United States. The Privacy Impact Assessment (PIA) addresses issues in any data collection such as the security, integrity, sharing of data, use limitation, and transparency.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), an agency may not conduct, and a person is not required to respond to, a collection of

⁵ See *CTPAT Validation Process*, U.S. Customs and Border Protection (Jul. 1, 2020), <https://www.cbp.gov/border-security/ports-entry/cargo-security/c-tpat-customs-trade-partnership-against-terrorism/apply/validation>.

information unless the collection of information displays a valid control number assigned by the Office of Management and Budget (OMB). This information collection is covered by OMB control number 1651-0077. This information collection has been updated to include information collected by CBP pursuant to this notice.

Kristi Noem,
Secretary,
U.S. Department of Homeland Security.

[FR Doc. 2025-20648 Filed: 11/20/2025 8:45 am; Publication Date: 11/21/2025]