



TRADE FACILITATION COMMITTEE NEWS

A compendium of discussion at the monthly meeting by the Trade Facilitation Committee Of the MARINE EXCHANGE of the San Francisco Bay Region – John A. Leitner, Chair
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The FAA's latest Security Ruling will be applicable for all air carriers operating into the United States. It requires additional data to be submitted, including the House Air Waybill number (when applicable), the Shipper name, Contact person, Address, and Telephone number.

U.S. Customs still have inspectors working on security at SFO. The Port currently has 69 vacancies, 40 are inspectors. 5 or 6 more will be eligible to retire in January 2002. During discussion, it was noted that the high cost of living here remains a major factor for business, including Customs. While many businesses centralize hiring and training this adds difficulties when being assigned to a location after the process. It was suggested that Customs might consider recruiting from the local market force for the area.

Operationally, the focus remains on anti-terrorism. The role of the new Homeland Security is still being defined. Customs had a preview of a new mobile cargo inspection vehicle that uses gamma rays to view the contents of a container, truck or rail car in as little as 3 minutes. It can be driven from pier to pier or even to another port as needed. At a cost of over one million dollars each Customs are only able to order 10 or 11. It appears one could be stationed here, which would be especially

valuable since San Francisco will be the international gateway for the Winter Olympics in Salt Lake City, which reports to this Port. Security will be increased two weeks prior and one week after the games.

Traffic has increased in both air and sea cargo but passenger is still at 65% of normal. A form has been circulated to the carriers and agents regarding the Marine Desk. Boland CES will close.

U.S. Coast Guard stated they are coordinating with Customs and other agencies regarding the inspection of containers. The CHP has started inspections at the dock and at weigh stations for export containers. There is an effort to achieve a consistent level of security from port to port. It is difficult to establish a reasonable level of security when dealing with 70 million containers. An ancillary benefit to reducing terrorism is that theft issues are also minimized.

Incoming vessels are now required to submit pre-arrival data 96 hours in advance of port arrival versus 24 hours before. A National Vessel Movement Center (NVMC) has been established to handle the 400+ arrivals daily. The Marine Exchange is working with the USCG to assist with this and to function as a central point to disseminate information to all the different parties that need to know about the constant changes. In response to the terrorist threat

the local Coast Guard started the pilot program of boarding vessels 12 miles off shore to deter further acts of aggression. It was dubbed the Sea Marshall program using active duty staff and reservists. This is being reviewed elsewhere since it does not delay the vessel and facilitates both safety and security.

Numerous regulations had been overlooked for a long time but are now being scrutinized. Business practices that developed as result of lax enforcement need now to be more diligent and compliant. There is an outcry about how fast and drastic some of the new rules appear. *Apparently they have already forgotten the cost to over 5,000 last month. It is time we wake up and do what is needed and not just convenient.*

Carriers have increased terminal security. The number of guards increased along with verification of identification and restriction of access to a vessel. Carriers are required to submit a security plan with the Port and agencies. The Hollis Rand Port Security Bill would dramatically change cargo procedures.

Attending: Alan Steinbrugge, & Bruce McBride, Marine Exchange
Capt. Larry Hereth, CO MSO SF, U.S. Coast Guard; Francean Rible, U.S. Customs Service; Paul Riley, Maersk Sealand; Fred Hosking, Hoyt Shepston; Ted Rausch, Ted L Rausch Co;
Chaired by John Leitner, Byrnes.