



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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U.S. Customs provided an update to a request by ship's agents at a previous meeting regarding the location of the Marine Office. Customs prepared and mailed 18 questionnaires asking where agents wanted service. Only six responses were received; three requested no change while three wanted a move. Agents asked if the Customs documents could be submitted by fax, which they can with the SED submitted online through AES. The Marine Office now staffs the East Bay station on Saturdays from 0800 to Noon and 1230 to 1630 with no appointments required. The Marine Office reports that historically many appointments are made but not kept and urges those making appointments to show up.

Since 9/11 Customs is inspecting more and different air and sea cargo. October and November's import figures are higher than the same periods last year. However, international air passenger figures are at 65% of last year. Alitalia canceled their SFO service to Milan and American canceled their San Jose service to Taipei & Paris.

Commissioner Bonner has asked for 100% advance notice of air passenger information. At SFO 80% of the carriers give this information in advance. If carriers do not comply with the submission of this information in advance their passengers will experience considerable delay in Customs

processing. It is the Customs goal to process 95% of the passengers on compliant airlines within five minutes from the time they get their baggage and exit the facility.

There are currently 70 vacancies in the port office, of which 45 are inspectors. Five employees have gone into active military service and two became sky marshals.

Homeland Security suggested the possibility of combining the Coast Guard, Border Patrol and Customs. Of historical note is that prior to 1789, the Coast Guard and Customs were part of the same agency.

Customs will be soliciting for a new CES and CET. This could be one or two facilities. It will be for a 3.5 year period to set all CES contracts with the same expiration date. The community will be provided an opportunity for input on the candidates.

Carriers reported they expect additional consolidation next year in both air and ocean. There are fewer flights with fuller planes. In spite of chronic over-capacity new ships continue to be built. The peak season surcharges were not fully implemented this year. There are many differentials between the west coast ports other than size. The Bay Area still suffers from inadequate rail service; local CFS service has priced itself out of the market. The guards in Seattle are union laborers resulting in higher costs. The ILWU is opposed to the

ID card requirement at the terminals. The Coast Guard and Customs will require the carriers to further increase security.

Banking announced that new e-UCP rules are being codified to facilitate the process for electronic documentation. There is a decline in the number of banks that are capable or willing to process Letters of Credit. The electronic age is allowing banks to ride out the wave of change in the way business is conducted. However, as automation replaces personal contact it requires the bank to review the documentation that much closer. Fewer of the people preparing documentation know the requirements under the UCP, and some shippers and consignees still try to use the L/C for purposes other than intended.

CBFANC reported that they would be sending out ballots to their members for election of new directors. The results will be announced at their annual meeting in December, which is also their holiday party.

Attending: Alan Steinbrugge, & Bruce McBride, Marine Exchange; Alice Rigdon, US Customs Service Paul Riley, Maersk Sealand; Louis Andrade; Charles Coleman, Haight Gardner Holland & Knight; Ted Rausch, Ted L Rausch Co; Ben Hernandez, CBFANC; Chaired by Fred Hosking, Hoyt Shepston.