

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. For further information or comments, call 415-441-6600, fax 415-441-3080 or visit www.sfmex.org.

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CHAIR - The chair asked members about two future meeting dates in question. It was decided that the May meeting would be held on the 21st and the December meeting on Wednesday the 18th. Dates have been confirmed with the Club.

CUSTOMS - The Commissioner has proposed a plan that focuses on the idea that “security starts when the shipment starts”. The supplier or manufacturer would be required to take a more active role in security. Starting January 1st the advanced passenger notification policy went into effect. Additional requirements are being drafted for cargo, including more complete manifest data and description of cargo. Generic terms, such as consolidation or FAK, will no longer be acceptable. Bad descriptions may result in fines. The Commissioner was quoted in the press as saying that the top ten ports account for 50% of all container shipments. Other countries need to be involved in the cargo security issue. There are ongoing discussions with Canada so that our two countries can jointly approach cargo security and trade facilitation. AAEI has increased viability and voice for the importers and exporters. It was observed that there does not appear to be as strong a voice for the transportation and financial industries. The security issue will drive the development of new programs faster than previously experienced. Now is the time for all industry sectors to get involved and be heard.

March 4th has been set for Alice Rigdon’s Retirement party at the San Francisco World Trade Club, 4:30 to 7:30PM. Alice’s active participation in this committee has been appreciated.

TRANSPORTATION - Senator Hollings Bill (SB1214) is now in the House of Representatives. There is little opposition expected. Carriers believe that an automated supply chain will result in greater security. All parties to the trade transaction must participate in the design of a security or Customs automation system for it to work well. Get to know one of the TSN participants. The carriers are participating. ISO data elements are easily codeable. Traceability will be one of the key required elements. Customs and security interests want to identify where data and cargo comes from and who has had access to it en route to destination. They want to know who and where any changes were made. The banks and other financial institutions need to become more involved. One of the main obstacles has been the availability of shipment data that should be confidential. The issue of security could be the key to putting a lock on this data. There are countless reasons why various parties have objection to giving data. AES has solved some of that by the shipper or forwarder providing the government all of the required data, while giving the carrier less. Perhaps something similar could be considered for import. The fastest way to implement a program would be to get China, Japan, Britain, Canada, Australia, APEC and the US to agree on it. The fact that the US is the largest single market makes it a dominant player in how business is done. When the US requires

something it often becomes easier for a carrier, shipper, importer, bank or intermediary to adopt that as a defacto standard and apply it on a global basis. This needs to be recognized but designed with the other countries input to make it truly workable.

COAST GUARD - It was noted that terminal operators, first in California and then most likely nationwide, will be required to draw up security manuals that meet Coast Guard standards for both water and land-side security.

CBFANC - The annual State of the Port address by our Port Director brought a standing ovation even though it was not all positive news. Again the number of ocean imports has declined.

Attending: Alan Steinbrugge & Bruce McBride, Marine Exchange Alice Rigdon & Francean Rible, US Customs; Jeanne Burns, CBFANC; Fred Hosking, Hoyt Shepston; Ron Wolfe, OOCL; Carroll Neville, Maersk Sealand; Chaired by John Leitner, Byrnes.
