

TFC meeting 26 February, 2002
World Trade Club

Attending:

Paul Andrews
Alice Rigdon
John Leitner
Lynn Korwatch
Francean Rible
Glenn Colville
Alan Steinbrugge
Jeanne Burns
Ted Rausch
John Pressler
Bruce McBride

Leitner

Louis Andrade has suggested an IFSA link with the Marine Exchange which is symbiotic, as IFSA has a help desk for bankers and the TFC has full access to the Marine Exchange web site. So again the TFC has reached out beyond the Bay Area.

This is to be Alice Rigdon's last meeting, as she is retiring next week. We will be sorry to see her go; she has always been informative and willing to get answers to questions posed by committee members.

Gifts presented to Alice were a silver framed clock inscribed with the Marine Exchange Logo and a Silver Customs Coin commemorating the Nation's bicentennial. Monday evening will be Alice's Farewell Reception at the WTC. Tuesday will be her last day at work.

Any chance a photo of Alice could be put in the newsletter?

Thank You to Alice for all of her great work.

Rigdon

Parting Words

It's been great talking with everyone. San Francisco is the best place to wind up. You can contact me at alicerigdon@yahoo.com

After traveling in France, Alice will be building a home in Virginia.

Customs

Rigdon

The Custom's commissioner went to a conference in Charleston to discuss port security. He is considering pre-departure security in two ports in Europe.

In June there will be a brokers trade meeting.

There is an excellent article in the Journal of Commerce on brokers and licensing (when you need one.)

There will be a northern broker's conference in Cancun, Mexico.

(?)Change in brokerage of express facilities effective March 1st.(?)

Textiles continues to be the primary topic of discussion.

Update hand book on Visa quotas

The commissioner is going to change regulations on manifest's, which will profoundly effect NVOCC's. This will require that they get it in the supply chain early.

Nine-eleven has irrevocably changed everything, but still the government responds slowly.

The commissioner has told passenger air lines that they need to have manifests.

From now on, any time customs officials see "FAK" they'll take notice.

The Port of San Francisco will receive an inspection vehicle which uses gamma rays to verify the contents of a container.

Presently there are 78 places "where people used to sit."

Be sure to see the JOC article which advocates security cards for all seaports across the board.

The Port of San Francisco is fortunate in that that the air port already has a finger print reader. This is a machine that reads fingerprints and allows the FBI to respond in 5 minutes. The main issue will be with longshoremen. The Unions are already talking about unfair labor practices.

The Hollings bill is not done yet. But everyone recognizes the need to mandate port security measures. The Port of

Oakland has no Port Police Department.

So the focus of regulation in the near future will encompass both manifests and security cards.

Presently, it requires a minimum of four people to check a truck, and this at a rate of 15 containers per hour.

Much more seaport security is coming and we're not going to like it.

The Port of San Francisco is considered a low risk area both politically and geographically.

Leitner

Port and Maritime Security Acts (SB 1214) will mandate manifest before the cargo leaves a foreign port. Nine-eleven created a void that can be characterized as "a lack of being able to do business."

Steve Flynn of Foreign Relations indicated that "we (the maritime industry) must solve the problem now because as soon as a terrorist uses a ship for destructive purposes then it will significantly hinder trade."

It is by no means certain that we traders will survive the cost of trade security.

Rigdon

It is absolutely necessary that the industry step forward, in a proactive fashion and provide security before an incident occurs. By acting beforehand we can help determine our needs, this as opposed to being told what to do with no opportunity for input.

Leitner

Sometimes a commodity gets described several ways to take advantage of carriers tariffs. Perhaps 9/11 will provide the impetus to solve trade problems. Captain Hereth emphasizes the need to develop security protocols even though there is no national program to model after.

Korwatch

Employers and longshoremen are resisting any technological changes.

Leitner

The Port of Vancouver BC has a great capacity and an extensive rail network. So we need to remember that you can't always get back what you lose.

Carriers

Neville

With regard to the manifest changes, when will changes in service commodity descriptions and FAK's occur?

Rigdon

The commissioner has said that what was done to air passenger manifest will also be done to sea cargo; as soon as the Hollings bill passes. So when shippers comply with requirements then things go smoothly, but when there is omissions or noncompliance then that shippers cargo gets delayed. In time, the customers will realize that it is quicker and more efficient to ship with carriers that can get through customs without lengthy delays.

Now is the time for ocean carriers to go out and open a dialogue with the government.

The NVOCC situation will need to resolve some sensitive issues. Eventually, they will need to divulge who their customers are on the manifests.

Adjournment 1340 hrs.