



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 – Fred Hosking, Chair. For further information or comments, call 415-441-6600, fax 415-441-3080 or visit www.sfmex.org. Mail: Marine Exchange, Fort Mason Center, Bldg. B #325, San Francisco CA 94123-1380

May 2004

CHAIR - Welcomed those absent for some time and reviewed items still relevant from previous meeting.

CBFANC -

Report on the travels to Washington DC with the PCC (Pacific Coast Council), heavily represented by our local association, including our very own John Leitner. Lots of rounds of meetings, climbing hill and dale, but in the end, got the attention of HQ types regarding a number of pertinent issues affecting the whole of the west coast, but of course specifically the Bay area. FDA is a main point issue and continues to be for the foreseeable future. Commissioner Bonner's meeting was especially frank and productive. Emphasis was placed on a Prior Notice, and GO confiscation of container cargoes being left on piers longer than 5 days (commonly known as the Hollings' Bill...2799) which will only benefit the GO warehouses. Overall the consensus was "success".

CBP & FDA Related issues -

Some local concerns over the proposed GO rules and impact on terminals, trade, and safety, in addition to the processing issues. With the gamma inspections in place, its now very easy to exhaust several of the "free" days very quickly. There will be a meeting concerning centralized bond processing which will be coordinated through CBFANC. New portals to be rolled out beginning with Pier 80.

LEGISLATIVE/PMSA

Legislation is moving forward concerning container movements; waterfront coalition pushing for open gates on night side – expect as much as 30% of container traffic to be switched from day deliveries to night. That opens a number of new avenues of concerns, let alone warehouse staffing (costs), CBP. There will be a "peak fee surcharge" for those cargoes/containers still moved during the day hours. Bay area dredging is still high on the list but funding is not as strong as it needs to be. Harbor maintenance funding remains a concern.

COAST GUARD -

Security level, elevated.

Sign in/out procedures at terminals/on vessels to be reviewed between USCG and carriers. Review where and now the ILWU fits into this new requirement continues. June 16 Bay Area MTSA will be held 0900 with open session at 1000. July 1 deadline for implementation of security plans is quickly approaching with 64 facilities to be verified, many in final stages.

BANKING -

Letters of Credit have shown a decrease over the same period last year now with only 20% of trade using them. Major concerns over off shore capabilities as more services are moved overseas. Patriot Act is misunderstood by industry and could cause long term problems if not resolved.

CARRIERS -

Vessel charter market has jumped significantly again with regard to the smaller feeder sized (2000 TEU) Carriers are feeling definite increases in exports (long anticipated...) with all trade lanes showing signs of growth. Expect a strong summer. Shortages of midsized/teu vessels continues to increase with charter rates skyrocketing. Expect peak season equipment shortages – direct result of shortages of iron and steel.

TRUCKING -

Unfortunately without direct representation, but the subject is of concern with regard to road congestion. Parallel was drawn with Holland (and other EU countries) where all trucks/containers have to be off the roads by 0700 each day to avoid congestion conflicts. This coincides with PMSA observations about night side deliveries in LA.

Next meeting:

Tuesday, June 22, 2004

San Francisco World Trade Club

Attending:

Alan Steinbrugge, Marine Exchange; John Leitner, W J. Byrnes; Ted Rausch, Ted L. Rausch; Jeanne Burns, CBFANC; John P. Leyden, CBP; CMDR Steven Boyle, USCG; John Pressler, Hapag Lloyd; Louis Andrade, The Mechanics Bank; Jim Molinari, US Senator Feinstein's Office; Chaired by Fred Hosking, Hoyt Shepston, Inc.