

July 2002

The meeting was called to order by sitting Chair, John Leitner.

Customs issues centered on the status of the cargo security bill and its ramifications in the short but more importantly, long term and what it will mean to the trade community. Of major concern is the reassignment of a portion of the Customs team — importantly the inspection side of Customs — under the management of Homeland Security. This leaves the Trade Teams and other supporting parts of the agency to Treasury. Operationally how these two will meld under two management heads will be an interesting scenario to watch. We need to lend our support through the various means available to us as these bills work their way through draft and to a vote in Washington. Also at issue is the possibility of extended gate hours both earlier in the morning hours as well as later in the evening, which could affect Customs coverage. There are also discussions in Washington with regard to a new user fee - much like the popular Merchandise Processing Fee and Harbor Maintenance Fees we now commonly enjoy - covering some of the security costs.

Carriers are studying extended gate hours in an effort to ease congestion at the container terminals. One important issue arose as concerns Customs services at both the early morning hours and also after 1700 in the afternoon. In most cases the presence of Customs wouldn't affect container cargo deliveries with AMS and AES procedures already in place. It is an important point for future consideration in the event these new hours are adopted. There are positive aspects to both the import and export freight movements as well as the important underlying aspect of relieving congestion at the piers and on our freeways feed into the port area. Other trade group meetings in the last week's time also covered this as well as the labor situation where there is no noticeable change. Talks resume after August 15, 2002.

The Marine Exchange participated in the Marine Transportation System (MTS) meeting earlier this month. This organization provides a forum for all aspects of the regional maritime industry and various governmental agencies. Security issues are major concerns to all factions of the TFC. The MTS could serve as an excellent forum for identifying and reviewing how the various trade groups and government agencies interface with one another and provide guidelines for where one ends and the other takes over leaving no doubt who is responsible for what action. A port security group was also scheduled to meet with the Highway Patrol at the Capitol during the coming week.

Passing the gavel. John Leitner has been the Chair of the TFC for the last 13 years, succeeding Ivan Joens. As John has now become President of The Exchange and in an effort to devote his time and energies to that post as well as the multiple offices and board positions he holds, he is turning over the Chairmanship of this committee to Fred Hosking who has been a Vice Chair on many occasions as well as participating member of the group for an equal if not longer period of time.

John has been instrumental in molding the foundation of the TFC during the last two decades of significant change, building a widely recognized and formidable regional trade mechanism, let alone an extensive, and in some case unforgettable, collection of ties! We thank him for his untiring efforts and leadership and look forward to his continued participation and contributions as the TFC goes forward. We all wish him well in his endeavors and congratulate him on his new position with the Exchange.

The meeting adjourned at 1330 hours.