



# World Trader

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## From the president

by SANDY TAYLOR, Hyundai Merchant Marine  
MGTA PRESIDENT



As we end our first quarter of the year, can anyone believe it's March and there's yet more snow? We may have sprung ahead, but the weather is still far behind.

In February, the Education Committee held yet another successful event: "Other Government Agencies," held at Cargill. There's a wonderful list of resources available to members from this seminar—you can find them on the [event's detail page](#), accessible through the "Past Events" area. Many thanks go to Cargill and other companies for offering their locations to hold our education events. This is a wonderful way to sponsor MGTA.

The March 11th event, "Country of Origins," was held at the Target North Campus. There was a panel discussion on the "Lacey Act"—a very hot topic.

Attendance is up, the topics are fresh, and the opportunity of meeting at corporate campuses shows that our Education Committee is on the leading edge in town.

The Communication Committee has added fun photos from events through MGTA's [Blog](#) and [Flickr account](#). Get connected through [Facebook](#) or our [Blog](#) and look for photos of you or your friends; or visit our [LinkedIn](#) page.

Our new Forums Committee is planning our first panel discussion at the end of April. Watch your e-mail and the website for event details (coming soon!).

Our committees have had new volunteers jump in, as well as a few new chairs. I love the fresh support! We still have opportunities for you to become more involved in MGTA; there are many committees that could still use fresh faces. Look to the [website](#) for ways to volunteer.

New board member Judy Skoug (Best Buy) is monitoring our sponsorship program. Companies may sign up at any time during the year, and there are still many options available, such as sponsoring an education or forum event, or hosting an education seminar. You can still become a platinum, gold, silver, or bronze sponsor, too. [Complete details](#) are on the MGTA website.

Whitney Docken (Target) is in charge of this year's Annual Golf Event, which will be hosted at a new location on the south side of the city this year. Watch your e-mail and the website for details in coming months.

Check our [job board postings](#) or [post a job](#). Our association has a fabulous supply of talent and knowledge.

I'm looking forward to the second quarter, your support, and your continuous involvement to keep this association fresh.

Regards,

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## Homeland security to miss cargo scanning deadline

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by JORINA FONTELERA

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Due to logistical and diplomatic concerns among shippers, carriers and foreign governments, the Department of Homeland Security says it will not meet the 2012 deadline to scan all cargo bound for U.S. seaports.

In 2007, former President George W. Bush signed into law *H.R. 1 Implementing Recommendations of the 9/11 Commission Act of 2007*, which called for complete scanning of maritime cargo before it leaves for the United States by 2012. The bill also called for specific annual benchmarks on the percentage of maritime cargo containers headed for the U.S., an analysis of the incorporation of maritime security initiatives and of the technology, equipment and personnel needed to reach 100 percent scanning, according to [Logistics Management](#).

[Government Computer News](#) reports that Homeland Security Secretary Janet Napolitano last week alerted House lawmakers that the Department of Homeland Security (DHS) would not meet the 2012 deadline for 100 percent cargo scanning. Napolitano cited logistical, technological and diplomatic concerns from shippers, carriers, foreign governments, and port and terminal operators as obstacles to reaching the 100 percent scanning objective.

The bill does include a provision that allows the DHS "to seek two-year extensions on behalf of individual ports if the agency can demonstrate the existence of any of six broad conditions preventing effective implementation," [Security Management.com](#) states. The DHS conducted tests on the feasibility of 100 percent scanning prior to claiming the unachievable 2012 deadline.

According to [the Homeland Security Dept.'s report](#) regarding the test programs, the DHS and Customs and Border Protection (CBP) launched three pilots at the Port of Southampton in the United Kingdom, Port Qasim in Pakistan and Puerto Cortez in Honduras under the [Secure Freight Initiative \(SFI\)](#) and found that "SFI deployments indicate that scanning U.S.-bound maritime containers is possible on a limited scale.

"However, SFI operations in these initial locations benefited from considerable host nation cooperation, low transshipment rates, and technology and infrastructure costs covered primarily by the U.S. government," the DHS continues. "The total U.S.-bound container volume at these three ports from Oct. 12, 2007, to May 25, 2008, was 170,564 containers."

To put this in perspective, the [DHS](#) itself claims that 11.5 million maritime containers enter the U.S. every year.

As of October 2008, DHS and the CBP had launched 700 pilot programs to test 100 percent scanning of cargo and several issues were noted as hindrances to the viability of the project, [Security Management](#) adds.

A separate study on the pilot ports by the Government Accountability Office (GAO) found similar results. According to the [GAO report](#), there were nine major challenges to the continuation of the SFI pilot programs and longer-term 100 percent scanning. They are as follows:

1. **Workforce Planning**—More CBP officers will be required to review and analyze data for participating seaports.

2. **Host Nation Examination Practices**—CBP lacks information on host nation equipment and practices.
3. **Measuring Performance**—There are no defined performance measures, making it difficult to assess if 100 percent scanning achieves increased security.
4. **Resource Responsibilities**—Neither the SAFE Port Act nor the 9/11 Act specifies who will pay for the costs of implementing 100 percent scanning.
5. **Logistics**—Space constraints at seaports make it difficult to install all needed equipment, requiring them to be placed perhaps miles away from cargo.
6. **Technology and Infrastructure**—Environmental conditions, infrastructure capacity and equipment compatibility presented hardships for the pilot programs.
7. **Use and Ownership of Data**—Legislation specifies scan data should be available to CBP officials, but the data is generated and collected at foreign seaports, which may require transfer agreements.
8. **Consistency with Risk Management**—International partners say that scanning is inconsistent with risk management principles and divert resources away from other threats.
9. **Reciprocity and Trade Concerns**—Foreign governments may ask the same thing of U.S. ports for cargo heading to their respective countries.

Rather than plowing on with the 100 percent scanning initiative, the GAO recommended that “DHS develop human capital plans, enhance performance measures and gather information on the efficacy of host government systems.”

Non-governmental bodies were also opposed to the 100 percent cargo scanning project. In an October 2008 interview, [Frank Vargo](#) of the [National Association of Manufacturers](#) told [USA Today](#) that the “plan will slow trade and could cost the industry as much as \$20 billion a year. It will result in a two-day—maybe a five-day—delay before that container (is cleared) and can be loaded onto a ship.”

So for now, given all the obstacles, the DHS is sticking to gathering more information about who made the goods in the containers and who packed them. Only flagged containers—those from unknown companies and countries known to harbor terrorists or those with suspicious documentation—would be scanned for nuclear or radiological materials.

What’s your take on the 100 percent scanning of all U.S.-bound cargo?

#### **Resources**

[Napolitano Updates Congress on DHS’ IT Programs](#)

by Ben Bain

Government Computer News, March 02, 2009

[H.R. 1: Implementing Recommendations of the 9/11 Commission Act of 2007](#)

[DHS’ Plan for Implementing Secure Systems of Transportation](#)

Department of Homeland Security, October 2008

[DHS and DOE Launch Secure Freight Initiative](#)

Department of Homeland Security, Dec. 7, 2006

[Challenges to Scanning 100 Percent of U.S.-Bound Cargo Containers](#)

Government Accountability Office, June 12, 2008

[2012 Deadline to Scan All Port Cargo Won’t Be Met](#)

by Mimi Hall

USA TODAY, Oct. 21, 2008

[Port security: Chertoff Says 100-percent Scanning Requirements Will Not Be Met by 2012](#)

by Jeff Berman

Logistics Management, Oct. 27, 2008

[Outlook for Container Scanning](#)

by Joseph Straw

Security Management, October 2008

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Midwest Global Trade Association  
1821 University Ave W, Ste S256 • St. Paul, MN 55104-2897  
(651) 917-6257 • [office@mgta.org](mailto:office@mgta.org) • [www.mgta.org](http://www.mgta.org)