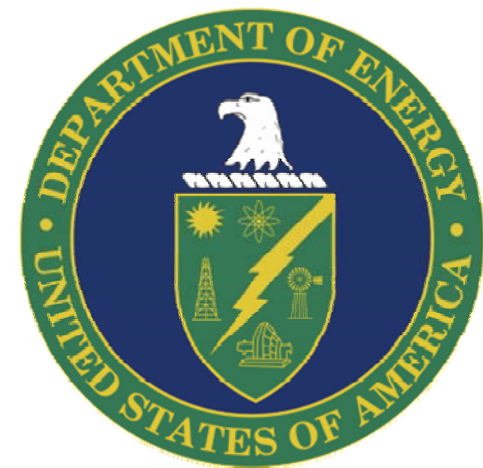


Secure Freight Initiative



SFI Goals



- **Enhanced Security**
 - The Secure Freight Initiative will identify radiological or nuclear threats earlier in the supply chain and provide host governments with greater visibility into potentially dangerous shipments.
- **Trade Facilitation**
 - SFI reduces the need for redundant exams while maintaining port efficiency and will be a critical component of trade resumption protocols in currently under development at the U.S. Department of Homeland Security.
- **Improved Risk Management**
 - Additional data elements, including those elements provided by the scanning systems, and the data elements gathered under SFI-Security Filing, or 10+2, will provide CBP with improved risk assessment capabilities.



Container Scanning Project



SFI Phase 1:

- During the initial deployment, three ports will scan “100-percent” of U.S. bound maritime cargo, which meets the minimum requirements of the Security and Accountability For Every Port Act of 2006, the SAFE Port Act.
- A “limited capacity” implementation will be rolled out at four additional ports, which will provide a model for scanning in large volume and transshipment ports for U.S. bound cargo.
- An assessment will be conducted on the scanning capabilities and the impact on port operations from these seven ports and lessons learned will be used to make recommendations for future deployments.



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Lesson Learned - Challenges



Successfully deploying scanning equipment presents certain challenges:

- **TECHNICAL**

- Sustaining equipment operations in extreme weather conditions and certain port environments in third world countries;
- Addressing health and safety concerns of host governments and respective trucking and labor unions;
- Protecting data privacy concerns.

- **LOGISTICAL**

- Re-configuring port layouts to accommodate the equipment without affecting port efficiency;
- Determining who will bear the costs of buying, operating and maintaining the scanning equipment;
- Persuading the foreign customs service and terminal operator to meet additional staffing requirements;
- Developing local response protocols for adjudicating alarms.



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Lesson Learned - Benefits



- **Trade Facilitation**
 - More efficient movement of containers throughout the supply chain and upon arrival in the United States.
- **Trade Resumption**
 - Should an event occur invoking trade resumption protocols, priority given to containers that have been scanned through SFI systems.
- **Data Sharing**
 - Building a system to use not only for U.S.-bound containers, but also for containers destined for any trading partner.
- **Enhanced Data Collection**
 - The radiation signature and image provide two critical data points in the supply chain.



Sec. 232(c) - SAFE Port Act-Report to Congress



- **Not later than 6 months after becoming fully operational in the three pilot ports, a report is due to Congress describing:**
 - Costs of deployment;
 - Lessons learned;
 - An analysis of available technology compared to enhanced capabilities;
 - An assessment of our ability to integrate scanning and imaging into the logistics, operations and risk management process;
 - Any impacts on the flow of commerce.
- **The report due date is April 2008**



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The 9/11 Commission Recommendations Act

Section 1701 – Container Scanning And Seals “100% Scanning”



**U.S. Customs and
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Secure Freight Initiative



Sec. 1701 – 100% Scanning



- **The President signed the Act on August 3, 2007**
- **The Act amends Sec. 232(b) of the SAFE Port Act**
- **Text of the Act:**
 - General Rule: A container that was loaded on a vessel in a foreign port shall not enter the United States (either directly or via a foreign port) unless the container was scanned by non-intrusive imaging equipment and radiation detection equipment at a foreign port before it was loaded on a vessel.
- **Timeline – By July 1, 2012, all containers entering the U.S. must be scanned by NII and radiation detection equipment at a foreign port.**



100% Scanning Extension Conditions



The deadline can be extended in 2 year increments if any two of the following conditions exist:

- (A) Systems to scan containers are not available for purchase and installation.
- (B) Systems to scan containers do not have a sufficiently low false alarm rate for use in the supply chain.
- (C) Systems to scan containers cannot be purchased, deployed or operated at ports overseas, including, if applicable, because a port does not have the physical characteristics to install such a system.
- (D) Systems to scan containers cannot be integrated, as necessary, with existing systems.
- (E) Use of systems that are available to scan containers will significantly impact trade capacity and the flow of cargo.
- (F) Systems to scan containers do not adequately provide an automated notification of questionable or high-risk cargo as a trigger for further inspection by appropriately trained personnel.

