



State of the Port 2006

Jo-Anne Daniels, President, Trade Resources & Associates

Assistant Port Director, Dora Murphy delivered the 2006 Customs & Border Protection (CBP) State of the Port address January 11, 2006 at the Customs Brokers and Forwarders Association (CBFANC) annual dinner. Ms Murphy advised that the San Francisco port is 10th in nation. In the west coast San Francisco is the third largest port having 347,881 air and 263, 950 ocean ABI entries.

A paramount CBP mission is to protect the public and Ms. Murphy reviewed some notable, successful seizures at the port such as a seizure of 51 shipments of counterfeit Tamiflu pills to prevent avian flu. The drugs were labeled as a generic, thereby revealing its true identity as a counterfeit drug because no generic Tamiflu exists. FDA advised that laboratory tests found only trace amounts of active ingredients in these pills. The pills were shipped from Asia and had been purchased via several different Internet sites. CBP also seized a shipment of citrus canker that was to be imported to destroy the citrus business in Southern California. Ms. Murphy related a serious incident which occurred when inspectors testing containers for radiation discovered a container that showed high amounts of radiation. Fortunately, this turned out not to be as threatening as first suspected. The reason for the high radiation reading was that the container was loaded with cases of blueberries from Northern Italy which were grown in soil nearby the Chernobyl nuclear reactor accident.

Ms. Murphy gave some port statistics such as San Francisco was number three for Intellectual Property Rights (IPR) seizures in 2005 which included trademark and copyright, resulting in \$ 23.5 million in seizures.

She recapped other programs like Operation Jingle III – special operation aimed to ensure toys comply with the Child Safety Protection Act and Hazardous Substance Act. There were 3 out of 180 violations in 2005 of the child safety protection law. In another case, Customs in San Francisco seized laser pens in violation of Consumer Safety laws because they had a 20 plus mile range. Both FDA and FAA were concerned because the items exceeded the federal standards for general use. At the San Francisco mail terminal, Customs found narcotics smuggled in books and book binding.

Ms. Murphy reported some broker statistics for the port. The biggest reason for entry rejections at the port was due to classification errors (28%), clerical error (12%), other government agency (11%), and other errors.

The Agriculture update was the announcement that – informed compliance phase for Solid Wood Packing Material period which began 9/6/05 ended 1/31/06 and the second phase of enforcement of Solid Wood Packing Materials (SWPM) begins 2/1/06 and continues through 7/4/06.

Looking ahead, San Francisco is expecting a 11% increase in 2006 and another 1% increase projected in 2007. Ms. Murphy said there was an expected increase in air cargo and significant vessel traffic at the Port of Oakland 2006 and this trend is expected to continue. She spoke about the changes at the port. There are new international airports at Stockton and Fresno and reassignments to these ports could reduce the number of staff at the San Francisco Bay ports. In addition, San Francisco resources reassigned to southern land border position could further impact the staffing levels. Ms. Murphy reflected upon the number of talented import specialists who retired from the port in 2005 and this trend will also continue, but the port has received authorization to fill these positions.