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As Deadlines for 100% Cargo Screening Loom, many Roadblocks Still Exist

TSA Says there will be Delays in Ocean Screening Program; Others say Even Air Cargo Screening Deadline will be Tough to Meet

SCDigest Editorial Staff

Laws requiring 100% screening of all cargo coming to the US on air shipments by 2010 and ocean cargo by 2012 continue to face challenges.

Earlier this month, the US Department of Homeland Security (DHS) admitted it will not meet the 2012 deadline to scan all ocean cargo bound for U.S. seaports. Homeland Security Secretary Janet Napolitano in early March alerted House lawmakers that the deadline would not be met, due to logistical, technological and diplomatic concerns among shippers, carriers and foreign governments. (See **Will International Protests Scuttle US Plans for 100 Percent Container Scanning?** for an overview of the issues.)

The original law bill did 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. The DHS conducted tests on the feasibility of 100 percent scanning prior to claiming the unachievable 2012 deadline.

Concerns by shippers, logistics service providers, and foreign governments have been many. They include the costs for equipment, the uncertainty that there is available equipment that will really work, potential bottlenecks in the flow of goods, worries that some ports will be unable to comply, and that the same goals could be met by less costly means, such a "risk based" approach to screening.

It is unclear at this point how the program will be amended and phased.

The cost of the equipment to do the screening can run to as much as $500,000, simply beyond the financial resources of many smaller service providers. Some forwarders are also concerned they might invest now in equipment for screening that is later deemed to be unacceptable by the TSA.

Air Cargo Requirements also Generating Pushback

The 2007 law also mandated 100% screening for cargo moved on passenger planes by mid-2010.

Many have viewed failure to screen cargo that goes in the belly of commercial aircraft as a major terrorism risk.

Just last month, the industry had to hit a requirement that 50% of such air cargo is screened. Most carriers and freight forwarders seemed to have reached the goal. But getting to the next 50% may be a lot more difficult, some say.

While some 85% of air cargo on planes leaving the US is screened, the Transportation Security Administration's **Edward Kelly**, general manager of air cargo, says he does not expect the 100% requirement for air cargo entering the US to be

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achieved by next year's deadline.

While most airlines and logistics providers say the deadline can be met, they are also saying it will be very difficult indeed to get there.

For example, while American Airlines is "very confident it's going to happen," according to **Mark Najarian**, vice president of cargo operations, the carrier will "have to do a lot of work to get to 100 percent. But the 100 percent-screening requirement is a requirement of the cargo industry."

Meanwhile, in the face of some resistance, **Rep. Edward Markey** of Massachusetts, a big champion of the screening legislation, said he will "'vigorously oppose" any attempt to "water down" the mandate.

"To get to 100 percent is a pretty dramatic step and a very difficult one at the speed at which TSA is currently moving," countered **Peter Kant**, an executive vice president for Hawthorne, California-based OSI Systems Inc.'s Rapiscan unit, which makes aviation-inspection equipment.

Last week, **Brandon Fried**, executive director of the Airforwarders Association, testified on the topic before the House Committee on Homeland Security. Fried said the parcels and packages now being checked are "the low-hanging fruit" compared with the challenges of inspecting cargo transported on pallets on larger planes."

Although supportive of the efforts, Fried said there were a number of issues that needed to be addressed.

For example, international freight forwarders can participate in the voluntary Certified Cargo Screener Program, and do screening for shippers that will eliminate the need to re-screen it at the airport - if the cargo is accompanied by an electronic "seal."

However, the cost of the equipment to do the screening can run to as much as $500,000, simply beyond the financial resources of many smaller service providers. Some forwarders are also concerned they might invest now in equipment for screening that is later deemed to be unacceptable by the TSA.

Another concern is that the cost of the equipment will only by justified at the largest "gateway" cities. That means in other locations, "it will put enormous pressure on the airlines and airports to screen potentially as much as 40 percent of the cargo put on passenger planes in the US," Fried said. "Not only does this create a bottleneck that is extremely detrimental to our economy and ability to export goods, it also risks a new security concern due to the sheer amount of cargo awaiting inspection in airport cargo facilities."

Fried recommended a government subsidy for smaller and mid-sized forwarders to help pay for this expensive equipment.

He said that most airports do not have the real estate to screen all or even 50 percent of the total tonnage moving on passenger planes with existing resources, and that airlines do not have the financial or human resources to efficiently expedite screening all "just in time" cargo at the airport, such as medical supply and food.

These issues have the chance to significantly impact shippers and importers using both air and ocean freight; they need to stay on top of the developments.