

CONTAINER SECURITY INITIATIVE

- **When was the Container Security Initiative developed and why?**

The Container Security Initiative (CSI) is an initiative that was developed by U.S. Customs, now U.S. Customs and Border Protection (CBP), in the aftermath of the terrorist attacks of September 11. The primary purpose of CSI is to protect the global trading system and the trade lanes between CSI ports and the U.S. Under the CSI program, a team of officers is deployed to work with host nation counterparts to target all containers that pose a potential threat. Announced in January 2002, CSI was first implemented in the ports shipping the greatest volume of containers to the United States. CBP has entered into bilateral discussions with all the foreign governments where these top ports are located and is now expanding to additional ports in strategic locations.

- **What are CSI's core elements?**

CSI is founded on four core elements: (1) using intelligence and automated information to identify and target containers that pose a risk for terrorism; (2) pre-screening those containers that pose a risk at the port of departure before they arrive at U.S. ports; (3) using detection technology to quickly pre-screen containers that pose a risk; and (4) using smarter, tamper-evident containers.

- **Why is containerized shipping a critical component of global trade?**

About 90 percent of all world cargo moves by container. Almost half of incoming trade (by value) arrives in the United States by sea containers. Nearly 7 million cargo containers arrive and are offloaded at U.S. seaports each year.

- **How many countries have committed to CSI?**

Eighteen countries have committed to participation in CSI. There are 38 ports within those 18 countries that are in various stages of CSI implementation. China, Sri Lanka, Spain, and Thailand signed Declarations of Principle but currently have no operational ports.

- **How many CSI port are operational?**

Nineteen CSI ports are currently operational. They include: Halifax, Montreal, and Vancouver, Canada (03/02); Rotterdam, The Netherlands (09/02/02); Le Havre, France (12/02/02); Bremerhaven, Germany (02/02/03); Hamburg, Germany (02/09/03); Antwerp, Belgium (02/23/03); Singapore (03/10/03); Yokohama, Japan (03/24/03); Tokyo, Japan (05/21/04); Hong Kong (05/05/03); Gothenberg, Sweden (05/23/03); Felixstowe, United Kingdom (05/24/03); Genoa, Italy (06/16/03); LaSpezia, Italy (06/23/03); Busan, Korea (08/04/03); Durban, South Africa (2/01/03); Port Kelang, Malaysia (03/08/04).

Is CSI limiting participation to the 20 largest ports?

No. Nineteen of the 20 original ports have committed to joining CSI and are at various stages of implementation. Additional ports will become operational in the near future. These

ports are points of passage for approximately two-thirds of containers shipped to the United States.

While the first 20 largest ports were the starting point, CSI is not limiting participation to those locations. Sweden, Malaysia, Sri Lanka, and South Africa are examples of countries with ports not included in the top 20 that have signed on to CSI. Sweden, Malaysia, and South Africa are already operational. Discussions are currently being held with additional expansion ports in South and Central America, Southeast Asia, Europe, and the Middle East.

CSI is expanding to additional ports that ship substantial amounts of cargo to the United States. These ports must have the infrastructure and technology in place to participate in the program. This will extend port security protection to more than 80 percent of all containers coming to the United States – casting the CSI safety net even further.

International organizations like the World Customs Organization and the G8 have supported CSI expansion through their adoption of resolutions that support the implementation of the security measures introduced by CSI at ports throughout the world.

- **How does CSI work?**

Under the CSI program, a small number of CBP officers are deployed to work with host nation counterparts to target all containers that pose a potential threat for terrorism. Its purpose is to protect containerized shipping from exploitation by terrorists.

- **Why is it necessary to send U.S. officers to foreign ports to enhance security?**

About two thirds of all the containers that arrive by sea to the U.S. come from or through the 20 largest ports. Information sharing between the U.S. and other Customs Services will enhance the ability of both services to identify all containers that pose a potential threat. By working together, we can jointly achieve far greater security for maritime shipping than if we work independently.

- **What benefits are there for any foreign ports that sign up?**

CSI is a deterrent to terrorist organizations that may seek to target any foreign port. This initiative provides a significant measure of security for the participating port as well as the United States. CSI will also provide better security for the global trading system as a whole. If terrorists were to carry out an attack on a seaport using a cargo container, the maritime trading system would likely grind to a halt until seaport security is improved. Those seaports participating in the CSI will be able to begin handling containerized cargo far sooner than other ports that haven't taken steps to enhance security. In short, CSI is an insurance policy against the threat of a terrorist attack.

- **Will focusing primarily on the 20 largest seaports place smaller seaports at an economic disadvantage?**

CSI is not limited to the world's 20 largest seaports. In June 2002, the World Customs Organization unanimously passed a resolution that will enable ports in all 161 of the

member nations to begin to develop programs along the CSI model and on April 22, 2004, European Union and the Department of Homeland Security Signed an agreement that calls for the prompt expansion of CSI through the European Community.

- **What are the eligibility requirements for the expansion phase of CSI?**

To be eligible for the expansion phase of CSI, candidate nation must commit to the following minimum standards:

1. The Customs Administration must be able to inspect cargo originating, transiting, exiting, or being transshipped through a country.
Non-intrusive inspectional (NII) equipment (including gamma or X-ray imaging capabilities) and radiation detection equipment must be available and utilized for conducting such inspections. This equipment is necessary in order to meet the objective of quickly screening containers without disrupting the flow of legitimate trade.
2. The seaport must have regular, direct, and substantial container traffic to ports in the United States.
3. Commit to establishing a risk management system to identify potentially high-risk containers, and automating that system. This system should include a mechanism for validating threat assessments and targeting decisions and identifying best practices.
4. Commit to sharing critical data, intelligence, and risk management information with the United States Customs and Border Protection in order to do collaborative targeting, and developing an automated mechanism for these exchanges.
5. Conduct a thorough port assessment to ascertain vulnerable links in a port's infrastructure and commit to resolving those vulnerabilities.
6. Commit to maintaining integrity programs to prevent lapses in employee integrity and to identify and combat breaches in integrity.

- **Will the addition of U.S. officers cause delays in the flow of goods through ports that participate in CSI, reducing their competitiveness?**

No. In fact, it should make the movement of low risk cargo containers even more efficient. Cargo typically sits on the pier for several days waiting to be exported. CSI will target containers and screen them before they depart. This way we are using the waiting time at the port of export to do our work, so when the container arrives in the U.S. it can be immediately released. The containers we target are going to be searched. It's a question of where and when, not if.

- **Who will pay for screening and, if necessary, the unloading of containers?**

The host country will determine who pays for the direct cost of screening and unloading containers. In the U.S., however, the importer pays the costs associated with moving, inspecting, and unloading containers.

- **How many U.S. officers will be assigned to a particular port?**

The needs of each port will be addressed individually. Typically we would expect to deploy a small number of officers. We'll assess the program and make adjustments as necessary.

- **Does a CSI port have an economic advantage?**

One real advantage would be in the event of a terrorist attack using a cargo container. CSI ports would experience the least disruption because they have a security system, CSI, in place. In the event of a terrorist attack, the CSI ports would have a competitive advantage. They would be rewarded for their foresight.

- **Can CSI be considered a form of a trade barrier?**

No. The ultimate trade barrier would be a terrorist attack that would halt trade. Imagine the ridicule any responsible port or government official will face, if a terrorist attack was to occur and we had done nothing to protect our maritime infrastructure. CSI is merely a program that screens containers before they depart for U.S. ports of entry rather than after they arrive on U.S. shores.

- **Will host countries incur additional costs for participating in CSI?**

We don't believe this initiative will entail substantial new costs to the host nations. CBP will be paying to deploy officers and computers in foreign seaports and many host nations already have screening and detection technology in place. To the extent that additional detector or IT equipment is needed to implement CSI, the investment is well worth it considering that it is insurance -- CSI protects the port and the national economy of a CSI host country.

- **Will officers stationed in foreign ports be armed? Will they have arrest powers?**

Officers at these ports will not be armed nor will they have arrest powers. The officers will be working jointly with the host country authorities to screen U.S.-bound containers. They will operate in accordance with the guidelines of the host country and the terms of the declaration of principles to implement CSI.

- **Will CBP officers stationed at the foreign ports be screening all cargo or just cargo bound for the United States?**

CBP officers deployed in foreign countries will be targeting with the host country, only cargo containers destined or transiting through the United States. Only those U.S.-bound containers identified as potential threats will be examined either by NII or physical exams. Host country officials will conduct the examination and CBP officers will observe the security screening.

- **Will pre-screened U.S.-bound sea cargo get expedited processing through CBP upon arrival to the United States?**

Yes. If a shipment has already been jointly examined by U.S. and the host country's customs officials, that means one less shipment that CBP officers will have to worry about at a U.S. port. It will allow us to focus more of our attention on high-risk shipments that have not been prescreened. We are in the process of testing technology, such as tamper-evident seals, that we hope to place on containers that have been pre-screened overseas to assist in this process. Naturally, CBP ultimately reserves the right to inspect any cargo container that arrives in the United States, whether it has been pre-screened or not. However, this will only be done if additional information is available or the integrity of a seal is compromised.

- **Will CBP provide X-ray or gamma ray detection technology to help scan containers?**

CSI implementation requires the host country to have NII equipment. Many of the countries already have large container screening machines. In fact, some ports already have extremely sophisticated detection technology in operation.

- **Are model laws and regulations available to guide the implementation of CSI in a host country?**

When discussing the implementation of CSI, a nation depends upon its native laws and customs. Our response has been to draft separate and unique declarations with each participating port to accommodate differences. In addition, as CSI is a cooperative effort, CBP is willing to assist foreign governments in reviewing existing laws and crafting new legislation to support implementation if they so desire.

- **Will CSI affect the way trade is conducted, e.g. will there be additional paperwork that is needed prior to export and before it clears CBP?**

Through collaborative targeting and analysis, the trade will become more secure in each commercial port. For exports destined or transiting the U.S., they must be compliant with the U.S. 24-hour rule, which requires 14 data elements to be reported 24 hours prior to loading aboard a vessel destined for the U.S.

- **Will it take more time to export a product with CSI?**

No. The targeting and examination will be accomplished during the lag time between arrival at the foreign port and loading on a ship for departure to an U.S. port.

- **How will trade be affected if a port joins/does not join?**

The advantages of inspecting containers at the earliest possible point in the supply chain will be a benefit to a CSI port. The integrity of the shipment will be better ensured by using pre-arrival information and non-intrusive inspection equipment at foreign port locations, thus expediting their clearance upon arrival in the United States.

Another advantage would be in the event of a terrorist attack using a cargo container. It is likely the CSI ports would remain in operation, because they will have a security system, CSI, already in place.

- **Will the U.S. be offering reciprocity with CSI participating countries?**

CSI is a reciprocal program. CBP offers CSI-participating countries the opportunity to send their customs officers to major U.S. ports to target cargo that is exported to their country via ocean containers. CBP will also share its information and pre-arrival data on a bilateral basis with its CSI partners. Sharing of information is intended to be a reciprocal process.

Japan and Canada currently station customs personnel in U.S. ports as part of the CSI program.