

Leveling the playing field: The Other Side Of The Virtual Border

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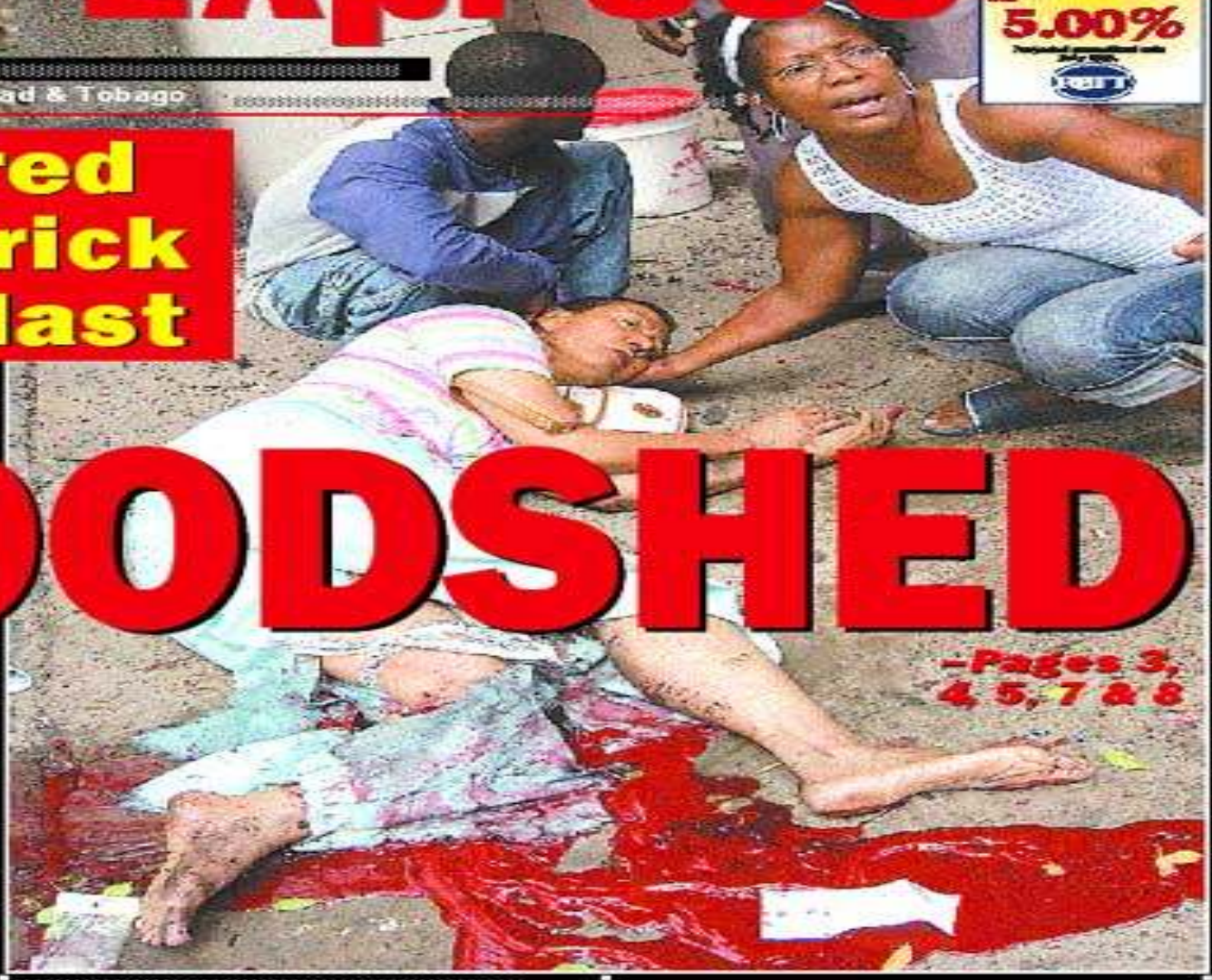
Dynamic Alternatives

Daily Express

Roylein
UNITS
MINI-BUSSEY PRICES
RIS 5.45%
LSE 5.00%
*Excludes government securities
RBI

www.trinidadexp.com
The National Newspaper of Trinidad & Tobago

**15 injured
in Frederick
Street blast**



BLOODSHED

-Pages 3, 4, 5, 7 & 8

IMV PROJECT 13.07.05

DISCOVER THE NEW PATH TO INNOVATION

TOYOTA

- A total of **five Islamic fundamentalist connected bomb explosions** less than 300 yards from the gate of the Port of Port of Spain.
- Simultaneous with Peshawa, Karachi, Lebanon.
- **TO DATE THE SECURITY LEVEL (isps) has not been raised or additional measures put in place due to the occurrence of these “security incidents” in the immediate vicinity of the ports.**



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VIRTUAL BORDERS

- The US has stated its intention to build a virtual border around itself and to push that border out beyond its shores...
- to protect itself



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- Have we thought about what happens on the other side of that border and the long term implications and consequences:
- Safeport
- CTPAT
- CSI



Why do we need to think about poorer countries?

- The countries that the US predominantly imports its raw materials from are third world or emerging economies.



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- Origin for up to 75% of US consumer and producer goods is outside US border.(Economic Intelligence Review)



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Shape of world trade

- Up to 90% of physical goods exported by third world and emerging economies come to the US.



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- How does the US treat the countries that US production relies on... CSI



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CSI Eligibility

- CSI requires a substantial financial commitment which rules out-
- Poorer, less resourced smaller nation states....



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Third world states' requirements

- 'Commit to sharing intelligence,
- 'Establish and automate risk management systems to identify high risk containers.
- Commit to maintaining employee integrity'
- ' Seaport must have regular, direct, and substantial container traffic to ports in the united states.'



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CSI

- This means that irregular traffic
- Coming from countries not equipped with special scanners.
- Without a robust intelligence exchange.
- Where insecure vulnerable links are not checked routinely.
- Where there is limited if any employee integrity checks.
- **Will not benefit from advance screening and special advance attention prior to arrival at a US or any port.**



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CSI...problems not limited to third world

- At present CSI is only operational in 24 countries.
- The program as yet does not cover the other 137 signatory countries of the World Customs Organisation
- It does not cover the other 156 signatories of the IMO ISPS code.
- 15% WCO members
- 13% IMO signatories



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Safe port requirements

- With safe port comes the requirement for NII screening at all ports outside the US ...ex:
- Grenada..Haiti ...Dominica
- If they cant afford the equipment to trade effectively with US
- who will they turn to
- and ally with
- and trade with as an economic imperative...



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Dynamic Alternatives

Fortress America

- Welcome to Fortress America
- Only those countries who participate in CSI and those who can afford NII equipment to comply with Safe port are allowed in...timely
- What happens to the rest of the world..a black economy...
- a system of us and them
- a new coalition of countries embittered with the US
- By pushing the problem away you are creating a bigger problem



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- 100% screening is something we should all support -but with conditions.
- Existing methods for 100% screening **would** substantially slow the flow of trade.
- How reliable are existing methods?



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Current Technology and Risk assessment

The Government Auditing Office

“There is no empirical evidence that US CBP Automatic Targeting System identified dangerous cargo more readily than random searching”

(Stana 2004)

- RAND Institute study on the viability of 100% screening of cargo: concludes that one of the critical drivers for an inspection policy's viability is available port area for scanning and inspection.



- Great –so we have a supply chain and trade security policy determined by
- how much space a port can spare to screen cargo and
- governed by an algorithm that empirically is no better than random screening.
- Surprisingly these findings do not fill me with confidence.



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How best to deal with ports and countries outside the virtual border?

The time is right for complete system based solutions for containerised and other shipping and maritime domain awareness.

- Solutions which are not selective, optional or voluntary.
- Solutions which guarantee to keep border breaches prior to port



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Dynamic Alternatives

- Let us not inadvertently start a new economic cold war...
- The playing field must be equal, equitable and fair to all



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