



# NEWSLETTER

*Changes That Might Affect You!!!*

*November 2002*

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### *PMA & ILWU Reach Tentative Agreement*

The history of the use of the Taft- Hartley Act has a dismal record of resolving labor disputes; only twice (out of 32 times) has he dispute been resolved before the 90 day period ended.

Amazingly we have a bit of good news with the West Coast situation... The Pacific Maritime Association (PMA) has posted to its web site a press release issued by The Federal Mediation and Conciliation Service (FMCS) stating that although a final agreement has not been reached between the Pacific Maritime Association (PMA) and the International Longshore and Warehouse Union (ILWU), a tentative agreement was reached by these parties at 4 a.m. PCT on November 1, 2002 concerning the key issues of new technology and retention of Union's jurisdiction for marine clerk work. The FMCS press release states that this tentative agreement is subject to the parties reaching agreement on additional remaining important issues, including pensions.

According to the FMCS press release, no details of the technology/jurisdiction Agreement are available until a complete agreement is reached, and the parties have agreed to continue the press blackout while negotiations are ongoing.

However, an ILWU press release regarding the agreement on the technology package states that "we had bottom line concerns about jurisdiction and the employers met those concerns. This is a major victory for the union and the first real progress we have made in these negotiations."

The ILWU also stated that "connected to that technology/jurisdiction agreement is the issue of pension plans. Our negotiating committee will now begin bargaining on the pension package as we continue to work on securing a fair contract for all ILWU members."

FMCS director Peter Hurtgen announced that he has adjourned negotiations between ILWU and the PMA for a one week period. This time is allotted for management to reassess cost and data from its members on issues related to pension enhancements for employees.

Hurtgen stated that, "While the ILWU is prepared to continue with negotiations, and our talks have proceeded in good faith, management has requested additional time to evaluate anticipated technology based operational savings and pending funding cost into the future.

Negotiations will resume on Wednesday, November 13<sup>th</sup>. Lets all keep our fingers crossed.

## Major Transportation Infrastructure Under Development in Otay Mesa

With 1.2 million truck crossings per year, the Otay Mesa Port of Entry is the largest commercial crossing on the California-Mexico border handling the third highest volume of trucks and dollar value of trade among all U.S.-Mexico land border crossings. Without a doubt, Otay Mesa is "California's Exporting Corridor."

More than 52 percent of the two-way trade between California and Mexico -- \$19.5 billion -- and 90 percent of San Diego exports -- \$3 billion -- are transported annually through Otay Mesa. Amazingly enough, this valuable port of entry is connected by a recently expanded six-lane city street -- Otay Mesa Road -- with traffic demands at three times its capacity. Thanks to efforts from several elected officials, private organizations -- including the Otay Mesa Chamber of Commerce -- and government agencies, construction of two major highways that will run through Otay Mesa, will begin at the end of this year.

### **State Route 905**

The proposed State Route 905 is a full-fledged, 6-mile freeway running roughly 1,300 feet to the south of and parallel to Otay Mesa Road, connecting Interstates 5 and 805 with the Otay Mesa Port of Entry. SR 905 will provide a critical link that will vastly improve commercial traffic in the San Diego-Tijuana region. The estimated cost of this project is \$293 million.

Through strong public-private partnerships, the region has been very successful in spearheading efforts to obtain the necessary funding for this project, bringing current funding up to \$236 million. Construction for phase one of this crucial infrastructure development will begin by the end of this year and completion for SR 905 is expected by 2007.

### **State Route 125**

The California Transportation Department and California Transportation Ventures have developed a public/private partnership to build the southern section of State Route 125 connecting the San Diego Regional Transportation network to Otay Mesa.

SR 125 is already open or under construction from SR 52 to SR 54. The last 11 miles from SR 54 to the Otay Mesa Border will be completed by early 2006. Operated as a toll-way, SR 125 South will relieve traffic congestion, reduce travel time and provide direct access to the growing businesses along our border. Because the southern section of the roadway will be privately financed, no tax dollars will be used to construct or maintain the highway.

Construction for this project is expected to begin by the end of this year, with the opening scheduled for early 2006. The first phase of the project includes local interchanges at Otay Mesa Road, Olympic Parkway, Telegraph Canyon Road, East H Street and Mount Miguel Road, and a freeway-to-freeway interchange at SR 54.

### **Proposed Port of Entry & State Route 11**

Regional agencies on both sides of the border have proposed a new port of entry for Otay Mesa. The proposed port -- East Otay Mesa -- would be located approximately 1.2 mile east of the existing Otay Mesa facility. State Route 11, a four-lane freeway, would be built to serve as the primary link to the new port of entry.

The California Transportation Commission has allocated \$8 million for the environmental review process of SR 11. Caltrans has already begun the environmental review process for this project.

If funding becomes available, the design and right-of-way portions will take approximately two to three years to complete and may be able to commence fall 2003. If funding is secured, construction could commence spring 2006 and take another two to three years to complete. The new highway will connect the proposed Port of Entry with SR 905 and SR 125. Source: [www.sddt.com](http://www.sddt.com)



## Southbound Truck Update

On October 21st, U.S. Customs and Mexican Customs re-routed empty trucks crossing to Mexico, which were currently crossing via the Otay Mesa tourist port, to the commercial crossing, forcing an additional 1,000 trucks per day to drive through already congested city streets. With this new system, increased hours of operation at the U.S. Export facility and Mexican Import facility - now from 8:00 am to 8:00 pm- have helped alleviate traffic buildup. On the infrastructure side, the City of San Diego and CALTRANS have teamed up to provide both short term and long term projects to mitigate the impact of this new system.

**1) Short Term/Measure I: Separating empty and laden trucks -trucks with cargo- before they arrive to the U.S. Customs export facility.** Minor infrastructure improvements have been developed to reach this goal, including setting up k-rail to separate empty and laden trucks and adding an additional gate to the U.S. Customs export facility. Empty trucks can now enter the southbound truck route through Drucker Lane. **This measure has been fully implemented thanks to CALTRANS, the City of San Diego and the General Service Administration.**

**2) Short Term/ Measure II: Developing Harvest Road from Airway to Siempre Viva as a one way street for empty trucks and making improvements on Airway from La Media to Harvest Road, so empty trucks can have this additional access route. This measure should be implemented by July 2003.**

**3) Long Term Measure: Extending the dedicated truck route along the fence all the way to Britannia Blvd. so trucks can queue up away from City streets. CALTRANS is currently developing a project study report for this measure. Once the study is completed, the City, CALTRANS and the Chamber, as well as our regional partners, will aggressively advocate for federal and state funds for this project (\$7-\$10 million). The study should be completed by early December and the completion of the project could range from one to three years.**

Funding for both short-term projects have been identified thanks to the City of San Diego

and CALTRANS. Councilman Ralph Inzunza was instrumental in identifying \$1.1 million from the City of San Diego, and CALTRANS, in addition to allocating \$600,000 for the short-term alternatives, is funding the project study report required for the long-term alternative. Source: <http://www.otaymesa.org>

## IAB News:

We are please to announce to our valued clients the option to receive invoices in PDF format via email. Invoices will be scanned, formatted into PDF format and then emailed free of charge.

Our web site [www.iab-sd.com](http://www.iab-sd.com) now has a Pins section. Pins is the acronym for Port Information Notice, which provides the latest information regarding the port.

We would also like to welcome back Ms. Zoraya Felix. She had left IAB for a Brief period for personal reasons and now is back taking over Yolanda Garcia responsibilities. We are all happy to have her back on our team.

## Andean Trade Promotion & Drug Eradication

There is a new trade program called the Andean Trade Promotion and Drug Eradication Act (ATPDEA) which became effective only on 10-31-02 and published in the Federal Register 11-5-02. The ATPDEA amended the Andean Trade Preference Act (ATPA) to allow, among other things, quota and duty free treatment for certain textile or apparel articles. There is a new sub-chapter (XXI) to the HT schedule, which contains the 98 HT#'s.

The four countries this applies to are:

Bolivia, Colombia, Ecuador & Peru.

## U.S. CUSTOMS ANNOUNCES ADVANCE MANIFEST RULES

Some of you may be aware that Customs has issued a final rule effective December 2, 2002, which amends the Customs Regulations to require carriers to present certain cargo manifest information 24 hours prior to ocean vessel lading at the foreign port, and to encourage the presentation of this information electronically. Below are some details. This may result in some delays.

U.S. Customs has published its final regulations requiring the filing of cargo manifests 24 hours prior to loading on ships overseas.

"Terrorist organizations pose an immediate and substantial threat to the global trading system," said Customs Commissioner Robert C. Bonner in a statement today. "With this rule, Customs can better protect the American people and the global trading system as a whole from the threat of nuclear terror using sea containers."

Since earlier this year, Bonner has said advance manifests would play a key role in the agency's Container Security Initiative. CSI, which was announced in January, is designed to help protect the United States and a large portion of the global trading system from terrorists who might use container transport to hide weapons of mass destruction and related materials.

In June, the Group of Eight nations and the World Customs Organization endorsed CSI as a way to improve security in the supply chain without disrupting legitimate flows of cargo.

CSI requires bilateral agreements to be created with other governments to target and pre-screen high-risk containers in overseas seaports before they are shipped to the United States. Customs inspectors will also be stationed in CSI ports to work with their overseas counterparts.

So far, Customs has entered into CSI agreements with more than a half-dozen governments in Europe and Asia. Last weekend, China agreed in principle to join CSI.

"Because of CSI's rapid growth and critical role in homeland security, it is necessary that Customs immediately begin receiving the advance manifest information required for CSI implementation, electronically (through Customs Automated Manifest System) or otherwise," the agency said.

Customs said it received 78 comments regarding the proposed regulation, which was announced in August. The agency said it "significantly amended the regulation" based on the comments.

For example, the final regulation exempts vessels carrying bulk cargo and also explains how confidentiality of manifest information will be protected.

The final regulation becomes effective 30 days after publication in Federal Register which is expected Oct. 31. The rules will also be available on Customs' Web. Customs said it would delay enforcement of the Rule for 60 days after its effective date.

The agency asked the Treasury Department's Advisory Committee on the Commercial Operations of the U.S. Customs Service (COAC)

to set up a special subcommittee to advise Customs on operational issues arising from the implementation of the advance manifest regulations.

"This special subcommittee will allow Customs to maintain an open dialogue with the trade on potential implementation issues," Bonner said.

"It is imperative that the trade community and Customs continue to work together."

