

Technical Support and Assistance for the  
FHWA Operations Core Business Unit  
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***Air Cargo Security Forum Facilitated  
Workshop Report***

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FHWA, Office of Freight Management

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## ***Air Cargo Security Forum Facilitated Workshop Report***

### **Background**

In late 2002, the Electronic Supply Chain Manifest (ESCM) demonstration project in Chicago – New York was completed. It entailed the integration of biometrics and smart cards with *secured* internet transactions for the air cargo industry. This technology demonstration effort was intended to show that improved security for cargo in the surface to air regime was possible while concurrently increasing the efficiency and productivity of the supply chain participants. We understand that the scope of ESCM was too limited to generate dependable conclusions about the applicability of the technology across the regime, and in particular about issues like naming standards and data standards. The results of the project do seem to indicate that significant benefits can be derived from:

1. Wider implementation of the technology
2. The integration of additional technologies
3. The development of standards which would help simplify the adoption of the technology by a wide variety of users.

Battelle conducted a highly-focused meeting of supply chain stakeholders to review the ESCM project, its objectives and outcomes, and to consider the benefits that could be derived from an enhanced demonstration program. The forum included 34 attendees from Industry, Government, Academia, and special interest organizations. The forum took place over two days, gathering during the morning of day one, working that afternoon and again the next morning. The meeting concluded approximately mid-day two so that participants could readily make connections for transportation home. This document provides the summary results of the workshop.

The recommendations of this forum and any projected follow-on activities will be coordinated with the ongoing efforts of the Intermodal Freight Technology Working Group and research partners from related and ongoing efforts.

### **Format**

The forum followed a structured agenda and used the guiding services of a professional facilitator. The detailed agenda helped to capture the ideas and opinions of industry professionals. They considered the results and recommendations from ESCM. We sought out their reactions to the outcomes, and their advice regarding current practice and challenges in their daily operations.

The general agenda provided four major topics for the discussion; each was initiated with specific questions designed to focus the exchange within the intended context of the Forum.

1. Outcomes and Implications
2. Industry Challenges and Benefits
3. Regional Position and Capacity to Participate
4. Goals and Next Steps

Using the technical resources of a groupware system, the facilitation team captured the dialogue of the meeting participants electronically. Four scribes were active during the sessions, to ensure that an accurate record of industry viewpoints and perspectives would be available as basis for future activities. Following each day's sessions, the recorded comments of the participants were sorted into categorical groups. This report presents a summary of the four topic areas. The detailed responses are also provided in the Appendix of this report.

At the outset, the attendees were asked to consider what their two or three greatest issues were in logistics operations. The intent was to focus business thought on operations, rather than legal or financial issues. Toward the close of the forum, they were offered the opportunity to relate the possible benefits of ESCM technology to addressing those major business issues. The responses, contained in Topic 2, seemed to indicate recognition that this technology could be a contributor to business efficiency and solutions.

## **Topic 1: Outcomes and Implications**

The attendees had been briefed on the conduct of the Electronic Supply Chain Manifest project both prior to and at the opening of the forum. With the concepts of ESCM as a point of departure, the discussion began with a guiding question: *Why are the ESCM project outcomes and implications important for your business?*

The participants fully engaged the topic from their business perspectives. The recorded comments were ultimately sorted into the following categories:

- Business Size Sensitivity – would implementation favor large vs. small organizations
- Competitive Edge – Apparently, the added tracking information would provide marketplace advantages
- Investment – exploring how much money and staff resources would be needed
- Data Sensitivity – expressed concerns for protecting proprietary information vs. information sharing
- Automation – perceived speed and consistency of business processes
- Stages of Implementation – Segmenting the work might ease burdens of implementation
- Process Issues – How a business performs its functions need to be accounted for in the use of the system
- Compliance/Regulatory – Meeting government requirements proactively can be an extra value to businesses
- Business Case – need to consider Costs/Benefits/Performance
- Asset Visibility – Knowing where the cargo is, would be a quantum improvement

- Security Attributes – Protecting the carriers and the cargo from a variety of threats

The forum readily established a consensus that the ESCM approach could well have positive implications for their respective business operations.

## Topic 2: Challenges and Benefits

After broadly discussing the implications of ESCM for their businesses, the participants were led by the question: *If technology such as ESCM were available to you, what would be the issues surrounding making it work in your organization?*

The participants fully engaged the topic from their business perspectives. The recorded comments were ultimately sorted into the following categories:

- Integration – getting the new system working with legacy systems, realizing the many variations that exist
- Training – Adaptation by the workforce to amended practices and work routines
- Business Processes – matching system use to how a business performs its functions
- Data Sensitivity – Protecting proprietary information vs. sensible information sharing
- Information visibility – getting the right information at the right time to the right people
- Standardization – levels of uniformity vs. competitive edge from unique methods
- Regulated Parties – Who has to comply, and market forces for cooperation
- Chain Of Custody – Accountability and title of cargo are particularly interesting issues
- Reliability and Redundancy - What happens when the computers are down

A second guiding question was: *Could technology such as ESCM solve any of your current business challenges?*

Discussion was recorded in the following categories:

- Compliance - Meeting government requirements more readily with usual business information
- Data Visibility – getting the right information at the right time to the right people
- Marketplace – Inducing business partners to cooperate even if they're not regulated
- Economics – expect an impact on the bottom line if the tools are in-place
- Access to Technology – different prospects for the Technology Haves vs. Have-Nots

The forum participants developed a significant opinion that the use of such technology would be beneficial to the degree that a competitive advantage would accrue from improved asset visibility, speed and reliability of process, and assurances of regulatory compliance.

### Topic 3: Regional Position and Capacity to Participate

In this topic area there were two guiding questions. They were posed concurrently for the purpose of generating a considered posture by the participants with regard to a possible future project. *If there were another Advanced Technology Demonstration (ATD), why should it be held in Columbus? Do we or don't we have the "right" people in Columbus who can make themselves available to participate in an ATD?*

Discussion and commentary fell into the following categories:

- Diversity of Participants - A full array of supply chain players are found in the area
- Additional Stakeholders – Considered other related stakeholders such as planning commission, and federal interests
- Project Scope – reviewed what is involved technically, and selected tangential issues such as hazmat regulations
- Investment – How much will it cost - scale, what form of investment- labor or dollars?
- Regional opportunities – Take advantage of growth in logistics in the region
- Regional Diversity – A variety of inter-modal transportation exists
- Purpose –What we are trying to accomplish is improved manifesting
- Reservations – Issues/Concerns for synergy among participants
- Public/Private partnership – How do we form the relationships, how is funding handled
- Regulatory Curve – Being proactive vs. reactive is a high motivator, and an assurance that the regulator won't diverge later is key
- Related Projects – Other technologies that have been tried or are in test currently
- Data Visibility – Getting the right information to the right people at the right time
- Structure – Who does what

Collectively the participants generated an opinion that a future project would fit well in the regional logistics community, and there are relevant issues regarding the risks to participants given the likely required investments. Nonetheless, the panel recognized that a regional implementation effort could have national level impacts on cargo security measures and still improve logistics productivity of the involved stakeholders. There was significant curiosity about the form of public-private partnership that would be used to undertake the ATD, understandable given that most of the forum participants rarely undertake such projects, sponsored by the government and shared by both sectors.

## Topic 4: Goals/Next Steps

The discussions in the first three topic areas were then recapped for the forum, presenting the categories of comments, and refreshing them as to issues and opinions. Having generated some positive inclinations to undertaking a future project, the discussion then moved toward potential goals with the following guiding questions. *If we were to undertake a future project, what would it look like? What are the next steps?*

With some reflection on past projects, similar and related, the discussion fell in the following categories:

- Structure - who does what, how is a project described
- Contract vehicle – in probable format of a Public/Private partnership
- Scope and roles – What/Who would be involved, roles befitting the business of each stakeholder
- Related project information – Websites and reports that show examples of efforts by others and roles performed
- Feedback communication – Keeping each other up-to-date, maintaining awareness and momentum
- Quality – Measuring the benefits of the system, use internal audit function
- Next steps – Early action items to further the goals

Action items selected were:

- Battelle and the Advanced Logistics Council will provide the early coordination while stakeholders consider their opportunity and ability to be involved.
- ALC will brief other council members on the Forum to gain and gauge their interests in a potential project.
- Battelle and ALC will begin to define the interests and roles of the stakeholders.
- Battelle and ALC will discuss the identified interests and roles of the stakeholders with the federal agency partners
- Establish a project formulation team.



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## **Agenda**

**September 24-25, 2003**

**The Blackwell at OSU**

**Columbus, Ohio**

### **September 24**

Morning: Arrivals and Greetings

12:00 – 1:00 Luncheon

Welcome Remarks - Advanced Logistics Council

Keynote: VADM John Shkor, COO, TSA

1:00 – 2:00 Review ESCM Project

Mike Onder/FHWA, Dan Murray/ATRI, Lee Jackson/TSA

2:00 – 5:00 Facilitated Discussion, Battelle

Outcomes and Implications

(ESCM Stakeholder Call-in Opportunity)

Industry Challenges and Benefits

Regional Position and Capacity to Participate

6:00 – 8:00 Dinner Limited Brands

Hosted by Nick LaHowchic, President and CEO,

Limited Logistics Services

### **September 25**

8:30 – 11:30 Summary of Discussions

Recap, Clarifications and Additions

11:30 – 1:00 Lunch – Elaine Roberts, President and CEO,

Columbus Regional Airport Authority

1:00 – 2:00 Wrap up

Outline Potential Goals

Identify Next Steps

2:00 Concluding Remarks

Advanced Logistics Council and Mike Onder/FHWA

## **Appendix 1**

# **Detailed Record Of Facilitated Sessions**

## Facilitated Session Output

The following text is the summarized results of the Air-Surface Cargo Security and Productivity Forum facilitated working focus group. The output is organized into three topics and the conversation grouped by category.

### Outcomes and Implications – Topic 1

#### Question 1

**Why are ESCM project outcomes and implications important for your business?**

#### Business Size Sensitivity - Large vs. Small Organizations

- MC - Economic benefits is exciting to industry, but is that not weighted toward large shippers. Won't we need incentives for small companies?
- MC-Does it need to be positioned as a competitive separator? KW-No, but the more who use it may encourage more use
- KW: Answer to MC: Small shippers , weighs more heavily, looking for subsidy, larger partners are using system, if more people use it, they look at it maybe we should jump on board
- Mo-depends on volumes. Proportional gains, but if up-front investment does not give you same return as quickly that may be a problem.
- BB-Smallest carriers should be targeted first because they are biggest risk and they don't have knowledge/expertise and have not implemented proper security measures. Should give them incentives first.
- BB-Target small businesses first, they are more at risk,
- PB: Small vs. Large forwarded? Must create a barrier to entry for forwarder for security reasons.
- JC-Lots of facets still need addressed, but could be figured out for smaller forwarders and if they are not capable of participating they should not be in the field.
- BA: Tracking transactions had to duplicate business functions in order to participate. Mom and pop shops can participate easily thru the internet. New to them but it provides them with benefits without upsetting infrastructure.
- BA-The demo project... Larger companies probably had to duplicate functions they already did in order to participate. The "have nots" really could participate easily because they had PCs but not their own systems, so they got benefits more readily without upsetting an infrastructure. There will be differences like that forward.
- PB-How would you operationally manage this? Etc. These questions need answered before we can decide if this can be equitably employed to all levels of users.

### **Competitive Edge - Provides Marketplace Advantages**

- MS: Competitive advantage. No industry standard, shipper-forwarded specific, don't want to deal with 20 different shippers, huge advantage in a perfect world. Need to demonstrate a compliant process. Get some kind of regulatory benefit.
- MS: yes to competitive advantage, but carriers are disconnected. It's not an integrated organization. He doesn't know where his cargo is until it arrives to destination and origination. There is a very strong benefit to this to the quick card.
- MS: Visibility to where and for how long cargo sits provides info to make better decisions (competitive advantage to services providers to users)
- MS: We are doing things in a more intense way. He is focused on Domestic inbound freight. It comes for all over, he wants to know exactly where his freight is (in between delivery). It is a competitive advantage for someone to supply this information to him.
- MS-Great benefit because we can secure our supply chain. It is a responsibility. CTPAT certification is an example. It is a competitive advantage to people who want to ship for limited. Not done well now and there is no platform for it. Carrier specific but not a whole system (separate ones per carrier). Know when leave and get there, but know nothing about it in the middle.

### **Investment - How Much Money and Staff Resources do we Need**

- MO: can be done incrementally, think about whether the company wants to make the investment.
- SL-Concept is beautiful. If you tie in the shipper you get full effectiveness and better visibility throughout the shipping process. Just concerned about cost and who bears it.

### **Data Sensitivity – Proprietary Information vs. Information Sharing**

- JJ: What happens when it leaves? Satellite systems, what's the backend system that shares the info? Gets data from trucks and put on the website. This is what is happening now. 'What about airlines? Info can be shared by all shippers.
- JJ-As a vendor providing long-haul visibility for 15 years. Aside from that is the back-end. JB Hunt and big boys have their own systems. It is a matter of sharing it. Qualcomm even hosts this for smaller carriers.

### **Automation – Speed and Consistency of Business Processes**

- CE-Electronic and manual processing should be simultaneous at first and then go electronic later.
- CE: Comment for MO: Maybe Electronic process and manual process can co-exist.
- MO-Backroom system should immediately when a transaction has been initiated anyone who could need to know could know about it (presumably he is answering Yes and saying why that is a better approach).
- MO-Chip held CDL, thumbprint of driver, and manifest, so drivers did not need to have a different card for each state and the manifest was presented very quickly via the backroom architecture.
- MO: Where transaction is originated. Anyone having involvement knows where it is. No one cares if this is the final accreditation. Every port in FL has a different card! Also

Baltimore, trucker has to carry a variety of cards. Chip has driver license, thumbprint, and manifest as well. Handoff point, card into reader, update manifest as to where it was. Functionality is what is important. Can get into customs area as well. Use same card even at highest level of security.

- SL: Card is great but who bears the cost?
- Answer to SR: MS: We are just automating access.
- SR-Uncomfortable. Are we giving a security card to anyone? Confused about how one-to-one -> one-to-all transition

### **Stages of Implementation – Segmenting the Work**

- SL-Are we broad banding the issue too much, public interest is on air travel, therefore we should be focused on air travel cargo?
- PB-Issue for regulator has to be what cargo do I look at? If small carrier does not do ESCM or equivalent, regulator knows nothing about it and it is hard to compare it to manual (may create a barrier by not being inclusive)
- PB: Two ways things will happen, mandated thru government and compliance; other is generating a business case through efficiency. Whose job is it to manage a system like this? How do you implement it?

### **Process Issues – How Business Performs its Functions**

- SL: Concern is security of cargo in belly of plane, DE: Concern is whole system, SL: Public focus is here, seems we are too broad here, dealing with too much at a time
- PB2-Two ways to improve freight movement- requirements must be met. Generate enough business-may benefit efficiency. How do you implement this system?
- CE: Experience in career (paper work arriving later) will the system increase the time windows for what goes out the door vs. getting a note later? Will system be more efficient with getting both the goods and the paper work to the destination?
- JS-obligation to a known shipper "my known shippers, may not be known to competitors" makes commercial world more known. How do you build confidence with shippers?
- JS-Learning a lot. TSA obligation on freight forwarder who particularly wants to put weight in belly of a plane. Concept--Can TWIC card have status of known shipper authorization on the card? If known by one, can I be known by all? Can we avoid Congressman Markey's desire that everything gets un-stuffed but while satisfying political curiosity?
- JS: Need to satisfy political issue by not having to un-stuff ALL packages.
- BA: Need to identify a driver to shipper, don't want to spend time on phone verifying who is supposed to be dropping something off.
- MS-Air cargo measures self on point-to-point, not players they connect with. He manages the process because air carriers do not.
- MS: Set an expectation and the service provider needs to deliver. Measure point to point; airline is not concerned with all this. Information connects the different players. I manage process because they don't.
- Answer to PB2; MS: Successful with getting information so far. We set an expectation and the service provider must deliver. He is looking for the proper customer service. Air

carriers are not focused with delivering customer service. He manages the process because the carriers do not.

- SL- Visibility he assumes means only point of delivery, not device on package. KW/MO-True, but that could be an additional piece of the system.
- JL - ESCM and cargo 2000 project, total chain having ESCM in chain is critical. Gets legally nuts. ESCM in transit visibility is great business tool!
- MO-In 1996 exploring this with shippers, forwarders, etc. and when asked if this type of information was important to know. Answer was yes, but don't have visibility now. Not much has changed in 7 years.
- JS-If re-doing it 6x, it is better to do it only once.
- SL: It is my problem, when my system is down.
- CE-Info and physical goods do not flow simultaneously. Will this system decrease that flexibility? Need more accurate info?
- CE: The information and physical flow doesn't match in a timely manner. Will ESCM shorten time windows? Need more accurate info?

### **Business Case – Costs/Benefits/Performance**

- MC -New technology is very difficult. Management would be hard to persuade. Need to show value to the company.
- MC-Need to deal with SC technology and people. Need to convince company and not just technical part of the company.
- MO-Chassis tracking project. Key device -- if it could have been installed all together gains would have been huge, but staging them caused ROI to be a 4-yr timeframe and average life of CEO in U.S. is 3 yrs. Hard sell.
- SL- Do we have any baseline of % of U.S. Cargo of U.S. civil carriers?
- SL-what's the total % of air freight stowed in belly space of passenger planes--
- JL-40% (2% of total air freight).
- SL: Total tonnage of freight moved in commercial airlines?
- JL- 50-60% of cargo to the system
- SL-Is concern mostly when cargo is in belly of plane?
- SL-May be broad-banding it if most of it passes thru airplane
- JC-Lots of quirks, but it is a benefit. We would know who is moving it and how. More of a sense of security.
- JC- benefit, yes we know everything, who, what... sense of security!!! if they don't participate, they don't belong
- JS: Spending \$ duplicative. Need to do it once. No privacy loss. MS: This is not for the general public.
- MS: Focused on domestic belly freight. Freight spends more time on the ground than in the air.
- BR: As a shipper do you ask for that? MS: Yes, all the time.
- KW: One of the benefits, visibility of cargo, helpful for customer support. Lets them know routing and schedule and planning.
- PB to MS: Would you be willing to pay for that service?

- MS: Successful in getting it so far and I may be paying for it. Don't know because I get what I want.
- JL-ESCM and Cargo2000 project has been supported by some of the larger carriers. Having ESCM in the chain is critical. Contractually forwarders are only responsible point-to-point presently. But this gives them a business tool via visibility.
- JL- ESCM& cargo2000, having ESCM is critical, great business tool, great tool
- MO: In 1996, exploring this idea. Is this important to you to know something has arrived for you? So you don't know where it is?? No, they don't where it is. For seven years, something still has not been done.
- MS Knows because of fax, phone. You should be connection with Cargo 2000, there could be some synergy created if you combine services. Doesn't want to bother with multi-services when doing business. (Comment to JJ: Benefit for working together in the Air Cargo industry, not necessarily concerned with freight or any other modes.
- SR-If I am a small engineering firm fastest way is to FedEx (go on plane). Is this what you meant SL?

#### **Asset Visibility – Knowing Where the Cargo is**

- JC -Like ESCM because it provides a sense of security knowing what's coming in and out.
- BR-MS do you see any benefit of this from an info flow standpoint, performance or is it purely a cost?
- JL: Visibility (including who touches it) also known.
- JL: Ex. Paper work cleared, going through times. All of this fits, carriers are focusing on this.
- KW: Visibility and cargo scheduling big for participants of study

#### **Security Attributes - Protecting the Carriers and the Cargo**

- BA-Intention w/ ESCM is to facilitate identification and authorization processes. Not necessarily privacy. The mechanism is about identifying a driver to a shipper to streamline/secure movement of cargo.
- SL-No. I can be in business with no overhead in weeks (freight forwarder) and I don't have to tell customer how I am moving stuff. Some places screen better than others, but nobody knows me and I am part of the segment that always touches the cargo.
- MO-TWIC they used had two levels of security (included customs) -- could use up to 4 levels via TWIC.
- Answer to SR : MS: Not for general public, just for people that have specific access.



## **Challenges and Benefits - Topic 2**

### **Question 1**

**If technology such as ESCM were available to you, what would be issues around making it work in your organization?**

#### **General**

- LW-Carrots at every level would get this done much easier. Don't say you must do it. Put carrots in the system.

#### **Integration – New System Working with Legacy System**

- MC-MO is looking for integration in supply chaining.
- MO-Recognized many have said they don't want to look at 20 systems. Best vision we have now is to have something that is Internet B2B and B2G communication that everyone has opportunity to use and is open. TransCentric (spin-off of Union Pacific) has worked on this.
- MS: People will deal with the integration differently. It doesn't seem to be a complex system that we are talking about.
- BB- you won't have to throw away your current system, but use pieces of it.
- MC-Integration with back office is the difficult part.
- PB: How much of the other system has appealed to all of you? (Electronic access control)
- PB - (DELCAN)-How much of electronic access control part of the project is perceived to have added value? (e.g., biometrics, manifest, and CDL)

#### **Training – Adaptation by the Workforce**

- TOPIC 2 Q2 Training issues, upgrades, etc.?

#### **Business Processes - How Business Performs its Functions**

- SL- the issue is getting the shippers to supply information
- PB: there are issues with processing all of the information and having it ready for shipment
- PB-Is there a difficulty with dealing with all of this information at expense of quality of service? SL -- You bet there is.
- SL- If I have a variety of shippers, I need to know what everything is without unpacking everything.
- SL- wasting time on verifying everything, rather than being quick about getting products out
- JL: Shippers and forwarders will work out cost individually. Yes, they are willing to pay for it as long as the cost wasn't out of line.
- SL-Doing it for the customers anyway, this is just one more step and not a big deal.
- SL: we are doing this for the customer, not a big issue.

- BA: Tracking transactions had to duplicate business functions in order to participate. Mom and pop shops can participate easily thru the internet. New to them but it provides them with benefits without upsetting infrastructure.
- BA-The demo project... Larger companies probably had to duplicate functions they already did to participate. The "have nots" really could participate easily because they had PCs but not their own systems, so they got benefits more readily without upsetting an infrastructure. There will be differences like that forward.
- SL-There are lots of ways to look at cargo. For shipper, security means do not lose. Mode has security concerns.
- SL: Cargo Security, so many angles. Shipper has security issues, not the cargo.
- SL- so many angles when looking a cargo, makes it difficult to discuss
- SR-What are the problems we are trying to address?
  - SR: Problem solving, discussing a solution, what are alternatives? Getting too many comments here. There are many different goals and problems.
  - BA - Need to identify problems and issues that can be solved with ESCM. What are the info elements to track? Guard info of employees? Customs issues? Need to identify if tech is impeded somehow. All of you need to think of some.
  - BA: ID issues such as privacy of employees, do they coincide with the tech. We are determining if they will be solved along with the technical problems.

#### **Data Sensitivity - Proprietary Information vs. Information Sharing**

- MS-Does not sound like a complex set of data that we are trying to digest. MO-Really past tech challenges except fire-wall protected data while figuring out how to communicate.
- MS: Deal with it my accessing internet only. MO: Data warehousing, we are past this. How do we make it so we can't see into each others firewall?
- FR- If system is shared, is the info business sensitive? In a perfect world, one system (interface) and not worry integration with common info.
- FR Jr.-Question to KW, Is some shipping info proprietary/sensitive that shipper does not want competitors to see (rate, timeframe, etc.)? I know MOU is suggested but will it work?
- JL-Assume there is a mask on proprietary info that can be applied.
- JL-This can be good or bad -- kill yourself in planning or lose visibility.
- JL: Can't mask all data or else you loose the visibility.
- FR Jr. -- Is time info sensitive? JL--Biggie is supply chain information
- MS comment to JL - Rate is sensitive (info) and should not be public.
- 5JL: Critical is where the supply chain is. Don't want name, address, in shipment order.
- PB: Customs collects an enormous amount of data from shippers. Do I know who these people are? Once shipment is gone, do analysis.
- PB-FOIA and other info. Customs already collects lots of info on incoming shipments. Issues for government will be security (do I know shipper) but don't need to know much about it after it is gone.
- SL- Who shipped and what is in the box is the most key information. (for security)
- PB comment to FR: Customer collects lots of information, it would not be an issue to collect info for security reasons. Imports mostly.

- JS-Info security, FOIA, etc. everyone should become familiar w/ Title 2 of Homeland Security Act (IAIP, security related info) because it says how stuff needs to be marked and immunities that are available.
- JS: Trans and security, new thing, homeland security act. IAIP, deals with security related info, need magic words. We all have an obligation to know about this.
- FR Jr. -- Ohio has something similar
- JC-releasing info to a unknown, will happen due to time related issues.
- JC: Issue releasing unknown information to an unknown shipper, you will further complicate this system.
- DS: Some should be denied access for privacy issues.

### **Information visibility – Right Information at the Right Time to the Right People**

- SL- it tells me who shipped what. Visibility of the shipment.
- SL- What is controversial is visibility.
- PB comment to FR: Customer collects lots of information, it would not be an issue to collect info for security reasons. Imports mostly.
- SL: Need to identify shipment at all points. What to know who shipped it and what's in the box? Need to get data from shippers.
- SL- The issue is getting the shippers to supply info.
- PB-issues with getting the info in a timely fashion
- MC-MS will pay more for visibility and he is relying on freight forwarders for providing it presently.
- JC-Tough to segment out unknowns from this system in aviation (did not understand why, but had to do with packages being manifested before wheels up -- aviation)
- DS-Not anyone with access to ECSM can see visibility, only those you nominate.

### **Standardization – Uniformity vs. Competitive Edge**

- MS - Perfect world is one common interface, but likely that we have common info which flows into each company's system.
- JC- Most major trans. providers spend millions on tracking- the challenge is for me to throw away my old system and adapt the new one.
- JC-Challenge will be to convince those who spent millions into their systems to trash systems.
- JC: Don't want to dump expensive system for another expensive system. Need to interface without using the phone. Can't convince people to get rid of expensive systems for an even more expensive system.
- BB: Numerous legacy systems and universal interface. Need to listen for certain message. You are talking about a universal translator.
- BB-Need universal translator -- don't need to scrap legacy systems
- MO: 47 diff data elements
  - SL comment to PB2: Biometric and manifest information is on the system.
  - SL-That would be valuable. Obviously for security, but also for hazmat, and other regulations.

- SL: Hazmat issues need to integrate this into everything. Want to electronically sort thru these.
- JL-Has pretty much everything but ex-dredge info (which it should have)

### **Regulated Parties – Who has to Comply**

- SL: Trying to ensure every shipper is complying with regulations is an issue. Difficult process you must regulate so that every one is on the chain in order for the system to work. You are responsible for a shipment as long as it is in your possession.
- SL-More and more the shipper is the problem and not the forwarder and it is in part because they spend too much time verifying in the box than shipping it. This is a good system but you must have to figure out how to get buy in from shippers.
- PB: Consolidation and belly shipments, issues in getting all information is an issue because of the time issue. SL: Ensure that every shipper knows what they are doing without unpacking the box. Carrier gets in trouble, not the shipper. Want the forwarder to buy into it. Need to regulate this.
- SL-Responsible when shipment is with me. Challenge is for guy giving shipment to air carrier due to data movement.
- JC-Tough to segment out unknowns from this system in aviation (did not understand why, but had to do with packages being manifested before wheels up -- aviation)

### **Chain of Custody – Accountability and Title**

- DS-Do have positive chain of custody (e.g., manifest tracking portion does include exception and system error reports)
- DS: Some system generated error reports, they get documented in the ESCM system.

### **Reliability and Redundancy - What Happens When the Computers are Down?**

- SL-Bigger issue is reliability of common systems that serve everyone.
- SL: It's a problem. Everyone will be off at the same time.
- TB-Customs systems go down. Some you cannot manually process.
- TB: I don't know if you can manually process this stuff. Use fax machine?
- JC: Need to go to an IBM. How many people have one of those?
- JC- I may have to go to an IBM Selectric3. Redundancy is an issue and needs looked at.
- DE- Is reliability an issue?
- PB: In the tests, did you face that issue?
- PB: Test done, were there any issues at all?
- Paul B-MO did you face this issue? MO-No, system id not go down but redundancy was not tested.
- PB- if the system goes down, you just work off-line until it's fixed.
- SL-Who owns the node? That is the \$54M question.
- SL: Who controls the node? If node goes down, we all have the problem.
  - BR: Very important!
  - SL: It is my problem, when my system is down

## Challenges and Benefits - Topic 2

### Question 2

**Could technology such as ESCM solve any of your current business challenges?**

#### Compliance - Meeting Government Requirements

- SL: Forwarding, getting shipper compliance is difficult, big concern. Need standard. Cargo screening so I am compliant.
  - SL: Forwarder for forwarding, getting shipper compliance, this system seems as if it will facilitate this.
  - SL - Need to take time out of the equation.
  - SL- If I lose time with the new systems, then my quality lessens
- BB: What if shipper won't comply with the system?
- JL- What is non-compliant?
- JL - What do you mean by noncompliant?
- SL- I want to know who you are and are you a known shipper,
- SL :Who are you and are you a known shipper
- PB: ESCM makes it easier to be in compliance.
- PB2: ESCM can address both the people and technology compliance. It can solve problem.
- MS: There are certain regulations now. Pressure is on the shipper now.
- MS- It may be the case in the future that I have to prove and I am a known shipper.
- MS: Regulation is important, if you are not a known shipper, you may have to prove it
- DW-Meeting requirements of fed is a big objective that ESCM could solve

#### Data Visibility - Right Information at the Right Time to the Right People

- PB (Delcan)-If implemented properly, ESCM can solve people and technology problems
- MO: Rail perspective?
  - KM: Will not provide certain information even though there is common knowledge available. For instance, internet. (Rail)
- KM-CDL (for rail) done differently per different state. Don't want to give info to wrong parties. Should be government mandate for standardized CDL.

#### Marketplace – Inducing Business Partners to Cooperate

- SL-my concern is getting shippers involved with the system.
- BB: Do you want to do business even if the shipper doesn't comply?
- SL: Change and do business with someone else.
  - BR: Would you really say "no"
  - SL: Not really.
  - SL: His answer would be to say no.
- JL: Shippers are non-compliant. Need to define this. Not intentionally non-compliant. They are ignorant.
- JC- Midwest syndrome- that's why I pay you
- BA: Forwarders will refuse shipments if they don't have enough info. Shippers will give info in order to get shipment where it is going.

### **Economics - What's the Impact on the Bottom Line if the Tools Were In-place**

- MC-It's a low cost solution for low end shippers.

### **Access to Technology - Technology Haves vs. Have-Nots, Ubiquitous web**

- DE: People vs. tech problem? If it is tech, how does ESCM help?
  - JL: No answer to the people or technology problem.
- MS: Ensures that the people handling our valuable products are screened
  - MS: It will make sure that those that are handling merchandise are known. There will be background checks for all employees from shipping to pickup.
  - PB- What kind of background check, how detailed? PB (Delcan) - How rigorous would background checks be on goods movers (e.g., w/ r.t. like dock-workers union)?
  - MS-Government maybe should have a minimum level
  - PB-Law says there are fed statutes in aviation, can these work in other modes?
- JS-We will start to find out. HAZMAT for CDL's is an experiment.
  - BR-For MS, can you distinguish b/n hazmat and clothes?
  - MS: Done rigorously in the store network. If there's a record, you cannot work freight. Against regulations.
  - JC: CDL for a particular state. Someone may be bad, but it won't show up on CDL.
  - 4. BR: Came light years to get where they are at today. Will be hard to go national! Long time coming.
  - BR-Will need to be a specific incident before this happens.
  - MO: Tech implications, AAMVinet: traffic moves back and forth, working with TSA to get uniformity with CDL[s

### **Airline Reporting**

- MO- To DW is there anything in terms of airport ops that this can help? DW-Could help airline forwarders report to the airport with regard to ops to improve business [efficiency?]

## Regional Position and Capacity to Participate - Topic 3

### Questions 1 & 2

1. **If there were another Advanced Technology Demonstration (ATD), why should it be held in Columbus?**
2. **Do we or don't we have the "right" people in Columbus who can make themselves available to participate in an ATD.**

### Diversity of Participants - Full array of Supply Chain Players

- SR-Columbus is center of freight in all kinds of modes, 2 rail cos, inland port at RAC, I-70 truck corridor, so it has a national flavor in aviation and more so in trucking
- SR: Columbus is a center for many modes, freight, passenger and Columbus is within a day's drive and easy access for distribution.
- SR: Freight center, inland port, passenger and freight, trucking thru I-70, days drive to major cities, Chicago too complicated, Battelle is here too! Ohio has great MPO and Chamber
- SR-Chamber, MORPC, and Feds all work together here.
- BA: Comment: Columbus makes a good test bed.
- SR: In tune to freight and freight carrying
- SR-University here has good logistics, hard to beat Battelle (except sometimes CSI)
- MS: Are there large air freight shippers here that are willing to part?
- MS-If why Columbus, are there large air freight shippers that are needed? Don't think we have them.
- LH-What kind of airline participation will we have; SL-I'm only one (and I'm cargo); MO-EVA was supposed to be here but could not make it
- PBell: Do you see an ability to convince customers to part?
- SL: Yes, I don't see that as a problem. JC: Agrees
- PB (Delcan) -- except for captive providers, do you see interest by customers or yourself for this kind of thing? SL-Yes, mostly for ourselves in their case
- SL: Doesn't see it as a problem with them getting involved.
- JL: Difference between scheduled charter and cargo carrier. Useful in terms of schedule.

### Additional Stakeholders – Who Else

- MO: Institutional issues are solved here. Advanced logistics council, already momentum in this arena
- SR-Missing MORPC here for political role
- BA: ALC already represented.
- BA: Question to BR. Are they represented by the ALC?
- SR-Ohio Road Development Commission is also a good addition to consider
- PB-FMCSA should also be considered (planning staff)
- Ohio FHWA: Should involve FMCSA.
- MO: We have been trying to develop this program in 1999. Momentum, several agendas that need to be met, they don't coincide sometimes. Need buy-in from TSA and customs.



Need to keep trying. Can't move forward without that happening. Need everyone to come together.

- PB(Delcan) – Inter-modal freight technology working group is good to work because it has a lot of the people there (like TSA, etc.) -- IFTWG is in Ft. Lauderdale 11/14-11/15
- PBell: Even if you can't come Nov to Ft. Lauderdale. , make sure we keep line of communications open
- PB: There is TSA and customers representation that would benefit.

### **Project Scope – What's Involved**

- BR-Technology, participation -- what were problems in demonstration?
- MO: Answer's BR. Participation was not an issue. The downside, dual procedures (work). In 1995, they were doing double work because they saw an advantage in doing so down the road.
- MO-On BR question; we can partner with entities and not do RFP's or other lengthy contractual relationships and FHWA is okay with this because they become an equal partner and this is a way to get funding too (in their case 50%+ match). Kry -- participants know they don't have to foot entire bill
- MO: We've ask for a 50 percent match when asking for help in investing. The response was always more
- MO/DS--Installation in pilot was easy (standalone -- no legacy integration), training was short (simple system), only real time commitment was entering info into ESCM
- DS-With larger integration, that time should go down; really the challenge was if participants were in a crunch for another reason (e.g., 9/11)
- DS: Pilot was a stand alone system, no legacy systems. Dial in sys. Training didn't take long. Entering data took a long time. With integration, larger commitment. Use of system, not long for a given shipment. Priorities shifted after 9-11.
- DS: Installation was a dial-in system, training didn't take long. The time issues would be entering data.
- SL-Need scope document
- SL: He concurs with MS's. He would have to be familiar with the scope and know the benefit of his company in the long run.
- MO-Dan Murray was PM for a project and American Airlines asked him if they can buy the system; so the interest is there but you can't put it together in pieces can't just have one mode (need airline, truck, shipper, retail, etc.) origination point does not matter, so Cols is fine from that standpoint (not an O/D project)
- SL-From all cargo standpoint; we are concerned with cubes and weight plus internal info (particularly if hazmat and type, etc.); so cargo carriers may not be excited to fix problems that do not benefit them; in PAX environment the benefit is much clearer
- SL: All cargo carrier stand point, what's in the boxes is generic, useful, is it hazmat or not, if it's not, we don't care. All cargo carriers won't want to fix what is not broken. Need to understand what we are trying to accomplish. Passenger is clear, not freight.
- SL: We're concerned with weight, the project would be beneficial if the cargo is hazmat, vs. not. In a passenger environment, it would be very valuable to be able to ID cargo, but may not be as much for a commercial carrier.



- PB: Having this technology, you want to be specific to know what to look at and what not to, you don't want to spend a lot of money on unnecessary things.
- SL: Belly freight? Percentage?
- PBusick - Interested in all air freight. Percentage is different if you look at all air freight.
- PBU-Before 9/11 did not worry about lots of stuff and now government is worried about lots of what if scenarios
- SL: Need to try to understand what we are trying to accomplish.
- PBU-Develop system that gives feds resolution into what is being transported and improve efficiency for carriers at same time
- MO-Chain of custody system that enabled visibility for business, business partners, and if need be the government
- PB2: Reinforce the fact that value in showing what is practically possible to do. Regulation wise.
- SL - Huge opportunity for businesses to collaboratively with government.
- JL: Difference between scheduled charter and cargo carrier. Useful in terms of schedule.
- JL: 135 and 121 schedule carrier. It is a very small leap that SL is speaking of.
  - SL: Regulation difference is very small.
  - JL-121 vs. 135 air carriers are really more operational and otherwise each should be interested in this stuff

#### **Investment – How Much Will it Cost**

- MO: Part requirements. 50% of government funds. ESCM, 1.5 M dollars, 5-6 M for project. For expanded study, may need more funds. Procedural changes need good mind set. Change could be temporary but hope it's permanent. Need more government funding.
- DE: Time invested? People dedicated for each task?
- MO on DE question (how much time did participants need to give) -- 9/11 was a major problem and UAL had to pull out, American remained supportive as did JAL; so there are things that can happen to challenge labor participation, but in their experience if you have a champion they know time commitments and try to honor them.
- MO: Yes, part was not same as beginning. United and American were very dedicated. Need champions and here's my time commitment. Need to know how long it will take. 24 months? Most part, process takes 24 months.
- DW-What is private sector commitment? DE-Asking more of a willingness to participate? DW-Probably, depending on scope, probably could dedicate people
- MO: How much part did it take?
- PBell: How much time from concept to workable idea?
- DS: User acceptance was very good.
- PB (Delcan)-How much time private companies change prototype to study ready system; DS-Done mostly on a suggestion basis; users saw potential
- MS: what is the \$ commitment vs. the time commitment?
- MS: What are the investors paying for?
- MS: is assuming the payroll in the estimation of the project.
- MO-Payroll, no special dollars may be need beyond paying people and office space, etc.
- MO-May need to hire people to do work for you to participate

- MO: Includes soft money as well. Hard money is needed to hire people to perform the project. Co. from Chicago maintained the server.
- BR-to MS, this is a serious step function and a major undertaking compared to pilot study with spending time/resources to make it a functioning process integrated (making it a full system, not peripheral)
- BR: This is serious project. Integration will be very hard, spending time and resources to make this its own system.
- SL: It is serious undertaking that is going to grow into reality. Columbus is a great place to try new things; everyone comes here to try new things.

### **Regional Opportunities – Take Advantage of Growth in Logistics**

- SL (Airnet)-Columbus is not big in air cargo movement (ORD, CVG, PIT)
- SL: Not a good airline hub. Most forwarders will do activities in larger hubs. We would be happy to part. But I need scope of what we will achieve.
- LH-Need gateways, not enough lift out of here (JFK, ATL, or ORD)
- LH: Very strict guidelines. Not enough lift out of Columbus. Has to be more lift.
- JC: Support is to build Rickenbacher. Small enough to do a prototype test here. There is a lot of retail business here for freight. It's an extra twist to see if it works here.
- JC: Build Rickenbacher. Columbus. no freight internationally. Small market for prototype test here, not comp like New York or Chicago. Bring truck in to test to see if it would work.
- SL: Most prudent approach. Get DOT, Customs, TSA, all together. Get the right folks involved, it will be great to do in Columbus.
- MS; Challenge to get critical mass, regulation issues are key. Award part for achieving a certain status. Not that TSA says you must use this system, but if you do, you are a good guy.

### **Regional Diversity – Variety of Inter-modal Transport**

- PB (Delcan)-Also need major distributor of goods willing to invest time (have that here with limited and others)
- PB2: Is an outside observer. He says, "You have a major distributor of goods." You have the technology ready here in Columbus, for instance in the Limited.
- MS: Targeting shipments in the belly.
- MS: Are there large freight shippers in Columbus? Would they be willing to participate in the project? He's not familiar with the activities outside of his specialty.

### **Purpose – Project Purpose/What are we Trying to Accomplish**

- MO- SL said something interesting last night: the emphasis has been on knowing more on what is in the box, the problem is that gets into the competition piece and also theft; so maybe it is not what is in the box that goes on manifest, but more of what is NOT in the box
- JL-Trade Act 2002, Section 323 (international) -- must be more precise about description and nature of goods carried; KM-Says there is also a fed mandate for container safety; PB (Delcan)-Domestic movements aren't concerned with customs though right?; PBu- Congress people want to rapid scan it to determine if the info needs a closer look

### **Reservations – Issues/Concerns**

- KM: Huge amount of synergy. We are interested in driver validation. We don't want to invest money without knowing if it's viable.
- KM-Don't know if biometrics is viable (offers lots of problem)

### **Public/Private Partnership – How do we Form the Relationships**

- PBell: How different is this project to get federal funding?
- MO: Need to write rules.
- PB (Delcan) -- How different does this test need to be to get fed funding; MO--his opinion is that we need to write the rules and that there is agreement from companies that this is a way to do business (not just good to test)
- BR: Intellectual property, what is the attitude about IP?
- BR-IP for staff time, how will it be handled?; MO-Lots of possibilities; DOT is not interested in IT, want to partner to move stuff forward
- MO: Room for movement, IP rights. BR: Your interest is not IP but moving forward. MO; We are not contracting but participating.
- PBusick: DOT Fed, regulatory scheme will come from TSA. Need to find a way to assure TSA has a role in the regulatory issues.
- PBU-An issue that needs considered by Columbus folks is that TSA should be a partner because they are the likely regulator (Mike is interested but maybe not influential in regulating); participants need some kind guarantee that regulations would nullify participation/investment
- SL-More collaboration between entities that includes regulators helps carriers figure out what will be expected will get buy-in

### **Regulatory Curve – Being Proactive vs. Reactive**

- MS: What is the motivation for people to participate?
  - MS-Advantage to participating is that you can be sure there will be regulation and you are on the right track to be compliant instead of possibly in trouble with your supply chain
- SL: We are trying to not sell the project, but showing benefits. We are working through regulations, collaborative approach. Agree with you Paul Busick, we will jump on board. What will TSA say about cargo?
- SL: Today Interested in the regulatory involvement. He's involved in regulation with the FAA. Going thru the process with the industry in mind. Need to approach with more collaboration in mind.
- PB: Collaboration is important; he is trying to get more involved with TSA himself.
- MS: Is daunting to get critical mass. Key is to get regulation status. If it is clear that this is a vehicle to be considered a "good guy" and customer's see that you are working a tight secured process
- HK-If you don't bring TSA at ALL levels the fear is a lot of energy expended for loss
- TB: Customs, ocean freight, companies must supply info 24 hours ahead of time. Could TSA do this? Why not be at the fore-front so it can fit your company?

- JL: 24 hour rule has been in effect for months. 4-6 hours from "wheels up" will be new. They don't know what they are looking at yet.
- JL- Maritime TSA has an NPRM out
- JL: International side. Filing from customers that MTSA will be looking for. TSA has no idea how they will be looking at things
- MO-Customs is trying to get folks thinking in a direction so they are adopting requirements and that will save inspection time (if you are JIT you don't want holdups); so he thinks customs will likely be on board this and MO will take mature ideas to container working group of customs
- SL: Concerns: Shipper responsibility, compliance, cargo screening, and time to do job. We are told to perform things by TSA. If this solves their problems, it solves my problems.

### **Related Projects - Other technologies That Have Been Tried**

- MO-Also, operations safe commerce (NY/NJ, SEA, and LA/Long Beach) -- \$53M to these load centers to improve flow and create standards and we should look at what is done there; how can we tie in to one of these trade lanes being studied?
- MO- TSA, customs, and DOT have several working projects and we should think about tying into one of them; Columbus does not need to be an O/D; take to ALC and chew on what we decide?
- MO: Operations Safe Commerce group are trying to lead this effort. 33 projects developed to look at the trade lanes. TSA will come up with standards this year. TSA is buried. Huge task. Things moving forward. How would Columbus tie into this? Are you in the trade lane we are already studying? Have tie-ins where are working on these things together. We are trying to facilitate this best we can. Take this info from this forum to the ALC.

### **Data Visibility - Right Information at the Right Time to the Right People**

- MO-Protect proprietary, protect legacy systems, but allow visibility to those with need to know
- PBU-One of early TSA projects was could a centralized fed DB of electronic manifests from everywhere. I almost had a heart attack -- lots of data.
- JC: Can't use that classification anymore. Who is responsible for the classification? He told me it was not hazardous, but it may be.
- PBusick: Can I look at cargo flows so I can decide what to use?
- PBU-Its more of can I look at cargo flows on an exception basis, not Yes/No permission basis

## Goals/Next Steps - Topic 4

### Questions 1 & 2

1. **If we were to undertake a future project, what would it look like?**
2. **Next Steps**

### Structure – Who Does What

- BA: Goals and Next Steps
- BA-Can you start a description regarding structure, from a consulting firm standpoint in terms of scoping, contracting vehicles, etc.
- BR: Public/Private participation, Structure, Scope and how do we invest? Real expectations. Refer to MO, please add to this.
- MO: Next steps, finding champions and scoping the project.
- BR-FMCSA demo project to demo advanced technologies (electric braking systems on HD trucks where trailer and tractor not always together); integrator is one role (Battelle/SAIC) to pull together OEM (freightliner) and vendor (brake tech) -- Do SOW where you describe how project would unfold and pricing (either via solicitation response or proposal), where dollars are put to all contributions to show cost sharing, then it is considered a research project with deliverables; sometimes there is an independent evaluator to do benefits/costs
- BR: Have this electronically? I will give example. Demonstration project. FMCSA / DOT, Demo advanced tech. Electric braking systems on heavy trucks. Tractor and trailer are not together. Advance this technology. Systems integration, put together pp (OEM, brake manufacturers), write statement of work, sometimes it's a solicitation or RFP. Put team together; identify tech used, how the project will be structured, scope, and costs. 50% cost share. Industry donated equipment and time, can put dollar value on that. Cost share aspects are and an issue. All get a relief on their cost. Got deliverables, an evaluator. Independent evaluator from a federal agency. Pricing area, quite flexible. Not a barrier to involving a private company.
- MO: Right on target. ESCM is joint project. Lead ATA Foundation and FAA. Letters of agreement between partners. All had funds, soft and hard in the project.
- MO-Letters of agreement b/n FHWA, FAA, ATRI (then another name), State of Illinois, etc.
- MO: Everyone had funds in the project. Looking for O-Dot to partner up, possibly for this type of project.
- BR-Hard money from feds, soft money from participants (labor, equipment, etc.)
- MO-International Mobility Trade Corridor shows customs can be a partner too (\$0.5M), and even Transport Canada
- BR: IP was not a problem at all. IP comes back to the team.
- WZ (OSU Walter Zinn)-- shippers need to look more into visibility (beyond regulation); one issue is standardization of data for cost management and should be of interest to shippers
  - WZ: First day here. Most people here are service providers, you focus on regulations, need to focus more on visibility. Data is handled differently. Need unified database. Attractive to shippers and well and security aspect.

- MO-counter-proposal is to NOT create a big warehouse, but to link proprietary systems to maintain proprietary into and avoid cost of development, and retain B2B
- NL- How do you (MO) respond to standardized structure?
- MO: Fits into whole pattern. XML, X12, Grew out of an ITS project. All ITS experts were involved. We were advised to take 47 data elements before this ISO body. International standard? All companies represented. Good idea. Created concept of operations. Find there is strong interest but don't know the mechanics of making it work. WCO and UN, all users involved. Maintain UN Trade Data Standard. Need to go through them to add data.
- NL: wealth of info everywhere. Can we talk thru all this and get everyone the info?

### **Contract Vehicle – Public/Private Partnership**

- MO: Championing from their state perspective. Trying not to be any kind of dictator but true partner. Work together, helps to get ahead of regulatory curve.
- BA: Hard funds from federal client, one agency collects?
- MO: Yes, dollars sent directly to partners. Collaborative activity with feds.
- MO- in IFTWG project customs funded DOT (inter-agency transfer)
- SR: We have done this before.
- MO-Even fed funds can go thru ODOT

### **Scope and Roles – What/Who is Involved**

- BA-structure of stakeholders defines roles in the partnership; SOW will hash this out and define the different segment participants and goals (scoping); nobody dictates what others do and you only commit to what you can do (partnership description is limiting and should not scare people away)
- BA: So what's my investment? Not all hard cash. Relationship defines what will agree to do. Develop SOP that will hash out, define diff segments of the supply chain, and define for you as well. Not someone telling you what to do, only commit to what you can do. Relationship between group and government is important.
- MO-Scoping starts here, then to ALC, then to FHWA/TSA/Customs; however, need to know users will champion this
- MO-Agreements between partners that need to be put into place (NDA's, etc.); go further than op test, this should actually be integrated/institutionalized
- MO: Move to ACL for further refinement. Discussion between TSA, Customs, etc. We are willing to champion it but the user makes this work. FMCSA may have rules and regulations. Determine this thru defining the scope. Must deal with non-disc. Agreements. Need to relax rules and regulations that might interfere. Need action plan and champions to pull it all together.
- BA: Any additions? We touched on some next steps earlier.

### **Related Project Information – Websites and Reports**

- MO: We have contracted with SAIC to cross cut tech. Benefits that they see and we see. Need to do a cost/benefit analysis. Hard work on validation of the numbers and deploy



the technology. What are the national and global benefits? Good feedback to the ALC. It would be available to other partners. Work to develop compelling arguments.

- BA-might also bring up whether additional technologies need combined when we see description of them from that SAIC work
- BR: One conclusion, make sure that we are targeted would address thoughts and desired of federal agencies. Need dialog, process, info collected, these are important to have. Getting that feedback would be essential. MO, lead federal person. If this works, it's important for me do what I need. Won't be easy.

### **Feedback Communication – Keeping Each Other Up-to-Date**

- BR: Make sure that what we have (feedback). It will be important to have from the participants in this room.
- MO-agree, and if Battelle could give indication of levels of interest in a region that would help
- BR: Burden is on us to be clear enough for the federal agents to understand it. Will this benefit me? Gets personal. A lot to do before we say, here's a formal proposal.
- MS: Supply feedback should be doable. If there is a detailed description of the process of the system to present. It is critical to be compliant.
- MS: Customs reviews, inputs and outputs satisfy them? Need detailed description of the process. Yes, I will consider you compliant if you use this system. Again, don't want to invest time and \$ if we are not going to be compliant.
- BR: It will take time. Don't want to go down a path of frustration.
- SL: Need feedback from front-line force. Who is moving the stuff?
- BR-serious work needs done; MS-it should be doable; not about a fed mandate for how to do it, its more about proving the info will be provided; MO-that is what BRs SOW must prove; SL-alternative is not good for fed agencies (no system is not good for them)
- SL: If you don't take time for feedback, how would it be done otherwise?
- BR: Don't go one person and say here it is.
- PBU-There is coordination amongst agencies, but productivity won't be part of their equation, which is benefit to participants being involved and shaping what is the approach
- BR-There needs to be education on both sides

### **Quality – Measuring the Benefits of the System**

- PBusick: Some portion of the cargo will be inspected. No free pass. There are certain people they will check first.
- SL-true, but real small % of total in such a system and it can be planned for
- NL: Nick L: You keep quality control model, exception to the rule
- PBU-Exceptions are possible because of visibility
- PBusick: Internal audit function
- SL: it's like internal audit function
- SL-next step should be narrowing down to key people in shipper/regulator environment

### Next Steps – Early Action Items

- PBU-When we say we will brief outcome of this meeting, we have collected stuff but do we have what we want out of the next step MO?
  - MO-One of next steps that BR mentioned that sounded viable was to collective discuss outcome of this meeting with ALC and other members and come up with a scope and role of interested parties; run this thru container working group and get some feedback to Leslie/BR or whomever
- PBus: FAA was the partner in the first project?
  - MO: Yes, but may not be in the next project.
  - PB: FAA as the first project?
  - PBU-First one FAA was the partner, that is still needed due to hazmat, volume, etc. (SL agrees)
  - MO: FAA, TSA, FMCSA, DOT, all need to be involved?
- MO: We didn't mention FRA although they may be involved, also DHS.
  - PB: TSA Only has the ability to regulate
  - MO: #1goal in DOT is safety. TSA not thinking productivity.
  - MO on PBU- (TSA owns rail security because no regulator) yeah, but discussions and regulations from DOT weave some things in
  - BA: Series of people
  - MO: Security discussion on productivity is constantly coming up
- SL: Forwarders, manufactures, TSA, DOT, customs, FAA. Carriers: cargo, passenger, ocean, trucking and rail. Need key reps from each of those. Have to have some commitment from each of them. Security and safety are intertwined.
  - SL: Regulatory high level, Need Key representatives for group. Security and safety is key.
  - DE: Too early to define who?
  - SL- Shipper (forwarder, ); Regulators (FAA, DOT, TSA); Modes (ocean, cargo, rail) -- missed most of these
  - LW: Need to get out in the stakeholder arena and see who we can entice.
- LW-everyone in this room is big and could probably make 2-3 calls and get others needed
  - SL-offers to help
  - SL: Many people sitting here that can contact the people. I will help.
  - SL: A lot of these people are here in this room including him.
  - BA: Can we count on you, Mike?
  - MO-agree to bring leadership to the table
  - BA: Paul, we need you too.
  - PB (Delcan) -- write report and be IFTWG dude
  - PBell: I can help put together a project formation team.
  - PB2: suggestion, write about what have been done here.
- LW: Shippers waiting to here about this meeting.
  - PB (Delcan) -- probably need to get to scoping sooner than later as next steps (LW-RAC is waiting for us in a presentation next week)
  - DW: Shippers want to use Rickenbacker. Need results of this meeting ASAP.
  - LW: I think we can get there with what we have so far.



- NL: MO Is there a way to talk thru this and supply information for discussion.
  - NL-can we leverage performed work
  - BR: Locally we need to determine what we want to do. Why would federal agencies want to be involved?
  - BR-we should make up our plan and take to MO and then begin that dialogue
  - PB: Need information for research purposes?
  - NL: How do I get transparency? Awareness not research.
  - NL: No, not doing a research funding.
  - BR: Make sure we have solid interests locally first.
  - MO-agree need library; maybe we can get some reports on CD/website (CONOPS, standards, etc.)
  - SL-my hook is to work with regulators; but should be a BIG hook for Columbus Ohio to act as a community to lead this; where we need buy in is that it would be productive
  - SL: Concerned with collaboration with other entities. (Looking forward to it) The regulation is coming, and we should go ahead and lead this and have the confidence to have others to join. We have to start somewhere
  - SL-experience w/ FAA re-write was positive in terms of seeing change in regulators

### **Action Items – What Happens Next?**

1. Battelle and ALC provide early coordination - 9/26-10/30/2003
  2. Brief major ALC members on forum - 10/1/2003
  3. Define initial interests and roles of the stakeholders - 10/15-10/30-2003
  4. Discuss interests and roles with federal partners - 10/30/2003
  5. Establish a project formation team - 10/30/2003
- BR-I will coordinate this thru ALC
    - BR: Will do thru ALC
    - PBU-So is Leslie doing this or is Bob going to come out and help?
    - PB: Who is going to come out and do this?
    - BR: Yes, Nick and I tell Leslie what to do. We will support her as we have been.
    - BR-Battelle and Nick? tells Leslie (GCC) what to do and she gets it done, with support from shippers
    - LW-That has worked well and that kind of support really needs to continue
    - LW: That network is the support we need to get this completed. The role is convener of discussion.
  - NL: What are the key constituents? Need to get shippers together. These are the champions.
    - HK: Have shippers, carriers, all need to be involved
  - MO-Deadlines: Cols Airport Authority, Then ALC meeting, then be back to MO in 4 weeks with where group has decided to go (DE-Nov-14)
  - BA: Battelle and ALC early coordination, brief to major council member (10/1), initial interest and roles, discuss with feds and partners (10/30). Project formation team (10/30).

## Other issues

- DW: What exactly do we wish to accomplish from here. Need position statement or goal statement. Need more detail here.
- MS-If doable in short timeframe, I think there is a lot of questions that have not been fully answered. (Ie. what is complete value proposition?) Who owns it, who maintains, what does the system look like, is it transportable, is it international?
- DW-Need to tell people if TSA is onboard w/ electronic manifesting, etc.
- MO-these could be investigations
- BR-need to know this is scalable, ownership needs determined, each deal is different
- BR: To MO, you are not looking for another pilot. This is scalable. Times when private sector cares about IP and times they don't.
- SL: Too simple? ISO 9000 comp., segment that could become an international standard.
- SL-this could be an international standard, (so we need to do a good job?)
- JC-as Joe shipper, is this another regulatory thing? How to intro as a user-friendly tool
- LW-Analogy of get on-board or get run over
- JC: Devils advocate, how are you going to address that this system is needed?
- SL: Everyone knows this is coming. Know there will be regulations, more prepared the better.
- SL: Need to craft it as much as possible where we can.
- PB: We need to scope the project. We are not at the point to answer these types of questions (JC). We want to hook them first and worry about the detail afterward.
- PBU-next step is to address productivity as well as security
- LW: Stakeholders will help craft this
- MO-already done some preliminary homework with them, its not hands down, but idea wont be a surprise to them
- SL: This project is unprecedented. Buy-in will be difficult but it boils down to national security. We need to streamline the process.