



Shipping Industry Presentation

 **HORIZON LINES**  **Matson**[®]

Illegal Fireworks Taskforce

December 13, 2010

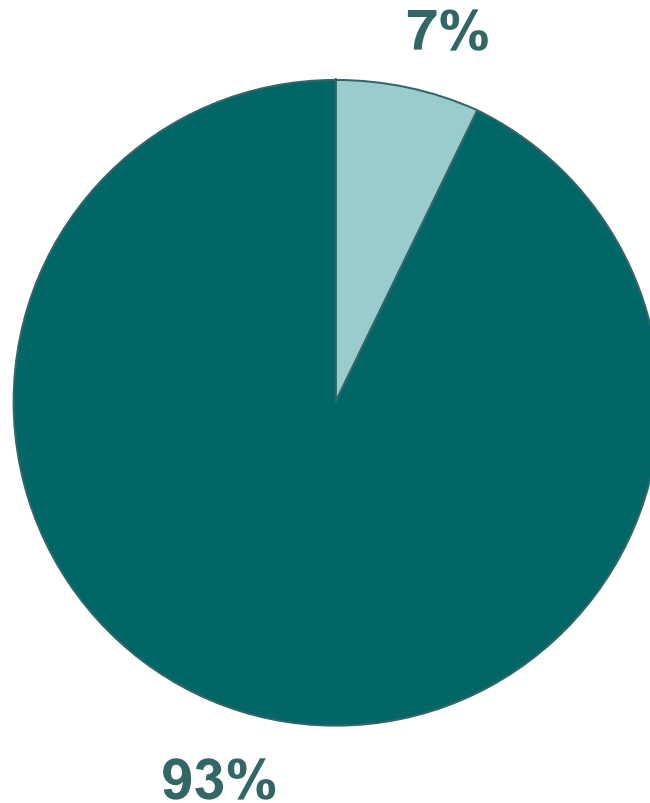
Agenda

An aerial photograph of a large shipping port. A massive container ship is docked at a pier on the right side of the image. The ship's deck is covered with a dense grid of colorful shipping containers. To the left of the ship, the port yard is filled with hundreds of stacks of containers, organized in neat rows. In the background, there are industrial buildings, roads, and a body of water. The sky is clear and blue.

1. Honolulu Harbor Volumes
2. Overview of Shipping Process
3. Inspections Done Today
4. Challenges to Inspecting All Domestic Containers
5. Recommendations

1. Honolulu Harbor Annual Volume

source: DOT Harbors, FY 2010



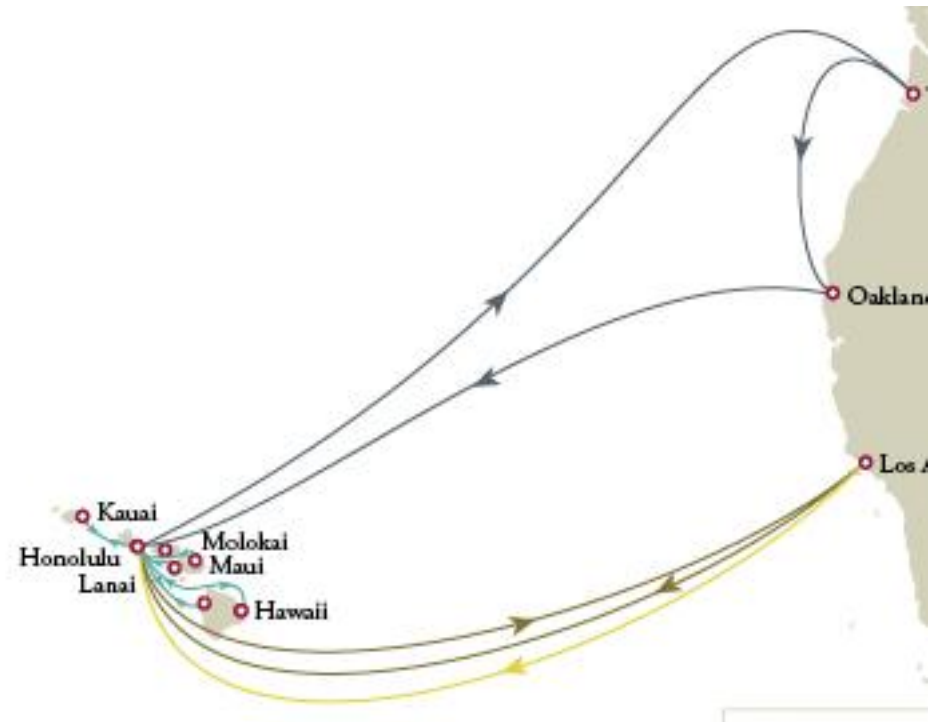
Containers	
Foreign	15,103
Domestic	193,915
Total	209,018

TEU (Twenty Foot Equivalent)	
Foreign	23,925
Domestic	374,696
Total	398,621

Approx. 70,000 containers are destined for the Neighbor Islands

2. Overview of the Shipping Process

- Hub and Spoke Model





2. Overview of the Shipping Process Tight Connections to Neighbor Islands

○ Example 1

16 hours

- **Wednesday 18:00.** Vessel arrives from LA
- Thursday 06:00. Gate opens Honolulu customers start to pick up cargo
- **Thursday 11:00.** Barges depart for KAH and KHI
- Thursday 23:00. Barge arrives KAH
- Friday 07:00. Barge arrives in KHI

○ Example 2

19 hours

- **Sunday 23:00.** Vessel arrives from Tacoma/OAK
- Monday 6:00. Gate opens Honolulu customers start to pick up cargo
- **Monday 18:00.** YB barges depart for KAH and NAW
- Tuesday 7:00. YB barges arrives in KAH
- Tuesday 8:00. YB barge arrives in NAW



2. Overview of the Shipping Process Cargo Declaration

- Booking documents
- Cargo Manifest
- Hazardous Declaration
 - Requirement to adhere to Federal law- 49 CFR Section 172 or Section 9 of IMDG Code (International Maritime Dangerous Goods Code)



3. Inspections Done today TAG – The Adherence Group

- Acts as a “neutral party” in the inspection of cargo for tariff compliance
- Checks for cargo misdescriptions
- Random selection of containers
- In Hawaii since 1992
- Different Levels of Inspection
 - 1. Paperwork evaluation
 - 2. Back Door Inspections
 - 3. Stripping – Entire load may be unloaded



3. Inspections Done Today

1. TAG
2. Department of Agriculture
3. Customs and Border Protection
4. US Coast Guard

Notification to Fire Department

All incoming fireworks shipments

- Current requirement by law for the importer or consignee
- Requirement for shipping companies effective 1/2/2011 (City Council Bill 34(2010)), but this is already being done



Who Ships to Hawaii

○ **Retailers**

- Distribution Centers
- Manufacturers
- Suppliers (established businesses)

○ **Wholesalers**

- Suppliers (established businesses)



Who Ships to Hawaii

- **Businesses**
 - Construction companies
 - Full load customers
- **Freight Forwarders**
 - Businesses
 - Public
- **Public**
 - Automobiles
- **Military**

Contents of a Container





4. Challenges to Inspecting All Domestic Containers

- Efficient flow of commerce, tight Neighbor Island connections
- Congested terminal facilities
 - Lack of space
 - Truck traffic
 - No on-terminal facility for unloading containers
- Effectiveness of container inspection in finding fireworks
- Costs



5. Recommendations

- Increase funding support of enforcement
- Increase severity of penalties
- Public outreach, Educational campaign
- Further study the effectiveness and related costs from container inspections