



March 2002

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## International Affairs

### Shanghai Model Port Project: New way of doing business

By Valerie Tate, *Program Analyst, Office of International Affairs*

In 1999, U.S. Customs, China Customs, and the National Center for Asia-Pacific Economic Cooperation (NCAPEC) formed a public-private partnership to transform the Port of Shanghai, China, into a model customs entry port. The project deadline was October 2001, a date that coincided with the Asia-Pacific Economic Cooperation (APEC) meeting in Shanghai and gave developers a chance to showcase their accomplishment. It was China's commitment to implement the APEC Subcommittee's action plan on Customs procedures that originally triggered the creation of the Shanghai Model Port Project (SMPP), a plan that focused on four critical areas: training, handling express packages at a new facility, establishing an Intellectual Property Rights (IPR) information center, and improving information technology/automation.

#### Intense seminar training

In June 2000, 20 Chinese Customs officials came together in Washington, D.C., for training in advanced customs processing - an intense series of seminars that covered the Harmonized Tariff Classification System, valuation and classification, risk assessment, the account-manager system of customs clearance, and other related areas. Next, the Chinese officials visited three port locations to observe the account management approach.

U.S. Customs and private sector companies conducted a series of real-life, real-time activities, designed to give China Customs officials an "authentic" opportunity to test their skills and to illustrate the role that partnership can play between Customs and the trade. "China Customs was hesitant to work with the private sector," says Alexis M. Paul, Modernization Branch Chief, Office of International Affairs. "We had to show them that U.S. Customs works with the trade in a positive way, generating benefits for both sides."

#### New express consignment facility

The Express Package Center is a first-class handling facility located at Shanghai's new Pudong International Airport. The facility, which can process nearly 3,000 packages per hour, was up and running in 11 months and fully operational by July 2001. U.S. Customs did its part as well, working with carriers and China Customs to negotiate new procedures for express processing. Chinese Customs quickly adopted the new procedures, and today, Shanghai Customs is not just processing shipments efficiently, but

implementing modern enforcement techniques as well.

Intellectual property rights (IPR) information center  
Shanghai Customs created an online IPR center named the IPR Virtual Information Center. Their Web site now hosts a new and very ambitious IPR page, and on July 1, 2001 - the day the site went online - the China Customs site registered 5,000 hits.

The site's IPR section hosts an extensive menu: important laws and regulations, IPR procedures, registration instructions, online consulting, status reports concerning IPR enforcement actions, case analysis, international exchange programs, hot topics, and online confirmation.

#### Information technology/automation

When the time came for Shanghai Customs to upgrade its technology, U.S. Customs was there to help with new software packages. With the new software, Shanghai Customs can automate critical parts of their operations, electronically accessing the World Trade Organization Valuation System, the IPR recordation database, and their new Web site.

#### Trade perspective

In October 2001, U.S. Secretary of State Colin Powell attended the APEC CEO Summit and the APEC Leaders Meeting in Shanghai, an event that introduced the newly completed Shanghai Model Port Project to the world. Kudos came from customs organizations and private industry alike - Jack Smith, CEO of General Motors, called the Shanghai Model Port Project a "successful model" and a perfect example of what can be achieved when the corporate world works in partnership with governments to support modernization activities. Carly Fiorina, CEO of Hewlett-Packard, referred to the SMPP as a "new idea, with new people and new ways of doing business" - a sure-fire formula for opening up new opportunities for the region's businesses.

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