A. OVERVIEW

Currently, arrival information pertaining to passengers and crewmembers entering the U.S. by sea is provided to federal agencies through a mostly manual process involving either a shipping agent or the ship's purser at the time of arrival. Most of the larger cruise lines have been voluntarily providing this information through APIS. As of October 1, 2002, all arrival and departure information pertaining to VWP travelers must be transmitted electronically through the API data format, which initially will affect the cruise industry. Starting January 1, 2003, all commercial vessels will be required to submit the electronic arrival and departure information for all passengers and crew in the API format.

The electronic submission of arrival and departure information for passengers and crew begins to satisfy the requirements of an entry/exit system, but both the cruise and cargo industries are exploring proposals to enhance the security of an entry/exit system.

For example, the cruise industry would like to explore how their Automated Personnel Assisted Security Screening System (APASS), currently used on most lines, could provide the federal inspection agencies with a tool for risk assessment of the crew, passengers, and the vessel. APASS is used as a security system that records the arrival and departures from the vessel for each passenger and crewmember on each voyage. The system contains a photo and biographical information for each person. This would especially be useful in identifying those passengers who require multiple inspections at U.S. ports on a single cruise.

Along with the mandatory submission of electronic arrival and departure information for crew, the maritime industry supports the use of a single seafarers' card. A competent authority, to be determined by the International Maritime Organization (IMO) or International Labor Organization (ILO), would issue a standardized, secure card that contains biometric(s). The industry also proposes that in the future the card could have the capability of containing electronic visas, which would provide the federal inspection agencies more information on individuals prior to their arrival into the U.S. A standardized seafarer's card would also allow the industry to explore the "trusted seafarer" inspection for those crewmembers who are frequent travelers and are in compliance with the INS regulations.

B. SUBCOMMITTEE REPORT

The INS has recognized the need to improve enforcement and the processes of inspecting passengers and crewmembers in the seaport environment. Seaport operations have not changed substantially in several decades. Presently, the inspection processes are paper-driven and labor-intensive. For similar reasons, the maritime industry desires changes in the INS inspection process to decrease the paperwork burden and to more efficiently process passengers and crewmembers. This is especially evident in the cruise line environment where passengers may undergo multiple INS inspections in one voyage after short visits to foreign ports-of-call. The DMIA created a task force to look at how to balance both efficiency and security at POEs.

Since 1996, Congress has identified the need to improve the way business is conducted in the seaport environment. They have done this through the IIRIRA of 1996 (also referred to as "the Act of 1996"), the DMIA, and the VWPPA. Since September 11, 2001, recent legislation, the USA Patriot Act and the BSA, passed by Congress has addressed both the need to modernize the seaport environment and the need to enhance maritime security. Central to these efforts should be the development and implementation of a single, advance electronic transmission system for passenger and crewmember information to a single federal repository from which the INS and other federal agencies with responsibilities in regard to foreign crewmembers, the USCG, and USCS can obtain the information they need to fulfill their statutory and regulatory tasks and functions. Currently each agency has specific manifest requirements.

The major tasking to the DMIA is to streamline the inspection process of both U.S. citizens and non-U.S. citizens entering and exiting the U.S. This course of action must integrate added security measures and at the same time facilitate commerce. This course of action will promote the collaboration between several federal agencies, including the INS, USCS, DOS, and the USCG.

A concern with having different documentary requirements at the various U.S. borders is the possibility of diversion of cargo. For example, cargo may come through a port in Canada and move by truck or rail across the border to the U.S. in order to avoid overly burdensome U.S. documentary requirements on the port side.

This specific proposal is a comprehensive business plan highlighting the drivers for process and system changes. The drivers are as follows: legislative, enforcement, efficiency, management, and commerce. These drivers are explained in this chapter. This chapter will also give details regarding the current operating inspection procedures of both the cruise line and cargo industry with reference to: processes outside the U.S., embarkation to the U.S., entry into the U.S., and exit from the U.S. Subject matter throughout the chapter addressed as either "Problem Issues" or "Proposals," in many instances, applies to both the cruise line and cargo industry. These similarities have been clarified. Furthermore, this chapter will identify problems and make recommendations to improve the inspection process. The primary focus of this particular chapter, because of the complexity, will be the cruise line and cargo industry. Private vessel issues will be addressed at a later point in time.

Cruise Operations

In fiscal year 2001, the INS inspected over 6.9 million cruise passengers and 3.9 million crewmembers onboard cruise ships.[23] The average cruise vessel presents 2,100 passengers and 750 crewmembers for inspection, but the cruise industry has been introducing vessels that will hold 3,400 passengers and 1,200 crewmembers. When an aircraft arrives, holding an average of 300 passengers and 20-25 crewmembers, it is processed by a dedicated staff at an air POE. With the exception of a few locations that have dedicated seaport staff, such as Long Beach, CA, and Miami, FL, the local airport staffs the inspectors used for the seaport inspections.

The following sections describe the current passenger and crew "basic" seaport inspection processes. It is important to know the reasons for the variations so the INS will pursue a thoughtful restructure process that takes into consideration geographic and workload differences, while attempting to achieve operational consistency from port to port.

Though there are three categories of cruise ship itineraries, the "basic" inspection process for both passengers and crew are the same; it is just the itinerary and in some instances, the number of times a person is required to be inspected on the same cruise that differ. Therefore, the problems and proposals identified by the Seaport Subcommittee are relevant to all scenarios. The cruise scenarios are classified as follows:

Foreign Port-of-Origin Cruise: This type of cruise itinerary represents the most basic conditions for a foreign ship's arrival to the U.S. Cruises depart from a foreign seaport and arrive at a U.S. seaport. Cruises in this scenario may come from Europe, Asia, or the Caribbean islands and typically arrive in the North Atlantic at the ports of New York and Boston and in the Pacific/West Coast at the ports of Hawaii and Los Angeles.

Domestic Port-of-Origin to Noncontiguous Territory Cruise: For this cruise itinerary, the passengers and crew undergo an inspection each time the ship returns to a U.S. port from a foreign port. Typically, cruises begin in the U.S.; go to a foreign island (also referred to as "going foreign"), return to a U.S. port (such as Puerto Rico), go to another foreign port, and return again to a U.S. port. Cruises of this type occur most often in the Caribbean region and involve the U.S. seaports of Miami, Port Everglades, San Juan, and St. Thomas. These cruises represent the largest number of cruise inspections for the INS. (See Exhibit 1: Cruise Itinerary Schematic)

Domestic Port-of-Origin to Contiguous Territory Cruise: The inspection process for passengers and crew in this cruise category is the same as the domestic port-of-origin to noncontiguous territory cruise. Similar to cruises traveling to noncontiguous territory (adjacent islands), nonimmigrant alien passengers who take a cruise from the U.S. to contiguous territory most likely have been inspected recently at an international airport or a land border POE when they originally entered the U.S.

[23] Statistics from INS G22.1 Inspections Report

There are different immigration risks associated with each category of cruise ship itinerary. Assessment of these risks, combined with the assessment of other port risks (such as day trip cruise inspections, geographical risks, etc.) and available port resources, have resulted in variations or modifications to the basic seaport inspection process.

Current Process Outside the U.S.

Upon arrival to the U.S., all crewmembers and passengers must be in possession of the proper documents (visa, passport, seaman book, photo I.D. issued by a competent authority) for entering the U.S. All non-U.S. citizen crewmembers must be in possession of a valid/current crew non-immigrant visa and a valid/current passport. The INA requires that all aliens requesting permission to enter the U.S. be in possession of a valid travel document and visa, unless otherwise exempt. This includes foreign crewmen arriving by either air or sea, unless exempted by the INA. Should an alien arrive without proper documentation or a visa, when required, the INA provides the inspecting officer the discretion to allow for a waiver of such requirements in instances regarding emergent reasons or for public interest.

Prior to September 11, 2001, the inspecting officer could process those crewmen arriving aboard a sea-going vessel that did not have the proper documentation and were found admissible to the U.S. for a waiver at the time of arrival. The most common reason for the lack of documentation, especially nonimmigrant visas, is the logistical problem of obtaining a visa prior to embarking to the U.S. For example, a frequent occurrence on vessels in international commerce is that of a seafarer who, for medical, personal, or other reasons, has to be replaced by another mariner on very short notice, typically a day or two. Obviously, ship management and crewing agencies cooperate as closely as possible with the local U.S. diplomatic representations to plan for these situations, but in many instances the tight schedules of vessels do necessitate recruitment of seafarers who, for various reasons, may not already be in possession of a D-1 visa. These seafarers may simply not have the time to apply for a D-1 visa at the local U.S. embassy or consulate. Sometimes the relevant U.S. authorities cannot issue the visa within the very short time frame before the replacement seafarer has to take up his/her position aboard the ship.

Problem Issues

In this new post-September 11 environment, the INS changed its policy on the level of authority for granting of waivers. It is now required that all consideration of a waiver be submitted to a higher level of authority, often not on-site. Though the change in authority has not changed the requirement to have proper documentation upon arrival, it does limit the ability of the industry to be flexible when using those seafarers without the appropriate nonimmigrant visa. There are a number of potential problems with the implementation of this requirement that are unique to the cargo shipping industry. The Seaport Subcommittee would like to point out a number of factors that we believe should be carefully considered before a final decision is reached on this issue. They are:

- The USCG in its most recent submission to the IMO has clearly stated that one of the elements in the proposed internationally agreed seafarer identification documents, or in the system supporting such documents, must be “permission to enter other countries.”

Assuming that the inclusion of permission to enter (e.g. the U.S.) in such documents would be based upon some form of prior vetting of the seafarer to whom a identification document has been issued, it would appear that these international seafarer identification documents–should such a system in fact be developed and implemented–might reduce, if not eliminate, the need for additional visa issuance requirements.

- The U.S. Government supports the development of a new identity document for seafarers that would contain a biometric identifier. The proposal for such a document originated in the IMO and was transferred for consideration to the ILO. The use of the seafarer's identity document to include a nonimmigrant crew visa may be feasible when the U.S. determines that electronic visa issuance technology has been developed to satisfy security and statutory requirements such as the collection and verification of a biometric identifier.[24]

- A requirement that all seafarers on a vessel have a D-1 visa before the vessel embarks for a U.S. port could have major operational and economic implications for international shipping. A frequent occurrence on vessels in international commerce is that of a seafarer who, for medical, personal or other reasons, has to be replaced by another mariner on very short notice, typically a day or two.

- Crews are frequently on ships for extended periods of time (up to a year or more). In these situations, a mariner may not return to his home country in time to renew his visa, and the visa may expire while he is on board the vessel. Further, U.S. consuls are not always available at the seafarer's country of residence so he/she cannot get a visa readily when shipping out. In merchant shipping, a vessel may commence its voyage with an itinerary that does not include a U.S. port-of-call; however, commercial decisions made while the vessel is underway may dictate that the vessel redirect its route and enter a U.S port. Mariners serving on such a ship cannot obtain a visa initially, because they cannot show a need, and their underway status on the ship makes obtaining a U.S. visa impossible. This problem does not simply involve the individual seafarer and his leave. Owners would be restricted in making crew changes because the incoming and outgoing crew may not a have a visa.

- Careful consideration would also have to be given to which sanctions, if any, should be imposed on vessels with crewmembers that do not possess a valid visa in cases where a D-1 requirement should in fact be promulgated. Prohibiting such a vessel from calling on a U.S. port and commencing unloading would be excessive, and would have severe economic and operational consequences for the cargo owners, U.S. importers (many of whom are relying on just-in-time deliveries of critically needed products for continued production and/or operations), consignees, and ship operators and could (for the reasons stated above) significantly impact the entire international shipping industry.

- Finally, there is the issue of whether a unilateral U.S. visa requirement could result in other countries imposing a similar visa requirement on seafarers on U.S.-owned or U.S.-operated vessels. The Maritime Administration and the USCG have publicly voiced

[24] The Department of State is aware of the special needs of seamen for visa services and will work to accommodate those needs when possible.

concerns in this regard, and the Seaport Subcommittee encourages the INS to obtain the views of these agencies before a final decision is made on this important issue.

Proposal

Do not impose new visa requirements on crewmembers and continue the current policy on D-1 visa issuance wherein every crew is not required to have a visa before they embark on a vessel traveling to the U.S. (*Industry only proposal*)[25]

Explore the possibility that the proposed International Seafarer Identification Documents being developed by the IMO and ILO will contain enough information to satisfy the requirements for US visa issuance.[26]

Current Process

Embarkation: The INS receives advance notice of the ship's arrival and is prepared to conduct a complete inspection of all passengers and crew (including an examination of U.S. citizens) with an adequate number of inspectors from the seaport and/or a nearby airport. Competitions for INS resources are complicated at certain locations where multiple cruise ships are arriving at the same time. Inspectors perform pre-arrival preparations that may include determining the ship's estimated time of arrival; receiving notification of the number of passengers and crew and their nationalities; assigning the appropriate number of INS inspectors; and reviewing API, which is required. INS inspectors at the seaport receive advance notice of a ship's arrival, including complete API from the cruise lines. After October 1, 2002, all Visa Waiver passenger information must be transmitted electronically through API. As of January 1, 2003, an electronic manifest containing arrival/departure information will be required for all passengers and crew. API must contain passenger names and other information that can be run through law enforcement databases in IBIS to alert inspectors to lookout information on passengers and crew before the ship arrives. A full inspection is usually conducted on all passengers (including U.S. citizens and non-U.S. citizens) and all crewmembers upon arrival at a U.S. port.

In an effort to make the process of transmitting electronic manifest data as easy as possible, USCS has embarked on initiatives that would allow the transmission of passenger manifests via e-mail and the internet.

The e-mail process for APIS transmissions began in January 2002. The carriers are able to send the e-mail to a specific address, with a specific attachment name. When the USCS e-mail system receives these messages it automatically delivers the attachment to the Treasury Enforcement Communication System (TECS) for APIS processing.

[25] Should crewmen be required a visa prior to embarking for the U.S., careful consideration should be given to sanctions. Prohibiting such a vessel from calling a U.S. port and commence unloading would be excessive, would have severe economic and operational consequences for the cargo owners, U.S. importers – many of whom are relying on just-in-time deliveries of critically needed products for continued production and/or operations, consignees and ship operators, and could – for the reasons stated – significantly impact the entire international shipping industry.

[26] Exploring visa issuance options could include, but is not limited to, such areas as (1) the seafarer's identity document could be used as a passport submitted with a visa application overseas; (2) the seafarer's document could, when technology permits, include an electronic visa, or (3) the information collected for the seafarer's document could be shared electronically to facilitate the visa application process.

In April of 2003, the USCS web-based APIS system will be operational. Air and sea carriers will be able to submit manifest data via the internet and receive confirmation of receipt from USCS. These transmissions will also be automatically delivered to TECS for APIS processing.

Problem Issues: At the moment, all information regarding arriving foreign vessels is faxed or hand delivered to INS Inspections by the shipping agent. The Form I-418, Crew Arrival/Departure Manifest, is faxed to the POE. In most cases this information is only received one or two days prior to the arrival of the vessel. In some cases the manifest is never received.

The INS and the USCS require manifest information to be forwarded prior to arrival. The USCS will only receive API data 24 hours in advance of the arrival of a vessel. INS only requires that manifest information be forwarded electronically. Currently, USCG regulations require that all vessels greater than 300 gross tons on voyages of 96 hours or more forward a Notice of Arrival to the USCG (via fax, e-mail, or telephone) 96 hours prior to the vessel's arrival at a U.S. POE. At present there is no standardized method regarding the transmission of this information to all federal agencies that require it. If the agencies can agree on, develop, and establish an enterprise architecture, the data elements and format required for submission, the information resource infrastructure necessary for handling and processing electronic submissions, and the processes, procedures, and the equipment needs for sharing the pre-arrival submission, the Notice of Arrival (NOA) data could be transmitted once to a central federal repository that ultimately could provide the agencies with the information that they require. This system of "one-stop shopping" with a single electronic submission would alleviate the burden on industry to provide multiple notices, and it would greatly facilitate screening and inspection processes, thereby allowing both the maritime industry and the federal agencies to carry out their duties more efficiently and effectively. At this time each federal agency has its own specific manifest requirements.

Proposal

- **Advance, electronic transmission of passenger and crewmember information should be a nationally applicable standardized requirement that can not be deviated from:**
  - timeframe (when to submit the information);
  - content (what information is required);
  - medium (electronic transmission); and
  - number of occurrences (only one transmission to a single government repository).

- **All electronic transmissions of crewmember and passenger information should go to a central government repository using one, single electronic data-transmission system from which the various government agencies can obtain the data needed for the individual agency to fulfill its statutory and regulatory tasks and functions.**

The relevant government agencies, including the INS, must, as a matter of priority, coordinate closely to identify and communicate to the central government repository (which also should act as an "administrator" of the envisaged electronic data transmission system) their respective

crewmember and passenger information requirements so the electronic data transmission system can, from the outset, meet the various agencies' legitimate needs, thus avoiding subsequent ad hoc changes or additions of new data elements to the electronic data transmission system.

A determination should be made on an expedited basis as to which data system should be used as the future repository for passenger and crewmember information. APIS already appears to be able to meet USCS and INS information requirements in regard to passengers. The potential expansion of APIS should be considered a high priority. This expansion should include, at a minimum, the following:

- Crewmember information required by USCS, INS, and the USCG;
- Additional passenger information required by the USCG; and
- A workable interface with IBIS and the USCG's existing and planned databases.

Consideration should also be given to whether the USCS ACE system could become the single vehicle for transmission of crewmember information. The ACE system will be the USCS's new system architecture to process goods imported into the U.S., providing an integrated and automated system. ACE is geared towards making the collection, processing, and analysis of commercial data more efficient and effective in a paperless environment. For USCS, ACE will become an essential tool for trade enforcement, improving the flow of information for risk analysis of international cargo while facilitating the movement of legal cargo through our POEs. Currently members of the sub-committee are actively participating in the development of ACE through the Trade Support Network. Primary emphasis has been in developing a set of data elements within the multi-modal manifest group to develop an electronic manifest for motor carriers.

Each government agency, including the INS, must assure that information (data) in the central repository of crewmember and passenger information is disseminated to, or immediately accessible by, relevant underlying inspection, regulatory, and law enforcement entities (e.g., USCG Captains of the Port, USCS officers, and INS inspectors) in all U.S. ports of arrival and departure in a commercial vessel's itinerary. Similarly, and contrary to what is the case today, underlying inspection entities must be required to submit relevant passenger and crewmember information to the relevant government agency for transmission to a central government repository with a view to securing a consistent inspection regime from port to port, drawing upon immigration histories of both vessels and crews to make inspection determinations.

Proposal

The U.S. government should work with the industry to use the crew member manifest information currently provided electronically to the Coast Guard as part of the 96-hour Notice of Arrival prior to the vessel entering its first U.S. port of call.

This proposal would eliminate current duplicative reporting at different times and in different formats and would allow for pre-screening of vessels and their crews prior to arrival.

Entry Process: In the cruise line/seaport environment, there are many procedures for inspections. There are designated federal inspection service (FIS) areas at some seaports where arrival inspections are conducted. These designated facilities include inspection booths where travelers queue for an immigration inspection. In other instances, the inspections process may be conducted onboard in the lounge or auditorium of the ship. Passengers are always inspected before crewmembers. In the basic cruise scenario, U.S. citizen passengers are inspected first, followed by non-U.S. citizen passengers. The ship's staff sets up tables and chairs for the INS inspectors and organizes the passengers to arrive at different times for inspection. In the course of an onboard inspection, passengers may leave the inspection area; however, they may not leave the vessel until the following disembarkation activities are completed:

- All passengers and crew are inspected;
- Longshoremen unload passenger baggage;
- USCS completes the baggage checks; and
- The ship's captain indicates that disembarkation may occur.

In certain circumstances, INS may allow some flexibility in making exemptions to these procedures.

INS Inspection of Passengers: After the inspectors (usually two or three inspectors) arrive onboard, the passengers retrieve their travel documents from the ship's purser on their way to the inspection area. Most cruise lines request that passengers turn in their travel documents to the ship's purser during cruise check-in procedures as a security measure. This approach prevents the cruise line from incurring potential fines for the loss of passenger travel documents and ensures that all passenger documents will be ready for inspection. The passengers retrieve their documents, complete a new Form I-94, if one is needed, and approach the inspectors for the actual inspection.

The inspector takes the passenger's passport, reviews the document, and if a Form I-94 is included with the passport, removes it from the passport. The inspector conducts a brief face-to-face interview, queries the passenger's name in the Portable Automated Lookout System (PALS) (if PALS is available), verifies the passenger's travel documents, and compares passport photos with the traveler. It is important to note that PALS CD-ROMs contain only NAILS and some CLASS information.

The inspector then determines the admissibility or inadmissibility of the traveler. If the passenger is bona fide, the inspector stamps the passport in the arrival and departure portion of the I-94 Form and indicates the date until which the passenger is authorized to remain in the U.S. If required, the inspector will make other notations on the I-94 Form (such as petition number, employer, etc.) The inspector collects the arrival portion of the I-94 form and places the departure portion back into the passport. If the traveler is not admissible or there is a problem that requires further investigation (such as a problem with the traveler's documents, etc.), the traveler is held for further examination. The inspection of this traveler will be completed in a routine secondary inspection after all other passengers are inspected. After the

inspection process is completed, the inspector collects all arrival portions of the I-94 forms and mails them to the data entry contractor, where the information is entered into NIIS.

USCS Inspection of Passengers: While inspectors wait for the passenger baggage to be offloaded from the cruise ship, they are stationed in a designated area on the ship to process passengers that have exceeded their Customs allowances and may owe duty.

At the same time, other USCS inspectors may elect to perform several enforcement activities. Inspectors may decide to x-ray some or all of the baggage prior to placing it in the terminal. Once the baggage is in the terminal, USCS canine officers may have their canines inspect the baggage for contraband. Or if the Sea Passenger Analysis Teams have identified high-risk passengers through analysis of the APIS, reservation systems, and other law enforcement databases, they may perform interviews or examinations of these passengers onboard.

Once USCS is notified that the baggage is completely offloaded, the inspectors will proceed to the passenger terminal. Typically, a passenger will be processed in the same manner as in an airport environment. They will disembark the ship and either process through the INS, or if they were already processed by the INS onboard the ship, they will proceed directly to the baggage area. They will be directed by cruise ship personnel to the appropriate location to retrieve their luggage and then proceed to the designated area to be processed by a USCS inspector. A USCS inspector will either direct the passengers to the exit or a secondary area for further questioning or a baggage examination.

At some locations, USCS will process passengers with “roving” inspectors. Roving inspectors are mobile and interact with passengers while they retrieve their luggage. They utilize observational techniques and perform cursory interviews to select only those passengers that may be a high risk for illegal activity. The majority of passengers who are processed in this manner do not actually speak with a USCS inspector.

USCS is in the process of developing technology that will allow officers to have access to up-to-date law enforcement data during all inspections. They are evaluating the use of a Personal Digital Assistant (PDA) that will provide USCS inspectors with wireless PDA access to TECS and other USCS enforcement systems. This new technology, called “PocketTECS,” will allow for instant access to TECS and passenger airline reservation information. This will allow USCS inspectors to make fast, information-driven decisions when conducting enforcement operations.

The PocketTECS PDA network will also allow USCS inspectors to transmit data throughout the wireless PDA network (it can also be used with tablet PCs, cellular phones or wireless laptops). Data is defined as text and pictures. Any user on the network will have the ability to communicate with any other user, any defined group of users or all users on the network.

USCS began prototyping PocketTECS in September 2002 at four locations: JFK airport, Detroit Ambassador Bridge and tunnel, Miami Seaport, and Nogales. TECS will be accessed utilizing Samsung Nexio wireless handheld PDAs. Both wireless local area network and wide area network technologies will be employed during this prototype.

Problem Issues: Because of current INS regulations, all passengers, regardless of nationality, undergo a one-to-one inspection. Prior to September 11, 2001, most U.S. citizen passengers were not required to undergo a full examination. Longer lines of U.S. citizen passengers have had an impact on commerce.

Crew Inspection: Inspections of crewmembers occur after passenger inspections are completed. Inspection of the crew may be conducted in the same location as passenger inspections or in the crew lounge. The ship's captain usually holds all crewmembers' travel documents during the voyage, including their Form I-95, Crewman Landing Permit. The purser presents the inspector with a Form I-418, Crew Arrival/Departure Manifest, which lists the names of all crewmembers. The inspector prepares a Form I-410, Receipt for Crew List, and gives it to the purser as proof that the manifest was submitted to the inspector.

Crewmembers line up in front of the inspectors and the ship's purser hands their travel documents (seaman's book or passport) to the crewmembers. For each crewmember, the inspector runs his/her name through PALS, conducts a brief face-to-face interview, verifies travel documents, and compares document photos to the crewmember. The inspector determines admissibility or inadmissibility of the crewmember. If the crewmember is admissible, the inspector completes the proper documentation. When an I-95 form is required, the inspector line stamps the I-95 form, which contains the date, port code, and the inspector's number. If a new I-95 form is required, a D-1 stamp is placed on the I-95 form and a line stamp is placed on the first admission line. (The I-95 form is a reusable form that has 21 admission lines on the back.) Crewmembers who will go ashore at the U.S. port retain their I-95 form and travel documents. For crewmembers not going ashore, the purser collects the I-95 form along with his/her travel documents. The inspector records all D-1 statuses next to the crewmember's name on the Form I-418.

Inadmissible non-U.S. citizens who are on lookout lists, do not have D-visas, or are inadmissible for other reasons, are detained onboard and the inspector prepares a Form I-259, *Notice to Detain, Deport, Remove, or Present Alien*, and issues it to the captain. Information about inadmissible non-U.S. citizens is also recorded on the Form I-418.

Usually the last crewmembers to be inspected are those that change to D-2 status because they are being paid off, discharged, or transferred to another vessel. The inspection process includes verification of the crewmember's departure information, such as his/her airline itinerary for departing the U.S. Usually, the purser presents the crewmember's airline ticket or travel order to transfer to another ship. The inspector signs a Form I-408, *Application to Pay Off or Discharge Alien Crewman*, and gives a copy to the purser. The inspector attaches a copy to the arrival I-418 and records the crewmember's D-2 status next to his or her name on the I-418. The inspector takes the I-418 and I-95 Forms to the seaport office where the I-418 is filed and retained in the local office for one year, and the I-95 Forms are mailed to an INS records center and ultimately archived according to procedures.

Problem Issues: Seaport inspectors spend a lot of time processing paperwork associated with crew inspections. All crew inspections for cargo and cruise line vessels are processed by manual paperwork. After the ship's arrival, I-418 manifest forms are collected, filed, and held at the seaport office for 6 months. The arrival ports wait for departure manifests to be mailed

to them by the INS port of departure. The arrival and departure manifests are compared manually for accuracy, often only after very significant time delays. If the departure manifest is incorrect, the port may recommend a fine against the ship. Recommendations for fines are sent to the National Fines Office (NFO) for adjudication.

It should be noted that manually matching arrival and departure manifests is extremely time-consuming and difficult for seaport inspectors to manage. Other seaport priorities take precedence and make the mailing of departure manifests to arrival seaports of less importance. This causes problems for the NFO and for arrival seaports. For example, fines are often recommended on ships that may have submitted a departure manifest to the departure port; however, the departure port may have either lost the manifest, mailed it to the wrong arrival seaport, or did not mail it at all.

I-95 crewman landing permit forms are collected by INS inspectors when all 21 entry (or admission) lines on the form are completed, or when a crewmember is considered malafide (not admissible to the U.S.). In addition, the I-95AB portion of the form (the carbon copy that is attached to a new I-95 form) is also collected by the inspector when a new I-95 form is issued.

Proposal

Explore modifications to the traditional one-to-one inspection.

- Lack of sufficient INS personnel, volume of paperwork, overtime constraints, limited availability of inspection resources for multiple cruise and cargo vessels arriving at port at the same time.
- Emphasize the need to allow for flexibility to differentiate between low-risk and high-risk.

The U.S. Government will continue to consider impact of decisions on U.S. commerce.

- Both the cargo and cruise industry make business decisions based on streamlining government processes that could impact commerce.

The U.S. government must uniformly apply inspection policy such that inspection procedures are consistent at every U.S. seaport.

The U.S. government should invest in technology to ensure that it has access to the data they require during the course of inspection. With the accessibility and affordability of portable communications, including wireless database access, delays in processing should be kept to an absolute minimum.

Inspections should be done in a systems-oriented rather than data-oriented approach.

- Such a systems-oriented approach, which also would encompass other federal agencies and their information needs, should lead to: 1) Reducing length and number of face-to-face inspections through pre-screening procedures; 2) Enhancing communication between INS Headquarters and the district and local offices to ensure consistent application of inspection procedures at every U.S. port; and 3) Installing

flexibility within the seaport inspection system so as to treat the inspection requirements of the various cruise itineraries differently to enhance efficiency and reduce risk. Similarly, inspection requirements should be developed that appropriately reflect the characteristics of the various types of cargo vessels calling at U.S. ports, e.g., liner vessels on regular, scheduled services on fixed routes.

Current Exit Process

The vessel must submit a departure manifest, Form I-418 immediately upon departure from the U.S. Like the arrival manifest, biographical information regarding passengers and crew along with a vessel identifier and itinerary is provided to the INS. The arrival and departure manifests are manually matched to each other, and crewmember information is recorded on INS port intelligence cards. Any information pertaining to the detention or refusal of entry of any crewmember is forwarded to the next available coastwise port.

Current legislation requires that arrival departure information be matched. The IIRIRA requires that an automated entry/exit system be developed to record non-U.S. citizen arrivals to and departures from the U.S. DMIA set forth specific dates and other requirements for the Attorney General to follow in implementing an integrated entry/exit system. As of October 1, 2002, all information pertaining to Visa Waiver applicants is transmitted through APIS. As of January 1, 2003, an electronic manifest containing arrival/departure information will be required for all passengers and crew. API must contain passenger names and other information that can be run through law enforcement databases in IBIS to alert inspectors to lookout information on passengers and crew before the ship departs.

When a passenger checks in prior to departing on a cruise, along with the ticket, they must provide proof of citizenship. The information is added to their personal record that includes cabin information and pertinent identifiers. This record is then linked with the cruise line's automated security system that is incorporated into a swipe-type card. Once passengers have been given the card, they board the vessel and swipe the card into a reader on a podium-style kiosk, which prompts a security person to take a photograph that is then integrated into the system. This security system is called APASS. Each time the passenger disembarks and returns to the vessel during a particular cruise, the card is swiped, exit and entry time and information are gathered, and a security guard verifies the photo to the passenger. Once the cruise has ended, the card is no longer valid for the passenger. The information is kept in the vessel's system.

This system is used for all crewmembers on most of the large cruise lines, but not on cargo vessels at this time.

Problem Issues: When the arrival and departure manifests are manually matched to each other, crewmember information is not recorded or stored in any INS system for future retrieval. In any case, this crew information would be of minimal use because departure manifests are only required to reflect changes in crewmember status. This process lacks integrity and makes it impossible to coordinate intelligence data with other federal agencies with responsibilities in regard to foreign crewmembers. An automated system used to collect crewmember arrivals and departures cannot be based on the current, paper-based manifest process.

Proposal

The Seaport Subcommittee proposes the continued and expanded use of APIS (Advanced Passenger Information System). Using advance electronically submitted passenger and crewmember information, the U.S. government should institute an efficient and focused pre-screening of crewmembers and passengers for arrival and departure.

Cargo Ship Operations: The cargo shipping environment differs from the cruise line environment in that there are typically no passengers and fewer crewmembers on a cargo vessel. The average number of cargo vessel crewmembers is 15 to 20. In addition, there are different immigration risks associated with cruise and cargo ships related to the crew and ship itineraries. Historically, cargo ships pose a higher risk of stowaways. Stowing away on cargo ships is a common method of attempting illegal entry into the U.S. Stowaways are typically removed from the vessel and placed in an INS detention facility. Situations involving stowaways can be dangerous.

The crew inspection for both cargo and cruise vessels is conducted in essentially the same manner and includes nonautomated processes (see Exhibit 3, Cargo Crew Inspection Process). The actual inspection time of cargo ships is short because of the smaller number of crewmembers. Cargo crew inspections are typically conducted in the ship's operations room. The ship's agent provides the inspector with the I-418 and all crewmember I-95 Forms. Similar to the cruise industry's practice for passengers, crewmember travel documents are held by the ship's captain or agent during the voyage and are presented to the inspector during the inspection. The inspector conducts a PALS query on a laptop computer. Crewmembers with D-1 and D-2 statuses and those detained onboard are recorded by the inspector on the I-418 Form. The I-95 Forms are line stamped and returned to the ship's captain or pulled if new forms are required. There is often a language barrier, and inspectors are usually informed of any problems relating to a crewmember by the ship's captain or agent.

Though the cargo industry is different due to the lack of passengers, it is the same regarding crew. The problems are similar to the cruise scenarios above; therefore, the proposals are also similar to the cruise scenarios.

Private Vessels: The inspection of private vessels has historically been a challenge for the INS. Many private vessel owners are unaware of immigration and other federal inspection requirements. U.S. citizens who own or operate boats are generally unaware of the INS inspection policy and how it relates to them. In immigration law, everyone who enters a U.S. port is considered to be a non-U.S. citizen until an INS inspector determines otherwise.

When arriving from a foreign port, all travelers, including U.S. citizens, are required to report to a designated POE for inspection. However, many private vessel owners and travelers simply dock at private yacht slips along the U.S. coasts and do not report their arrival in the U.S. to the INS. The INS is typically made aware of private vessel arrivals from the USCS or when a boat owner or traveler calls the POE to request information about the INS inspection procedure. At that time, INS inspectors request the private vessel owners and passengers

report to the INS port office for an inspection. Currently, there is not an active program to notify private vessel owners of INS requirements.

As mentioned previously, the primary focus of this particular document, because of the complexity, has been the cruise line and cargo industry. Private vessel issues will be addressed at a later point in time.

En Route Inspections: Many seaports do not have dedicated seaport inspectors and must use airport inspectors to conduct cruise line inspections. At these ports, a dockside inspection of passengers and crew would require diverting INS inspectors from a nearby airport to the seaport.

Other seaports may have dedicated seaport inspectors, but are not adequately staffed to inspect several ships that may dock in a short period of time. In addition, there may not be an airport nearby from which to divert staff. Under these circumstances, the seaports may conduct en route inspections where one or two inspectors are flown to the ship's last foreign port and conduct the inspections onboard the ship while the ship sails to the U.S. port. En route inspections may occur at ports such as Honolulu, HI, and Key West, FL. Also, decisions to conduct en route inspections may be made based on the number of non-U.S. citizens on the cruise.

Because en route inspections may require inspectors to be onboard the ship for a long period of time, inspectors typically inspect all U.S. citizens, crew, and non-U.S. citizens. See Exhibit 1, Cruise Itinerary Schematic—Domestic Port-of –Origin to Noncontiguous Territory, for more information.

Pre-inspection at a Foreign Port: Another variation to the basic inspection process can be described in the example of the Alaska/Vancouver, Canada, cruises. In this scenario, there are not enough inspectors during the summer months (the peak cruise season) at two Alaska seaports to inspect all the cruise line passengers coming from Vancouver. Because of this, INS inspectors from the Vancouver airport are diverted to the Vancouver docks to conduct "pre-inspections" of cruise passengers who are destined for Alaska.

It should be noted that seaport pre-inspections are cursory because of competing demands on resources (for example, the airport inspectors are needed at the airport). In addition, there is a perception that cruise line travelers are a low risk in this scenario because the majority of the passengers boarding ships in Vancouver are U.S. citizens or Canadians. Furthermore, when the cruise returns to Vancouver, cruise passengers who depart Vancouver from the airport are pre-inspected again by airport inspectors as they board U.S.-bound flights.

When the arrival and departure manifests are manually matched to each other, crewmember information is not recorded or stored in any INS system. In any case, this crew information would be of minimal use because departure manifests are only required to reflect changes in crewmember status. This process lacks integrity and makes it impossible to coordinate with other federal agencies with responsibilities in regard to foreign crewmembers. An automated system used to collect crewmember arrivals and departures cannot be based on the current,

paper-based manifest process. As of January 1, 2003, electronic arrival and departure manifests will be mandatory.

Facilities

The seaport subcommittee of the DMIA Task Force believes that INS should continue to work with the port authority to make better use of existing facilities and share these facilities with USCS and other relevant agencies when practical. In the past, INS inspectors have cleared cruise ship passengers onboard. INS is now requiring that inspections take place at the port, and port authorities are providing inspectors with separate state-of-the-art facilities. The development, retrofitting, or construction of these facilities varies and the requirements have been interpreted differently from port to port. Further, many demands are placed on the port to provide specific enhancements, and in some cases these have never been used. Often, there are not enough inspectors to cover the seaport. It is extremely costly to provide facilities that are underutilized. For these reasons, the Seaport Subcommittee encourages INS to coordinate and share these facilities with USCS and/or other relevant agencies where possible. The Subcommittee strongly endorses the concept of dual-use facilities where practical and the elimination of requirements for unnecessary or excessive conveniences such as break rooms, workout facilities, etc. Sharing these facilities would both save money that is desperately needed right now to fund security improvements, and conserve valuable port property.

Proposal

The U.S. Government should continue to work with the port authority to make better use of existing facilities and share these facilities with all relevant agencies when practical. The Subcommittee strongly endorses the concept of dual-use facilities where practical and to eliminate requirements for unnecessary or excessive conveniences.

Port Security and Container Initiatives

In addressing the security issue, legislation or new policies must be sensitive to the unique nature and complexity of the port industry. Further, in crafting solutions, it is important to recognize the nature of the industry itself, the economic interest it represents, and how it is governed and operated. U.S. ports are diverse with a variety of security needs and concerns. Any new programs for enhancing security must allow for the efficient movement of trade into and out of the U.S.

Because of the diversity in size and types of cargo, security for individual public ports should be coordinated at the local level. America's port industry is vast, versatile and highly competitive, consisting of deep-draft commercial seaports dispersed along the Atlantic, Pacific, Gulf, and Great Lakes coasts. These ports range from huge load centers handling millions of tons of containerized, break bulk and dry and liquid bulk cargos to relatively small regional and "niche" ports serving the unique needs of particular regions, localities, or industries. Therefore, it is important that security programs be adapted to the unique needs of each port instead of a "one size fits all" approach.

Since the events of September 11, 2001, all federal agencies have put forth an intensive effort to meet the new security challenges that face our nation. Many of these federal agencies are

focused on international trade and transportation. Two such proactive programs initiated by the USCS have addressed the issue of combating the threat of terrorism without inhibiting the flow of international trade into the U.S.

Container Security Initiative (CSI): CSI is a program introduced by USCS in January 2002. CSI secures an essential, but susceptible linkage in the international trade chain: the maritime sea container. Globally, over 200 million cargo containers move through the nation's 102 seaports every year. Screening sea containers prior to arrival in the U.S. has considerably contributed to efforts to secure the borders against potential dangers introduced through commercial traffic.

CSI includes four key components: 1) creating security measures to identify high-risk containers; 2) pre-screening those containers identified as high-risk prior to docking at a U.S. POE; 3) making use of technology to immediately target high-risk containers; and 4) developing further and making use of smart and secure containers.

The primary goal of CSI is to initially link those ports that send off the highest volume of container traffic into the U.S. while enhancing the security of the world's maritime environment. These commitments will assist in the detection of likely problems at the earliest possible opportunity.

USCS-Trade Partnership Against Terrorism (C-TPAT): C-TPAT is an initiative set forth by USCS in April 2002. Through a joint effort with business, C-TPAT allows commerce the opportunity to play an active role in fighting terrorism. Under this program, businesses must conduct far-reaching self-assessments of their own particular supply chain using specific security guidelines developed in cooperation with USCS.

Businesses must apply to participate in C-TPAT and sign an agreement that commits them to following guidelines in these areas: procedural security, personnel security, physical security, access controls, manifest procedures, education and training, and conveyance security. Participating businesses must make available to USCS all relevant information about their trucks, cargo, drivers, suppliers, and routes. For those companies and the owners in the supply chain, including importers, carriers, and manufacturers, USCS will provide expedited processing of goods and conveyances at U.S. borders and POEs.

The goal of C-TPAT is to enhance the security of cargo entering the U.S. while improving the flow of trade. Both CSI and C-TPAT are affirmative plans that help protect American borders while acknowledging the need to smooth the progress of international trade.

Proposal

Encourage and fund the development/expansion of enrolled low-risk, high frequency traveler and cargo systems.

Proposed Pilot for Multiple U.S. Port Cruise Operations

The cruise industry believes that the new legislative changes that require carriers to provide additional information regarding passengers and crew can also be used to streamline portions of the inspection processes. The addition of biometrics and automated arrival and departure information submitted electronically to the federal inspection agencies can enhance the security systems currently in use by the cruise industry. Such additions would reduce the amount of low-value, manual paperwork so that inspectors can focus on higher value law enforcement tasks.

The use of electronic transmissions of API and APASS-type data will assist inspectors in analyzing information on travelers and crewmembers before ships arrive and depart U.S. seaports. The inspector would have the ability to apply risk management techniques to allow an alternative inspection method for low-risk passengers, while continuing the traditional face-to-face inspection method for higher risk individuals. With the capability to receive advance electronic crew arrival and departure manifests, the port will be able to monitor and track all changes regarding the crew.

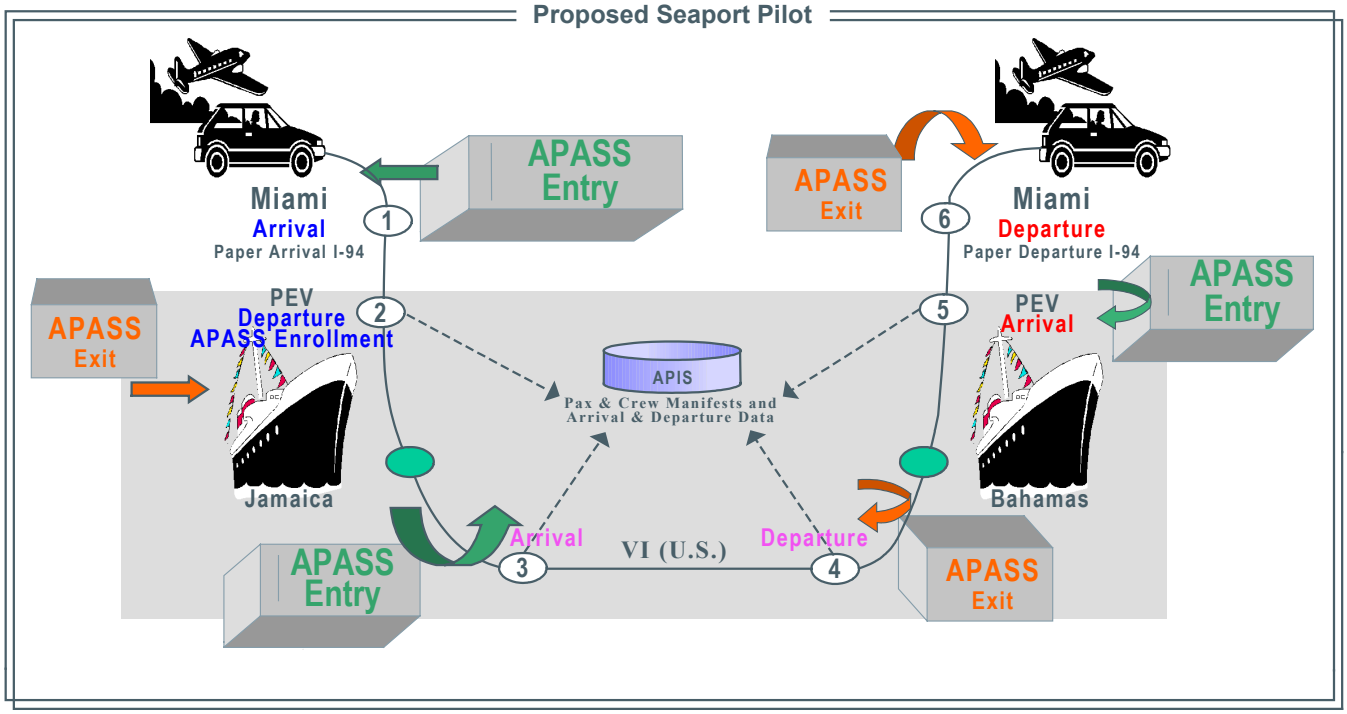
It is proposed that a pilot be developed for the Caribbean cruise itineraries where there are multiple stops at different U.S. ports. For example, a foreign traveler, who boards a vessel in the U.S., may have already been inspected. This same traveler will continue on the cruise and return back to the same U.S. port that he/she departed from originally. During these type of cruises, a face-to-face inspection is completed for each person onboard the vessel when it arrives in a U.S. port, and the vessel is often only in that port for about 8 hours. Most Caribbean itineraries include at least three U.S. port calls, including the final return to the U.S.

Arriving ships will electronically transmit information on passenger and crew manifests via APIS in advance of the ship's arrival in port. This information will be retrieved and processed by INS inspectors through state-of-the-art intelligence methods, including a query of passenger and crewmember names against lookout information; previous arrival history data; and any other pertinent information that would alert inspectors to potential high-risk situations. With complete and accurate advance information, these transmissions would be used as the passenger and crew manifests and would eliminate the need to replace the paper I-94 and I-418 forms each time the vessel arrives in another U.S. port, as well as allow inspectors to pre-screen arriving vessels with a view to identifying high-risk vessels warranting closer scrutiny upon arrival.

This electronic arrival information (for passengers and crew) should be available in real time to all seaport inspectors and used by inspectors as vessels travel coastwise. Any changes in crew status can be made and updated anywhere in the process (i.e., a "traveling crew manifest").

Additional information from APASS could be provided to the federal inspection agencies to assist in analyzing risk assessment factors for the crew, passengers, and vessel. APASS is currently used as a security system that records the arrival and departures from the vessel for each passenger and crewmember on each leg of the voyage.

Upon final departure from the U.S., electronic departure manifests for crewmembers would be automatically matched to the arrival manifest and would include all records of changes to provide the accurate and timely close-out of records. Electronic passenger information would be uploaded to the INS more quickly than the current paper I-94 form process. Under the systems-approach, the seaport system would be able to interface and exchange information with all other INS systems requiring seaport information.



6-01

1. Traveler arrives in Miami to begin cruise.
2. At check-in, the traveler provides all necessary information that will satisfy an API transmission record. The same information is used to enroll the traveler in an APASS-type system, which will generate a secure card that will be able to verify a biometric as the person arrives and departs the vessel. The biometric is collected prior to the person boarding the vessel and is stored in the ship's data system. The secure card will allow the person to board the vessel after the cruise line verifies the biometric to the person. This will happen at each leg of the voyage for arrival and departure from the vessel.
3. Prior to the ship's arrival in the next U.S. port, API arrival information will be submitted and the inspector will access it and analyze the data against all required databases. The INS at the port will determine, based on risk analysis, if the ship will be boarded for a full face-to-face inspection or if only changes to the manifest will be reviewed.
4. At the time designated by the INS, API data will be transmitted and the inspector will verify departure. Additionally, should the INS require it, reports from the APASS-like system could be provided to match departures and arrivals to the ship.
5. Step three is repeated.

The same transmission of API data for crewmembers is required at each step. All crewmembers will be provided an APASS-like card that will be kept current until the crewmember is repatriated.

Legislative Drivers

Congress enacted Section 110 of IIRIRA (the Act of 1996) because of concerns about the number of nonimmigrant alien overstays in the U.S. and the INS's difficulty in quantifying this number. Section 110 stated that the INS will develop an automated entry/exit system that collects and matches arrival and departure records for all non-U.S. citizens entering and departing the U.S. The system must have capabilities to generate statistical reports based on non-U.S. citizen nationality and to indicate the number of nonimmigrants for whom no departure record can be matched at the end of the non-U.S. citizen's authorized period of stay.

This requirement affects sea, air, and land inspections environments. The law mandates the collection of arrival and departure information for passengers and crewmembers. In October 1998, Congress amended Section 110, allowing a 30-month extension to implement the system in both the seaport and land border environments because of constraints in these environments. The primary reason the seaport environment was granted an extension was because of the lack of modernization to achieve the objective of Section 110.

A summary of legislative drivers is as follows:

- The IIRIRA requires that an automated entry/exit control system be developed to record non-U.S. citizen arrivals to and departures from the U.S. Currrently, there is no method for collecting or capturing crewmember information. In addition, there is no defined data warehouse to store this information. Also, the I-94 form used to collect passenger information requires further analysis to consider more efficient ways to collect this information and update INS systems. The efforts described in this document support compliance with this mandate.

- The Immigration and Nationality Act (INA), Title 8 U.S. Code (USC), Operational Manuals, Legal Decisions and General Counsel Opinions.
- DMIA set forth specific dates and other requirements for the Attorney General to follow in implementing an integrated entry/exit system.

- VWPPA requires the Attorney General to develop and implement an entry/exit system that will collect a record of arrival and departure for every alien who arrives and departs by sea or air who is provided a waiver.

- The USA Patriot Act added two new considerations, those of the "utilization of biometric technology" and "the development of tamper-resistant documents readable at ports of entry." The requirement for biometric technology significantly raises the bar on the development and cost for a viable entry exit control system.

- The BSA requires by October 26, 2004, that machine-readable, tamper-resistant documents with biometric identifiers be on the following documents: 1) all travel and entry documents issued to non-citizens; 2) passports issued from countries participating in the visa waiver program; and 3) passports of citizens of visa waiver countries issued on or after October 26, 2004. Similarly, the BSA requires that readers and scanners be

installed at all POEs to allow for biometric comparison and authentication of all U.S. visas and other travel and entry documents and passports required under the VWPPA. The BSA requires that by January 1, 2003, arrival and departure manifests be sent electronically.

- On October 4, 2001, USCG changed its regulations on advance Notice of Arrival from 24 hours to 96 hours.

- INS has proposed a change to the regulations on user fees for cruise ships, lifting the exemption for cruise ships going to the U.S. from the Western Hemisphere.

Enforcement Drivers

The enforcement component of the INS's mission in the seaport environment is very important. However, competing demands for inspection resources make it difficult for seaports to effectively execute this part of the mission. Coordination between federal agencies for advanced or up-to-date information is one of the greatest impediments to accomplishing this part of the mission. To be aware of or to prepare for a situation and prioritize resources according to risk assessments, accurate and up-to-date advance information is needed.

Additional Intelligence and Analysis: There is a need for additional intelligence and analysis in the seaport environment. There is currently no nationally linked intelligence information system that all seaports can access. Intelligence data are locally housed, often on paper, and cannot be accessed by all seaports. For example, one seaport does not know the actions that another seaport took when inspecting a particular vessel. In addition, the lack of a defined data warehouse to store information on crew member arrivals and departures hinders effective enforcement. The information requirements in the post-September 11 "new normalcy" environment and the need for a single, advance transmission of the crew data elements are appropriately reflected in the enhanced BSA.

Pre-arrival Screenings of Crewmembers: The current use of PALS does not support the law enforcement mission to the fullest extent possible because PALS contains only NAILS information and some CLASS lookout information. "APIS-like" transmissions with information on crewmembers would enable seaport inspectors to perform IBIS screening of crewmembers before a vessel arrives at a U.S. port.

Reduction of Nonvalue-added Tasks: Post-September 11, there is an even bigger need to focus on high-risk enforcement tasks by reducing nonvalue-added tasks. Ports have historically focused resources on areas with the highest volume of inspections rather than on those with the highest immigration risks. More time should be spent on inspection activites related to people who pose a higher risk. Current automation and advance transmission of crewmember information will assist inspectors in screening and conducting inspections on large, low-risk groups. At present, inspectors spend tremendous amounts of time manually completing, filing, sorting, stamping, and mailing forms. In addition, many data fields on various forms are redundant. If some of these manual and duplicative tasks can be eliminated, inspectors could spend more time on activities with higher enforcement value.

Efficiency Drivers

The inspection process at seaports has a significant impact on the cruise line and maritime industries and on their passengers and crewmembers. In 1996, the INS administered a survey and conducted focus groups that included passengers and cruise line representatives to obtain opinions and suggestions about the INS inspection process. The results of the survey showed that there is a significant inverse relationship between customer satisfaction with the inspection process and the amount of time travelers spend in the inspection process. Streamlining INS inspection processes and the implementation of a single federal transmission system for crewmember information would also ease the administrative burden on the shipping industry through the recution of forms while at the same time facilitating law enforcement and homeland security.

Efficiency drivers and opportunities are described below.

Reduction of Multiple Passenger Inspections on Cruise Lines: There is a need to develop a process solution to both issues of multiple passenger inspections and the use of multiple I-94 forms during a voyage. Inspectors and the cruise line industry representatives agree that this scenario requires change. The current process is not cost effective to the INS or to the cruise line industry and is cumbersome to the bonafide traveler. Alternative inspection methods should be employed in this scenario.

Development of Alternative Types of Inspection Procedures for Cargo Vessels with Histories of Compliance with INS Regulations: There is a need to develop alternative types of inspections for cargo vessels that have histories of compliance with INS regulations and which—based on advance crewmember information—have been determined to be low-risk. Currently, cargo vessels must wait for an inspector to arrive before cargo handling can commence. This procedure can be costly to the shipping industry, shippers and American importers and manufacturers. With alternative inspection methods, ships with histories of compliance or otherwise categorized as low-risk could be inspected more quickly, and inspectors could spend more time on inspection activities for higher risk cargo vessels and crew.

Growth of the Cruise Line and Cargo Shipping Industries: There is a need to address the fact that both the cruise line and the cargo shipping industries are growing. The INS must use human resources effectively to meet this challenge with the assistance of technology.

Work with Cruise Line and Cargo Industries to Improve Processes: Both the cruise line and shipping industries are supportive of INS's efforts and are willing and committed to work with the INS to enhance maritime security and protect the homeland.

Management Drivers

Some drivers related to the improvement of overall seaport management have been identified in previous sections. For example, one of the complaints commonly heard from both

inspectors and representatives of the maritime industry is that the inspection process is not consistent from port to port, which has been further exacerbated by September 11, in particularly regarding the treatment of non-visa seafarers. This management issue is primarily a result of the lack of information available to seaport inspectors. For example, because seaport intelligence information is not collected nationally, nor is it nationally accessible, each port uses only local information about a ship or crew to make inspection-related determinations. The application of technology to provide national intelligence information and the ability to search the immigration histories of crewmembers would assist seaport operations in developing consistent practices. A need also exists for INS Headquarters to formulate guidelines for a uniform implementation of existing law, in particular in regard to non-visa seafarers. The management drivers are described below.

Development of Consistent Seaport Operational Practices: There is a need to develop consistent, uniform operational practices for all seaports. The application of technology to provide more information to seaport inspectors, combined with streamlined inspection processes, would result in more operational consistency from port to port.

Effective Use of INS Monetary Resources: There is a need to effectively use INS monetary resources. Substantial amounts of money and time are used to manage seaport paperwork in various branches of the INS. The use of electronic methods to streamline the paperwork process would save resources for the INS and other agencies.

Improving Inspector Morale and Professionalism: Spending time on low-risk inspection activities and on manual paperwork processes decreases overall inspector morale. By streamlining and automating paper processes, inspectors would have more time to spend on higher risk inspection activities. As a result, this could improve inspector morale and professionalism in the seaport environment and, most importantly, lead to enhanced maritime security and better protection of the U.S.

Commerce Driver

While the INS does not typically analyze its effect on commerce, it is important to note that INS inspection processes, especially in the Caribbean region, may be discouraging commerce to the U.S. In certain circumstances, INS inspection processes affect U.S. commerce. Cruise line representatives have indicated that they purposely change cruise itineraries to avoid U.S. islands so that passengers do not have to undergo multiple INS inspections. Additionally, delays in passenger disembarkation caused by these inspections are inconvenient to the passengers and reduce the amount of time that passengers have to shop on U.S. islands.

Conclusion: The Need for Change

Both the cargo and cruise line industries predict that their prospective industries will continue to grow. The cruise line industry currently has 30 new cruise ships scheduled to go into service between 2002 and 2006. New megaships will continue to be built, and the INS will be faced with an increase in inspection activities. In addition, cargo ships will continue to arrive in the U.S. more frequently, often with the same crew.

The INS must continue to evaluate the current inspection processes and move from being volume-driven to becoming risk-driven. To successfully make these changes, enhancements must be developed and applied to the seaport environment to provide seaport inspectors with the necessary tools to perform their jobs more effectively.

This is a time of unprecedented opportunity for the INS seaport environment. The cruise line industry and cargo shipping industry are prepared and committed to work with the INS to develop solutions to these issues and to enhance maritime security. With these investments, the seaport environment can reap tremendous benefits for the INS in terms of enforcement, efficiency, financial savings, and meeting legislative requirements.

EXHIBIT 1

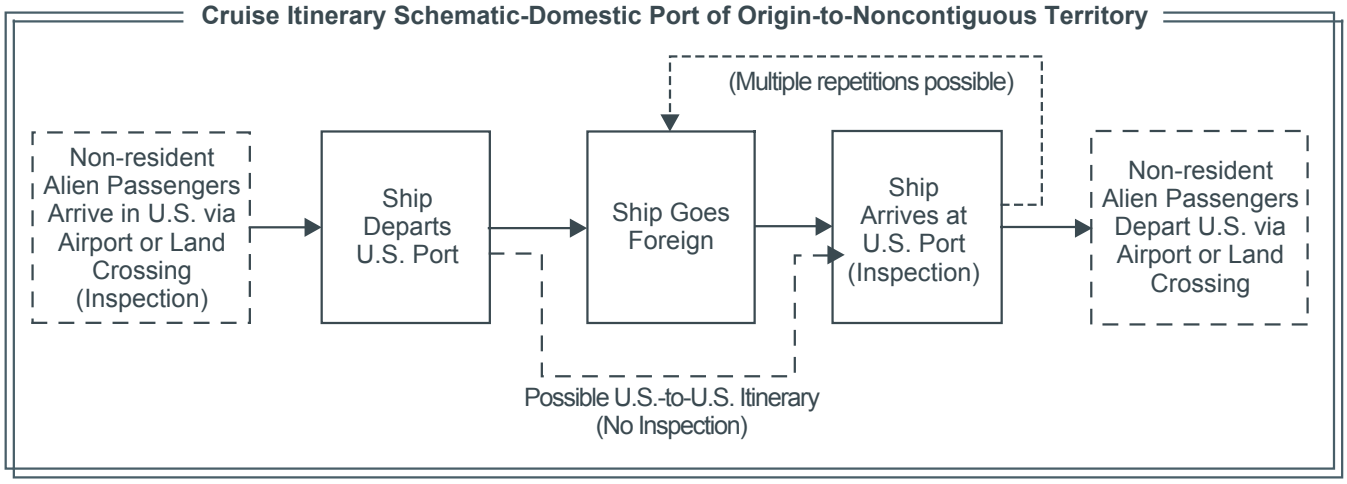


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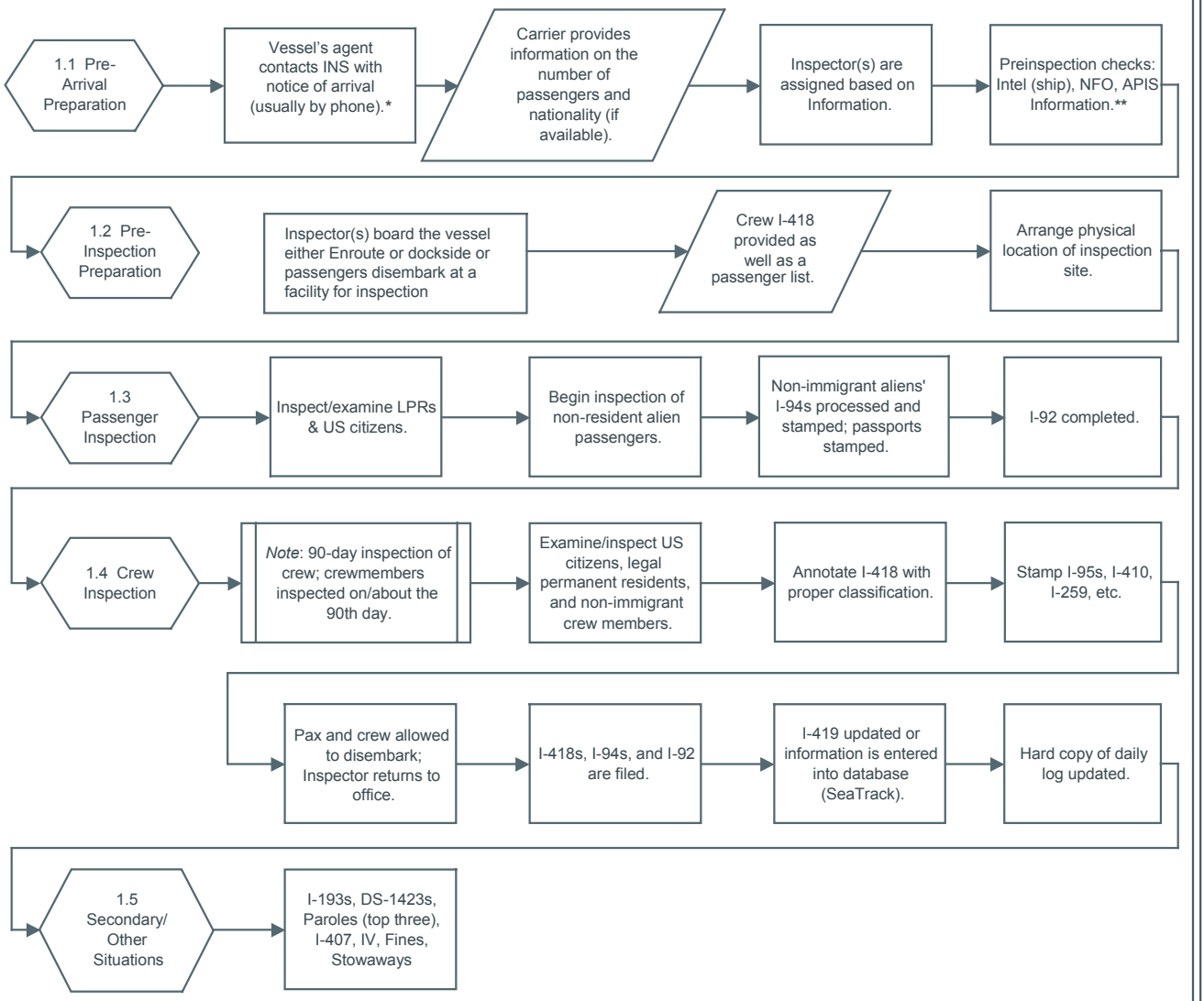
EXHIBIT 2

Basic Cruise Ship Inspection Processing of Passengers and Crew

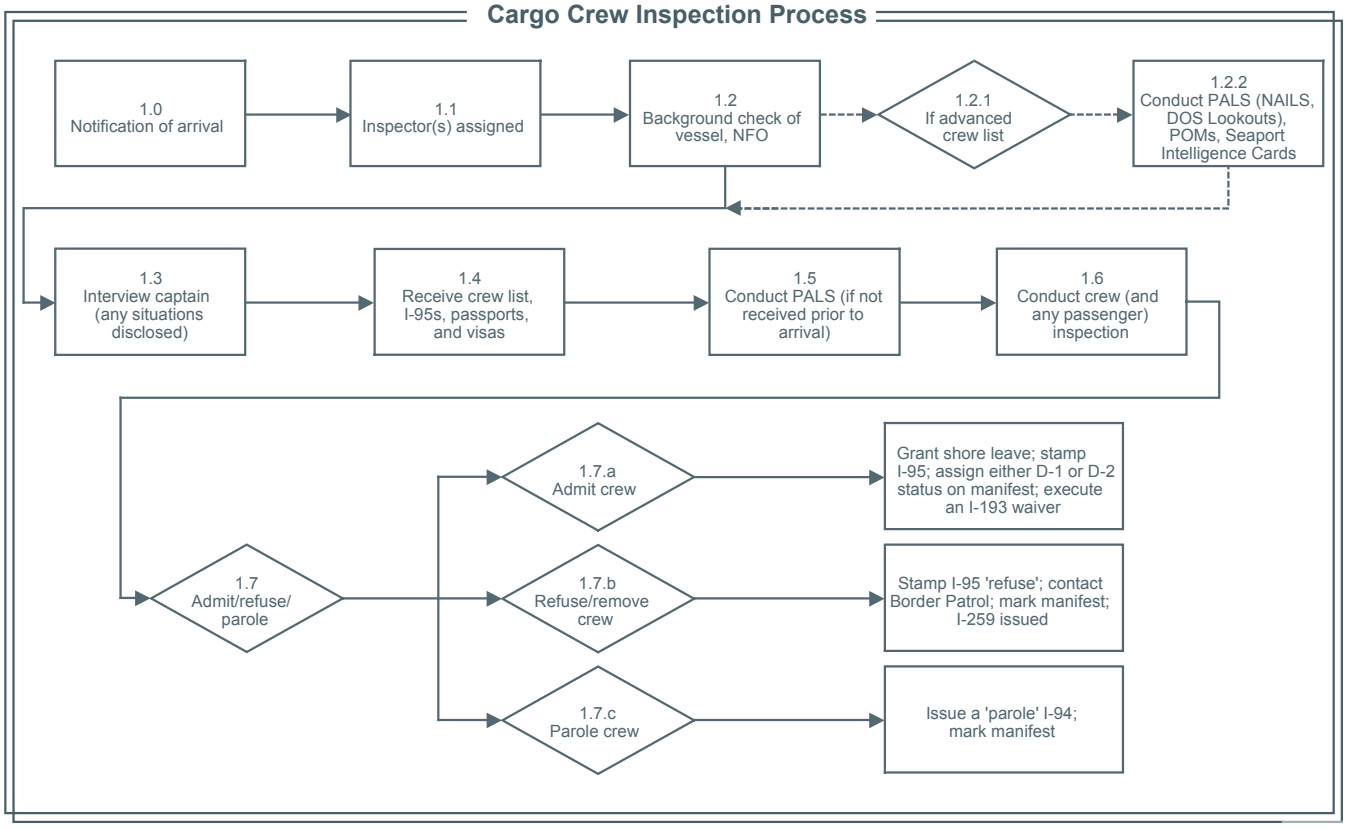


* When the agent notifies INS of the arrival, the following information is given: name of the vessel, last foreign port of call, date, time and place of arrival.

** Pre-inspection checks include, but are not limited to, the following: intelligence card (manual process at local port), NFOS (to obtain actual fines history of the vessel), and APIS (to process the passengers through law enforcement databases).

6-03

EXHIBIT 3



6-04