International Border Crossing Inspection Process Improvements – for Compliance with USDA Regulations

Thomas P. Kunes, Principal
Kestrel Management Services, LLC

March 7, 2013
UPRR Goals

• Compliance with regulations/Compliance Agreement
• Meet commitments to USDA (10/15/09 letter)
• Industry best practice approach
• Cooperation with regulatory agencies and other railroads to meet the common goal of protection of US Agriculture

October 15, 2009

Ms. Rebecca Bech
Deputy Administrator – Plant Protection and Quarantine
United States Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Re: Proposed implementation plan for improving the process reliability and compliance assurance of the USDA inspection process for railcars entering the United States at the Mexico-US border.

Dear Ms. Bech:

This letter outlines a status report on Union Pacific Railroad’s (UP) proposed implementation plan for improving the process reliability and compliance assurance of the USDA inspection process for railcars entering the United States at the Mexico-US border. The letter responds to your June 29, 2009 request to James R. Young, Chief Operating Officer of Union Pacific Railroad.
Cross Functional Process Improvement Team

- Mechanical
- International Customer Service Center (ICSC)
- Transportation
- Safety
- Law
- Third Party Consultant - Kestrel
Improvement Opportunities

• Apply Systems Approach based on Quality Management principles
• Process standardization and documentation
• Contractor performance
• Training enhancements
• Communications
• Technology and equipment improvements
• Process oversight and review
• Communication with Mexican railroad
Process Standardization and Documentation

• Process Manual documents all elements of the process, to improve reliability and compliance assurance

• Includes:
  – Compliance Agreement
  – Key Contact Information
  – Flow Chart of Overall Process
  – Roles and Responsibilities
  – Process Procedures
  – Checklists and Forms
  – Training Materials
  – Agriculture Emergency Response Plan

• Process Manual reviewed by USDA and CBP-AQI
Process Manual – Flow Chart of Process

• Outlines the overall international border crossing inspection process, including:
  – Information flow
  – Train/car inspection process flow
  – Dirty material flow

(Partial chart shown)

- Establishes clear expectations and procedures:
  - Inspection process – roll-by and standing car inspection
  - Railcar cleaning process – regulated garbage; includes disinfection
  - Uniform and standard materials and equipment for the inspection and cleaning process
  - Safety procedures
  - Uniform and standard PPE for safety
  - Data recording, reporting and communications
Process Manual – Checklists and Forms

- Inspection checklist
- Job briefing guidelines
- AIA backup guidelines
- AIA backup inspection form
Process Manual – Training

• AIA Training Program
• Inspection Guidelines
• Safety Guidelines
• Link for USDA Animal and Plant Health Inspection Service Website
Technology Improvements – AIA

- Access for all involved parties – CBP-AQI, USDA, Contractor, UPRR
- Electronic inspection form – also printable
- Time clock and car tracking
- Automatic email notification
- Identification of cars that have had compliance checks
- Data capture and document retention
- Training status of inspectors
Technology Improvements – AIA

Mexican Border Inspections

**Online Inspection Form **- Laredo, Texas

### General Information

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### Car Inspection List

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# INSPECTORS: 2  #TRASH BAGS: 0  
#OPEN HATCHES: 4  #OPEN GATES: 2  #OPEN DOORS: 2

[Screen Shot of Inspection Form]

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BUILDING AMERICA®
Once “Dirty” has been selected, a detailed list of contaminants will appear.
Equipment Improvements – Inspection Platforms at Border Crossings

- Better, safer inspections
- Available to CBP-AQI
- All platform locations selected in coordination with USDA and CBP-AQI for adequate clearance from the VACIS machines and for viewing the tops of grain cars and inside gondolas

Laredo Inspection Platform
Technology and Equipment Improvements – Duostech Platform in Eagle Pass

• Multi-technology inspection station – computerized information from a myriad of sensors from 360°

• Identification of hidden illegal immigrants, narcotics, potential chemical, biological, radiological and agriculture threats

• Substantially improves detection effectiveness at all levels of inspection (redundant system)

• In cooperation with CBP-AQI inspectors
Communications

- Daily communications with CBP-AQI at border crossings
- Monthly meetings conducted at Laredo
- Bi-monthly meetings conducted at Brownsville, Eagle Pass and El Paso
- Quarterly meetings conducted at Nogales
- Periodic process improvement reviews conducted with USDA/CBP-AQI (Austin, TX and HQ Wash. DC and Riverdale MD; numerous conference calls)
- Field demo of pilot program in Laredo, TX
- USDA invited/participated in UP Exec Oversight mtg
Pre-Clearance Green Seal Pilot Program

The program has shown success in reducing the number of box cars contaminated with regulated garbage.
Pre-Clearance Green Seal Pilot Program

• Mexican Contractors affix a green seal to both doors of all box cars cleaned in Mexico.

• All green seals are checked during US train inspection for being intact and proper placement on both doors.

• US contract inspectors open every green seal car upon arrival at the U.S. border crossing to verify cleanliness. This is recorded in the AIA.

• The program will continue under a quality assurance program that requires compliance checks (opening the seals) on 10% of all green seal cars. All cars with improper seals will also be opened.
Agriculture Emergency Response Plan

• Developed based on results from the emergency table top exercise conducted in coordination with USDA & CBP-AQI in Laredo, Texas

• Includes notification/communication requirements to USDA/CBP-AQI to initiate their Chain-of-Command to respond to the agriculture emergency

• Outlines UPRR’s role during an incident to effectively coordinate with and support USDA/CBP-AQI to resolve the agriculture emergency

• Appropriate UPRR personnel and Contractors are trained to identify and provide proper notification for an agriculture emergency
Compliance Assurance

- CBP-AQI randomly performs compliance checks of inspected and cleaned trains prior to release.

- The UPRR Mechanical Department performs field audits of Contractor inspection and cleaning performance at all border crossings. Audit results reviewed with the Contractor.

- The UPRR Mechanical Department performs monthly verification check of AIA data.

- An outside Consultant performs periodic audits of the International Border Crossing Inspection Process – this includes both field operations and internal UPRR functions.
Process Oversight and Review

• Establishment of UPRR Senior Management ownership of the cross functional process

• Executive Oversight Team has been launched and continues to meet at least semi-annually

• Executive Oversight Team uses review inputs to determine the appropriate priorities and actions to continually improve the Inspection Program and compliance with USDA regulations
International Border Crossing Inspection Process Improvements – for Compliance with USDA Regulations

March 7, 2013

Kestrel Management Services, LLC
UP – CBP Partnership for Southwest Border Security

Christopher J. Tarpey, Principal
Kestrel Management Services, LLC

March 7, 2013
Overview

• Partnership Objectives
• Systems Approach
• Standard Capabilities
• Standard Processes
• Coordinated Targeting
• Enhances C-TPAT

Supply Chain Security Efforts

Kestrel Management Services, LLC
Partnership Objectives

• Improve rail security at US-Mexico border – infrastructure and processes
• Improve prevention and detection of contraband entering US
• Reduce railcar examination rate
• Increase railcar discovery/detailed inspection ratio
• Engage appropriate stakeholders, including C-TPAT and other local, state and federal agencies such as Border Patrol, GSA, International Boundary Water Commission, local police, City Engineers and planners and other Railroads.
A Sustainable Systems Approach

• Organizations Leaders developed a vision, signed agreements, got buy-in and created sense of urgency.

• Working Group agreed upon a detailed “Model Crossing” or ideal state, identifying all key required security components in the 21st Century Bi-National Secure Border Corridor concept.

• Required effective and sustainable project(s) to meet objectives

• Engaged stakeholders
Build Standardized Capabilities

- Assessed port-specific risk by factors such as volume, discoveries, train vulnerability, etc.
- Site assessments were conducted by local CBP, BP and UP Officers and Special Agents to generate an inventory of current security needs by location.
- Gap analyses showed unmet security needs by port in order to meet minimum, model requirements.
- Limited resources forced prioritization of most-needed elements: lighting, fencing, cameras, dock, canopy, office space and Rail Inspection Portals (RIPs).
Develop Standardized Processes

Until now, inspection processes at interchanges varied due to differing resources, capabilities and risks.

Generating a single Best Practice:

- Involve stakeholders
- Document current as-is process
- Create to-be state: Best Practice
- Pilot Best Practice
- Revise based upon pilot
- Document Procedures
- Train affected staff
Coordinate Targeting

This project stood up the National Rail Targeting Unit. Based in the El Paso Field Office; reports to the National Targeting Center – Cargo (NTC-C).

- Major data-sharing effort with railroads
- Identified and prioritized railcar risk factors
- Included risk factors in Automated Targeting System (ATS); incorporates rail data and intel.
C-TPAT Alignment

CBP’s Customs-Trade Partnership Against Terrorism has an overarching goal of Supply Chain Security. Our partnership works hand-in-hand with C-TPAT to reinforce a culture of collective effort to thwart smuggling.

Common goals include:

Insuring integrity of supply chain security practices

Working with business partners for an inclusive, cooperative effort

Improving flow of goods – keep the trains moving.
Ultimate Goal – 100% Detection Leads to Avoidance of Railcar Use by Cartels.

Last Monday
2/25/2013
Calexico, CA

156lbs
Marijuana;
Milwaukee street
Value $686,000
Contact Information

Thomas P. Kunes - Principal

[tkunes@kestrelmanagement.com](mailto:tkunes@kestrelmanagement.com)
608-663-7345

Christopher J. Tarpey - Principal

[ctarpey@kestrelmanagement.com](mailto:ctarpey@kestrelmanagement.com)
608-663-7342

199 East Badger Road Ste. 200
Madison, WI  53713
www.kestrelmanagement.com