

FAX #: _____

Date:

To: Customers and Business Partners of N. D. Cunningham & Co., Inc

Subject: N. D. Cunningham Partnership Against Terrorism (C-TPAT)
Minimum Security Criteria

N. D. Cunningham is a participant of C-TPAT and under the responsibility of this program is required to send the Minimum Security Criteria from this program to our customers and business partners.

Customs Brokers normally do not do not play a significant role in the physical aspects of stuffing, loading, transporting and distributing merchandise, the Customs Broker does play a decisive role in the transmission of key trade data and as a liaison between U.S. Customs and Border Protection (CBP) and other key entities in the supply chain. In this capacity, the broker's key role for C-TPAT is to educate, corroborate, and encourage that members within supply chains further the supply chain security tenets of C-TPAT.

C-TPAT recognizes the complexity of international supply chains and security practices, and endorses the application and implementation of security measures based upon risk. The supply chain for C-TPAT purposes is defined from point of origin (manufacturer/supplier/vendor) through to point of distribution – and recognizes the diverse business models that C-TPAT members employ. Therefore, the program allows for flexibility and the customization of security plans based on the members business model.

N. D. Cunningham & Co., Inc. is obligated to convey to our business partners/importers, whether C-TPAT member or not, concerning the criticality of having security procedures in place at the point of stuffing, procedures to inspect, properly seal and maintain the integrity of the shipping containers and trailers.

The following guidelines are recommended under the C-TPAT program for **Container & Trailer Seals:**

All loaded U.S.-bound containers and trailers must have a PAS ISO 17712 high security seal affixed.

Procedures must be in place to recognize and report compromised seals to CBP or the appropriate foreign authority.

Container & Trailer Security:

Procedures must be in place to verify the physical integrity of the container structure prior to stuffing, to include the reliability of the locking mechanisms of doors. A seven point inspection is recommended for all containers.

1. **Inspect** the undercarriage of the container. The support beams should be visible. Look for anomalous structures such as a solid plate located within these beams that may conceal contraband or trap doors.
2. **Inspect** the top, side and front of the container for any obvious patches that are not consistent with the structure of the container. These may not be patches but doors that have been made for entry or exiting contraband or stowaways. These are not usually consistent in color with the rest of the container and usually, are obvious.
3. **V.V.T.T.**

V. Verify seal and container mechanism

V. Verify seal number

T. Tug on seal

T. Twist seal

Inspect the outside of the doors for consistency in construction. Again look for patches. Check the rivets and hasp for any discrepancies. The rivets should be welded and consistent in appearance. Make sure there are rivets and not a bolt or screw. Look for putty around the rivet. Sometimes putty is used to hold rivets in place that were drilled out for access to the container without breaking the seal. Check the door locking bars for any inconsistency in construction. Verify the seal number matches paperwork for the container. Tug on the seal to make sure the seal was not broken and glued together. Twist the seal as it should rotate within its housing. If the seal comes apart when twisted, it could have been pulled apart, the shaft and housing threaded and screwed back together. If you cannot twist the seal there is a possibility that the seal was pulled apart and glued back together.

4. **After** you have opened the container doors, check the front wall. The lift block housing and vents should be visible and the same color. Smugglers have built false walls in the front of the container. Measure the length of the container to ensure this has been done.
5. **Look** at the ceiling to ensure the lift blocks and air vents are visible. Smugglers build a false ceiling and lift blocks to hide contraband. The ceiling and lift blocks should be consistent in color. If there is a patch in the ceiling that was not evident in your roof inspection, this may also indicate a false ceiling or compartment. Measure the floor to the ceiling to ensure it is the proper height.

6. **Look** at the floor to make sure there are no step-ups. The floor should be a uniform structure. If there is patch in the floor, make sure this patch is visible beneath the container. Measure the floor to ceiling to ensure it is the proper height.
7. **Look** at the container walls for anomalous structures you looked for in the ceiling and floor. Use a small hammer and tap the walls to make sure they are not hollow. If you do not hear a hollow sound, there may be contraband between the walls. Measure the distance between the walls to ensure the width is the proper distance.

Tools needed are a small metal hammer, laser distance measure and extension mirror. It is recommended that this procedure is done in a check list form and maintained within the shipping records of the container.

Tractor & Trailer Security:

The following systematic practices should be considered when conducting training on conveyances. Highway carriers must visually inspect all empty trailers, to include the interior of the trailer, at the truck yard and at the point of loading, if possible. The following inspection process is recommended for all trailers and tractors.

1. Tractors

- Bumpers/tires/rims
- Doors/tool compartments
- Battery box
- Air breather
- Fuel tanks
- Interior cab compartments/sleeper
- Faring/roof

2. Trailers

- Fifth wheel area – check natural compartment/skid plate
- Exterior – front/sides
- Rear – bumper/doors
- Front wall
- Left side
- Right side
- Floor
- Ceiling Roof
- Inside/outside doors
- Outside/Undercarriage

Less-than Truck Load (LTL)

LTL carriers must use a high security padlock or similarly appropriate locking device when picking up local freight in an international LTL environment. LTL carriers must ensure strict controls to limit the access to keys or combinations that can open padlocks. After the freight from the pickup and delivery run is sorted, consolidated and loaded onto a line haul carrier destined to cross the border into the U.S., the trailer must be sealed with a high security seal which meets the current PAS ISO 17712 standard for high security seals.

In LTL or Pickup and Delivery (P&D) operations that do not use consolidation hubs to sort or consolidate freight prior to crossing the U.S. border, the importer and/or highway carrier must use ISO 17712 high security seals for the trailer at each stop, and to cross the border.

Written procedures must be established to record the change in seals, as well as stipulate how the seals are controlled and distributed, and how discrepancies are noted and reported. These written procedures should be maintained at the terminal/local level. In the LTL and non-LTL environment, procedures should also exist for recognizing and reporting compromised seals and/or trailers to U.S. Customs and Border Protection or the appropriate foreign authority.

Please contact us if you have any questions concerning the content of this information and its intent to provide our company information regarding your company as required under C-TPAT compliance.

Sincerely,

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