



Port of Entry Inspections Process Improvements

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Project Background - Problem Statement

- The High Occurrence of Level-One Inspections Performed at San Luis on Commercial Motor Vehicles Has Resulted in Delays Impacting Border Traffic and Commerce
- Key Complaints From Commercial and Community Parties on the Border
 - Unnecessary Delays
 - Concern that Commercial Motor Vehicle Traffic is being Driven to California Ports
 - Concern That Over-Inspection is Driving Up Carrier Costs
 - Lost Revenue From Delays
 - Case Related Fines
 - Increased Insurance Costs

Project Background - Response

- ADOT consultant, Honsha, developed problem statement, conducted interviews, visited ports, stated findings, and suggested solutions
- Findings that came from interviews with users and staff, and from observation at several ports
- Findings categories: General, External Factors Impacting Ports, Selection Process, Inspection Process, Port Operations
- Site visit to Calexico to compare statistics, practices, hours with Arizona ports
- Final response included recommended countermeasures

Current State – General Findings

- Stakeholders Are Not Happy With Their Experience at the Border
- Takes Too Long
- Rules Are Unevenly Applied and Poorly Understood
- Out-of-State Options are Viewed as Faster and Less Intensive
- Decal Drive Selection Process Needs to Be Improved
- High Percentage of Vehicles “Drive By” Compounded By:
-CBP Batching -Seasonality -Site Layout -Inspector/Bay Availability
- CVSA Policy Requires Each Inspector to Conduct 32 Inspections Annually to Maintain Certification. Impacts the Inspection Volumes, Process and Speed
- Site Layout and Availability of Facilities Impacts Inspection Speed

Current State – General Findings

- Inland Mexico and CBP/USDA Issues Impact the Routing of Freight and Port Selection
- View Agencies on the Port as “One Entity”. Considerable Ambiguity Within the Customer Base Concerning the Roles of Each Agency
- Tremendous Overlap of Activities – Redundancy, Waste
- Port Motor Carrier Safety Operations are Not Aligned With Growing Commerce. Viewed as Anti-Competitive Compared to Other States
- Key Decision Makers on Port Selection are the Growers and Customers

Findings – External Factors

- Competing States Heavily Market Their Ports – AZ is Losing Business Due to These Activities
- New Mexican Infrastructure (Mazatlan-Durango Highway) is Driving Business to Laredo
- Internal Checkpoints and Cartel Issues Impact the Overall Time to Move Goods and Clear the Border
 - Can Add 12-24 Hours Transportation Time
- Broker Study Shows It is Faster to Ship to LA From Central MX Through Laredo Versus AZ Ports (Internal MX Issues)
- Commercial Infrastructure In Douglas and San Luis Need Investment to Remain Competitive

Findings – Selection Process

- Arbitrary
- The Decal is “Not Being Honored”. Do Not See the Value of Getting Decals if The Vehicles Are Selected Multiple Times During The Quarter
- Too Many Level One Inspections
- Local Carriers Feel They Are Being Penalized
- Tremendous Opportunity to Leverage Best Practices / Standardized Process Across Sites
- Less Intensive Level-2 Inspection Delivers a Consistent, High Capture Rate of Violations per Minute Invested

Findings – CBP Port Operations

- Perception of difference between POEs and with other states
 - Shorter / Fewer Hours of Operation
 - No “Fast Lane” Processing at Douglas and San Luis – Negating C-TPAT Benefit
- Viewed as Lacking the Necessary Resources
 - Insufficient staffing to Handle Peaks
 - External Analysis of Pest Leads to 24-48 Hour Delays
- Perception of intense inspections at Douglas
 - Rerouting of Truckloads to New Mexico although it is to support Arizona food processing operations

Reality Check

- Most of the issues being raised were found to be valid
- Reasons vary from lack of communication and understanding to the need for standardized processes or process improvement
- A few issues were found to have no evidence
 - For example, Honsha Found Most Re-inspections Were Triggered By Failure to Correct a Critical Violation Prior to Next Tender

Future State Vision - Selection

- Migrate Away From Decal Driven Selection Process Towards a Risk Based Selection Process
- Phase I - Revised Tractor / Trailer “Decal” Selection Criteria
 - Y/Y = No Inspection
 - Y/N = Visual Scan for Critical Safety Violations
 - N/X = Level I Inspection
 - Screen Vehicles for Visual Issues
- Phase II - Migrate to a Technology Based Solution
 - ISS Driven System – Carriers With High ISS BASIC Scores to be Pulled
 - Integrate to Epic, Camera Systems, Safe Border App, Etc.
 - Ideal State Would Have an Algorithm Drive Selection Process

Goal Statement

1. Develop a Standard Process Governing How and Why Carriers Are Selected for the Inspection Process
 - Achieve a Consistent State-Wide Process to be Used By All Parties at All International Ports of Entry
2. Identify Changes to Inspection Process That Yield Reductions in Both the Duration and Variation of the Process
3. Develop a Standard Process Governing How and Why Carrier Equipment is Taken Out of Service

Findings - Calexico

- Significantly Different Process Than in Arizona
 - Staffing Ratio CHP: FMCSA 3:1
 - CHP Control Entire Process From Selection Through Enforcement Actions
 - Extended Operating Hours
- Practice a “Division of Labor” Approach – All Linked w/in System
 - REL / Scale Operator Selects Vehicle
 - Civilians / FMCSA Conduct Inspections
 - CHP Reviews Findings Decides on any Enforcement Actions
- Uses Iteris System. Compiles Information From Multiple Data Sources Into a Single Summary Page for the Inspector
 - Minimum 15 Minute Savings Per Inspections
 - Standard Interface to PrePass Suite of Safety / Data Management Tools

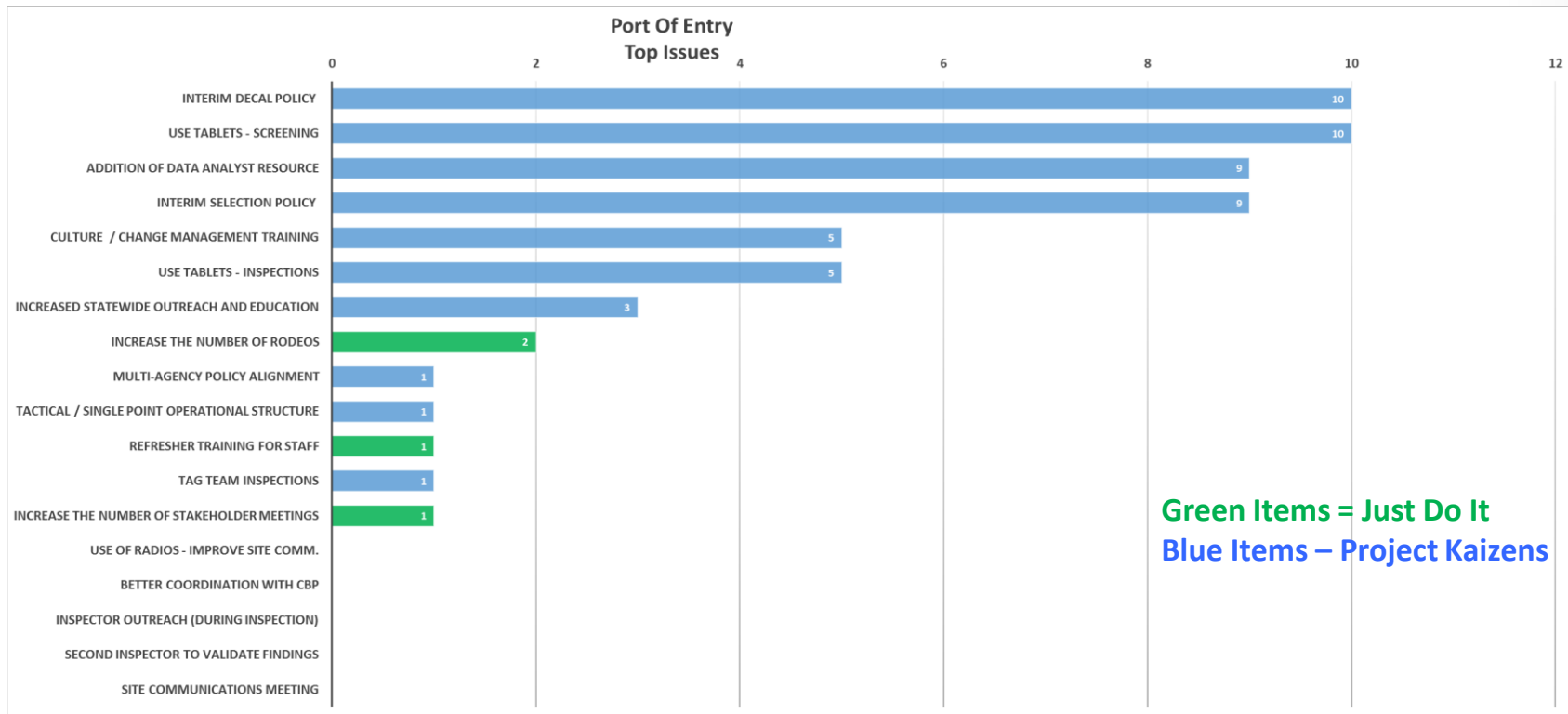
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Future State Vision - Inspections

- Revise Existing Inspection Practices. Focus More on Level-2 and Level-3 Inspections. Elevate to Level-1 Only When Conditions Warrant the Higher Level of Scrutiny
 - Current FMCSA Policy Sets Performance Standards Governing the Number of Inspections Required Per Employee, Per Day
 - Policy Allows Discretion to Limit Level-1 Inspections to 60% of Daily Performance Standards. This Can Be Implemented Immediately
- Utilize Tag-Team Level-1 Inspections to Improve Cycle-Times
 - Segment and Split Out Inspection Tasks and Data Entry
- Evaluate Technology as a Risk Mitigation and Speed Enhancer
 - Develop Existing Data Entry Automation Capabilities in Aspen
 - Use of Tablets Truck-Side to Reduce Waste of Motion and Drive Downtime

Countermeasure Pareto



Recommended Actions

- Attack the “Just Do Its”
 - Refresher Staff Training to Drive an Improved Understanding of the Rules and Tools Which in Turn Will Improve Consistency
 - Increase the Number and Frequency of Rodeos
 - Move from Annual / Semi-Annual to Quarterly Format
 - Increase the Number of Rodeos in Mexico
 - Increase Stakeholder Face-to-Face Meetings / Interactions to Improve Understanding and Build Trust
 - Continue Attendance at Association Meetings
 - Increased Written Correspondence
 - Promote How Inspection Program Has Made Communities Safer

Recommended Actions

- Model and Develop Near-Term Countermeasures
 - Develop and Implement Standard Work and Rules for the Revised Decal Selection Process
 - Y/Y = No Inspection
 - Y/N = Visual Scan for Critical Safety Violations
 - N/X = Level I Inspection
 - Develop and Implement Standard Work and Rules for the Modified Inspection Process - Increase Focus on Level-2, Level-3 Inspections
 - Develop and Test a Tag-Team Inspection Model
 - Establish Joint Agency Data Analysis Team
 - Support the Ongoing Analysis of Operational PDCA Metrics
 - Conduct Studies to Set Site Level ISS Threshold for Risk Based Sampling



Thank You