



U.S. Senate Committee on Finance
Subcommittee on International Trade, Customs, and Global Competitiveness

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Good afternoon, Chairman Carper, Ranking Member Cornyn, and distinguished Members of the Subcommittee, thank you for the opportunity to appear today to discuss trade and commerce at our nation's ports.

My name is James H. Paylor, Jr. and I am currently an Assistant General Organizer of the International Longshoremen's Association, a labor union that represents over 65,000 longshore workers on the Atlantic and Gulf Coasts, the Great Lakes, major U.S. rivers, Puerto Rico, Eastern Canada, and the Bahamas. I have been a longshoreman since 1973 and worked primarily as a Ships carpenter/maintenance worker. Longshore workers load and unload vessels and barges and perform clerical work to effectuate the receiving and delivery of cargoes. Maintenance and terminal employees perform a multitude of ancillary job functions on the terminals and piers.

As a carpenter at the terminals in Philadelphia and Southern New Jersey, I assisted the Customs Inspector by opening the casings, boxes, crating, or any packaging so that the inspector could confirm that the cargo was the cargo shown on the bill of lading (a listing of goods consigned to the control of the stevedore/ terminal operator). The inspectors checked the country of origin to ensure that the cargo was in compliance with US trade rules, looked for anything that was suspicious in the cargo and the packaging, and examined for insects and drugs. The Customs Inspectors inspected various types of cargo, including breakbulk cargo, containers, and special or heavy lift cargoes.

In particular, imported meat was and is still inspected at special facilities on or near the piers and terminals. The ILA-represented employees open a select number of boxes for the inspector to confirm that goods meet US trade requirements as to the quality of meat and to ensure that no tainted meat or toxins enter the country. Once the inspector reviews the samples, ILA-represented employees repackage the meat and stamp all boxes that are USDA approved. The longshore workers then load the cargo onto trucks for delivery. A similar process is used for imported fruit and vegetables.

Over the years, several events forced modifications to the inspection procedures of Customs and Border Patrol (CBP). One such event was the implementation and continued growth of containerization. Today, much of the cargo is transported in containers. CBP examination stations have been erected at the container terminals and longshore workers assist inspectors to identify the containers that require inspection. Longshore workers also cut the security seals, open the containers and, upon the direction of the CBP inspector, remove the contents of the container and open the casing for direct inspection. The inspection includes confirming the contents' country of origin, ensuring that the contents are consistent with the information container on the manifest and identifying anything suspicious as to the product or casings, particularly to identify illegal drug importation. After the inspection, longshore workers repackage the cargo and resecure the container with a new security seal. The ILA members are very proud to work with CBP and in many cases have even developed friendships,

Another major event that caused modifications to CBP's inspection procedures was the September 11, 2001 terrorist attacks. After September 11, 2001, CBP's level of scrutiny heightened to include inspection for weapons of mass destruction. Local jargon was "Drugs, Bugs and Bombs". Because there were not enough CBP inspectors to serve ports with multiple facilities, Centralized Examination Stations (CES) were created. Many of the CES were away from the waterfront facilities so cargo was trucked from the port facilities to the CES. For example, a CES was created in Chester, Pennsylvania to serve the Ports of Philadelphia and Wilmington because the location was centralized between the two ports. Although this solution solved the CBP inspector shortage, the creation of off-terminal CES had a severely negative impact on the ILA-represented workforce. When the inspections moved from the terminal, the ILA-represented employees who worked with the CBP inspectors at waterfront facilities lost their jobs. The employees who performed their functions at the CES were paid a lower hourly rate and received lower employee benefits. The creation of CES replaced family-sustaining jobs with poor working standards. In addition, the additional truck move to the CES added an additional expense to the shipper's usual delivery cost.

In addition to the economic impact on both the ILA-represented workforce and the shippers, the creation of the off-terminal CES increased the risk of relocating weapons of mass destruction and illegal drugs to another location. In the Port of Philadelphia, containers are discharged at the waterfront terminal, trucked through communities, on highways, past a sports complex, over an Interstate 95 bridge crossing to the CES in Chester, Pennsylvania. If any of those containers house weapons of mass destruction, this extended transport could have disastrous effects.

CBP has done a fantastic job of implementing technology through the Vehicle and Cargo Inspection System (VACIS) non-intrusive x-ray machines that are currently being utilized at our ports and with databases that prioritize risk, CBP is certainly performing at the highest level. However, with the constantly growing cargo volumes and the necessary demand to protect our borders in the south and on all coasts, our ports are still a highly vulnerable target for future terrorist actions.

The ILA's members have been the first line of defense at our ports and have shown an unwavering commitment to our country. Most recently, when the collapse of the Francis Scott Key

Bridge in Baltimore caused supply chain pressures, the longshore workers in other ports accepted the challenge and kept cargo moving.

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program, Transportation Investment Generating Economic Recovery (TIGER) grants, and Port Infrastructure Development grants have provided funding to facilitate port growth. I recommend that, in the future, to be eligible to receive one of these grants, the applicant must present a construction design that includes inspection locations at the waterfront facility. Revenue from the port maintenance taxes could also be used to educate longshore workers on the CBP procedures to enhance their understanding of the shared responsibility to ensure the safety of the ports and the country as a whole.

Finally, one of the other issues of concern is that the process of inspecting container seals to ensure that cargo has not been tampered with is not consistent from port to port. I suggest that a uniform procedure be implemented in all ports to ensure that safety is paramount in all locations.

The International Longshoremen's Association congratulates the hard-working men and woman of the U.S. Customs and Border Patrol and I thank you for the opportunity to testify before this Subcommittee.