

SECURITY NEWS

WINTER 2006



E.J. Brooks Company Is The First Seal Manufacturer to Become C-TPAT Certified

As the worldwide market leader in providing ISO 17712 compliant seals to the logistics community, E.J. Brooks has achieved another first. Brooks has attained certification as a member within the Customs-Trade Partnership Against Terrorism. The Brooks SVI # is c53cb226-69c4-4ff9-baae-ad8b9b036598.

The voluntary C-TPAT security initiative is a very important step towards protecting the United States against terrorism. It is also the cornerstone of the important World Customs Organization (WCO) Framework in securing cargo around the globe.

E.J. Brooks Company, in addition to being a certified member, is the major supplier of ISO compliant high security seals to many of the other C-TPAT members as well as a key provider of "Security Logistics Solutions" to organizations that take supply chain security seriously. The use of ISO 17712 compliant security seals is a requirement for C-TPAT members for cross border shipments, and a prudent practice for all participants in the global logistics process.

Earlier in 2006, The World BASC Organization (WBO) announced E.J. Brooks as the first American company to attain certification. The Business Alliance for Secure Commerce ("BASC") is a cooperative program among the private sector, national and international customs and trade organizations. BASC was created prior to the 9/11 event to promote a secure global supply chain around the world.

"E.J. Brooks has been working very diligently to educate logistics customers globally of the importance of the security

Brooks has attained certification as a member within the Customs-Trade Partnership Against Terrorism.

principles within C-TPAT, BASC and the WCO Framework," commented Scott Kirk, Executive Vice-President of E.J. Brooks. "We have been distributing a compliance document called the Brooks Insurance Policy to thousands of organizations suggesting three very simple steps for companies to determine if ISO compli-

ant products are being used on their shipments. Shippers should ask their seal suppliers for ISO compliant test results; be provided with a certification letter by an independent ISO test laboratory that conducted the test and provide a "Best Practices Assessment" from their ISO 9001:2000 certifier. Being assured that the seal is ISO compliant is an inexpensive first line of defense against the bad guys."

Kirk suggests, "perhaps all seal manufacturers should become BASC and C-TPAT members to show the industry that their products and best practices are world class and compliant."



Jerry Carrino, BROOKS Marketing, Director, (center,) discusses the company's broad range of security devices with CBP Commissioner, W. Ralph Basham (right) at the AAIE conference in New York as the Commissioner's Chief of Staff, Steven Atkiss (left,) looks on.

ISMA UPDATE

The International Seal Manufacturers Association (ISMA), a group with which BROOKS is actively associated, has announced several updates, including its newly revamped logo and web site, as well as its new policy relating to the verification of ISO/PAS 17712 requirements.

The new logo, which includes the organization's web site URL, simulates a stamp of approval to convey ISMA's mission of adherence to strict performance and quality standards for its members' security products.

The group's web site:

www.ismasecurity.com features information on ISO/PAS 17712 and how it affects both suppliers and buyers of mechanical bolt seals. It also includes downloadable articles from the World Customs Organization, which details its standards framework for a seal integrity program. Visitors will soon be able to access articles providing advice from experts on supply chain security.

In its latest announcement, ISMA has appointed Bodycote ACT Laboratories LLC as its official test house and one to which all members must submit their products for testing for conformance to ISO/PAS 17712.

This appointment has taken place to ensure complete uniformity of all testing procedures, reporting styles and content, thus assuring uniformity in the carrying out of test procedures as well as in the analysis and reporting of their results.

ACT Laboratories is not affiliated with any ISMA member and is A2LA certified to carry out all test procedures outlined in ISO/PAS 17712.

The International Seal Manufacturer's Association (ISMA) consists of member companies who are involved in the manufacture, distribution and use of security seals that include mechanical, disposable and single-use seals as well as electronic, mechanical, re-usable seals. Membership requires commitment to a Code of Ethics.

Manufacturers are committed to leading their industry toward better products, improved security-related processes, and more transparent business practices. These include better education on the proper storage, application, monitoring and record-keeping for security seals as well as on the meaning of ISO PAS 17712:2006.



Associations, shippers and carriers can obtain seals of all grades from ISMA members and their approved distributors with confidence that the product and its producer's security-related practices meet or exceed those called for in ISO/PAS 17712.

Regulatory and law enforcement bodies can continue to turn to ISMA for counsel about seal industry practices and for collaboration about ways to improve the quality of seals and seal industry practices. Collaboration also includes information sharing about criminal techniques to bypass and tamper with seals, and ways to improve designs to reduce vulnerability to undetected tampering.

World Custom Organization "WCO" and BASC World Organization "BWO" signed a Cooperation Agreement

In June, 2006 during the yearly WCO meeting in Brussels, WCO and BWO signed a cooperation agreement. This was signed and witnessed by 140 world Customs representatives and 40 private participants.

The agreement's objectives are to promote and secure the WCO security standards and promote global commerce security.

This is the first time the WCO has signed this type of agreement with a private organization receiving the support of 120 world Customs groups.

The document was signed by Michel Danet Secretary General WCO and Mayra Hernandez President BWO.

The cooperation areas are:

- Seminars and Training Programs
- Standards & Guidelines for Private Businesses
- Promote Cooperation Between Private Business & Customs

Collaboration between WCO and WBO include:

1. WBO will participate with the WCO private sector group.
2. WCO will promote cooperation between BASC and Customs at each country.
3. WBO together with national Customs organizations and WCO will design a validation program for private companies.
4. WBO will collaborate with Customs to validate private companies.
5. WBO will assist and provide guidance on validations security and good business practices.
6. WCO will maintain WBO information on a daily basis everything related to security measures and good practices.

E.J.Brooks Company is the first American company to be certified as a member of the BASC organization and looks forward to working with the WCO and WBO.

BROOKS JOINS BASC



Seated from left to right: Mayra Hernandez- Executive President World BASC Organization, Michel Danet- Secretary General World Customs Organization; Standing, from left to right: Michael Schmitz and Patricia Revesz-WCO team

The Business Alliance for Secure Commerce (BASC) has named E.J. Brooks as the first US company to be added to its membership roster. BASC was created to promote a secure global supply chain and is a cooperative program between the

private sector and national/international customs and trade organizations. Headquartered in Cartagena, Colombia, the organization has chapters in Colombia, Costa Rica, Ecuador, United States, Mexico, Panama, Peru, Jamaica,

Dominican Republic, Guatemala, Uruguay and Venezuela.

BASC is recognized as a model of international private/public sector cooperation. It has successfully brought together business and customs, governments and international organizations for the purpose of developing supply chain security standards and procedures.

“Brooks is honored to be affiliated with such a professional security focused group as BASC,” noted Scott Kirk, Brooks Executive Vice President. “Our respective philosophies on security and the ISO based processes of conducting business are a natural fit.”

“Brooks strongly supports the principles of the US Customs-Trade Partnership Against Terrorism (C-TPAT,) World Customs Security Initiative (CSI) programs and the World Customs Organization’s Framework to Secure and Facilitate Global Trade,” Kirk added. “We look forward to working with BASC in advancing these principles in Latin America.”

USDA Specifies ISO 17712 for School Lunch Programs

“All delivery units – trucklot and less-than-trucklot (LTL) quantities – must be secured at all times prior to unloading with tamper proof, tamper resistant, serially numbered, high security seals that meet the ISO 17712 standard. Failure to seal or maintain the delivery unit under seal in accordance with these requirements may subject the shipment to rejection.”

The above paragraph is part of a new amendment to the United States Department of Agriculture (USDA) Announcement LS-120 that sets out to improve the security of the food being delivered to School Lunch Programs. It states that unless the trailer is secured with a security seal that conforms to ISO 17712 standards, the shipment may be rejected.



“The contractor must maintain a record of each seal number used for trucklot and LTL

delivery units. Additionally, the contractor must ensure that the applicable seal identification number is on each bill of lading, shipment manifest, or other delivery documents for each delivery destination.”

The Amendment further states that the seal must be uniquely numbered and that its number must be duly recorded and verified at each delivery destination.

If you currently supply food to schools under the School Lunch Program of the USDA, you’d do well to familiarize yourself and your staff on these new regulations. To learn more about ISO 1772 standards, visit our web site at:

www.brookseals.com

or call our customer service department.

BASC International Security Seminar September 13-15, 2006 Hotel Los Delfines Lima, Peru

BASC together with ADEX (Peruvian Export Association) and OAS/OEA (Organization of American Countries) organized a Security Seminar at Hotel Los Delfines in Lima, Peru. Mayra Hernandez (BASC World President), Ana Maria Orozco Director BASC Colombia, Alexandra Borbolla President BASC Mexico West Chapter and BASC representatives from Central America countries (Panama, Costa Rica & El Salvador) & Colombia were all present. Jaime Ramsey C-TPAT-USA Customs (Department of Homeland Security) also participated. The USA Embassy and Peruvian Customs were also present. Crispiniano Casiano USA Department of Homeland Security made a presentation on Shipping Security. Over 300 businessmen from private export companies attended the Seminar. In Peru, BASC has certified 250 companies and another 65 are in process of certification.



The Seminar was very well organized. On the last day we had a field trip to Callao. Callao is the largest Peruvian seaport. Here we visited a Peruvian Customs installation as well as having some security exercises.

During the seminar Brooks together with Flink Associates hosted a booth. Thanks to an excellent location and good planning by Franco & Luis Felipe, our booth was always busy. I believe we showed and demonstrated Brooks products to almost every

participant. Franco has already informed us that he has taken some small orders. Here, the seal of choice is a numbered bolt with a numbered locking case (both with the same number) called the "Intermodal IV". We were very successful in showing our 3/16" and 1/8" diameter Keeper Sealock Cable Seal. Together with Flink we also advertised in "Info BASC" a monthly newsletter.

We expect new business after attending this Seminar.

An Editorial from E.J. Brooks

What if C-TPAT Regulations Mandate Checking ISO Compliance

Your vendor promised that the seals you have purchased meet ISO 17712 standards for strength and performance. So when CBP asked you to present the test results, you hemmed and hawed and sheepishly asked for the chance to get them from your vendor.

That's probably the first time you realized that the "tests" weren't really conducted by an independent, ISO certified testing laboratory. Perhaps the tests were conducted internally, or by an outside testing organization owned by your purchasing agent's brother-in-law. No matter, the seal could be rejected and your C-TPAT membership may be put in jeopardy.

Ignorance is no excuse. There may come a time when the C-TPAT ISO criteria

requests that test compliance results be included into the validation process. However, now you should demand ISO 17712 compliance documentation from your vendor to prove that you are receiving what you purchased.

ISMA suggest that before you decide on a seal vendor, ask for the following

1. Ask For Their ISO 17712 Product Test Results
2. Ask For Their Lab's ISO Accreditation
3. Ask For Their "Best Practices" Assessment

At BROOKS, we don't believe you should have to worry about the ISO compliance of your high security seals. That's why we're not only ready to present you with these documents, we're making them readily available for viewing on our web site www.brookseals.com or by simply calling 800-452-SEAL. An audit is not the best time to discover that your seal is not in compliance. Put your mind at ease. **Contact Brooks now!** "Brooks means compliance."



BROOKS Launches Technology Products Group

In its quest to improve cargo security, BROOKS has established the Technology Products Group (TPG). The TPG's mission will be to research, develop and bring to market advanced electronic devices to insure the proper arrival of marine, air, rail and trailer cargo.

The TPG is currently developing products that use the traditional mechanical security seal combined with Active/Passive RFID, GPS, GSM/GPRS and Fiber Optic technologies. Such products include the Hibernian Seal (EPC Global Gen 2 strap seal), Active RFID one-time and reusable bolt seals, and one-time use Passive RFID bolt seals. These products are expressly designed to electronically monitor the status of most types of shipments, whether in an open or closed fleet.

Shipping Security Managers who wish to participate in beta testing of these products should visit the Brooks Technology Products Group website to fill out an application.

www.brookstechsolutions.com.

Can Companies Implement Security Initiatives and Actually Have a Financial Payback?

Everyone would prefer to pay “zero” for the security initiatives being presented around the world. The fact is that is not a reality and if another incident occurs the size of 9/11 anywhere, look for the word “voluntary” to become “mandatory”.

That being said, this is a time where many “smart” companies are looking to reduce their logistics costs by adapting technology allowing them to reduce the shipping time while improving supply chain efficiencies and inventory management. The visibility provided by the use of electronics will reduce the cost of the logistics process over the long term. It seems obvious that Wal-Mart has not made investments in the area of logistics visibility to increase costs.

If security issues are considered at the earliest phase of the supply chain plan, it can be a cost effective add-on. There are ISO compliant electronic options that yield “tamper evident” visibility during the logistics process that are emerging.

How much will it cost to stand in line at a border vs. having a “Green Lane” to move through quickly because of the security performance of your seal?

With regard to direct payback, Stanford University's 10-year-old Global Supply Chain Management Forum published a research paper in July 2006 entitled “Better Security Drives Business Value”. This was an innovative look at the security payback issue and will not be the last. You can find the study at www.gsb.stanford.edu. The results are very encouraging.

Also, this fall MIT's Integrated Supply Chain Management Program has added a security course to its Master's program and will unquestionably research the ROI issue. In the world of the new security paradigm, the real question is can a company financially afford not to implement security?

Labels Provide “Layered Protection” to Complement Security Seal Protection

Thieves and terrorists are an ingenious bunch. When they're not stealing or terrorizing, they're plotting to do so. That's why Brooks maintains a watchful eye on their activities and devotes extensive time and resources to design ways to thwart them.

By now, shippers and carriers know that a security seal that meets the ISO 17712 standard is an extremely effective device for preventing unauthorized access to cargo containers. It is possible, however, to gain undetected access to those containers by removing the door hinge bolts without disturbing the security seal on the keeper bars. Once the cargo contents are removed or replaced, the doors can be re-attached, without indication.

To help avert this security breach, Brooks is offering specially engineered security labels that will reveal door hinge tampering attempts. These labels are designed to be applied to the container door hinges and, if someone removes them before the final destination, a clear and obvious “VOID/OPENED” message is revealed.

TYPE KL labels provide removable, adhesive residue in case of tampering. Should the seals be lifted or removed, they leave a residue of the security message. The residue, however, is easily removed with one's finger. Supplied in a standard red color, these labels are also available in custom colors. Type KL labels are made of Mylar polyester with a strong adhesive



backing and feature a surface that accepts ballpoint pen or other markings. These labels can be die-cut in a choice of shapes imprinted with custom text, and/or sequentially numbered.

Theft and terrorism know no bounds. That's why Brooks is resolute in its commitment to continue finding ways to assure the safe, uneventful arrival of your cargo.

SEAL REQUIREMENTS Twin Plants Magazine, July 2006 issue

In order to qualify for expedited processing under the US/Mexico FAST initiative, the following sealing procedures must be followed by Shippers, Carriers and Importers who are C-TPAT certified.

Shipper

The shipper is responsible for the sealed container/trailer until the carrier takes control over it.

The seals are to be applied at the manufacturer's point of origin and are to conform to ISO/PSA 17712 guidelines (Freight Containers-Mechanical Seals,) of May 2003.

In order to prevent improper handling and transportation of cargo and/or containers/trailers, the shipper is to establish a verifiable security system for cargo storage and handling facilities as well as container yards.

The shipper is to make certain that a system exists to verify seal numbers, weights and quantity of cargo received, when practical.

The shipper is also to safeguard the use of seals and maintain a list of seal numbers that have been issued and used.

Lastly, the shipper is responsible for making sure that all manifests and/or bills of lading or other documentation (including electronic data transmissions) are complete and include all relevant seal information.

Shipper's Seal Integrity Responsibilities

The shipper is to designate a responsible representative who is employed by the shipper to affix the ISO 17712 compliant seals. This representative must be properly instructed and trained in how to use and apply these high security seals.

This representative will be responsible for the storage of and access to the seals which are to be distributed at random so that the seals NOT be affixed in numerical order.

Only those individuals responsible for maintaining the inventory and affixing the seals are to have access to the seal storage area.

The shipper is to maintain a log in order that all seals are to be accounted for under the control of the shipper/importer. While a standardized log is currently under development by the FAST initiative, those responsible for the cargo sealing are to use and maintain its own accounting system.

Carrier

The carrier is to ensure the accuracy of the seal information that is contained on the manifest, bills of lading or other documentation related to the movement of cargo.

Establish verifiable security systems for cargo storage and handling facilities, container yards and conveyances operated by the carrier to prevent the improper manipulation and transportation of cargo and/or containers/trailers.

The carrier is to establish reporting procedures for reporting any discrepancies or inconsistencies as they relate to the seal's integrity to CBP.

Carrier Seal Integrity Responsibilities

The seals are to conform to ISO/PSA 17712 guidelines (Freight Containers-Mechanical Seals,) of May 2003.

In the case of legitimate, intermediate examinations such as customs inspections, conveyance damage surveys, law enforcement activity, etc., all seals that have been removed from the cargo container/trailer must be placed in plain view inside the container, just inside the doors before a new seal is affixed to the container.

Establish a system for annotating and reporting any changes due to legitimate intermediate examination purposes as described above.

The shipper is to designate a responsible representative who is employed by the shipper to affix the ISO 17712 compliant seals.

This representative must be properly instructed and trained in how to use and apply these high security seals.

This representative will be responsible for the storage of, and access to the seals, which are to be distributed at random so that the seals NOT be affixed in numerical order.

Until they are used, the seals are to be stored in a locked cabinet, safe or other secure location, and access to these locations must be restricted to responsible individuals.

The carrier is to maintain a log in order that all seals are to be accounted for under the control of the shipper/importer. While a standardized log is currently under development by the FAST initiative, those responsible for the cargo sealing are to use and maintain its own accounting system.

A system is to be established and implemented by the carrier to verify seal numbers and types. This system is also to ensure that all relevant seal information properly appears on all manifests, bills of lading or other documentation, related to the movement of cargo, including electronic data transmissions.

Importer

The importer is responsible for making sure that all related parties are familiar with security guidelines and procedures as they relate to the use of seals and their integrity.

This system is also to ensure that all related parties/business partners also conform to these security guidelines and procedures as they relate to the use and integrity of seals and seal.

The importer is to establish reporting procedures for reporting any discrepancies or inconsistencies as they relate to the seal's integrity to CBP.