

Special delivery

MHI helps Boeing again earn U.S. Customs' top global supply chain security rating

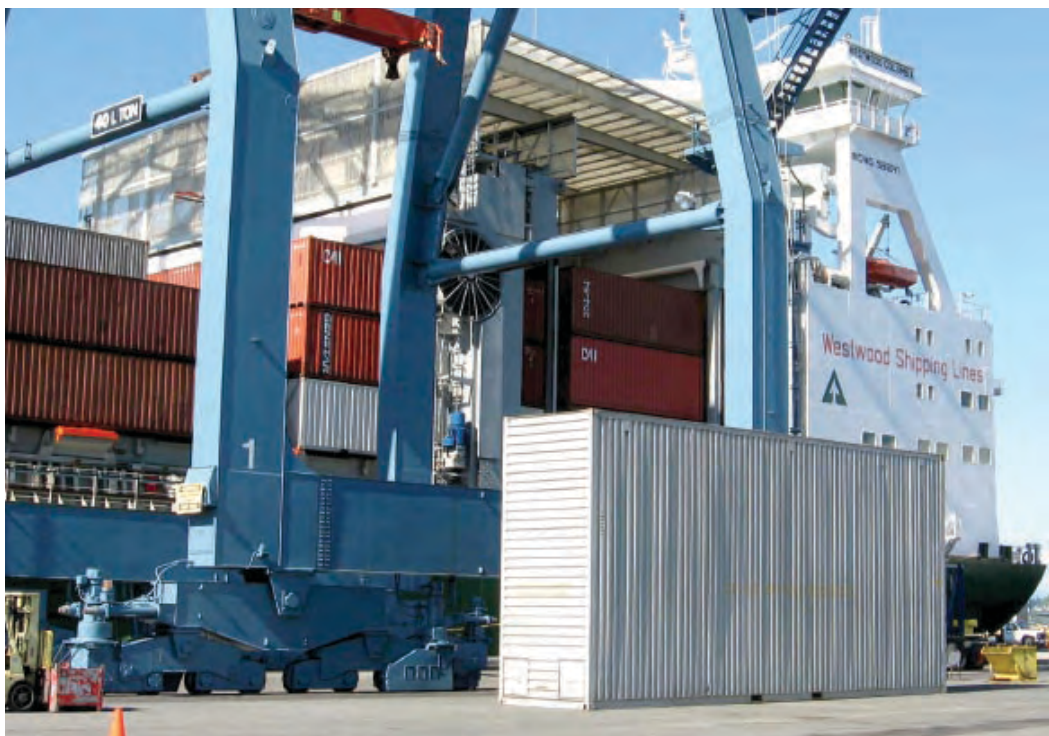
By Patrick Summers

U.S. Customs and Border Protection has again recognized Boeing's rigorous standards of global supply chain security by revalidating the company's standing as a Tier 3 importer, the highest rating in the agency's Customs-Trade Partnership Against Terrorism (C-TPAT) program. The Tier 3 designation means fewer Customs inspections and gives Boeing cargo priority handling if a security threat or incident forces the temporary closure of U.S. ports or border crossings.

Maintaining the high C-TPAT rating, which Customs and Border Protection (CBP) officially granted in July, is critical to protecting the integrity of the global supply chain and the Boeing Production System. "Boeing is a just-in-time manufacturer. We can't afford long delays in the flow of parts and material from our international network," said Corey Jones, supply chain security specialist. "The C-TPAT program helps Boeing minimize the risk of delay or disruptions due to security inspections that otherwise might occur."

One of Boeing's largest global suppliers, Japan-based Mitsubishi Heavy Industries (MHI), played an important role in the Tier 3 revalidation. Once a company initially earns top-tier C-TPAT status, which Boeing first received in 2005, Customs reviews and revalidates the rating every three years by scrutinizing the security procedures of a single partner who will represent the entire global supply chain. This year, Boeing and CBP chose the Mitsubishi plant in Hiroshima as the revalidation focus.

"MHI is one of the largest suppliers of major aircraft structures that we use in our programs. They perform important, high-



value work for Boeing," said Mike Will, one of the Supplier Management procurement agents who helped Boeing prepare for the revalidation. "They have a good record of adjusting and adapting to changing business requirements and helping Boeing develop solutions. For example, they also took part in an ocean container security demonstration project."

The Hiroshima plant is one of five MHI facilities in Japan performing work on Boeing parts and structures. It produces fuselage sections for the 747, 767 and 777 aircraft. MHI builds 787 Dreamliner wings at a different location.

In this year's C-TPAT revalidation process, two CBP specialists spent a full day in May reviewing security plans and procedures onsite at the Hiroshima facility. Jones accompanied the specialists and MHI officials during the visit. He said the revalidation involved about four pages of comprehensive security criteria and requirements. Customs assessed MHI's compliance with the criteria and revalidated Boeing's Tier 3 status, a rating earned by only 250 of the 8,000 companies enrolled in the C-TPAT program.

"This is a major milestone in the Supply Chain Security program. I especially appreciate the help of our MHI partners who devoted so much time and effort to

Boeing's revalidation," added Ken Konigsmark, Supply Chain Security senior manager.

Mitsubishi also is gratified by the revalidation. "We are very pleased that MHI could contribute to this result," said Junya Nakazato, one of several MHI officials who coordinated the company's role in the revalidation process. "I am proud this is an outcome that Boeing and MHI achieved jointly. It indicates our strong partnership and is a good example of what Boeing and MHI can accomplish working together."

CBP began the C-TPAT program after the September 2001 terrorist attacks as a voluntary government-industry partnership to enhance the security of supply chains sending cargo through U.S. ports and border crossings. Boeing joined the program in 2003 and earned the Tier 3 rating in 2005. ■

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PHOTO: At the Port of Everett in Washington state, components for Boeing airplanes enter the United States from international locations. U.S. Customs and Border Protection recently revalidated a supply-chain security rating for Boeing. PORT OF EVERETT