AIR CARGO SECURITY POLICY NEWSLETTER

ICAO and WCO Cooperation and Industry Support   Mar 23, 2011

This issue of the newsletter discusses and provides a link to a joint press release of International Civil Aviation Organisation (ICAO) and world Customs Organisation (WCO) to "firm up cooperation on global air cargo security".

ICAO and WCO announced they have formed a joint "Technical Experts Group on Air Cargo Security" to analyze issues including electronic advance data on shipments, information sharing and "risk management."

A further ICAO announcement relating to the adoption of a roadmap by 14 ICAO Member States to "further protect global air transport from terrorist and other security threat" is reported.

The newsletter includes industry comments on a "single worldwide airfreight security protocol" at the recent IATA World Cargo Symposium in Istanbul.

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ICAO and WCO Cooperation

In an interview with Air Transport World (ATW) last week, ICAO Secretary General Raymond Benjamin noted that securing supply chains is:"*a customs issue. The goods that are being transported are moving by a variety of means. You have cargo on the highway, and then it goes on ships [and on aircraft]. So we have to look at a comprehensive way … of building a security regime.*" [reported by ATW]

This could definitely be considered a "new approach" from ICAO.

In another comment reported by ATW ICAO Aviation Security Branch Chief Jim Marriott added, "*We are working very closely with the World Customs Organization in no small part because the world's customs system has increasingly provided for electronic data interchange … There may very well be rich opportunities to mine that information to find cargo that is higher risk and in need of higher scrutiny.*"

One objective of the proposed cooperation is to reduce the operational and financial impact of security measures by reducing or eliminating duplication in systems and processes, while enhancing synergies.

The heads of the two organizations stressed that *"……the end result will be a more effective and efficient response to current as well as new and emerging threats to the security of the global trade supply chain, a critical element of the world economy"*

As reported in a previous issue of the newsletter, the Council of ICAO approved new and strengthened standards which include a requirement for its 190 member states to establish a supply chain security process on their territory. These new provisions become applicable in July 2011.

It is proposed that WCO, together with ICAO will carry out a review of its existing procedures through the newly constituted Technical Experts Group on Air Cargo Security. They will analyse such vital issues as electronic advance data, the sharing of information at various levels (government-to-government, Customs-to-Customs and Customs-to-industry) and risk management.

Last autumn, the ICAO Assembly unanimously adopted a Declaration on Aviation Security which focuses on four main target areas: enhanced screening technologies to detect prohibited articles, strengthening of international standards, improving security information sharing and providing capacity-building assistance to States in need.

The WCO Policy Commission in turn adopted a Communiqué on Air Cargo Security in December which underlines the importance of national and international cooperation, coordinated border management, threat information sharing, strengthened use of intelligence-driven risk management and enhanced Customs-Business partnerships.

Text of the ICAO – WCO joint press release:

" MONTRÉAL, 15 March 2011 – The Secretary General of the World Customs Organization (WCO), Kunio Mikuriya and his counterpart at the International Civil Aviation Organization (ICAO), Raymond Benjamin, today agreed to expand cooperation between their two agencies in tackling threats to global air cargo security.

Closer collaboration between the WCO and ICAO is expected to significantly minimize the operational and financial impact of security measures by reducing or eliminating duplication in systems and processes, while enhancing synergies.

The end result will be a more effective and efficient response to current as well as new and emerging threats to the security of the global trade supply chain, a critical element of the world economy, the two heads stressed.

"The WCO has unique powers, a multi-faceted mandate, extensive information gathering capabilities, a physical presence at borders and interacts with industry on a day-to-day basis," said Mr. Mikuriya. "These resources are essential in a global strategy to secure international air cargo."

In November 2010, the Council of ICAO approved new and strengthened standards which include a requirement for its 190 Member States to establish a supply chain security process on their territory. The new provisions become applicable in July 2011.

"Working closely with the WCO, we want to achieve the highest level of end-to-end cargo security, while preventing unnecessary delays in the movement of goods across international borders," Mr. Benjamin emphasized.

The WCO, together with ICAO, will carry out a review of its existing procedures through a newly-constituted Technical Experts Group on Air Cargo Security. They will analyze such vital issues as electronic advance data, the sharing of information at various levels (government-to-government, Customs-to-Customs and Customs-to-industry) and risk management.

Last fall, the ICAO Assembly unanimously adopted a Declaration on Aviation Security which focuses on four main target areas: enhanced screening technologies to detect prohibited articles, strengthening of international standards, improving security information sharing and providing capacity-building assistance to States in need.

The WCO Policy Commission in turn adopted a Communiqué on Air Cargo Security in December which underlines the importance of national and international cooperation, coordinated border management, threat information sharing, strengthened use of intelligence-driven risk management and enhanced Customs-Business partnerships".

The press release can be viewed at:

http://www2.icao.int/en/NewsRoom/Lists/News/Attachments/36/PIO.04.11.FIINAL.EN.pdf

ICAO Cargo Security Roadmap

Earlier this year, the General Secretary of ICAO announced, at an aviation security conference in New Deli, announced the adoption of a roadmap by 14 ICAO Member States to further protect global air transport from terrorist and other security threats.

The full text of this press release is provided below:

" MONTRÉAL, 15 February 2011 – The adoption of a roadmap by 14 ICAO Member States to further protect global air transport from terrorist and other security threats was praised today by the Secretary General of the International Civil Aviation Organization, Raymond Benjamin, at the conclusion of a two-day regional aviation security conference in New Delhi.

Among the measures included in the roadmap are actions that States will take to strengthen security screening procedures by ensuring that professionals are appropriately trained and equipped. Air cargo security will be enhanced through working with Customs authorities on common goals. Capacity-building assistance to States in need in cooperation with ICAO, other States and the aviation industry is emphasized in the roadmap.

The conference was the first in a series on implementing the ICAO Declaration on Aviation Security, unanimously adopted by the Organization's Assembly last October to deal with known, new and emerging threats to civil aviation.

"The challenge, OUR challenge, is to turn commitment into action. Terrorism is a global problem that requires global solutions," Mr. Benjamin emphasized when urging participants to develop the roadmap during the opening of the conference.

"This roadmap is a key step in addressing the security challenge and can serve as a model for other regional aviation security conferences, culminating in a global security conference planned for next year at ICAO Headquarters in Montréal," Mr. Benjamin indicated."

The press release can be viewed at: http://www2.icao.int/en/NewsRoom/Lists/News/Attachments/32/EN.pdf

Industry endorsement

Source: Air Cargo World, March 14, 2011

" *The latest Emergency Amendment (EA) from the US Transportation Security Administration has caused major disquiet at the World Cargo Symposium in Istanbul, leading to calls for the International Civil Aviation Organization to coordinate a single worldwide airfreight security protocol.*

A loss of "known shipper" designation for companies that change addresses and fail to ship cargo for a few days provoked anger among expert panellists and delegates at the event. Carriers serving the U.S. will have to screen more shipments accordingly.

The world's airlines were notified of the rule change at 1 a.m. European time on a Saturday morning, with a requirement to comply within 72 hours. Those seeking clarification on this significant change to their processes were unable to reach the Transportation Security Administration (TSA) until the Monday.

Harald Zieliniski, head of security at Lufthansa Cargo, told Air Cargo World he was on the phone five minutes after learning the news, but could not make contact with the TSA.

Lufthansa and its associate airlines, including Austrian and BMI, made a partial response ahead of the deadline, but Zielinski warned there would be a delay of two or three days while the group addressed other points.

He urged the German government and the European Commission to take up the matter with the U.S. authorities.

Karl Garnadt, chairman of Lufthansa Cargo, is concerned about the differing European and U.S. approaches to security. He said screening technology could never provide a total solution and must be combined more effectively with profiling and intelligence in a blending of the two rival systems.

Airlines are happy to cooperate, but must be seen as professional partners with the security authorities rather than "suspects," Garnadt said.

Delegates heard that ICAO would issue a new aviation security manual by the end of this year after agreeing to guidelines with IATA, whose Secure Freight initiative now has its first live operating model.

Malaysia agreed in mid-2008 to pilot the scheme, and by October 2010, a draft National Freight Security Program (NFSP) was ready for testing. Trials were carried out in November on the Kuala Lumpur-Amsterdam trade lane, with a "secure freight" code incorporated into electronic documents.

Ibrahim Mohd Salleh, acting senior vice president for cargo operations at Malaysia Airlines' MASkargo division, told the conference the NFSP had achieved certification in December and was now ready for implementation.

Salleh said Malaysia's whole security culture had needed to go to a higher level. There had been challenges for Customs; for forwarders in maintaining the integrity of shipments and an audit trail; for handlers because of the need to differentiate between secure and non-secure freight; and for airlines, which had to ensure compliance throughout the network, including the handler at destination.

Warren Miller, who heads the international air cargo branch of the TSA, said setting a one-size-fits-all security standard was a challenge because of different government demands, legislative policies and business models. "There are people trying to do a great deal of harm. We're never going to get it right first time — we never said we would. But we have to feasibly address the threat," he said.

Jean-Claude Delen, chairman of FIATA, said: "Criminals will always be a step ahead of us. Six months ago, we would have said, 'let's self-regulate.' Now that is not appropriate, but meeting all the requirements is impossible. If you do something right, it goes wrong somewhere else. ICAO has an important role in helping us to get to an acceptable solution."

It was not only a U.S. problem, Delen said. One unnamed country in Europe had issued new rules, but companies wishing to train people to follow these were told the information was classified. Certification programs needed to be aligned. Europe's AEO (Authorized Economic Operator) status must be recognized under C-TPAT rules or there was no point in forwarders adopting it.

Trade was at stake. Delen urged regulators to listen before acting, but feared it was already too late. Michael Steen, TIACA's new chairman, said the airfreight industry must help regulators and authorities make the right decisions. ICAO should be the coordination point and should set standards including the definition of high risk. The safety of a shipment must be established before its first flight. National and other regulatory authorities must adopt ICAO standards.

Finally, a major shipper added to the criticism levelled at regulators. Abel Lopez Cernadas, import/export and transport director for fashion group Inditex, said his company moved 110,000 tonnes of freight in 2010, replenishing 5,000 stores worldwide twice a week from eight bonded, AEO-accredited warehouses in Spain. The problem was not only different regulations for different countries, but variations in each airport's or carrier's interpretation of these, Lopez said. The TSA's latest amendments rendered the supply chain precautions taken by Inditex "useless."

Lopez questioned why, if his supply chain was deemed secure under AEO, his company sometimes missed cut-offs and was also hit with security surcharges that last year amounted to more than €16 million euros. He accepted, however, that airlines were at risk of losing revenue, and flew emptier than they needed to, as a result of trying to meet current security demands. They risked losing their reputation for reliability, even when they were not guilty."