



# AIR CARGO SECURITY POLICY NEWSLETTER

EU Transport White Paper

Apr 13, 2011

Presenting a white paper titled "Roadmap to a Single European Transport Area - Towards a Competitive and Resource Efficient Transport System" in Brussels, EU Transport Commissioner Siim Kallas said doing away with the conventional sources of energy "must be achieved without sacrificing its efficiency and compromising mobility."

The Roadmap plans to shift half of the 27-nation bloc's "middle distance journeys" from road to rail, and to cut greenhouse gas emissions from the transport sector by 60 per cent by the middle of the century.

The Commission aims to create a Single European Transport Area to foster competition and to fully integrate the transport systems of the eastern and western parts of Europe that fully reflects "the transport needs of almost the whole continent and our 500 million citizens."

This new EU transport plan will now be presented to governments of the Member States for review and approval. A spirited debate is ensured.



Of interest to air cargo policy makers and supply chain security professionals are the subjects included in a List of Initiatives that are provided at the end of the Newsletter,

Under the heading “secure transport” the Commission proposes to “*implement the Action Plan on Strengthening Air cargo Security<sup>1</sup>, define new rules on air cargo screening as necessary and enhance the security of cargo in ports*”, and “*Complete an EU-wide one-stop security system for air cargo*”.

Under the heading “End-to-End” security the Commission proposes to “*increase the level of security along the supply chain without impeding the free flow of trade. End-to-end security certificates should be considered taking into account existing schemes.....*” [end-to-end security certificates were evaluated in the “Creation of an EU Known Shipper’s Prototype Data Base” project performed by Innovative Compliance for the Commission during 2005-2008]<sup>2</sup>.

With relation to “a coherent funding framework” the Commission proposed to “*establish an enabling framework for the development of private-public-partnerships (PPPs) by introducing a formal screening of Ten-T Agency<sup>3</sup> projects to identify those with PPP potential; create a standardized and predictable PPP procurement process for Ten-T Agency projects over time; and, revise Ten-T Agency*

*regulations accordingly so as to accommodate the PPP procurement process and payment mechanisms” and “...to encourage Member States to use more PPPs, while acknowledging that not all projects are suitable for this mechanism, and provide relevant expertise to Member States.....”*

Other elements of the Roadmap propose that new technologies for vehicles and traffic management be adapted to lower transport emissions in the EU at a time the region's transport sector faces growing competition in fast developing world transport markets.

A call is made for more and efficient coastal entry points into European markets, avoiding unnecessary traffic crossing Europe. Seaports should be developed as major logistics centers that can handle increased volumes of freight both within EU and with the rest of the world; and, restructuring of Transport charges and taxes is recommended.

Finally the Roadmap takes a global look at developments in the transport sector, at its future challenges and at the policy initiatives that need to be considered.

The Roadmap can be viewed at:

[http://ec.europa.eu/transport/strategies/doc/2011\\_white\\_paper/white\\_paper\\_com\(2011\)\\_144\\_en.pdf](http://ec.europa.eu/transport/strategies/doc/2011_white_paper/white_paper_com(2011)_144_en.pdf)

A Commission staff working document<sup>4</sup>

accompanying the white paper can be viewed at: [http://ec.europa.eu/transport/strategies/doc/2011\\_white\\_paper/white\\_paper\\_working\\_document\\_en.pdf](http://ec.europa.eu/transport/strategies/doc/2011_white_paper/white_paper_working_document_en.pdf)

<sup>1</sup> MEMO/10/625

<sup>2</sup> (Service Contracts TREN/04/ST/S07.38934, TREN/05/ST/S07.54815, TREN/06/ST/S07.63369 & TREN/07/ST/S07.798000).

<sup>3</sup> <http://tentea.ec.europa.eu/en/home.htm>

<sup>4</sup> SEC(2011) 391



An impact assessment document <sup>5</sup> is provided at:  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SEC:2011:0358:FIN:EN:PDF>

A summary of the impact assessment document <sup>6</sup> is available at : <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SEC:2011:0359:FIN:EN:PDF>

The remainder of this issue of the newsletter focuses on elements of the Roadmap the editors believe will be of interest to our readers.

Initially we highlight certain Roadmap proposals for:

- The single European transport area:
- Transport security;
- Safe transport; and
- The external dimension.

### **A Single European Transport Area (3.1)**

*“A Single European Transport Area should ease the movements of citizens and freight, reduce costs and enhance the sustainability of European transport. The **Single European Sky** needs to be implemented as foreseen, and already in 2011 the Commission will address the capacity and quality of airports. The area where bottlenecks are still most evident is the internal market for rail services, which must be completed as a priority in order to achieve a **Single European Railway Area**.*

*This includes the abolishment of technical, administrative and legal obstacles which still*

*impede entry to national railway markets. A further integration of the road freight market will render road transport more efficient and competitive. For maritime transport, a “Blue Belt” in the seas around Europe shall simplify the formalities for ships travelling between EU ports, and a suitable framework must be established to take care of European tasks for inland waterway transport. Market access to ports needs to be further improved.....*

**Transport security** is high on the EU's agenda. The EU's comprehensive approach of policy, legislation and monitoring of air and maritime transport security should be further consolidated and strengthened through cooperation with major international partners. For passenger security, screening methods need to be improved in order to ensure high security levels with minimum hassle. A risk based approach to the security of cargo originating outside the EU should be considered. There is also a need to find an appropriate European approach to land transport security in those areas where EU action has an added value....

Setting the framework for **safe transport** is essential for the European citizen. A European Strategy for civil aviation safety will be developed, which includes adaptation to new technologies and, obviously, international cooperation with main partners. In maritime transport, passenger ship safety needs to be proactively addressed. The Vessel Traffic Monitoring and Information System SafeSeaNet will become the core of all relevant maritime information tools supporting maritime transport safety and security, as well as the protection of the environment from ship-source pollution. It will thus provide the essential contribution to the establishment of a common information sharing environment for the

<sup>5</sup> SEC(2011) 358

<sup>6</sup> SEC(2011) 359



surveillance of the EU maritime domain<sup>19</sup> and support the creation of a common maritime space. For rail transport, the harmonisation and supervision of safety certification are essential in a Single European Railway Area. In these three transport sectors, the European aviation, maritime and rail safety agencies which were set up in the last decade play an indispensable role.....”

### **The external dimension (3.4)**

“Transport is fundamentally international. Because of this, most actions in the Roadmap are linked to challenges related to the development of transport beyond the EU borders. Opening up third country markets in transport services, products and investments continues to have high priority. Transport is therefore included in all our trade negotiations (WTO, regional and bilateral). Flexible strategies will be adopted to ensure the EU’s role as a standard setter in the transport field.

To that end, the Commission will focus on the following areas of actions:

- *Extend internal market rules through work in international organisations (ICAO, IMO, OTIF, OSJD, UNECE, the international river commissions etc) and where relevant attain full EU membership. Promote European safety, security, privacy and environmental standards worldwide through bilateral and multilateral cooperation. Reinforce the transport dialogue with main partners.*
- *Extend our transport and infrastructure policy to our immediate neighbours, including in the preparation of mobility continuity plans, to deliver closer market integration A cooperation framework similar to on the Western Balkan Transport Treaty could be used to extend EU rules to other neighbouring countries. Complete the*

*European Common aviation area of 58 countries and 1 billion inhabitants.*

*Cooperate with the Mediterranean partners in the implementation of a Mediterranean Maritime Strategy to enhance maritime safety, security and surveillance.<sup>7</sup> Promote SESAR, ERTMS and ITS technology deployment in the world, and establish research and innovation partnerships also at international level.*

- *Promote our approach globally: opening up transport markets to free and undistorted competition and environmentally sustainable solutions. Continue to aim at greater market access in transport in all relevant international negotiations.....”*

### **Staff working document<sup>4</sup>**

The next section of the newsletter provides in more detail the security proposals from the Commission staff working document accompanying the ROADMAP white paper.

#### **Cargo security (1.3.1)**

*“Action Plan on air cargo security*

*The Commission intends to bring forward legislative proposals notably in relation to cargo originating from outside the EU. The proposals will draw on experience gained within the EU and internationally so far and will also take into account methods applied within the customs sector with the Authorised Economic Operator (AEO) programme. They will follow a risk based approach and require improved data quality of advance information about shipments while*

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<sup>7</sup> COM (2011) 200 – A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean





*further improving supply chain security in third countries: through mutual recognition of security and trade programs of relevant third countries in order to benefit from security controls that already exist in third countries. Any new approach must mitigate the risk of consignments departing from third countries for the EU and have minimal impact on transfer cargo handling at EU airports.*

*The Member States and the Commission should as a matter of urgency strengthen the compliance monitoring of the cargo and mail rules. The Commission has to date made 30 cargo inspections at Member State airports and the results of these inspections show that implementation of EU rules must be improved. The number of EU inspections will be increased and Member States must take action to strengthen national monitoring programmes. The proper implementation of cargo rules is linked to effective staff training. Standardised training packages for staff involved in air security ensure robust and harmonised security. Capacity building on transport security in third countries must receive greater attention in EU external assistance programmes, including through workshops with the support of bodies such as the European Civil Aviation Conference (ECAC).*

#### *Enhanced security of cargo in ports*

*In response to the increased security concerns, and in particular the September 11 events, many countries took unilateral actions in order to tackle potential threats.*

*The United States, for example, introduced a 100% scanning requirement for US bound maritime cargo at export, to be implemented by 1 July 2012. In an extensive Impact Assessment performed in 2008, the Commission pointed out that “if 100% scanning*

*at export was implemented in European ports, it would be excessively costly, would be unlikely to improve global security, would absorb resources currently allocated to EU security interests, and would disrupt trade and transport within the EU and worldwide<sup>8</sup>”*

*On this basis, the EU does not consider implementing 100% scanning of containers at export. It advocates shifting the policy focus towards developing a package of measures to cope with the wide diversity of security risks and address supply chain security not only from a national perspective but also as a global and complex challenge. This alternative package would nevertheless be based on the principle that all exports, as well as imports, undergo comprehensive and effective multilayered risk management processes using a range of methods and technologies commensurate to the risks associated with specific consignments. No consignment would go unassessed.*

*As an integral part of the multi-layered risk management policy, the intention of the EU is to intensify international cooperation to maximise effectiveness and efficiency of the foreseen measures. The Commission will count in particular on the constructive cooperation with the US”.*

#### **End-to-End security (1.3.4)**

*“While many tools for protecting cargo security exist in the European Union, there are currently no rules in place for the European land transport supply chain in its entirety. In principle, one could imagine monitoring and screening*

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<sup>8</sup> *Secure trade and 100% scanning of containers, Commission staff working document, SEC(2010)131 final.*



*each cargo shipment all along the logistics chain, but such an approach would nevertheless increase security related costs to unsustainable levels and could still prove inefficient. The Commission promotes a less costly and potentially more effective solution of profiling economic operators based on their level of compliance with certain reliability criteria.*

*The Commission proposes to build upon the experience gathered with AEOs and 'known consignors' to develop an 'end-to-end' security management system involving a harmonised Joint Risk Assessment of operators involved in a entire transport supply chain, independently of the transport mode used. 'End-to-end' security certificates delivered to compliant operators would entitle them to benefit from security facilitations related to operations at any stage of the supply chain. To avoid duplication of efforts and reduce red tape, the new certificate would equally be integrated in the existing systems for secure maritime and air transport*

*The initiative would aim at enhancing supply chain security in order to provide greater protection for all European freight transport against possible terrorist attacks, without impeding the free flow of goods. The system would be based on risk management and not on the elimination of risk. Procedures for restoring the functioning of the supply chain after a major terrorist attack or any other distortion linked to security would therefore be integrated in the design of European and national Mobility Continuity Plans.*

*Finally, international cooperation must be further strengthened in all the aspects of*

*transport security where joint efforts can bring considerable synergies (such as the exchange of intelligence information on international terrorism) and where national competences are not clearly defined (for instance navigation on international waters)."*

### **An international dialogue on transport security (4.3)**

*"Following the 9/11 attacks, a lot has been done – under the initiative of the EU – to develop counter measures (at first in air transport, but quickly followed by similar measures in maritime) to prevent such dramatic event to take place again. Terrorism is a global threat and can only be successfully tackled internationally. Therefore international cooperation and harmonisation of security and privacy rules and practices are of utmost importance at the bilateral (e.g. EU–US transport security dialogue) or multilateral level (ICAO, IMO)."*

Figures 1 through 3 on the following pages are taken from Annex 1 of the Roadmap – List of Initiatives.



## 12. Cargo security

- Implement the Action Plan on Strengthening Air Cargo Security, define new rules on Air Cargo screening as necessary and enhanced security of cargo in ports.
- Complete an EU-wide one-stop security system for air cargo.

## 13. High levels of passenger security with minimum hassle

Promote improved screening methods, fully respecting fundamental rights; such methods should underpin development of a ‘Check point of the future’ – such as security corridors which would allow a high number of passengers being controlled with minimum hassle and intrusion. They should also support security provision in other vulnerable areas such as major transport interchanges.

- Promote, also through funding, the development of more effective and privacy-friendly technologies (scanners, detectors of new explosives, smart chips, etc) as well as more privacy-friendly solutions in existing technologies.
- Define common detection performance standards and certifications procedures for detection equipment.

## 14. Land transport security

- Work with Member States on the security of land transport, establishing as a first step a permanent expert group on land transport security and introducing further measures where EU action has added value. Special focus will be put on urban security issues.

## 15. ‘End-to-end’ security

- Increase the level of security along the supply chain without impeding the free flow of trade. ‘End-to-end’ security certificates should be considered taking into account existing schemes.
- Joint Security Assessment covering all modes of transport.
- Integrate potential effects of terrorist and criminal attacks in the preparation of mobility continuity plans (cf. Initiative 23)
- Pursue international cooperation in the fight against terrorism and other criminal activities like piracy. The external dimension (cf. Initiative 40) is crucial.

Figure 1 – Initiative #1 – Efficient and Integrated Mobility System: 1.3 Secure Transport (Source<sup>4</sup>)



**37. A new funding framework for transport infrastructure**

- Develop an infrastructure funding framework with sufficient conditionality to provide support for the completion of the TEN-T core network as well as other infrastructure programmes, encompassing the investment strategies of both the TEN-T programmes and the Cohesion and Structural Funds, and considering revenues from transport activities.
- Provide EU support for developing and deploying technologies that improve infrastructure use efficiency and decarbonisation (new road network pricing and tolling systems, ITS and capacity improvement programs).
- Link TEN-T funding to progress towards the completion of the TEN-T core network and on the pooling of national resources along corridors.

**38. Private sector engagement**

- Establish an enabling framework for the development of PPPs: (i) introduce a formal screening of TEN-T projects to identify those with PPP potential, (ii) create a standardized and predictable PPP procurement process for TEN-T projects over time; and (iii) revise TEN-T regulations accordingly so as to accommodate the PPP procurement process and payment mechanisms.
- In the context of the cooperation framework established between the Commission services and EPEC, encourage MS to use more PPPs, while acknowledging that not all projects are suitable for this mechanism, and provide relevant expertise to Member States.
- Participate in designing new financing instruments for the transport sector, particularly the EU project bond initiative.

Figure 2 – Initiative #3 – Modern infrastructure and smart funding: 3.2 A coherent funding framework (Source<sup>4</sup>)





#### 40. Transport in the World: The external dimension

Transport is fundamentally international. Because of this, most actions in this White Paper are linked to challenges related to the development of transport beyond the EU borders. Opening up third country markets in transport services, products and investments continues to have high priority. Transport is therefore included in all our trade negotiations (WTO, regional and bilateral). Flexible strategies will be adopted to ensure the EU's role as a standard setter in the transport field. To that end, the Commission will focus on the following areas of actions:

- Extend internal market rules through work in international organisations (WTO, ICAO, IMO, OTIF, OSJD, UNECE, the international river commissions etc) and, where relevant, attain full EU membership. Promote European safety, security, privacy and environmental standards worldwide. Reinforce the transport dialogue with main partners.
- Complete the European Common aviation area of 58 countries and 1 billion inhabitants. Conclude comprehensive air services agreement with key economic partners (Brazil, China, India, Russia, South Korea etc.) and eliminate air transport investment restrictions in 3rd countries. Promote SESAR technology deployment in the world.
- Take action in multilateral forums and bilateral relations to promote policy targeted at the energy efficiency and climate change goals of this White Paper.
- Continuously use multilateral (in ICAO, IMO and WCO) and bilateral layers to tackle the issue of terrorism, envisaging international agreements and enhanced security dialogues with strategic partners, starting with the US. Cooperate on joint threat assessments, training of third countries officers, joint inspections, piracy prevention, etc. Ensure recognition of the EU concept of 'one stop security' system internationally.
- Develop a cooperation framework to extend our transport and infrastructure policy to our immediate neighbours, to deliver improved infrastructure connections and closer market integration, including in the preparation of mobility continuity plans.
- Cooperate with Mediterranean partners in the implementation of a Mediterranean Maritime Strategy to enhance maritime safety, security and surveillance.
- Take appropriate steps to advance the removal of exemptions for liner shipping conferences outside the EU.
- Build on established research and innovation partnerships to find common answers to the challenges related to interoperability of transport management systems, sustainable low-carbon fuels, security and safety.
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Figure 3 – Initiative #4 - Transport in the World : 40 - The External Dimension (Source <sup>4</sup>)



