



AIR CARGO SECURITY POLICY NEWSLETTER

Supply Chain and Air Cargo Security Convergence

Jan 17, 2011

Recent events have brought together a number of emerging supply chain security initiatives and trends.

These indicate that 2011 may be a watershed year for convergence of measures involving supply chain security and aviation security.

In this issue of the newsletter we review the more significant announcements, and report on both government and industry positions.

Items discussed in the newsletter include:

- Formation of the Global Air Cargo Advisory Group (GACAG)

- A European action plan to strengthen air cargo security (IP/10/1651)
- Discussions at the 6th meeting of the ICAO Facilitation Panel (FALP) in May 2010
- US Department of Homeland Security partnership with World Customs Organization to strengthen the security and resiliency of the global supply chain

Consistently we see aviation security being regarded as a “sub-set” of supply chain security.



Interest is being expressed in a risk-based holistic approach to securing all elements of the supply chain (air carriers, shippers, regulated agents, cargo handling operations and logistics service providers), across all categories of aviation (passenger and all cargo carriers) and related transport modes (air, road, rail, sea). Reliance on government-industry partnerships involving sharing of information is proposed; and, the vast majority of stakeholders are requiring that new ICAO Annex17 air cargo security standards be implemented world-wide.

These initiatives require governments to establish mechanisms to mutually recognize comparable supply chain security regimes across trading partners, and to ensure communication of security incidents and threats.

Industry and regulatory authorities are equally concerned in the rapid resolution of the definition as to what constitutes “high-risk cargo”.

The above notwithstanding, the “jury is still out” on which, if either, of the current “known shipper” models – EU independent validation of known consignors or the US Certified Cargo Screening model including shippers, regulated agents (or IACs) and independent cargo screening facilities (ICSFs) will be included in the revised ICAO Annex 17 measures.

Global Air Cargo Advisory Group

The Global Air Cargo Advisory Group (GACAG) was launched in November 2011 by The International Air Cargo Association (TIACA). The members of GACAG are TIACA, IATA, FIATA and GSF.

The objectives of GACAG are broad. GACAG supports an ICAO Annex 17 approach to regulated agent and known consignor programmes, proposes to involve all elements of

the air cargo supply chain, supports a holistic approach to all categories of air cargo shipments, and is focused on harmonisation of air cargo security procedures and best practices.

The following extracts from statements issued by GACAG provide the underlying key principles of its approach –

“The group will focus its efforts to enhance the security of the air cargo supply chain, defined as all components of the transportation chain from shipper to consignee, but this must be done in a manner that results in the minimum possible disruption to the vital flow of commerce. This will require a global push by the air cargo industry and the relevant authorities to improve risk assessment, tighten standard air cargo supply chain processes, develop viable technology for the air cargo environment, and improve compliance”.

“GACAG further expands the above as follows:

- *A comprehensive Air Cargo Supply Chain Security solution should be built around a multi-layered set of actions guided by the “risk-based” concept;*
- *Consistent with ICAO Annex 17, member states should introduce supply chain security programs established on common principles and platforms, such as those contained within Regulated Agent and Known Consignor programs;*
- *To facilitate integrated supply chain transportation, member states should be encouraged to mutually recognize quality supply chain security programs introduced by partner member states;*
- *Enhanced data intelligence, leveraging standardized electronic advance cargo*



information and consistent with the WCO Safe Framework of Standards, should underpin secure supply chain solutions to target high-risk cargo;

- *Cargo security should be viewed on a holistic basis incorporating general cargo, express cargo, mail and baggage shipped as cargo, encompassing both freighter and combination aircraft; and*
- *Because our members operate in all countries and territories around the world, we are acutely aware that global harmonization of air cargo security procedures is essential, and we urge that best practices be adopted as soon as possible”.*

The following elements of the GACAG strategy capture the views of industry (**editorial highlights**)

*GACAG views **ICAO as the global focal point** for collaboration on cargo screening requirements and ICAO should set **global definitions and standards for air cargo security**, including the definition of what constitutes “**high risk cargo**” on an expedited basis. National and regional regulators should **adopt ICAO** definitions and standards.*

*Protocols for transferred cargo should **take into account screening that was performed prior to the original flight**. Industry and government should follow the **international standard** set by the World Customs Organization **on advance cargo information** to facilitate risk-assessment. Industry and government should jointly develop and endorse a standard **electronic cargo security declaration** process and its associated paper layout”.*

A FIATA press release on the establishment of GACAG can be viewed at:

<http://www.fiata.com/index.php?id=388&L=en>

European action plan to strengthen air cargo security (IP/10/1651)

On December 2nd, an action plan to strengthen air cargo security was presented by a high-level group to meetings of the EU Council of Transport Ministers and the EU Council of Home Affairs ministers.

The information bulletin provided after these meetings “*argued for a holistic approach to strengthen air cargo security, by following a series of strategies simultaneously in terms of:*

- *New harmonized EU cargo and mail security controls;*
- *EU coordination; and*
- *Global approach”.*

The recommendations in the action plan included “*the convening of an Air Cargo working group of Member State and industry experts to advise on regime changes and draw on the risk-based experience gained in the customs sector”.*

The action plan included “*encouraging Members States to implement as soon as possible the additional requirements for EU known consignor validation” and “to strongly encourage Member states to give greater priority to air cargo in their national inspection programmes”*

It proposed “*steps to establish, facilitate and strengthen” information flows relating to incidents, new threats and emergency measures, and the development of a “common all-source EU threat assessment capability”*



The EU action plan also called for the swift implementation of the latest revision to ICAO Annex 17 with enhanced cargo security rules, and that “adequate guidance should be developed and provided to help implement its standards and recommended practices” and “ICAO audits and capacity-building initiatives should be used as primary tools to strengthen aviation security including cargo supply chains in non-EU countries”.

The European action plan information release can be viewed at:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1651>

6th meeting of the ICAO Facilitation Panel (FALP) in May 2010

The European view on the significance of the security of the Supply Chain for all of its actors, and on harmonisation of customs and air cargo were mentioned in an ICAO working paper issued at the 6th meeting of the Facilitation Panel (FALP) in May 2010¹.

Items 2.6 and 2.7 of this document stated as follows:

“Also under item 2, in its information paper (AVSECP/21-IP/4) on cargo security, the European Community indicated that the secure supply chain concept may be a far greater guarantor of air cargo security, in many circumstances, than any available technology or methodology. The information paper provided information on appropriate new EU requirements

¹http://www.icao.int/icao/en/atb/meetings/2010/FALP6/Docs/FALP6_WP03_en.pdf

that are going to be introduced with respect to each of the primary actors in a secure supply chain, i.e. the known and account consignors, regulated agents, hauliers, handling agents and air carriers”[2.6], and

“Subsequent to its discussion on item 2, the AVSEC Panel concluded that that aviation security and facilitation measures related to supply chain security are currently driven by different objectives, but are worth considering, where feasible. It recommended that a strategic review of the approaches be undertaken with the objective of integrating aviation security and customs requirements for cargo security, insofar as this is practicable. It is anticipated that this recommendation would drive the future work of the Secretariat Study Group”[2.7].

DHS Press release on partnership with WCO

In a press statement in Brussels on 6th January 2011, Homeland Security Secretary Janet Napolitano announced a new partnership with WCO to “to enlist other nations, international bodies and the private sector in increasing the security of the global supply chain—outlining a series of new initiatives to make the system stronger, smarter and more resilient”.

Secretary Napolitano presented the three main elements of this international effort as follows:

- “Preventing terrorists from exploiting the global supply chain to plan and execute attacks”;
 - “Protecting the most critical elements of the supply chain system, such as transportation hubs and related critical infrastructure, from attacks and disruptions”;
- and



- *“Building the resilience of the global supply chain to ensure that if something does happen, the supply chain can recover quickly”.*

Secretary Napolitano stated that *“in 2011, DHS will work with our international partners to build on these successes, strengthening cargo screening standards across the globe; deploying state-of-the-art technologies to better track and detect precursors; and, in conjunction with the Departments of State and Defense, expanding and coordinating technical assistance and training to partner countries to ensure that well-developed, well-equipped customs agencies are able to do their jobs everywhere along the global supply chain”.*

The full DHS Press Release can be viewed at:

http://www.dhs.gov/ynews/releases/pr_1294331815795.shtm

