



FACILITATION (FAL) DIVISION — TWELFTH SESSION

Cairo, Egypt, 22 March to 2 April 2004

**DRAFT REPORT OF COMMITTEE 1
ON AGENDA ITEM 3.1**

The attached draft report on Agenda Item 3.1 is presented for approval by Committee 1 for submission to the Plenary.

Agenda Item 3: Implementing modernized provisions for facilitation and security in air cargo service operations
3.1: Facilitation of cargo clearance

3.1.1 The Division considered WP/13 presented by the Secretariat which, in the light of contemporary concerns about security and the continuing need to facilitate international trade, proposed the following list of issues as a starting point for continuing work on air cargo strategy in ICAO:

- a) the need for SARPs recommending the use of advance cargo information systems to enable processing of cargo data before its arrival;
- b) the need to harmonize the aviation security concept of the “regulated agent” with the facilitation concept of the “authorized person”;
- c) principles of inspection systems integrity to strengthen border security;
- d) transparency and fairness in the levying of charges for inspection service;
- e) acceptance of the air waybill number as a sufficient “unique consignment reference”; and
- f) extension of security-related SARPs for air cargo to air-road transit movements.

3.1.2 The Division expressed general support to the list of issues proposed in WP/13 as listed above. However with regard to the framework of the unique consignment reference (UCR), the Division observed that reference should not only be the air waybill number, as there are other references which should be taken into account. In relation to the UCR, the Division was informed that the WCO has done some work on this subject and there are some provisions included in the guidance material. The Division agreed to recommend that ICAO undertake appropriate action to develop air cargo strategy along the lines indicated in paragraph 3.1.1 of the report in cooperation with other concerned bodies in order to avoid duplication of efforts.

3.1.3 The Division considered WP/80 presented by SITA which contained a proposal for a community hub approach to advance cargo information (ACI), as the fragmented nature of the cargo industry resulted in there being no single source of information to satisfy the requirements of government agencies. As the international supply chain touches all parts of the world and its security is truly a global problem requiring a global solution, the paper recommends that the collective focus must be on ensuring that concerted action is taken in a coordinated and unified way.

3.1.4 The Division also considered WP/42 of IATA which reported on States’ actions to improve their ability to manage risk associated with inbound and outbound cargo movements through development and implementation electronically submitted Advance Cargo Information (ACI) requirements. In the absence of globally agreed standards and without best practice materials to provide guidance, there is a risk that such developments will result in unilateral, non-compatible system designs. In this regard, the paper describes current ACI developments and the challenges involved in ensuring harmonization and global interoperability of these and future systems.

3.1.5 The Division supported a proposal by SITA in WP/80 and another by IATA in WP/42. It was stressed that development of ACI systems should be based on internationally accepted standards. With reference to the recommendations proposed by IATA, the Division agreed that development of ACI

should not go beyond internationally recognized principles. Accordingly, the Division adopted the following recommendations:

Recommendation B/XXX —

It is recommended that:

ICAO should, in cooperation with other interested bodies and in the interest of ensuring global interoperability, immediately undertake to establish internationally-agreed principles under which Advance Cargo Information (ACI) systems should be designed and operated.

Recommendation B/XXX —

It is recommended that:

States, seeking to develop Advance Cargo Information (ACI) systems, should, to the greatest practicable extent and in the interest of ensuring harmonization in interoperability, align their system design and requirements to internationally-agreed principles relating to such systems.

3.1.6 The Division also noted IP/15 submitted by Indonesia on the strategic initiatives in the area of trade facilitation in Indonesia.

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