



**HIGH-LEVEL CONFERENCE ON AVIATION SECURITY (HLCAS)**

**Montréal, 12 to 14 September 2012**

**Agenda Item 2: Enhancing air cargo security**

**ONE GLOBAL SOLUTION FOR AIR CARGO SECURITY AND FACILITATION**

(Presented by the Global Express Association)

**SUMMARY**

This paper presents the views of the express delivery industry on Agenda item 2. The express delivery industry has long taken a supply-chain approach to air cargo security. It operates in 220 countries and territories and controls its supply chain end-to-end.

A typical express shipment will take between a few hours and three days to travel from a point in the globe to another, perhaps being transhipped at one or two different countries, where it will stay for a few hours only.

For these supply chains to handle high volumes of shipments fast and securely, solid global security standards are required, and they need to be implemented consistently. At the same time, an air cargo security regime should be based on risk, and designed to manage specific threats. And it should focus on outcomes not on prescriptive measures, so as to give contracting States a degree of flexibility.

The express delivery industry invites ICAO to develop its supply chain concept through further work in a number of areas identified in this paper, leading to one global solution for air cargo security.

**Action:** The High-level Conference on Aviation Security is invited to endorse the actions proposed in paragraph 4.

**1. INTRODUCTION**

1.1 The Global Express Association and its members welcome ICAO's efforts to strengthen air cargo security without hindering trade flows. They have actively contributed to all the discussions leading up to this High Level Conference and endorse the draft Key Principles on Air Cargo and Mail Security presented in Working Paper 12. They welcome in particular the increased cooperation between ICAO and the World Customs Organisation in this area.

1.2 The Global Express Association represents the four express delivery carriers with global networks (DHL Express, FedEx Express, TNT Express and UPS).

1.3 Express delivery carriers represented by the GEA carry around 30 million shipments daily, which typically contain high-value added, time-sensitive cargo. They guarantee the timely delivery of these vast volumes of shipments, ranging from same-day delivery to 72 hours after pick-up, virtually anywhere in the world. They operate in 220 countries and territories. Their services are used by almost

every multinational corporation, but also by small and medium sized companies in developed and developing nations alike, and private individuals.

1.4 Express delivery carriers, otherwise known as integrators, represent a specific business model in the air cargo industry. They carry out all the steps in the air cargo supply chain either directly or, in the few cases where another party may be involved, under their strict supervision and control. And they have visibility of the entire supply chain from pick-up to delivery, particularly through the use of track and trace technology.

1.5 This paper presents the specific views of the express delivery industry.

## **2. CARGO SECURITY IN THE EXPRESS DELIVERY BUSINESS MODEL**

2.1 Express delivery carriers have long applied a supply-chain concept to air cargo security. Shipments are controlled at the earliest possible point in the supply chain, with a focus on those coming from unknown shippers and those that could present a higher risk to security for other reasons. After such controls are applied, shipments are protected from unlawful interference while they remain in transit. Except where specific reasons justify it, no redundant controls are applied and shipments flow unimpeded to their delivery point.

2.2 To that end, GEA members have put in place strict corporate security programmes. These programmes include highly detailed provisions on a number of issues, including security measures at their facilities, staff background checks and training, air cargo security, etc. They are independently audited to ensure internal compliance.

2.3 Air cargo advanced information for security risk assessment is a developing area to enhance Air Cargo Security. GEA members have taken a leading position in the participation in voluntary pilot programmes regarding advance air cargo information (such as the ACAS pilot programme in the USA, and others). These pilots are proving to be a very useful exercise, and the results are very encouraging. The lessons that will eventually be drawn from these pilots should form a basis for future policy in this area. While not all countries may choose to adopt advance air cargo information screening programmes to supplement existing air cargo security programmes, those who eventually do should do so on the basis of one global standard. Setting such a standard will require close cooperation between various international agencies – in particular ICAO and the WCO -, their contracting States and industry.

## **3. THE ICAO SUPPLY CHAIN CONCEPT NEEDS FURTHER DEVELOPMENT**

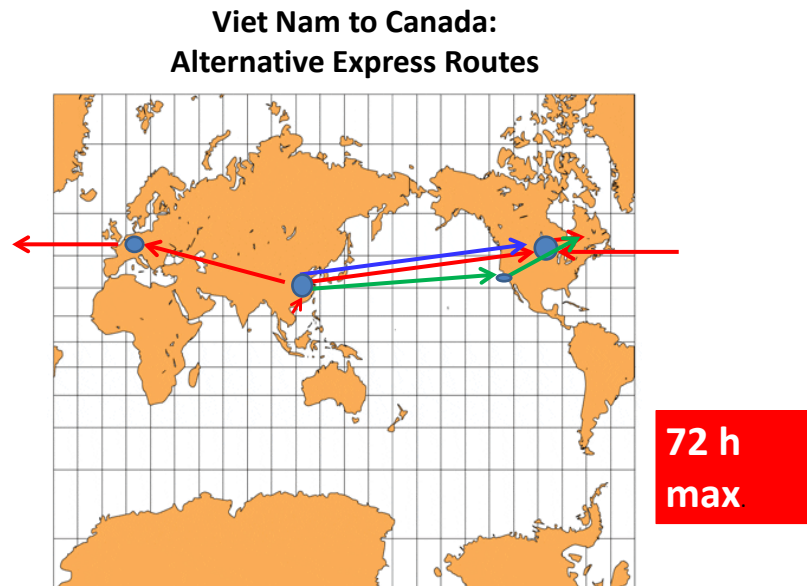
3.1 The GEA believes that the supply chain concept in ICAO standards and recommended practices should be reinforced and further developed. Indeed, this will be an open-ended task, where constant improvement should be the goal. At the same time, this should be done in a way that does not hinder the speed of legitimate trade, nor restricts its volume.

3.2 The GEA believes that the air cargo security regime should be risk-based and designed to manage specific threats. It should focus on outcomes, not prescriptive measures, so as to give authorities a necessary degree of flexibility. In this respect, the GEA welcomes the conclusions of the recent ICAO-WCO-Singapore Joint Conference on Enhancing Air Cargo Security and Facilitation (see WP 30 Appendix D).

3.3 Not all shipments present the same level of risk, so they should not be treated the same way. And different modes of transport have different risk profiles too. The GEA believes that all-cargo airplanes, particularly in the express business model, present a different risk profile from passenger airplanes.

3.4 Modern trade relies on the fast and timely delivery of goods. In fact, it demands it. A shipment carried by an express delivery company will travel from pick-up point to delivery point very fast (again, in maximum 72 hours). Its routing remains unpredictable until the last minute (as it is determined by a number of factors, such as whether an aircraft is full or not, last-minute technical problems and weather conditions on a specific route). During its fast journey across international borders, an express shipment may well be transhipped at two or three different points in different countries, where it will remain for a few hours only.

3.5 The graphic below represents an example, provided by a GEA member, of actual possible routings for an express shipment going from a city in Viet Nam to Montreal.



1

3.5.1 The shipment would travel from Viet Nam to the express company's Asia-Pacific hub.

3.5.1.1 From there, it would normally travel eastwards to the company's North American hub, either by an all-cargo airplane belonging to the express carrier, or by a dedicated all-cargo airplane leased from an air cargo company to provide additional space, and from there onwards to Montreal on an express carrier plane.

3.5.1.1.1 Alternatively, should either plane out of the company's Asian hub be full or develop a last-minute technical problem, the shipment could be placed on a passenger aircraft travelling to Los Angeles, on which the express carrier has blocked space. From there it would travel on to Montreal directly, or to the company's North American hub and then onwards to Montreal.

3.5.1.1.2 In case of major disruptions on the eastbound routes (weather, e.g.) the express carrier could route the shipment westwards to its hub in Europe, and onwards to its hub in North America, etc.

3.5.1.1.3 Decisions on individual routings are made at the very last minute, depending on multiple factors (weather, space availability, technical issues, service level agreed, etc.). Two main conclusions can be drawn from this example. First, routings in an express network remain highly unpredictable (an extra security element). Secondly, all routes must represent equally operable alternatives.

3.6 For these reasons it is essential that solid standards and mutual recognition programmes be in place in order to make sure that States all along an air cargo supply chain satisfy themselves that air cargo is secure, and so let it flow unimpeded. Such standards and recommended practices should allow for the speedy transit and transshipment of legitimate air cargo worldwide, through any combination of air routes and transit or transshipment points.

3.7 As regards the recognition of such standards, bilateral State-to-State programmes are one option but cannot be the only one (if all 191 ICAO contracting States had to sign bilateral mutual recognition agreements with each other, it would take over 36,000 such agreements to cover the entire ICAO membership). A range of options should be considered to this end, including the recognition of corporate security programmes.

#### 4. CONCLUSION

4.1 The High-level Conference on Aviation Security is invited to consider the development of ICAO standards and recommended practices in following areas, as part of a supply chain approach to air cargo security, in close cooperation with other international organisations and industry:

- High risk cargo
- Known shippers
- How Governments can satisfy themselves that cargo has been secured upstream in the supply chain (including the recognition of corporate security programmes)
- Advance air cargo information for security purposes (including a standard list of data elements and international intervention protocols in case of a 'do-not-load' event). In this area in particular, policy should be based on the lessons learned from voluntary pilot programmes currently under way. In this area, in particular, extremely close cooperation with the World Customs Organisation will be required, to facilitate a truly joint approach.
- Recognition that Governments may choose to apply different security controls to all-cargo and passenger aircraft in order to secure cargo for transport.

4.2 The aim should be to develop one clear global standard in each of the above areas that is consistently implemented worldwide, while retaining the necessary flexibility. The contrary would create bottlenecks and delays in legitimate air cargo flows.