



WORKING PAPER

HIGH-LEVEL CONFERENCE ON AVIATION SECURITY (HLCAS)

Montréal, 12 to 14 September 2012

Agenda Item 2: Enhancing air cargo security

AIR CARGO SECURITY: CUSTOMS ROLE

(Presented by World Customs Organization)

SUMMARY

The High-level Conference on Aviation Security is invited to take note of the progress made by the WCO's Technical Experts Group on Air Cargo Security, and to endorse the work that ICAO and WCO will carry out as described in 3.2 (a-o).

1. BACKGROUND

1.1 The International trade supply chain is a complex system of interconnected parties, places, movements and exchanges of information. That it operates effectively is of critical importance to global prosperity, but it is vulnerable to disruption.

1.2 The WCO has a series of instruments and tools that contribute to the protection of the air cargo system. Notable amongst these is the SAFE Framework of Standards to Secure and Facilitate International trade (SAFE Framework) which was adopted in 2005 to enhance end-to-end supply chain security through better Customs-to- Customs networking and formal partnerships with trade. The SAFE Framework places emphasis on risk analysis and export control, preferably based on advance cargo data.

1.3 The SAFE Framework contains the Customs-to-Business innovation of Authorized Economic Operator (AEO) programmes, which provides benefits to administrations and the WCO's business partners in the private sector. The accreditation process and the associated security standards are similar to those contained in Annex 17 of the Chicago Convention.

1.4 Following the October 2010 air cargo plot, the WCO issued a Communiqué on air cargo security, stressing the need to further strengthen co-operation with ICAO and IATA and other relevant international organizations. The WCO established a Technical Experts Group on Air Cargo Security (Expert Group). The Expert Group is open to Members of the WCO, civil aviation authorities, intergovernmental organizations and the private sector.

1.5 An important principle behind the establishment of the Expert Group was the need to keep a clear distinction between the role of Customs (responsible for security of cargo in the end to end supply chain) and the role of Transport Security Regulators (responsible for aviation security). In the context of air cargo security, Customs is in a support role to Transport Security Regulators.

1.6 The Expert Group is intended to promote synergies between the instruments, programmes and tools of the WCO, ICAO and the Universal Postal Union (UPU). Key areas of focus include the use of standardized data and advance cargo information, known trader programmes, risk mitigation through the use of risk management, intelligence and threat information sharing, and better use of technology.

2. CURRENT SITUATION

2.1 Advance Cargo Information

2.1.1 A key area of work for the Expert Group is to exploit the use of advance electronic information to strengthen air cargo security. Early supply chain information and risk assessment decisions can enhance security without impeding trade. The Expert Group has concentrated its efforts on the information that is available prior to aircraft departure. Work in this area is informed by regular feedback from operational pilot projects such as the United States government's Air Cargo Advance Screening (ACAS) initiative.

2.1.2 The work of the Expert Group has established the following:

- ICAO, as well as relevant and appropriate national authorities, has the lead on air cargo security for aviation security purposes, while Customs has a strong supporting role.
- For both Customs and aviation security authorities, the reason for discussing/identifying advance information in this context is for the benefit of protecting civil aviation from acts of unlawful interference.
- While a key civil aviation security objective is to ensure the safety of aircraft, Customs authorities are interested in securing the entire supply chain.

2.1.3 Customs collects data for various risk assessment purposes, including threats to life and limb related to the illicit movement of chemical, biological, radiological, nuclear and explosive materials. Much work has been undertaken by the Expert Group to identify the minimum advance air cargo information necessary to conduct risk assessments for air cargo consignments (prior to aircraft loading). The risk assessments would enable the identification of high risk cargo, for aviation security purposes, and inform the application of enhanced security measures. Eight data elements¹ have been provisionally identified for this purpose.

2.1.4 Once the minimum data elements have been agreed, priority areas for policy and regulatory development will include how such advance information is to be collected, shared, assessed and used operationally. The Expert Group, in close coordination with ICAO, could be used to conduct this development work.

2.2 Synergies between security programmes

2.2.1 A number of potential areas of commonality are beginning to emerge from the Expert Group's comparison of the WCO's AEO programme and the Regulated Agent and Known Consignor concepts. This is one of the principal work streams of the Expert Group, namely to consider the possibility for alignment/harmonisation of these programmes.

¹ Exporter/Consignor/Seller; Importer/Consignee/Buyer; Commodity Description/Classification; Number Packages; Total Gross Weight; Total Invoice Amount; Unique Consignment Reference Number; Country of Origin.

2.2.2 The WCO and ICAO Secretariats have drawn up a tabular comparison of the programmes, based on the current version of the SAFE Framework and the latest version of Doc 8973 – Chapter 13 Cargo and Mail (*Aviation Security Manual*, Eighth Edition, Fall 2011), and identified where texts are broadly similar and appear to have the potential for alignment.

2.2.3 To test that similarities in the written word translate into similarity of practical approach, an ad hoc group of Operational Experts on AEO programmes and Regulated Agent/Known Consignor (RA/KC) Programmes was brought together. The Operational Experts produced two scenarios. Firstly, where there were no programmes in place there would be opportunities for a common approach in areas such as a combined statement of objectives, regulatory standards, guidance, training and the inspection body.

2.2.4 Secondly, where programmes were already in place the Operational Experts identified four levels of activity: i) International (WCO/ICAO); ii) regional (e.g. in the European Union (EU), EU TAXUD and EU DG MOVE); iii) national (Customs/Aviation security); iv) operational (Customs/Aviation security). Opportunities and challenges were identified at each level. For example, at the national level a common application process for those seeking to join a programme and common information management systems would be desirable to enable government and industry efficiencies. At an operational level, sharing inspection results and monitoring compliance through joint visits (Customs and aviation security officials) was a possibility.

2.2.5 The Operational Experts suggested that the Expert Group continue to compare programmes at a national and operational level and, where appropriate, at a regional level. In doing so, it is appropriate to examine legal barriers and take into account the invaluable experience of a number of pilots² in operation on co-operative working between agencies in this area. The Operational Experts drew attention to the legal, operational and political challenges of this work.

3. WAY FORWARD

3.1 Further, in order to raise awareness of the cooperation between ICAO and WCO, and to encourage aviation security and customs authorities to coordinate their efforts to strengthen air cargo security and facilitation, the Singapore Ministry of Transport, Singapore Customs, the ICAO and the WCO convened a Joint Conference on the subject of enhancing air cargo security, in Singapore from 5 to 6 July 2012.

3.2 Following the Joint Conference on enhancing air cargo security and facilitation, the ICAO and WCO will continue their work to :

- a) Enhance international cooperation to prevent acts of unlawful interference;
- b) Encourage close coordination between authorities at the State level responsible for aviation security and customs;
- c) Support a risk-based approach to ensure appropriate security measures are applied to high-risk cargo while facilitating the movement of low-risk consignments;
- d) Promote security measures that focus on outcomes and provide a level of operational flexibility to accommodate different circumstances;

² E.g. Canada; European Commission; Netherlands; Singapore; United Kingdom; United States

- e) Align policy and regulatory frameworks to achieve synergy, avoid duplication, and promote mutual recognition of air cargo security regimes and joint oversight activities;
- f) Compare the WCO SAFE Framework of Standards and ICAO's Annex 17, and supporting guidance, to assess the opportunities for including measures in each other's instruments with a view to harmonizing and aligning process to the greatest extent possible;
- g) Examine in detail the similarities and differences of the two security programmes and make recommendations for amendments to the relevant instruments, in order to achieve a greater level of compatibility and potential for mutual recognition and joint oversight, with a view to reducing the administrative burden for regulators and the private sector;
- h) Promote the establishment of supply-chain security processes by States;
- i) Reinforce the principle that security controls should be implemented at the point of origin and cargo protected from unauthorized interference thereafter;
- j) Encourage the sharing of information and best practice between all relevant parties in the air cargo supply chain;
- k) Ensure that aviation security and Customs authorities are aware of each other's frameworks, mandates, and tools in order to identify ways to strengthen coordination and efficiency at the operational level;
- l) Determine how electronic advance cargo information can be used to support risk management in air cargo security by identifying threats and implementing the appropriate countermeasures;
- m) Monitor and evaluate the results of pilot exercises to collect advance information for the purposes of risk analysis. Where appropriate, determine how best to make that information available to the relevant aviation security agencies and other stakeholders;
- n) Ensure that international governmental institutions, and industry stakeholders and their representative organizations, are involved in the process of developing air cargo security measures to achieve practical, sustainable and effective solutions; and
- o) Promote capacity-building assistance to support the implementation of air cargo security and facilitation measures.

4. ACTION BY THE HIGH-LEVEL CONFERENCE ON AVIATION SECURITY

4.1 The High-level Conference on Aviation Security is invited to take note of the progress made by the WCO's Technical Experts Group on Air Cargo Security, and to endorse the work that ICAO and WCO will carry out as described in 3.2 (a-o).