

**FACILITATION (FAL) DIVISION — TWELFTH SESSION****Cairo, Egypt, 22 March to 2 April 2004****Agenda Item 3: Implementing modernized provisions for facilitation and security in air cargo service operations****3.2: Security****HARMONIZED IMPLEMENTATION OF AIR CARGO SECURITY  
AND RELATED SUPPLY CHAIN SECURITY PROGRAMMES**

(Presented by the International Air Transport Association (IATA))

**SUMMARY**

The secure and efficient movement of air cargo is critical to the proper functions of the modern economy. To facilitate the movement of air cargo it is critical that security and supply chain security measures be harmonized on a global basis. This paper provides an outline of various issues which IATA feels must be taken into account during the development and implementation of air cargo security measures and supply chain security initiatives.

Action by the Division is in paragraph 3.1.

**1. INTRODUCTION**

1.1 The air cargo industry operates within a very complex system of operational and regulatory requirements, with several component entities making up a typical shipment chain of custody, each with their own security, regulatory and legal responsibilities.

1.2 Even the air carrier industry component itself has many sub-components. Some air carriers operate both passenger and all-cargo aircraft, some operate only passenger aircraft which carry cargo and still others operate only all-cargo aircraft. The security measures applicable to these various sub-components can be quite different based on the assessed risk scenario applicable to each.

1.3 Air cargo is a critical element in the modern global economy, fuelling the “just-in-time” (JIT) inventory management systems currently in wide-spread use by industry, around the world.

1.4 While only about 5 per cent of total cargo volume is transported by air; over 40 per cent of the total value of cargo is transport by air. These numbers indicate that it is the highest value items that move by air and this is borne out by the typical cargos transported by air. Almost all are time critical items and as such the speed inherent in air transport must be maintained when implementing security or other related regulatory measures.

1.5 Air cargo volumes are forecast to grow at between 5 and 7 per cent, as a global average, well into the foreseeable future. In some regions this figure exceeds 15 - 20 per cent growth. These growth rates are in excess of those forecast for passenger volumes and must also be accounted for when implementing security or other related regulatory measures.

1.6 The air transport industry finds itself confronted with a multitude of security regulations for air cargo at the national level around the world. These security measures are usually based on international Standards and Recommended Practices (SARPs) such as those found in ICAO Annex 17 – *Security*, and EU/ECAC regulations, etc. and also incorporate additional requirements at the national level.

1.7 There is a substantial degree of disharmony in the security measures applied to air cargo by various States around the world. This disharmony adds to an already complex operating environment and substantially increases the cost of doing business in the air cargo industry. Some of the added cost is passed on to the customer – though by no means all.

1.8 It therefore makes infinite sense for the sake of efficiency, not only of the air cargo industry but of the global economy as a whole, to minimize the disharmony in security and related measures around the world.

## 2. NECESSARY GUIDING PRINCIPLES

2.1 Security programmes for air cargo must be effective, harmonized and unambiguous and this means all stakeholders must be included in the development of such measures.

2.2 Harmonization of measures on a global basis does not mean that identical measures must be implemented by all States. IATA realizes that it is quite necessary to retain flexibility to account for regional or national issues. However, international standards must form the basis of these national and regional programmes and as such these international standards must be sufficiently robust to permit harmonization and mutual recognition of measures by other States to avoid extra-territorial regulation. Again the input of stakeholders in developing such standards and national programmes is essential.

2.3 As mentioned, there is currently a major disharmony in measures being implemented by various States ranging from having no programme in place to having programmes that implement measures far beyond what is required to deal with the risk/threat. One hundred per cent screening of all air cargo, by technical or physical means, is not currently operationally or technically feasible. As such IATA fully supports the implementation of “regulated agent” or alternatively “known shipper/consignor” systems as required under ICAO Annex 17 – *Security*.

2.4 Implementation of air cargo security measures in each State must be threat-based in order to ensure that the burden on the air cargo system is kept to a minimum, while still maintaining an adequate level of security. Resources available to be applied to air cargo security are very limited and as such it is critical that risk management techniques be applied so that scarce resources are applied where the risk is greatest. IATA is currently formulating an industry Air Cargo Security Risk Management matrix that we hope will provide the basis for harmonization at various levels of risk/threat.

2.5 IATA also fully supports efforts to secure the air cargo supply chain, however once again, these efforts must be harmonized based on internationally agreed standards. We fully support, and have been intensively involved, in the current work in this area being undertaken by the World Customs Organization (WCO). It is critical that implementation of so-called “supply chain security” measures at the national level, often undertaken by Customs organizations are fully harmonized with transportation security measures, often undertaken by transportation authorities.

2.6 It is also critical that air cargo security and supply chain security measures implemented by States be non-discriminatory against industry components i.e. measures should be of such a nature that they do not place an undue burden on small or medium shippers, intermediaries or air carriers. Again such measures must be threat-based and in some cases customized to ensure an adequate level of security while not placing an undue burden on any industry component.

### 3. ACTION BY THE DIVISION

3.1 The Division is invited to note the concepts offered in this paper and take account of these in their work toward global harmonization of air cargo security and supply chain security programmes, especially related to the following areas:

- a) harmonization of vetting and quality assurance criteria for Regulated Agents/Known Shippers/Known Consignors. Vetting and quality assurance of Regulated Agents/Known Shippers/Known Consignors should be a government responsibility;
- b) standardization of Cargo Security Declarations and other related documentation on a global basis;
- c) standardized protocol for inspection of shipments especially as related to hand search. Industry is often put in the difficult position of being required to undertake physical inspection of shipments that may damage the integrity of the packaging and subject industry entities to liability. In general, inspection or screening of shipments should be a government responsibility;
- d) implementation by States of a standardized Air Carrier Security Programme template, based on the ICAO Model as contained in the ICAO Security Manual; and
- e) in the longer term consider the implementation of a voluntary, global, Known Shipper/Consignor Database which is web accessible and permits a “known to one; known to all” system to be implemented globally.

— END —