

The 3rd APEC Air Cargo Security Workshop (19-20 April 2012, Ho Chi Minh City, Viet Nam)

Summary Report and Workshop Proceedings

APEC Counter-Terrorism Task Force

May 2012

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Prepared by: Viet Nam and co-sponsors.

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INTRODUCTION

On 19 - 20 April 2012, *the 3rd APEC Air Cargo Security Workshop*, co-sponsored by Australia, United States, Singapore and Viet Nam was held in Ho Chi Minh City, Viet Nam. This was a follow-on to the first and the second Air Cargo Workshop which were held in 2008 and 2010 in Thailand and Singapore, respectively.

Participants at the Workshop were representatives from APEC member economies, representatives of international organizations (ICAO, WCO, IATA), relevant agencies and international and regional aviation companies (United Airlines, Air France, China Airlines, Cargo Lux Air Mekong, Jetstar Pacific Airlines, Singapore Airlines and Vietnam Airlines).

H.E. Ambassador Muhamad Noor Yacob, Executive Director of the APEC Secretariat also attended and delivered a keynote speech at the Workshop.

The Workshop was opened by H.E. Mr. Nguyen Ngoc Son, Assistant Minister for Foreign Affairs of Viet Nam, H.E. Mr. Tran Van Tam, Deputy Chief of the Standing Office, National Committee on Civil Aviation Security of Viet Nam and H.E. Ambassador Muhamad Noor Yacob, Executive Director of APEC Secretariat.

The objectives of the Workshop were to identify new threats and emerging issues relating to air cargo security, making recommendations on how APEC should work together to address the emerging threats while facilitating air cargo trade; facilitate the exchange of information among APEC members at and beyond the Workshop through establishment of a formal Point of Contact (POC) expert list; continue to explore technological solutions (including high and low-level solutions) to the unique challenges of air cargo security; develop measures to strengthen the government/industry collaboration and cooperation, as well as Public-Private Partnership in the field of air cargo security; facilitate the establishment of capacity building relationships between donor economies and economies seeking to establish or improve air cargo security; and contribute to the implementation of the action plan of the Initiative on Facilitating Travel in the APEC Region.

BACKGROUND

Air cargo security is important in ensuring a favorable and secured environment for trade and investment. While APEC is promoting regional economic integration and economic connectivity, ensuring air cargo security is becoming one of the priorities for all APEC members as well as for APEC as an organization.

The threat of terrorists on global scale is putting all economies, including those of the Asia Pacific, at far greater risk than ever before. Recent terrorist attempts to detonate explosive devices in air cargo packages bound for the United States from Yemen in 2010, a person-borne explosive carried on a flight to Detroit in 2009 and the Moscow airport bombing in 2011 provide clear evidence that civil aviation remains an attractive

target for terrorists posing serious security threats to not only the safety of travelling passengers but also the worldwide air cargo system.

According to the International Air Transport Association (IATA), nearly half of the global freight is being transferred by air carriers in Asia Pacific region and more than 32 million jobs along with \$3.5 trillion of economic activities have been supported by this industry. As the size and complexity of the air cargo system continues to expand, its exposure to terrorist attacks, indeed, has become more frequent. In this light, it is therefore critical for APEC members to collectively undertake further efforts to address this important issue for the secure and sustainable development of the region. Given the fact that many of APEC members economies are highly-developed in the field of aviation transportation, the workshop would be a great opportunity for members to share experiences and best practices.

This project directly responds to priorities of APEC Leaders and Ministers in recent years and to the "Secure Growth" pillar of the APEC Leader's Growth Strategy declared at 18th APEC Summit in Yokohama. The project also responds to the Framework for an APEC Consolidated Counter-Terrorism and Secure Trade Strategy and the Initiative on Facilitating Travel in the APEC Region, which were endorsed by the Leaders at the 19th AELM in Hawaii.

The 3rd APEC Air Cargo Security Workshop continued efforts from the past 2 workshops to review the APEC region's progress in securing the regional air cargo system from threats and attacks of terrorists, and to identify and explore ways to address the current/emerging challenges and vulnerabilities and discussing issues relating to air cargo security facilitation. In addition, it also provided a platform for APEC members and other relevant international organizations to share information, best practices and lessons learnt on aviation security related issues, and to discuss measures on how to most effectively deal with and reduce the possibility of such occurrences.

KEY ISSUES DISCUSSED

The two-day workshop was divided into three sessions and included a working visit to Tan Son Nhat International Airport, Ho Chi Minh City.

Session I on Air cargo security - Successes and Challenges in Policy Development and Program Implementation was chaired by Mr. To Tu Hung, Deputy Director, Department of Aviation Security, Civil Aviation Authority of Viet Nam.

APEC member economies including the Australia, China, Japan, Singapore, the United States and Viet Nam shared their extensive experience in building and developing their legislation on air cargo security, initiatives, measures and models for air cargo security. Participants had a productive discussion on the emerging threats and risks to the air cargo security system focusing on the risk-based approach to screening air cargo and risk-based framework for securing the global supply chain.

Participants shared the significant concerns regarding major challenges in air cargo worldwide including practical constraints to screening every item of cargo at the airport

due to the complex supply chains, multiple participants, time and cost sensitivity and technology limitations.

To achieve the total secure cargo supply chain, participants discussed the International Civil Aviation Organization (ICAO) guidance on the whole-of-supply-chain approach and the new developments of ICAO Annex 17. The Workshop emphasized the importance of air cargo security in ensuring the connectivity of regional and global economic activities. The consistent implementation of ICAO standards for air cargo security was seen as an important step to avoid implementing additional duplicated security measures.

Members noted that the following measures, inter alia, could be implemented when developing or strengthening air cargo security regulatory frameworks:

- To give efforts to achieve effective security in the region using appropriate controls and technology and through mutual recognition of security programs.
- To continue to pursue air cargo security harmonization activities and outreach to industry and government.
- To consider appropriate legal penalties in the national legislation to prevent the non-compliance with air cargo regulations
- To further promote education and training in appropriate forms.
- To promote secure supply chain through making sure that air cargo must have originated, and been maintained, in a secure supply chain of trusted entities OR it must be screened by an appropriate technique and then maintained in a secure supply chain of trusted entities
- To give appropriate consideration in regulatory frame works to the increasing demand of multi-modal transportation and the need to ensure supply chain connectivity
- To promote and utilize the use of advance cargo information to facilitate risk assessments that could identify higher risk consignments.
- To leverage complementary measures such as available cargo data, technology and a supply chain approach to balance security with trade flow.

Session II on Technological solutions and new initiatives on air cargo security was chaired by Mr. Daniel A. McQuaid, Regional Manager, Asia-Pacific, Office of Global Strategies, Transportation Security Administration, Department of Homeland Security of the US.

Canada, Malaysia, Russia and the United States shared various experiences and initiatives in air cargo security, focusing on utilizing equipment, and technologies for air cargo screening to ensure security for all cargo passing through airports or other transportation systems.

The US shared the overview on the Air Cargo Advance Screening (ACAS) pilot project partnered between TSA and Customs and Border Protection (CBP).

Canada presented the Air Cargo Security (ACS) Programme to strengthen and enhance the capacity of air cargo security regime while Malaysia shared the assessment on the results of the pilot Secure Freight Programme in partnership with IATA.

Russia brought the attention of the meeting to the current threats in air transport in Russia and technology solutions to counter these threats.

Members noted the following points:

- When implementing national schemes for air cargo security, extensive consultation with industry is vital.
- Resources for the deployment of new initiatives require determination from the highest level and collaboration and coordination for an effective and economical system.
- Utilize current and new technology in screening the air cargo with priority put on the multi-layer screening and combination of high and low resolutions to effectively detect the improvised explosive introduction into cargo.
- Enhance communications to the public and industry in promoting and enhancing the caution and awareness in security for air cargo.
- Appreciated the lessons learnt from current terrorist attacks and threats which are valuable information for developing counter measures

Session III on Dialogue with relevant international organizations to review the existing measures and build up more holistic approach to air cargo security in the APEC region was chaired by Mr. Sergio Narea, Program Director of the APEC Counter Terrorism Task Force.

Members had a very productive discussion with ICAO, WCO, IATA and private sectors on the achievements of APEC cooperation in air cargo security. Participants shared experience with international organizations and explored the possibility of strengthening cooperation between APEC members and international organizations. Participants reviewed how APEC can add value in this field.

Members noted the following points:

- Frequent and active participation of ICAO, WCO and IATA in activities of APEC is valuable in obtaining updated information, common understandings and avoiding duplication of efforts.
- ICAO will continue to work with States and other agencies in its leadership role to develop and implement strengthened and harmonized measures and best practices for air cargo security, taking into account facilitation and the entire air cargo supply chain
- The harmonization and alignment of security standards is vital for the success of a secure supply chain in air cargo.

CONCLUSION AND RECOMMENDATIONS

Member economies shared the views that ensuring air cargo security is more challenging in the context of deeper economic integration. Taking into consideration of the recommendations of the 2nd Workshop, as well as to promote efficient and secure movement of goods, foster a resilient supply chain system and further enhance APEC's work on air cargo security, participants noted on the following recommendations:

- Viet Nam should finalize the POC expert lists on air cargo security. The POC expert lists should be circulated to all members by the TPTWG and the CTTF and uploaded in the APEC Website by the Secretariat.
- Member economies should continue their work for a possible APEC web board where best practices on air cargo security could be shared and listed.
- More cooperative activities should be undertaken in the TPTWG, CTTF and other relevant working groups to implement the APEC Travel Facilitation Initiative.
- Member economies consider organizing following Workshops on air cargo security or on other areas of aviation security.
- Relevant international organizations should be invited to future APEC activities on air cargo security and other activities relating to aviation security.

Members endorsed the 'Summary Report of the 3rd Air Cargo Security Workshop'. The report will be submitted to the upcoming CTTF and TPTWG meetings in Kazan in May 2012.

The workshop was closed by Mr. Tran Van Tam, Deputy Chief of the Standing Office, National Committee on Civil Aviation Security of Viet Nam. Member economies expressed appreciation to the host economy for a fruitful and well organized workshop.



THE 3RD APEC AIR CARGO SECURITY WORKSHOP

(Ho Chi Minh city, Viet Nam, April 19 – 20, 2012)

PROGRAM

Wednesday, April 18, 2012		
Afternoon	Arrival of delegates	
Thursday, April 19, 2012		
08:00 - 08:30	Registration	
08:30 - 08:40	Opening speech	
	H.E.Mr. Nguyen Ngoc Son, Assistant Minister of Foreign Affairs of Viet Nam.	
08:40 - 08:50	Welcoming remarks	
	Mr. Tran Van Tam, Deputy Chief of the Standing Office, National Civil Aviation Security Committee of Viet Nam.	
08:50 - 09:00	Keynote speech	
	Ambassador Muhamad Noor Yacob - APEC Executive Director.	
09:00 - 09:10	Group photo	
09:10 - 09:30	Coffee break	
09:30 – 12:00	Session I: Air cargo security - Successes and Challenges in Policy Development and Program Implementation	
	<u>Moderator</u> : Mr. To Tu Hung – Deputy Director, Department of Aviation Security, Civil Aviation Authority of Viet Nam.	
09:30 – 11:00	 Emerging threats and risks to the air cargo security system; securing the supply chain. 	
	Mrs. Vicki Reeder – Director of Global Compliance, Transportation Security Administration, The United States Department of Homeland Security.	

Security measures for air cargo in Japan.

Mr. Shigeru UNO - Special Assistant to the Director, Aviation Security Office, Aviation Safety and Security Department, Ministry of Land, Infrastructure, Transport and Tourism (MLIT) of JAPAN.

 Introduction to the freight security system of China's Civil Aviation Industry.

Mr. <u>Yin</u> Fujie - Aviation Safety Supervision/ Supervisor, CAAC North China Regional Administration.

Major challenges and developments in Air Cargo worldwide.
 Australian model for supply chain security.

Mr. George <u>Thomas</u> – Director Supply Chain Strategic and International Policy, Australian Department of Infrastructure and Transport.

 The importance of air cargo security in the global supply chains; implementation of international standards related to air cargo security – Singapore's experience.

Ms. Cheri <u>Lim</u> - Senior Manager (Aviation Security), Civil Aviation Authority of Singapore.

 Viet Nam's air cargo regulation – Reforming and strengthening air cargo security.

Mr. To Tu Hung - Deputy Director, Department of Aviation Security, Civil Aviation Authority of Viet Nam.

11:00 – 12:00 Discussion12:00 – 13:30 Lunch break

13:30 – 16:30 Field trip

14:00 − 15:00 • Visit Tan Son Nhat International Airport (SGN), Ho Chi Minh City.

15:00 − 16:30 • Round table discussion with the SGN Cargo Terminal Operator

18:30 – 20:30 Welcoming dinner hosted by H.E.Mr. Le Minh Tri, Vice Chairman of the People's Committee of Ho Chi Minh city.

Friday, April 20, 2012

09:00 – 12:00 Session II: Technological solutions and new initiatives on air cargo security

<u>Moderator</u>: Mrs. Vicki Reeder – Director of Global Compliance, Transportation Security Administration, Department of Homeland Security.

09:00 - 10:40

 Experience in utilizing equipments/technologies for air cargo screening to ensure security for all cargo passing through airports or other transportation systems.

Mr. Artur <u>Karlov</u> - Acting Counsellor, International Cooperation Department, Ministry of Transport of the Russian Federation.

Initiatives in air cargo security in the United States. (ACAS,

transit and transfer cargo-host state responsibility for both)

Mrs. Vicki Reeder – Director of Global Compliance, Transportation Security Administration, Department of Homeland Security.

Malaysia: IATA Secure Freight Trial Programme

Ms. Sharon J.C <u>Andrews</u> - Assistant Secretary, Aviation Division, Ministry of Transport.

Canada's air cargo security management system.

Ms. Shari <u>Currie</u> – Director, Air Cargo Security, Transport Canada.

10:40 - 11:00 Coffee Break

11:00 – 12:00 Discussion

12:00 – 13:30 Lunch break

13:30 – 16:30 Session III: Dialogue with relevant international organizations to review the existing measures and build up more holistic approach to air cargo security in the APEC region

Moderator: Mr. Sergio Narea - CTTF Program Director.

- 13:30 15:10
- Review APEC's work on air cargo security to explore opportunities to further strengthen cooperation on this area.
 Mr. Sergio Narea - CTTF Program Director.
- Progress in implementing air cargo security related resolution of the 37th Session of the ICAO Assembly and the Declaration on Aviation Security in the APEC region - implications to APEC member economies.

Ms. Stacey Peel – Aviation Security Regional Officer, ICAO Asia and Pacific Office.

 The future of Air cargo security – recommendations for more aligned approach.

Mrs. Shu Yin Tan - Regional Cargo Manager, IATA Singapore Office.

 WCO instruments and tools that contribute to Air cargo security.

Ms. Asha <u>Menon</u> - Technical Officer, World Customs Organization.

 Public - Private sector collaboration to improve the effectiveness and efficiency of air cargo security.

Viet Nam Airlines.

15:10 – 15:25 Co	пее	break
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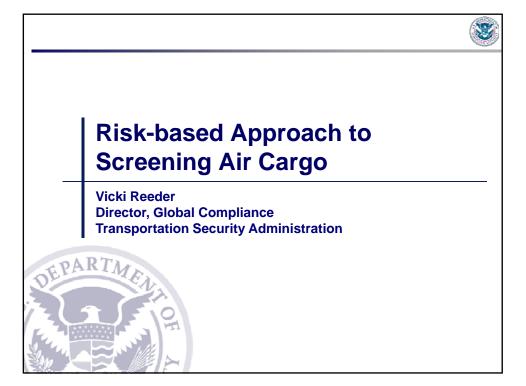
15:25 – 16:00 Discussion

16:00 – 16:15 Discussion on the Summary report

16: 15 – 16:30 **Closing remarks**

Saturday, April 21, 2012

Morning Departure of delegates



Agenda



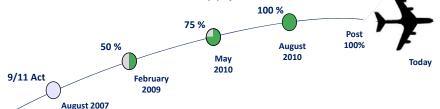
- Background
- U.S. Approach Screening of International Inbound Cargo
- Risk-Based Framework for Securing the Global Supply Chain
- National Cargo Screening Program
- Air Cargo Advance Screening Pilot
- TSA Outreach
- Summary

Background



Legislation

- The Implementing Recommendations of the 9/11 Commission Act of 2007 took effect August 2010
- Required cargo placed on passenger aircraft cargo to be screened at a level commensurate with checked baggage
- Within the U.S., the Transportation Security Administration (TSA) established the Certified Cargo Screening Program to screen further back in the supply chain



Background:



TSA's Approach to 100% Screening of International Inbound Cargo

- TSA has adopted a two-fold approach to implementing 100% screening of international inbound cargo:
 - Increase screening requirements in the air carrier Standard Security Programs (SSPs)
 - Recognize commensurate foreign air cargo security programs through the National Cargo Security Program (NCSP)
- In 2009, TSA and U.S. Customs and Border Protection (CBP) began exploring the use of advance shipping data to target high-risk cargo
- TSA is working toward global harmonization of air cargo security standards through collaborative efforts with strategic partners and international bodies

Risk-Based Framework for Securing the Global Supply Chain



- U.S. Department of Homeland Security Secretary Napolitano established executive level working groups to provide recommendations on air cargo security
- In January 2012, the White House released *The National Strategy for Global Supply Chain Security*. Implementation of the "Strategy" is guided by three key principles:
 - Finding smarter and more cost effective ways to address threats
 - Leverage the critical roles played by government and private sector partners in strengthening supply chains; and
 - Enhancing coordination with the international community

"The key to evaluating potential risk is information—by sharing and leveraging information we can make informed decisions about how to best mitigate risk. And the more we know the better we become at providing security that is seamless and efficient"

DHS Secretary Janet Napolitano, January 2012

Risk-Based Framework for Securing the Global Supply Chain (cont.)



- TSA is incorporating the risk-based approach to achieve the 100% screening of cargo inbound to the U.S. on passenger aircraft
 - Risk-based analysis of shipments and shippers
 - Higher-risk shipments would undergo enhanced screening
 - 100% of international inbound shipments will be physically screened
- In February 2012, TSA issued proposed security measures that incorporate risk-based screening of international inbound cargo
- Potential implementation date of December 1, 2012
- TSA is requesting feedback from TSA regulated airlines

National Cargo Security Program



- National Cargo Security Program recognition remains key to achieving the 100% screening requirement for international inbound cargo, providing benefits to TSA, partner countries, and industry.
 - Allows for the recognition of screening completed earlier in the supply chain, where applicable
 - Allows carriers to follow one screening program







TSA Outreach Efforts



- TSA will continue to pursue air cargo security harmonization activities and outreach to industry and government
 - TSA is engaged with the International Civil Aviation Organization (ICAO) to strengthen air global air cargo security
 - TSA and CBP work closely through the World Customs Organization
 - TSA, CBP and the U.S. Postal Service are engaged with the Universal Postal Union to address global mail security
 - TSA continues to work closely with industry associations

Summary



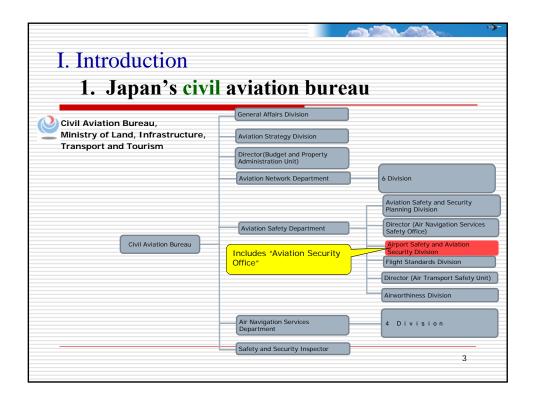
- The 9/11 Act requires TSA to establish a system to ensure 100% screening of cargo placed on passenger aircraft
- In line with the U.S. National Strategy for Global Supply Chain Security, TSA has provided air carriers a path toward achieving 100% screening of international inbound cargo
- The NCSP remains an important component of TSA's riskbased strategy to achieve 100% screening of international inbound cargo
- TSA is continuing outreach to industry and international partners

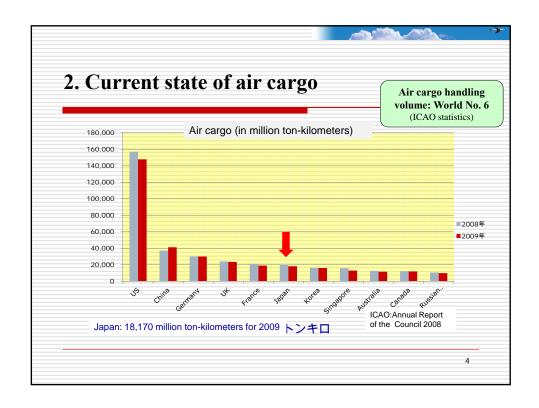


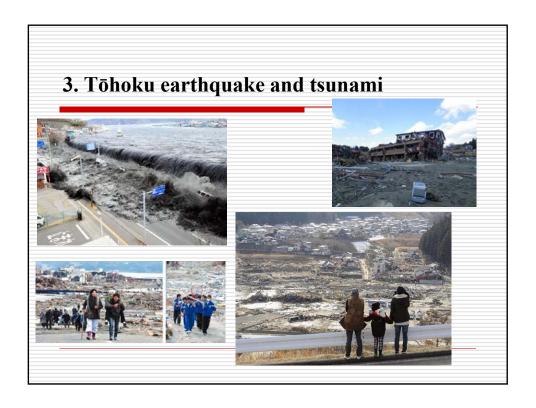
Contents of Today's Presentation

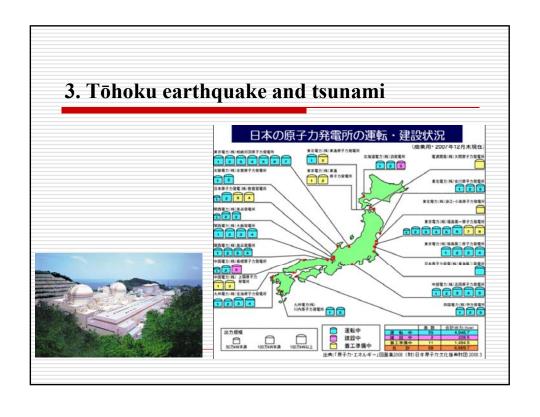
- I. Introduction
 - 1. Organization of Civil Aviation Bureau, MLIT
 - 2. Current state of air cargo
 - 3. Tohoku earthquake and tsunami
- II. Japan's Security Measures for Air Cargo
 - 1. Japanese rules
 - 2. Known Shipper/Regulated Agent regimes
 - 3. Education and Training

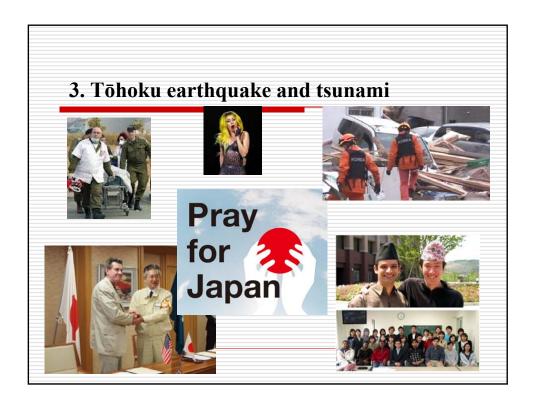


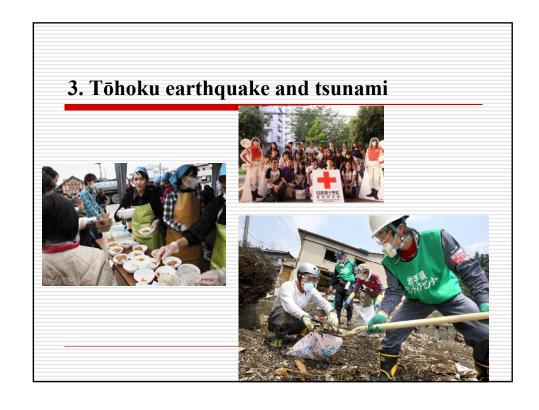












II Japan's Security Measures for Air Cargo

- 1. Japanese rules
- ICAO Annex 17
- □ National Civil Aviation Security Program (NCASP)
- screening of air cargoes when it received them from a shipper whose security measures have not been confirmed
- appropriate security measures from the reception to loading
- Level II or III, additional security measures

1. Japanese rules



Standards for Aviation Security Measures

- **Target:** Airlines and RA
- Threat category: Level I , II, III
- **■** Items:
- (1) Security control for air cargo handling facilities
- (2) Security measures for air cargo
- (3) Security control for air cargo

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2. Known Shipper/Regulated Agent regimes

[Purpose]

To facilitate smooth physical distribution of air cargo while maintaining the security level.

[Commencement]

October 1, 2005



[Regulated Agent (RA)] currently 156 companies

[Known Shipper (KS)]

A shipper who has submitted to an RA a safety declaration

1

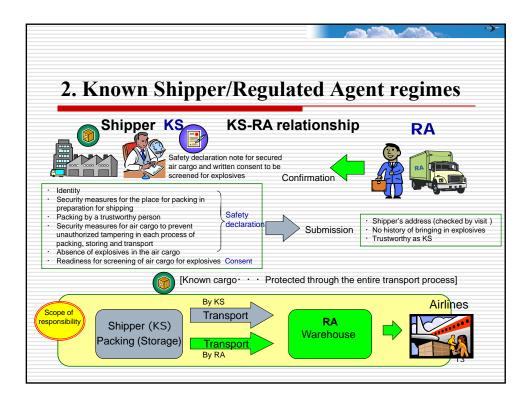
2. Known Shipper/Regulated Agent regimes

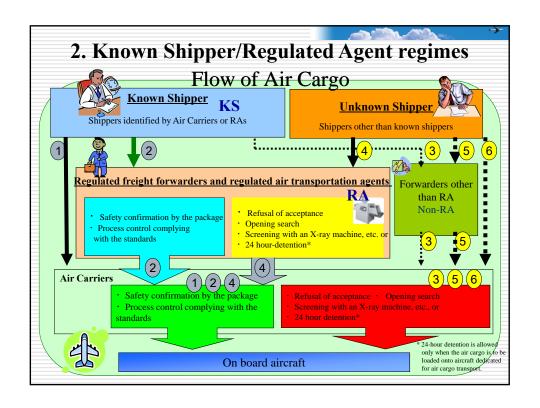
Air cargo security program (standard coverage)

Category of the threat level

- Aviation security measures according to the threat level (security control for air cargo handling facilities and air cargo)
- Methods of confirming know shippers
- Specific procedures for safety confirmation to be taken in the security measures
- Education and training on aviation security
- Regular self-inspection concerning its security measures
- Other items required

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2. Known Shipper/Regulated Agent regimes

Inspection of RAs conducted by Civil Aviation

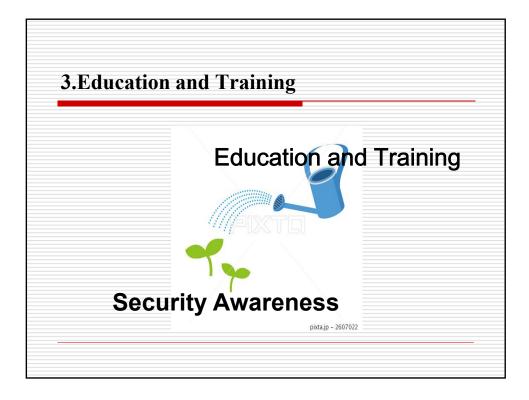
Bureau Security measures for air cargo

- 2. Confirmation of known shippers
- 3. Specific methods of safety confirmation
- 4. Education and training on aviation security
- 5. State of implementation of self-inspection
- 6. Others

2. Known Shipper/Regulated Agent regimes

Key issues in implementing RA regimes

- Reinforcement of education and training by RA
- Reinforcement of internal inspection by RA
- Reinforcement of administrative structure for RA approval and monitoring in Civil Aviation Bureau
- Shippers' understanding and cooperation for aviation security



3. Education and Training

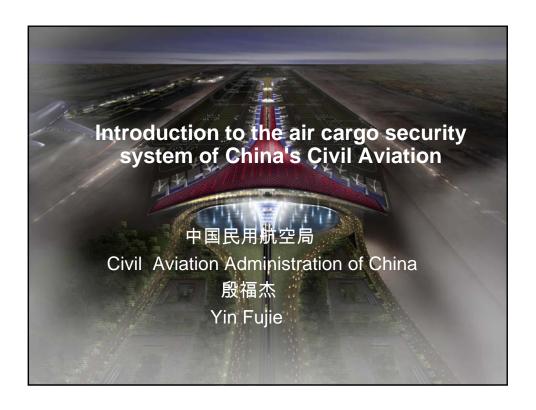


- •Give it a positive image
- Make the need

for security clear

 Explain the rules in clearly understandable terms







民航行政执法机构

the administrative law enforcement agencies of the civil aviation

- 中国制定《民用航空法》、《民用航空安全保卫条例》、 《民用航空货运安保规则》等一系列文件,规定了航空 货物安保管控的程序和措施。
- China has formulated the Civil Aviation Act, the Civil Aviation Security Regulations, the Air Cargo Security Rules and a series of documents, which include procedures and measures to ensure air cargo security.

2012-5-10

民航行政执法机构



the administrative law enforcement agencies of the civil aviation

- 中国民用航空局公安局及其派 出机构对民用航空货物运输保 安工作实行统一管理和检查、 监督。
- The Public Security Bureau under CAAC and its local agencies are responsible for management, inspection and supervision of air cargo security.



民航行政执法机构



the administrative law enforcement agencies of the civil aviation

- 机场公安局对货运安全检查部门移交的威胁货物航空运输安全的行为,依法进行处罚,造成严重后果的,依法追究刑事责任。
- The public security bureau at airport shall punish anyone who has behaviors of the threat to the air transport security. Those who cause serious consequences will be liable for their criminal acts.



2012-5-10

CAAC

承运人或地面服务代理人 the carrier or the ground service agent

- 承运人或地面服务代理人对收运的货物采取X射线安全检查仪进行安全检查。
- The carrier or the ground service agent shall have security checks to the received air cargo with X-ray inspection equipment.
- 对无法进行X射线安全检查仪的货物, 采取手工开箱(包)或隔离存放措施。
- The air cargo that cannot be checked with X-ray inspection equipment shall be scrutinized by opening the box.





承运人或地面服务代理人 the carrier or the ground service agent

- 货运区人员出入口设置X射线检查设备、 通过式金属探测门、手持金属探测器等 设备,对进入的人员及携带物品实施安全检查。
- The entrance/exit of the air cargo area shall be equipped with X-ray detectors, walk-through metal detectors or portable metal detectors to examine the people and their belongings entering or leaving the areas.
- 货运区设置隔离区,确保未检货物与已 检货物隔离存放。
- A quarantine zone is set up in the air cargo area to make sure the goods that are not inspected are stored separately.



2012-5-10



承运人或地面服务代理人 the carrier or the ground service agent

- 一类、二类机场航空货运区设置视颇监控系统。
- The air cargo area in the Class I and Class II airports has be equipped with videomonitoring systems.
- 货运区设置在机场控制区外的, 采取适当的保安措施。
- Proper security measures shall be taken if the cargo area is located out of the bounds of the airport.





承运人或地面服务代理人 the carrier or the ground service agent

- 货检人员实行就业资格准入制度,其从业人员凭相应的国家职业资格证书上岗。
- An admission system has been introduced. Only with a State-issued certificate for the occupational qualification, one is allowed to work as a lawful inspector for security check.



2012-5-10



承运人或地面服务代理人 the carrier or the ground service agent

- 组织安检业务培训,提高安检人员的判图能力。
- The security business training programs must be carried out to improve professional skills.



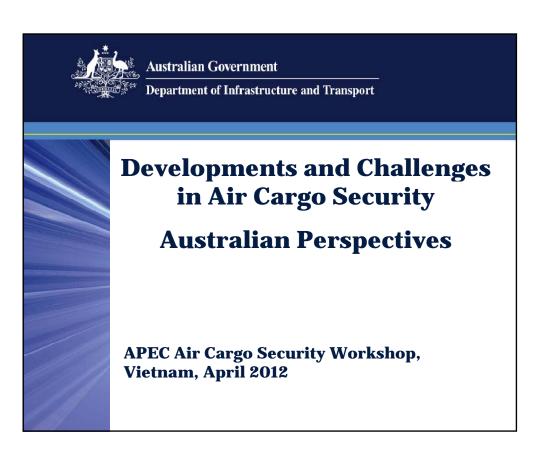


货运代理人或托运人 the air cargo forwarder or the consignor

- 货运代理人或托运人如实 填报货物的品名,不得伪报 品名托运。
- The forwarder or the consignor shall faithfully fill in the true names of the goods and shall not consign the goods by false names.







Air Cargo Threat and Risk Considerations

- A significant threat
- Sophisticated IEDs and concealment techniques
- Passenger and cargo-only aircraft





What outcome do we seek in adopting an air cargo security framework?

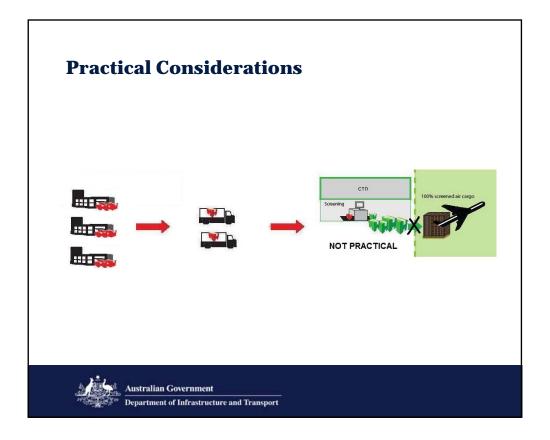
- Improvised explosive devices are not present in cargo and therefore the cargo does not present a risk to aviation security.
- In practical terms, we apply a mixture of procedural, physical and technological measures to ensure as far as practicable that an IED is not inserted into cargo, informed by best available intelligence that describes the threat environment.



Practical constraints to screening every item of cargo at the airport

- Complex supply chains, multiple participants
- Time and cost sensitive
 - Cost of screening
 - Lodgment times at CTO to make flight cut-offs
- Technology limitations
 - Physical space at the CTO
 - Throughput
 - Clutter, opaqueness, consolidated units





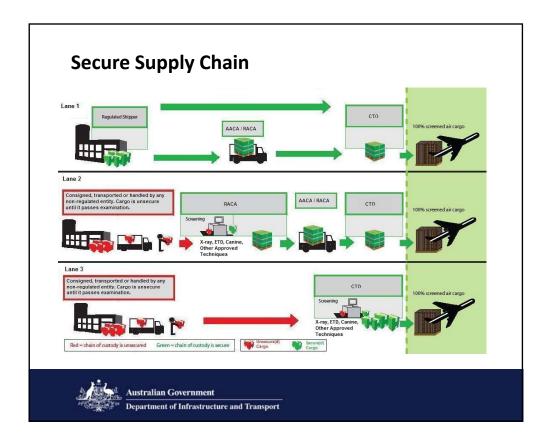
Secure Supply Chain Approach

 Air cargo must have originated, and been maintained, in a secure supply chain of trusted entities

OR

 It must be screened by an appropriate technique and then maintained in a secure supply chain of trusted entities





Australian Government Initiatives

- National Aviation Policy White Paper December 2009
- Strengthening Aviation Security Initiative February 2010
- Includes establishing a Regulated Shipper Scheme coupled with use of appropriate screening and technology.



ICAO Annex 17 Amendment 12

- Now ratified
- · Introduces Known Consignor
- Allows for a supply chain approach
- Screening cargo where practical
- · Risk assessment for all-cargo aircraft



ICAO Annex 17 Amendment 12

Amendment 12 to Annex 17 expands on the supply chain approach to air cargo security.

- Definition of Known Consignor: A consignor who originates cargo or mail for its own account and whose procedures meet common security rules and standard sufficient to allow the carriage of cargo or mail on any aircraft.
- 4.6.1 Each Contracting State shall ensure that appropriate security controls, including screening where practicable, are applied to cargo and mail, prior to their being loaded onto an aircraft engaged in passenger commercial air transport operations.
- 4.6.2 Each Contracting State shall establish a supply chain security process, which
 includes the approval of regulated agents and/or known consignors, if such entities
 are involved in implementing screening or other security controls of cargo and mail.



ICAO Annex 17 Amendment 12

Amendment 12 to Annex 17 establishes a Standard (rather than previous Recommended Practice) relating to all-cargo aircraft.

4.6.7 Each Contracting State shall ensure that security controls to be applied to
cargo and mail for transportation on all-cargo aircraft are determined on the basis of a
security risk assessment carried out by the relevant national authorities.

This is stronger but can we strengthen further to promote a "baseline" security outcome for cargo and mail generally?

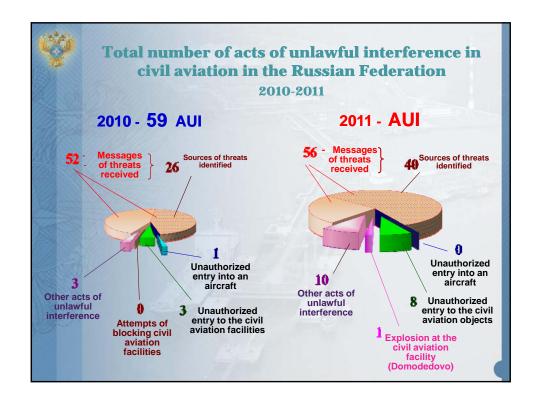


Hot Topics

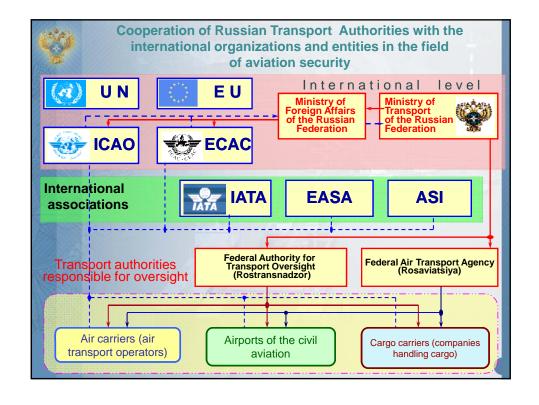
- Extra mitigation for "high risk cargo"
- Setting a "baseline" security outcome for passenger and cargo-only aircraft
- Responsibility for transfer and transit cargo
- "Inbound versus outbound" requirements and the need for consistency
- Recognition of commensurate measures (country to country or scheme to scheme)
- Alignment of "trusted trader" programs













Technological innovations for ensuring aviation security

Primary goal – integration of innovative, effective and safe approaches into transportation systems

Collection and processing of the information about new technologies and physical principles of screening including:

- Introduction of multi-level automated X-ray screening complexes for cargo and luggage screening;
- Development and introduction of Terahertz spectroscopy;
- Stationary and mobile devices of activation neutron analysis;
- Introduction of microwave screening mountings;
- Implementation of digital processing technologies for traditional screening devices;
- Introduction of RFID-technologies for cargo on the basis of GLONASS/GPS;
- Development and introduction of automated access control systems for terminals and airport territories, etc.



Equipment requirements for Moscow Transport Hub airports and relevant transportation systems

- In 2008 the following requirements for Moscow air transport hub equipment and other international airports in Russia were introduced by government acts and normative:
- multi-level X-ray screening systems for cargo and luggage;
- X-ray tomographs (CAT scanners);
- infrared scanners;
- spectroscope (introvision) systems operating in Terahertz and Gigahertz diapasons;
- systems of nuclear quadruple resonance;
- systems for detection of highly flammable substances in sealed (hermetic) non-metal packages;
- possible use of neutron activation analysis;
- else means.

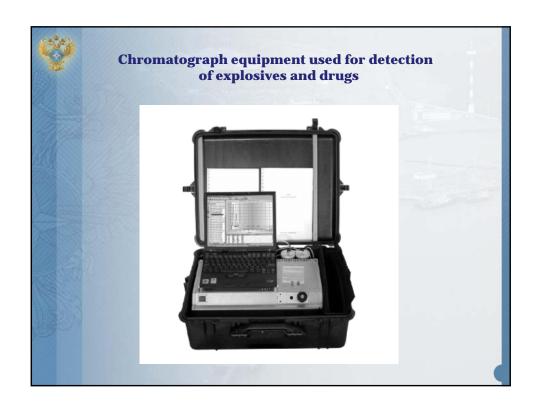


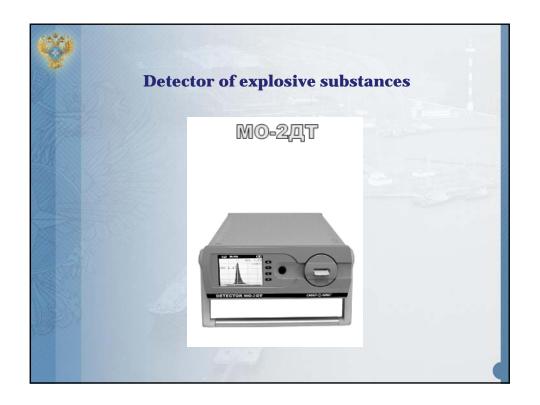


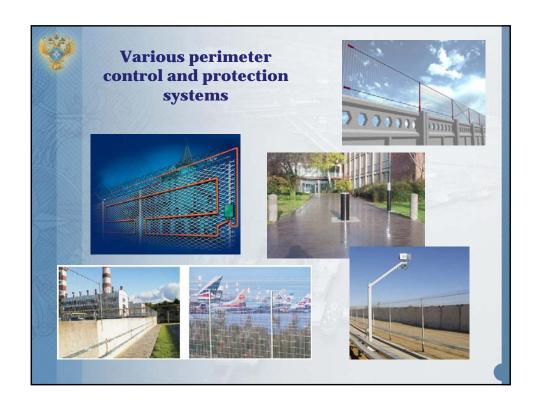


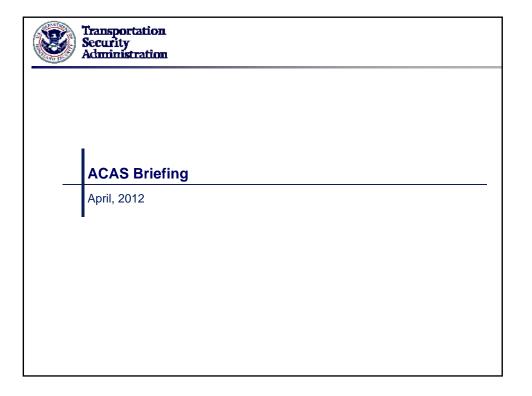












Agenda ACAS Overview Challenges Summary Next Steps Discussion

ACAS Overview



- TSA and Customs and Border Protection (CBP) are partnering with industry to implement the voluntary Air Cargo Advance Screening (ACAS) pilot
- The pilot will test the feasibility of collecting pre-departure information on international inbound air cargo and assessing risk
- ACAS will be tested over three phases
 - Express air carriers
 - Passenger air carriers and freight forwarders
 - All-cargo carriers







Considerations with ACAS ACAS is being piloted in multiple phases allowing TSA and CBP to work through key issues and challenges with each phase prior to full implementation **Express Industry Pilot** Passenger Air Carrier Pilot All-Cargo Pilot Freight Forwarder Participation **Operational Challenges TSA CBP** Screening Data Data-driven determination of risk Data flow (initial feed) Non-LPD screening Electronic messaging

Summary



- TSA is incorporating a risk-based approach to inbound air cargo security
- This approach applies to both passenger and all-cargo carriers
- The ACAS platform provides data analysis and determines screening requirements
 - o Data can be submitted by any party
 - o Heightened risk drives enhanced screening
 - Screening is conducted by regulated entities

Next Steps



- TSA recently issued updated security programs to passenger carriers for comment
- The programs encourage early adoption of ACAS in lieu of forwarder-provided paperwork
- A risk determination drives screening protocols for passenger and all-cargo carriers
- A data-driven (ACAS), risk-based approach is essential to security and to attaining 100% screening



INTRODUCTION

✓ Secure Freight Programme is a global air cargo supply chain security solution that aims to set industry standard in which freight is secured upstream early in supply chain and protected from unlawful interference until it reach its destination. Malaysia has collaborated with IATA to be the 1st pilot economy.

HISTORY: LEVEL 1

- ✓ 13 May 2008 IATA proposed Malaysia to be Secure Freight pilot country
- ✓ 24 November 2008 Malaysia recorded its enthusiasm for the pilot participation in the minutes of the ICAO 45th DGCA's Conference.
- ✓ Dec 2010 local Secure Freight Operator has been audited on SOP to ensure readiness
- ✓ Mei 2011 the airlines new infrastructure improvement on cargo warehouse has been started. (additional post guard, new fencing at agent warehouse and access control system)
- ✓ July 2011 auditor training has been conducted
- ✓ March 2012 Malaysia has signed MoU with IATA on SFP cooperation program

Committees

2 Committees established by DCA to facilitate NSFP development

Steering Committee:

- ✓ To provide strategic direction
- ✓ Strategy Coordination Discussion with other Government Agencies (High level)
- ✓ Conduct tele-conference or face to face meeting with IATA every month to establish direction / guidance and progress monitoring
- ✓ Chairman : DCA
- ✓ Members : MAS, MAB, DHL, Intel, Royal Malaysia Customs

Committees

Working Group: (Reporting to Steering Committee)

- ✓ To lead tactical delivery
- ✓ Meeting every month to manage & meet individual stakeholder's operational conflict (Operational level)
- ✓ Development on documentation such as program SOP on operational matter
- ✓ Chairman : DCA
- ✓ Members : MAS, MAB, Intel, DHL, Royal Malaysia Customs



ACHIEVEMENT

✓ Local

- NSFP document has been completed and ready to be implemented;
- Local Operating Procedures (LOP) has been developed by NSFP participant
- Training Template has been developed for auditor

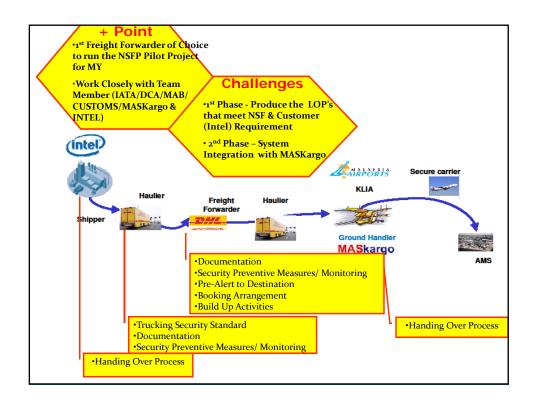
✓ International

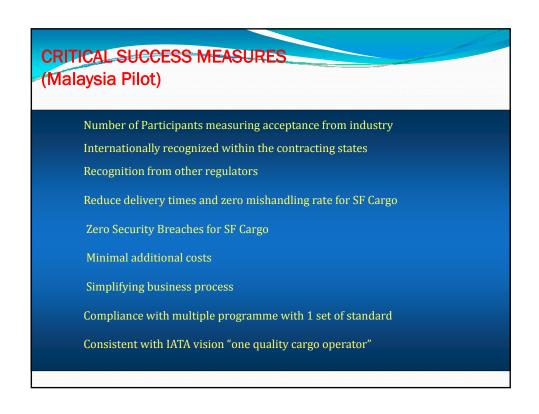
- IATA developed Secure Freight Standard Manual for global guidelines

ACHIEVEMENT

✓ Soft launch

- Launched the 1st trial stage on May 2010 (shipment monitoring)
- 2^{nd} trial stage on Nov 2010 with electronic audit trail (SPX code/OCI data)
- Involved with 4 selected stakeholders:
 - Intel as the shipper
 - DHL as the haulers/freight forwarder
 - MAB KLIA as the airport operator
 - MASkargo as the ground handler/aircraft operator





CURRENT DEVELOPMENT

• DCA has promoted the SFP through several occasions:-

Local Briefing

- Air Freight Forwarders Association of Malaysia (AFAM)
- Penang Freight Forwarders Association (PAFFA)
- Royal Malaysia Customs
- Royal Malaysia Police
- Ministry of International Trade and Industry (MITI)

CURRENT DEVELOPMENT

International

- World Cargo Symposium, Istanbul Turkey
- Cooperative Aviation Security Programme Asia Pacific (CASP-AP), Bali Indonesia
- AVSEC Head of Regulators Meeting, Singapore

Malaysia Airlines

- AAPA meeting, Kuala Lumpur

FUTURE DEVELOPMENT

- Office of Transport Security (OTS), Australia has express their intention in sharing knowledge on SFP with Malaysia. Australia has implemented Regulated Air Cargo Agent (RACA).
- Since January 2012, DCA has registered air cargo agent as Secure Freight Operators.
- To get recognitions from established authority such as TSA-US and EU.





- The Government of Canada recognizes the need to enhance air cargo security in response to an evolving threat environment, international requirements and availability of new technologies.
- In May 2010, the Government of Canada announced the investment of \$95M over five years to strengthen and enhance the Air Cargo Security (ACS) Program in Canada.
- The ACS Program is in the third year of a five year roll out. Together with industry we are building a comprehensive air cargo security regime that will be aligned with those of our key trading partners and will respond to emerging threats.
- The objectives of the ACS Program are:
 - To mitigate risks
 - Passenger aircraft: improvised explosive devices
 - All-cargo aircraft: stowaways
 - To allow the efficient movement of goods domestically and internationally.
- The ACS Program is proceeding with a two-pronged approach to mitigate risks to air cargo: hardening of supply chain security and enhancing air cargo screening.



Air Cargo Security Program • The ACS Program has transitioned from the P

- The ACS Program has transitioned from the Pilot Project to a regulated program.
 - ACS Program requirements reflect industry practices and lessons learned from the pilot project taking into account international requirements
 - Allows for adaptation of the ACS Program requirements through implementation and industry to adapt to new regulations (develop standard operating procedures, train employees and procure equipment)
- Once the ACS Program is fully implemented, all air cargo will be screened and deemed secure at the point of origin or point of acceptance.
 - All air cargo will be handled and transported in a secure fashion from point of acceptance up until it is loaded on an aircraft.
 - If there is no evidence of tampering, and the chain of custody can be demonstrated, the air carrier will not need to re-screen the air cargo.



Air Cargo Security Program

- · Enhancement of the Regulatory Regime
 - Secure handling, from initiation of shipment to acceptance by carrier and loading on aircraft
- · Screening Technologies and Processes
 - Identification and qualification of acceptable screening for different riskclasses of cargo
- Oversight, Training and Compliance
 - Promotion and enforcement of compliance, training standards and supply chain integrity
- Strategic Partnerships
 - comparability between international regimes and domestic programs

-



Air Cargo Security Program Members

- · Air Carriers are mandatory members of the ACS Program.
- Freight forwarders, shippers and other cargo operators who choose to screen air cargo are able to apply to become members of the ACS Program. These organizations are also able to accept and tender secure air cargo.
 - Companies who are not members of the ACS Program will not be able to identify, handle or tender secure cargo. Rather, their air cargo will be subject to the regulated security controls prior to the loading onto the aircraft.
 - This approach allows companies to adapt their business models based on where it is most cost effective to screen air cargo.
- The next phase of the ACS Program will allow for the development of a known consignor regime.



October 29, 2010

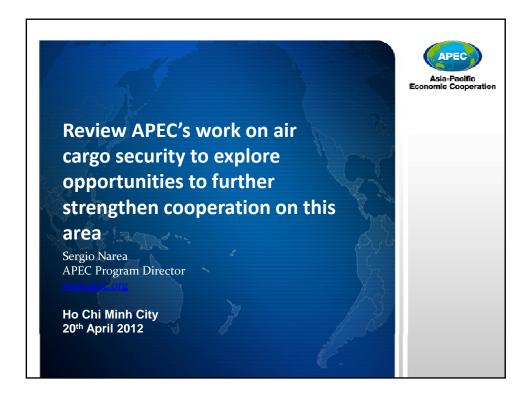
- In response to the security incidents of October 29, 2010, short-term Security Measures were immediately put in place.
- On November 8, 2010, the Minister of Transport approved an Interim Order banning all cargo originating from or transiting through Yemen or Somalia from entering Canada.
 - This Order included a ban on toner cartridges over sixteen ounces (454 grams) in both cargo and hold baggage outbound from Canada. An additional ban was also put in place for printer cartridges in carry-on baggage on flights destined to the United States.
- Recent amendments of the Security Measures Respecting Air Cargo introduced enhanced screening requirements for inbound high risk cargo.

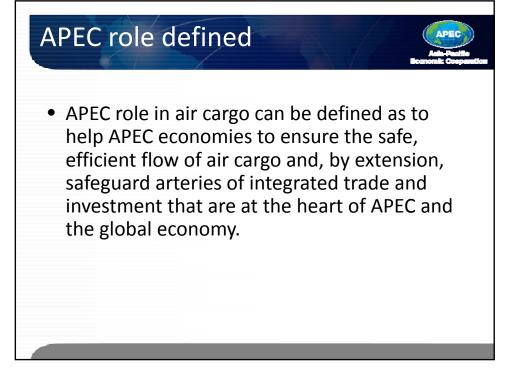
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Next Steps

- The ACS Program is being phased in over the next three years as we align with international partners and respond to emerging threats.
 - Increasingly stringent screening requirements for cargo originating in Canada and cargo destined for Canada
 - · On-going equipment testing and qualification
- Expansion of the Regulatory Regime Consultations Shipper/Known Consignor s.
- International Collaboration
 - Key trading partners and the development of common standards through ICAO Working Group on Air Cargo Security
 - Enhanced mail security controls through Canada Post Corporation and the Universal Postal Union
 - Increased collaboration with Canada Border Security Agency and the World Customs Organization
 - Activities associated with the Leader's Declaration on a Shared Vision for Perimeter Security and Economic Competitiveness announced February 4th, 2011 and the subsequent announcement of the Border Action Plan announced December 7th, 2011.
 - Integrated Cargo Security Strategy





APEC work: Key areas



- Efficiency, cost-saving,
- Safety enhancement,
- Disaster response

Efficiency, cost-saving



- APEC is moving rapidly ahead with efforts to advance initiatives that safely and effectively streamline cargo security checks by customs authorities and limit shipment delays.
- APEC is making critical inroads in fostering Authorized Economic Operator or AEO programs among member economies which are designed for this purpose and working on diminish or limiting discrepancies among them.

Safety enhancement



- Exercises targeting the shipment of contraband, including in postal and express consignments, helping customs authorities identify model practices for effective border enforcement to effectively stop dangerous and illicit goods.
- APEC capacity building, projects and workshops: canine screening, explosives detection and technical checkpoint and security bottlenecks. Promoting harmonized policy responses in-line with ICAO standards.
- CTTF APEC Food Defence Initiative to develop for member economies' food defence training and capabilities. Counter-Terrorism Action Plansfor sharing lessons and advances to enhance air cargo security and search supply chain vulnerabilities.

Disaster response



- APEC Trade Recovery Programto ensure that the flow-of-goods is restored as quickly as possible in the event of a major disruption or terrorist attack.
- Multi-year project in conjunction with the private sector to build an operational system for ensuring trade recovery and resilience across the region.
- Disaster risk management and research mechanisms, with a focus on strengthening business and community resilience, enhancing public-private partnerships and reducing emergencies and disaster risks.

APEC work ahead



- APEC's Consolidated Counter-Terrorism and Secure Trade Strategy.
- Cross-cutting opportunities for regionally-tailored capacity building, information-sharing and collaboration, with the support from the public and private sectors, multilateral institutions.
- APEC's 2012 goals, which include the creation of a secure environment that fosters the opening of trade and investment corridors and economic integration, food security protection and supply chains connectivity.

Last CTTF meeting



- Transportation Security
- APEC Counter-Terrorism and Secure Trade Strategy
- Supply Chain Security Dialogue
- New projects





Progress on implementing air cargo security related resolution of the 37th Session of the ICAO Assembly and the Declaration on Aviation Security in the APEC region

Stacey Peel
Regional Officer Aviation Security,
Asia and Pacific Office
20 April 2012

3rd APEC Air Cargo Workshop, Ho Chi Minh city, Viet Nam

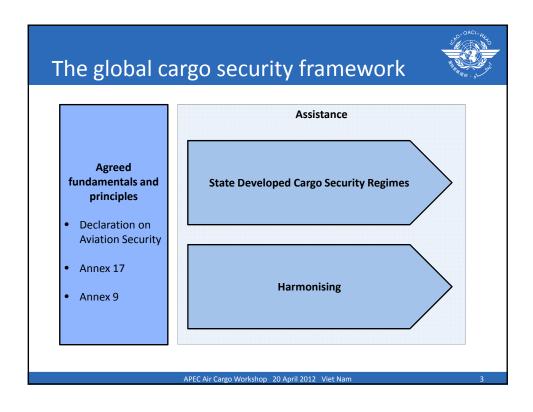
Cargo - an identified risk



The Assembly, recognizing the need to strengthen aviation security worldwide...and acknowledging the value of the joint declarations on civil aviation security emanating from regional conferences held with a view to enhancing international cooperation, hereby urges Member States to take the following actions to enhance international cooperation to counter threats to civil aviation:

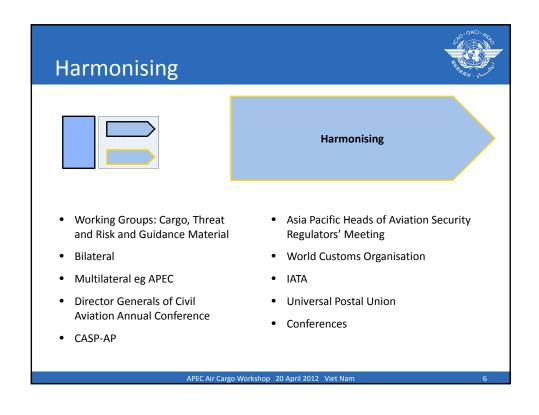
...4) develop and implement strengthened and harmonized measures and best practices for air cargo security, taking into account the need to protect the entire air cargo supply chain;...

APEC Air Cargo Workshop 20 April 2012 Viet Nan





State Developed Cargo Security Regimes State Developed Cargo Security Regimes State Developed Cargo Security Regimes Initiated by States Risk based Various models Other State requirements



Assistance





Assistance

- Avsec Panel and Working Groups
 - Recommendations and Guidance Material
 - Global Security Risk Context Statement
 - Recommendations for Amendments to SARPs
- Aviation Security Training Package for Air Cargo and Mail Security
- ICAO Security Manual Doc 8973
- ICAO Regional Office
- Multi and Bilateral Assistance

APEC Air Cargo Workshop 20 April 2012 Viet Nan

What's next?



- Continued application of ICAO SARPs with a particular focus on Annex 17
- Continued use of bilateral and multilateral fora to facilitate harmonisation and assistance
- Annex 17 Amendment 13
- Avsec Panel and Working Groups Definitions, Guidance and Risk Context Statement
- Singapore, ICAO and WCO Joint Conference on Enhancing Air Cargo Security – Synergy through Cooperation Singapore, 5-6 July 2012
- ICAO High Level Conference on Aviation Security Montreal, 12-14 September 2012
- On going assistance

APEC Air Cargo Workshop 20 April 2012 Viet Nam





The IATA Cargo Security Strategy

Effective cargo security must be based on a combination of measures

- → Leverage available cargo data
- Complemented with technology
- → Adopt a supply chain approach to keep the trade flow...



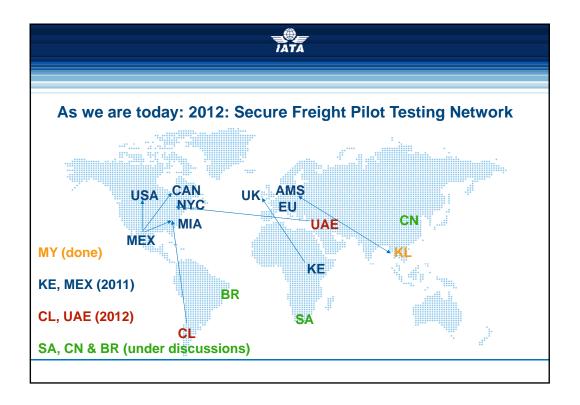


Principals of the Cargo Security Strategy

- Magnitude of change so great that government-industry cooperation is fundamental
- → Supply chain security must be at the core of any regulatory approach
- → Governments must mutually recognize comparable security programs
- ICAO should be the focal point for collaboration
- Cargo data programs must comply with WCO standards and data transmission kept to minimum practical
- Governments need to recognize industry developed security programs for regulatory purposes











2. Accomplishments in 2011 (1)

- → I Regulatory
- Accomplishments:
 - Endorsement of SF principles by Australia OTS (Office of Transport Security);
 - 4 CAA Letters of Intent to implement SF Pilots (Kenya, Mexico, Chile, UAE);
 - → Engagement of TSA and TC in SF Pilot in Mexico;
 - Recognition by ICAO and ACI of IATA's role in assisting States through SF at WCS 2011.



2. Accomplishments in 2011 (2)

- → II Product Development.
- Accomplishments:
 - Maintained Standards Manual and circulated regulatory updates;
 - Updated version of Secure Freight Standards Manual and developed respective Annexes in compliance with ICAO's Annex 17/ Amendment 12;
 - SF SM & Annexes translated into Spanish;
 - Secure Freight Advisory Group (SF AG) met twice in 2011, in Montreal, in March and in Madrid in August, endorsing latest version of SF SM & Annexes.



2. Accomplishments in 2011 (3)

- → III Pilot Network Expansion.
- → Accomplishments:
 - → Malaysia Done (2008-2011)
 - → Kenya (2011-2013) launched May
 - Mexico (2011-2013) launched August
 - → Chile (2012-2014) launched December



2. Accomplishments in 2011 (4)

- IV Global Promotion.
 - OPS Conference, WCS 2011, IATA Aviation Day, Lagos, AVSECO, AVSEC World, Cargo & Mail Sec Forum, SEC Tech Conference, CCLP Conference
 - CSC/ CAC, SF AG, Cargo Exec Summit, Cargo Committee, SEG meetings
 - 对 ICAO AVSEC Panel
 - GACAG, TIACA, FIATA, ACI meetings





3. SF strategy/ approach for 2012

- → Stronger, more proactive, credible and global role
- → Engage more the regulators via ICAO, EC, WCO, other
- → Focus on added value/ deliverables for the supply chain stakeholders
- → Better engagement of supply chain stakeholders



3. 2012 Planning (1)

- → I Regulatory.
 - → Country-based: USA, Canada, United Kingdom, Germany, Israel.
 - Regional: East Africa (CASSOA), Asia Pacific (APEC)
 - Global/ Industry: ICAO collaboration, GACAG position paper
- **↗** II Product Development.
 - Develop Guidance material on cargo screening technology according to SF SM Standards
 - Develop Annex/ Check List for RA, KC certification, endorsed by SF AG
 - → Revise Spanish translation of SF SM for LATAM Pilots



3. 2012 Planning (2)

- → III Pilot Network Expansion.
 - ✓ UAE (Dubai, Abu Dhabi) Anticipated launch in Q3/ Q4 2012;
 - → South Africa Secure an official Letter of Intent:
 - Continue conversations with the Chinese and Brazilian authorities.
- **↗** IV Global Promotion.
 - TIACA IAC Board, KL/ APEC Workshop, WCS 2012, AVSEC Conference (AU), ICAO AVSEC Panel, Ops Conference, APEC Vietnam, CNS, ICAO/ CLAC Regional Meeting Antigua, LATAM Cargo Day, AVSEC World, ACI Board, IATA Cargo & Mail SEC/ CCLP Conference, ACW Conference FRA.



4. Results Q1 2012

- **对 I Regulatory:**
 - APEC Workshop Feb − sponsored by MY DCA and AU OTS
 - → SF SM shared with UK DfT, ICAO, UPU & WCO
 - GACAG position paper on Supply Chain Security & Secure Freight drafted
 - IP on SF during AVSECP/23, co-signed by 5 CAA's participating on pilots; EC, TC and TSA verbal support
- **↗** II Product Development:
 - → Advanced 50% revision of Spanish translation of SF SM

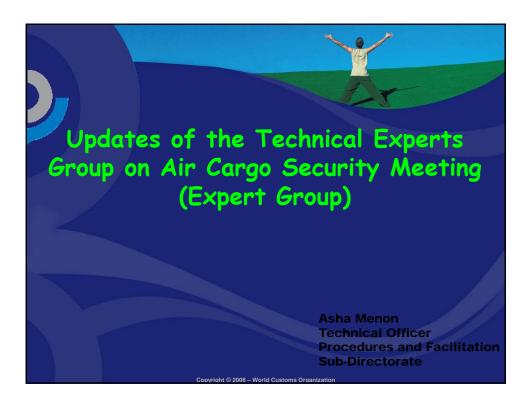
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4. Results Q1 2012

- **对 III Pilot Network Expansion**:
 - → South Africa (2012-2014) Letter of Intent under discussion
 - → Brazil Meeting held during AVSECP/23
- **对 IV Global Promotion:**
 - TIACA Board, KL/ APEC Workshop, WCS 2012, AVSEC Conference (Canberra), ICAO AVSEC Panel/23









- > Working together WCO+ICAO+UPU
- > Better awareness data collected
- Understand differences & potential areas of commonality
- December 2011 PC Resolution on Air CargoSecurity
- > Operational Expert Group
- > Paper to ICAO AVSEC Panel



- > Understanding the roles & responsibilities of all the stakeholders "do not load"
- > Advance electronic information data elements
- > Alignment of the security programmes
- > Avoid any conflict and duplication of measures/initiatives
- > Cooperation at the national level



