Recommendations of the express industry on the proposed provision of data for aviation security and air cargo risk assessment prior to departure of aircraft

The timely and structured processing of data for risk assessment is essential for the unhindered operations of the express sector, which is governed by late collection cut-off times, just-in-time, time-sensitive deliveries, often of high-value and essential shipments such as pharmaceuticals and manufacturing parts. Our business has been constructed to specifically meet our customer’s needs and, as such, is a unique economic model which enables global supply chains to operate.

In light of this business model, the Global Express Association (GEA)1 and its members have been closely following current plans by the European Commission and US Customs and Border Protection (CBP) to use pre-departure notification of data for risk assessment in air cargo security. The GEA also actively participates in the discussions at the World Customs Organization on time limits for pre-departure shipment data in the context of the revision of the SAFE Framework of Standards. We greatly appreciate efforts by US-CBP, the European Commission and the WCO to involve industry as it structures its procedures.

However, the GEA is concerned with the different approaches taken by the authorities. While the US-CBP invited GEA members to participate in an industry pilot to identify effective and reasonable measures in the context of pre-departure data submission such as best-effort earliest possible submission of informal raw data, the European Commission submitted a formal proposal to the WCO to amend the SAFE Framework of Standards on the submission of routine cargo and goods declarations instead of 4 hours prior to arrival (for long haul) or wheels up (for short haul) now to not more than 4 hours prior to loading regardless whether long or short haul flights. These two approaches are significantly different in intent and impact. We strongly believe that measures to improve air cargo security should be flexible and should not be using existing routine submissions of manifest or goods declaration data.

In preparation for the discussions at the WCO, the Security and Customs Committees of the GEA have developed an “ideal picture” of the use of pre-departure notification of data for risk assessment on express shipments. As part of the ongoing discussions, the GEA encourages policy-makers:

A. To work towards a common, flexible, focused and threat-based security system.

B. To take advantage of the original shipment data, and not the manifest data, as it becomes available in the express carrier’s IT systems.

1 The Global Express Association is the trade association of the global express carriers: DHL Express, FedEx Express, TNT and UPS.
C. Not to impose requirements, when using such shipment data, that would forfeit that industry’s economic model, which is driven by the business demands of today’s global marketplace for just-in-time deliveries of critical and high value shipments.

D. To recognize the express industry’s continued investments and efforts towards air cargo security by providing a dedicated security solution for the express industry.

E. Not to unnecessarily change SAFE requirements for cargo declarations (or manifest data) which is not beneficial for improving air cargo security.

Data

The data used for risk assessment purposes for security threats should be the raw data which is provided by the consignor, for all shipments, and which is in the operating system of the express company concerned. The GEA strongly recommends the use of such consignor’s raw data, i.e. data that has not been modified by the freight forwarder or carrier, to allow government authorities, who are best placed to analyse data based on the intelligence information they hold, access to the most incorrupt data available at the earliest time possible.²

Such data would in our opinion contain the following information:

- Shipper details (name and address)
- Consignee details (name and address)
- Description of goods (as keyed, not as a commodity listing)
- Weight
- Number of Pieces
- HAWB

In addition, the data set should include the cargo security status (e.g. SPX or SCO) to facilitate an effective threat based risk managed approach.

Any requirement to provide information in addition to that outlined above would risk endangering the quick processing time that is the foundation of the express industry and as such, could negatively affect global commerce.

In our opinion, focus of new and additional security measures, if any, should be on the highest risk group: unknown high risk customers (over the counter, one-time cash payments with no established business history); consignments where security inspection, appropriate to the threat level, has been completed should be excluded.

² It should be noted that this paper refers specifically to risk analysis for security purposes. It is considered that all other risk analysis for safety, prohibitions and restrictions and fiscal reasons, should continue to be dealt with by customs separately as part of the routine submission of manifest and goods declaration data.
**Processing data in the express business model**

Several criteria are essential for the unhindered operations of the express sector, which is based on late collection cut-off, just-in-time, time-sensitive deliveries. We own our operations and control the entire process of our shipments where this is possible. This makes us unique within the air cargo sector. In response to our customers, our business has become a unique economic model which enables global commerce.

**Time-critical industry segment**

With processing time for a package taking as little as 12 hours from collection to delivery, the format and timeline for processing pre-departure notification data will have a significant impact on our business model. The additional processing time for cleansed data would result in the late provision of information as well as potentially incomplete information for authorities. We would again recommend providing authorities with consignor’s raw data for risk assessment.

The GEA strongly advocates for security controls that are threat based and risk managed. Access to intelligence and the constant stream of timely communication is critical to our secure operations. As today’s reality is that of an “imminent threat,” we recognize that setting up a separate process for risk assessment on data for security controls will take some time to put into place but a potential way forward could be to provide express carriers with risk criteria being considered in general terms already at origin so that we can have special procedures put into place at pick-up.

The quick flow of information is essential to our business model. Upon submitting pre-departure notification data, the GEA will proceed with shipment unless we receive a “do not load” (DNL) response within a reasonable but rapid time frame. Each time an express carrier receives a “do not load” message, it will suffer several thousand delivery failures as well. The risk of DNL messages occurring differently across the wide WCO membership is a reality over which our industry expresses great concern.

It is of utmost importance that there is an international common understanding that DNL would equate to a real and immediate threat to life and safety and not being used for any other non-life threatening border risk. In effect, the issuing of a DNL would mean that an Improvised Explosive Device (IED) had been identified and that the appropriate ensuing procedure would include the evacuation of the building, possible closure of the airport and significant disruption to the air cargo and passenger air networks alike, with consequential major economic damage. It must be agreed that the issuing of a DNL would be an extremely rare event.
High disruptive potential of advance data screening

Given the short operational processing windows for express shipments, the potential impact of pre-departure data screening on our networks can be substantial:

1. Will affect between 40 to 60% of shipments moved by an express company.

2. Shipments for large customers can arrive at the outbound site up to 45 minutes prior to departure; data related to these shipments can be sent in to the express company in that same time window (EDI). These are mostly big volume customers (production sites for instance).

3. In general, for shipments transiting/transferring through one of our hubs, the complete routing is not known prior to departure from origin.

   Example:
   A shipment from Indonesia to the US. At the moment of departure from Indonesia to the Asia Pacific regional Hub it is not yet known if that shipment will fly across EU or eastwards. That may only be known up to 2 hours before departure from the regional Hub.

4. Additionally, for shipments being flown on passenger flights, the express company has no full control over routing and destination into a given territory.

   Example:
   A shipment flying from the Middle East into France with a commercial airline may be transferring or transiting in Frankfurt before it is flown into France, or it may fly directly into France.

5. The choice between an all cargo flight and a passenger flight may be made last minute due to operational circumstances requiring a shift of mode: technical failures of aircraft, weather conditions on a specific sector, insufficient capacity...

6. In case a “do not load” message arrives for shipments already on board of an aircraft, it could mean:

   a. Offloading approximately 115 tons of material (equivalent to tens of thousands of shipments).
   b. Missing departure window for the flight as a result (offload, extraction of target shipment and reload would require minimally 2 hours).
   c. Service failure for tens of thousands of shipments.
   d. Significant claims against Express carriers for service failure for time-sensitive shipments, which may result in voluminous and unnecessary litigation.
   e. Necessity to store the material that misses connection as a result in facilities that are built for throughput, but not for storage.
   f. Potential safety issues related to the need to rebalance the load of an aircraft due to containers being taken off as a result of DNL.
g. Airport closure by the authorities until the security threat has been dealt with.

Due to these characteristics of our business model, the impact of time limits can be of a nature to have a serious impact on our ability to provide an express service.

**An ideal global framework for risk assessment of express sector data**

It is clear that **common rules for risk assessment** as well as **common protocols for clear communication exchange** are needed across WCO members. A framework for information flows between Customs administrations, intelligence authorities and industry must be developed, taking several factors into consideration:

- Trials on the use of pre-departure notification of data for risk assessment for security purposes are critical and need to be conducted. Such a significant operational process must be thoroughly tested before being put into effect so that obstacles can be identified *before* there are consequences to the global supply chain.
- A managed Service Level Agreement based on global standards on required data flow frameworks and technical requirements, specifically response times, for industry will need to be developed. In addition, an approach whereby shipments are approved for loading, unless stopped, is highly desirable.
- Support of common, globally-coordinated international standards.

The GEA would envisage the creation of a **“Trusted Partner Status,”** as part of which intelligence authorities speak directly with those integrators who have been responsible and compliant, who have invested ahead of time, and have been long-term partners. This would enable express carriers to quickly and more specifically adapt our parameters to the benefit of our customers, much in the way that AEO status brings benefits.