

European Express Association Policy Paper on the renewal of the EU Internal Security Strategy

Introduction

In response to the European Commission's Public Consultation on the "Renewal of the EU Internal Security Strategy" the European Express Association's (EEA) Security Committee has developed this policy paper addressing the transport and cargo related issues.

The threat from terrorism remains significant and is constantly evolving. The Yemen incident in 2010, in which explosive devices were concealed in air cargo consignments, showed that also the cargo transport infrastructure is at risk. As a result of this incident, attention to cargo security regulations increased dramatically around the globe, resulting in various legislative initiatives which have had a profound impact on anyone involved in moving goods efficiently across global markets.

As emphasized in the 2010-2014 Internal Security Strategy (ISS), international cooperation is essential to protect the transportation infrastructure and it can help to promote improved security standards worldwide. It is of utmost importance that the efficient use of resources is ensured and unnecessary duplication of security checks is limited.

To pursue these goals, the exchange of views and sharing of best practices is crucial. The European Express Association therefore appreciates the opportunity to share its views by responding to this consultation and is looking forward to contribute to the debate on the new EU Internal Security Strategy.

About us

On 1 January 2000, the European Express Association (EEA) was created to represent companies in the air express cargo industry that includes four of the world's largest air express integrators, namely DHL, FedEx, TNT and UPS.

The industry developed from on-board couriers to the transport of packages and freight, carried by fleets of fully owned or dedicated aircraft, trucks, trains and delivery vans. The bulk of our business is dominated by 24-hour guaranteed and next-day deliveries. Volumes have grown considerably and services are highly time-sensitive. New distribution concepts require minimal storage and fast, secure and reliable logistics. Innovation remains the key to express efficiency. It would be impossible to keep up with the industry's needs without massive investment in advanced computer and communication systems, operated by highly professional staff, providing minute-by-minute control and track/trace information.

All of these elements are combined and marketed under intensely competitive conditions to give customers maximum reliability and flexibility of service. Finally, the EEA represents a combined annual turnover of more than €140 billion. By 2018, the EEA will be responsible for more than a quarter million jobs within the EU, more than 3.8 million jobs globally; and will continue to be a reliable sector for both economic growth and employment.

Our message

Since the Yemen incident in 2010, attention to cargo security regulations increased dramatically around the globe, resulting in various legislative initiatives which have had a profound impact on anyone involved in moving goods efficiently across global markets.

Security procedures are a vital component of smooth-running operations across the cargo transport sector. Nowhere is this truer than in the express industry. Harmonised security standards hold the potential to simplify express operations, enhance security screening, impacting both cost-effectiveness and delivery time for the customer. This in turn encourages increased trade, investment and productivity in the EU.

Efforts to achieve mutual recognition and harmonisation of international security standards as soon as possible are an imperative for business efficiency and the competitiveness of European industry. The express industry stands ready to support initiatives in this direction.

Contact

European Express Association Secretariat

Square de Meeûs 35

B-1000 Brussels

security@euroexpress.org

Which specific challenges need to be tackled by EU action in the coming five years regarding international crime, radicalisation and terrorism, cybercrime and cyber-attacks, natural and man-made disasters?

Since the terrorist attacks of September 2001 and the Yemen incident in 2010, the regulatory framework on aviation security has expanded considerably worldwide. Today the express industry works to the standards of the International Civil Aviation Organisation (ICAO), the US Transportation Security Administration (TSA) and EU regulations – as well as to any applicable national standards. As such, the industry faces a regulatory environment that is complex, not always coherent, sometimes conflicting and does not strengthen aviation security.

Unilateral action by a State, for instance, by the US TSA or by EU Member States that implement more stringent measures, create increased complexity for actors in the air cargo supply chain. The EU-US mutual recognition of their respective cargo security regime as agreed on 1 June 2012 is an important step in the simplification of rules and was welcomed by the express operators. The different standards and the inefficient duplication of rules between third countries and the EU, as well as between EU Member States, create uncertainties regarding risk assessment, both for regulators as well as industry. These different standards also create significant added costs to the business. In order to comply with the different standards, the express industry has to implement additional security measures which often duplicate security measures already in place. The different definition that are applied by the regulators, for instance of “High Risk”, also lead to complexity and make it difficult for the express industry to understand and to ensure compliance with these different definitions.

The specific challenges of **cross-border crime** centre on how EU Member States should tackle the threat of transnational organized and non-organized criminal groups. From the EEA perspective, there is a lack of a harmonized legal and operational approach to cross-border crime.

Furthermore, if the increasing cooperation between public and private security sectors is to run efficiently and effectively, the role and definition of business security professionals in terms of competencies and training needs to be better elaborated. For example, information sharing and intelligence need a common framework across Member States. Ultimately, better synchronicity is required between the law enforcement approach “crimes solved by arrest” and the business approach to “prevent, reduce or mitigate potential losses”.

In terms of **radicalization and terrorism**, EEA members need to understand the context of the risks better. More clarity is required regarding the efficiency and effectiveness of current channels of communications, information dissemination and recommended actions, and participation of relevant agencies.

Cybercrime remains a highly globalised criminal activity. The challenge remains the extent to which regulators limit freedom for legitimate business’ online in order to tackle the cyber threat. A balanced approach is needed to reduce the risk of cybercrime while ensuring the data protection of European businesses and citizens.

While the ISS identified four key actions to improve EU resilience to **natural and man-made disasters**, including developing a European Emergency Response Capacity for tackling disasters, clarity is needed as to the role that should be assigned to the private sector in responding to a regional event.

What role should the border security have in addressing those challenges?

Overall, a **flexible approach** to border security would be required when addressing the specific challenges outlined above, which should take into account the risk context and EU common strategies.

Taking into account the developments in the next five years, which are the actions to be launched at the EU level?

Firstly, **harmonized implementation of security standards** is of utmost importance in order to address security threats and to ensure the proper functioning of the EU internal market. At the same time it is crucial that different security standards and inefficient duplication of rules between third countries and the EU are avoided in order to establish a solid risk assessment system as well as to facilitate trade.

On 23 June 2011, the European Commission and the U.S. Secretary for Homeland Security signed a Joint Statement on Supply Chain Security. The statement underlined that the European Union and the United States face similar challenges and share a common approach to the security of the supply chain. One of the aims of the Joint Statement was to reduce costs of security controls by recognising the high standards of controls that both the EU and the US perform for air cargo security. The express industry welcomed the ambition of the EU and the US to support work in ICAO and the World Customs Organization to develop common definitions for high-risk cargo.

The Joint Statement also emphasised that the EU and the US should implement mutual recognition of EU and US trade partnerships. This has led to the signing of the decision on mutual recognition of the EU Authorised Economic Operator (AEO) and U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) programs on 4 May 2012. Whereby, it was decided that the trade partnership programs of the EU and the US are mutually recognised to be compatible and the decision provides that each customs authority treats operators holding a membership status under the other customs authority's program in a manner comparable to the way it treats members in its own trade partnership program.

Since 1 June 2012, the EU and the United States recognise each other's air cargo security regime, which positively affects the speed and efficiency of transatlantic cargo operations. Air carriers transporting cargo from EU airports to the U.S. no longer need to apply additional U.S. measures as they comply with the EU requirements. Also, cargo or mail shipments from the U.S. to the EU may transfer at EU airports to further destinations without additional controls. Previously, air cargo flown into the U.S. had to be submitted to controls defined in security programs issued by the U.S. Transportation Security Administration (TSA). This did not take into consideration the extensive controls already applied at EU airports and therefore duplicated efforts.

The express industry welcomed these mutual recognitions of security standards as they could lead to the adoption of "one-stop security" between major trading partners.

Secondly, **more robust public infrastructure** should be available to provide secure services to logistics such as secure parking for road cargo at airports, seaports and on the highways. Finally, **an EU security database** should be made available to EEA members in order to gather updated and reliable statistics on threats and incidents. “Need to know” criteria should be defined by regulators.

Which specific research, technology and innovation initiatives are needed to strengthen the EU’s capabilities to address security challenges?

Accurate and swift screening technologies play a critical role in air cargo security today. However, the development of these technologies has relied predominantly upon the adaptation of passenger screening technologies for use by the express cargo industry. As a result, current screening technologies struggle to deliver on the needs of the industry, particularly with regards to speed, scale and scope of detection of hazardous goods.

The express cargo industry is currently facing two major challenges: firstly, the incremental regulation of the industry, which is gradually impacting transit times; and secondly, the issue of shipment integrity, whereby express carriers are increasingly risking exposure to product liability as a result of the screening process.

From an EEA perspective, air cargo-specific technologies need to be developed that enhance the efficiency and effectiveness of screening and ensure the express cargo business model can continue to operate safely and economically. These include higher speed processing, larger unit processing such as ULDs or trailers, and the detection of prohibited items and hazardous goods other than improvised explosive devices (IEDs).

How can the EU’s foreign policy improve the security within the EU and/or your country?

The EU’s foreign policy should act as a driver for mutual recognition and better understanding of security measures by Member States. As a global threat and risk assessment authority, the EU can better assess risk, threats and comprehensive solutions for its Member States.

EUROPEAN EXPRESS ASSOCIATION RECOMMENDATIONS

Global mutual recognition: The EU should strive for the mutual recognition of supply chain security programs globally – meaning a consistency in implementation, documentation, harmonisation of standards, technology and training.

Mutual recognition of security standards: The mutual recognition of security standards holds the potential to simplify express operations, enhance security screening, impacting both cost-effectiveness and delivery time for the consumer. This in turn encourages increased trade, investment and productivity in the EU.

Risk based approach to security: Risk assessment is a dynamic process and a critical part of the ‘layered’ approach, with a necessary focus on High Risk Criteria.

Screening technology: Further investments and research is needed to ensure accurate and swift screening technologies that are appropriate for the screening of cargo.