



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 30 January 2012

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UD 24

NOTE

from:	General Secretariat
to:	Working Party on Customs Union
on:	3 February 2012

Subject:	World Customs Organization: Air Cargo Security - 4th Meeting of the Technical Experts Group, 6-7 February 2012
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Delegations will find attached a document in view of the above meeting, transmitted by the Commission services.

World Customs Organization:

4th Meeting of the Technical Experts Group on Air Cargo Security

6-7 February 2012

DRAFT AGENDA:

I Opening of the meeting

II Adoption of the agenda (Doc: FA0015)

No position is necessary

**III Adoption of the report on third meeting of technical experts group on air cargo security
(Doc: FA0014)**

Common position

We should support the adoption of the report on the third meeting of technical experts group on air cargo security.

IV Intersessional developments at WCO (no doc)

Common position

We should take note of the oral report by the WCO Secretariat. If necessary we should intervene in line with the 2010 EU Action Plan on Air Cargo Security (Council Document 16271/1/10 Rev. 1)

V Report of the 3rd meeting of the inter-committee security group (no doc)

Common position

We should take note of the oral report by the UPU. If necessary they should intervene in line with the If necessary we should intervene in line with the 2010 EU Action Plan on Air Cargo Security (Council Document 16271/1/10 Rev. 1)

We should inform the meeting that the EU is planning to remove the current exemptions for Postal Operators, including low value exemptions in its customs legislation. A working group at EU level with EU Postal Operators have been established to discuss electronic advance information with the right quality to perform a risk analysis prior to loading. Both sides realise that something needs to be done but that not all business models of the Postal Operators are equally easy to bring under the general rules for advance cargo information. Business-to-business and business-to-customer processes are further advanced than customer-to-customer processes. In order to take these differences into consideration, the EU is willing to discuss a transitional period with the Postal Operators.

In addition to the actions at EU level, we firmly believe that decisive action needs to be taken by the UPU Congress in Doha in September 2012. It has been 11 years since the 9/11 attacks on the US and 2 years since the Yemen incident. Postal processes and the current weight limits for postal packages are a real threat to aviation security and the safety and security of citizens worldwide. They must be amended accordingly and WCO Members should consider actively lobbying the government departments responsible for Postal Operators in their countries to make it happen.

VI Report of the ICAO transshipment sub-group meeting (no doc)

Common position

We should take note of the oral report by ICAO. If necessary we should intervene in line with the 2010 EU Action Plan on Air Cargo Security (Council Document 16271/1/10 Rev. 1).

VII Air Mode Advance Information (Doc: FA0017)

The document provides the summary outcome of the discussions on minimal air cargo information necessary to assess cargo security prior to the loading of the aircraft held in the break out session during the last meeting and from the virtual discussion.

Common position

We should take note of the document and the oral reports by the Australian and US delegates. If necessary we should intervene in line with 2010 EU Action Plan on Air Cargo Security (Council Document 16271/1/10 Rev. 1)

We should say that according to the Terms of Reference the TEG works under the guidance of the Policy Commission but that it reports to the SAFE Working Group. The SAFE Working Group is scheduled to meet in April 2012 before the June 2012 Policy Commission session.

Given the fact that pilots are still being run or are in the process of being set up, there can hardly be any agreement on a minimal list of data elements to be reported to any body. However, the issue can also be approached from a different angle. The current SAFE Framework consists of a list of data elements for security risk analysis purposes. The SAFE Framework also stipulates that WCO Members should take their local situation and their businesses' processes into consideration when deciding upon procedures and data elements for advance cargo information. In combination with the adoption by the WCO Policy Commission of the pre loading principle, the SAFE Framework offers the opportunity for WCO Members to enhance air cargo security.

We also believe that the local situation, their businesses' processes and cooperation models with other competent authorities is the determining factor for the WCO Members to decide on how they collect the advance information, how it is being shared amongst competent authorities, who performs the risk analysis and how the results and/or required actions are being fed to other competent authorities or traders.

We firmly believe that Customs has the know-how, required expertise and risk management tools gained over several decades to perform the risk analysis. Aviation security agencies may not have the expertise and tools and they would need to be developed which would mean a duplication of efforts. On the other hand, aviation security authorities may have knowledge of risk elements which would need to be fed into the customs risk management process to enhance the security risk analysis for air cargo.

VIII Advance information in postal operations (no doc)

Common position (same as for agenda item V)

We should take note of the oral report by the UPU. If necessary we should intervene in line with the 2010 EU Action Plan on Air Cargo Security (Council Document 16271/1/10 Rev. 1

We should inform the meeting that the EU is planning to remove the current exemptions for Postal Operators, including low value exemptions in its customs legislation. A working group at EU level with EU Postal Operators have been established to discuss electronic advance information with the right quality to perform a risk analysis prior to loading. Both sides realise that something needs to be done but that not all business models of the Postal Operators are equally easy to bring under the general rules for advance cargo information. Business-to-business and business-to-customer processes are further advanced than customer-to-customer processes. In order to take these differences into consideration, the EU is willing to discuss a transitional period with the Postal Operators.

In addition to the actions at EU level, we firmly believe that decisive action needs to be taken by the UPU Congress in Doha in September 2012. It has been 11 years since the 9/11 attacks on the US and 2 years since the Yemen incident. Postal processes and the current weight limits for postal packages are a real threat to aviation security and the safety and security of citizens worldwide. They must be amended accordingly and WCO Members should consider actively lobbying the government departments responsible for Postal Operators in their countries to make it happen.

IX Presentation on Challenges faced by Industry on electronic advance information

(no doc)

Common position

We should take note of the presentation by IATA. If necessary we should intervene in line with the 2010 EU Action Plan on Air Cargo Security (Council Document 16271/1/10 Rev. 1)

We should indicate that discussions with trade about the EU Action Plan on Air Cargo Security are ongoing. They very much appreciate the constructive engagement by trade.

The EU Action Plan calls on Customs to "develop methods to assess the elevated risk level of specific cargo, taking into account inter alia the new advance information system to be deployed by EU customs authorities. To harness this system fully it is necessary that the customs procedures in place including time limits and data elements be reviewed in cooperation with industry in such a way that all necessary elements for risk analysis are available before loading. This also includes that the existing Customs derogation procedures for mail courier services and low value consignments have to be reviewed."

Whilst we understand the challenges faced by the industry, the industry should also be aware of the challenges faced by customs and the political pressure to fix security loopholes in air cargo security in the short term. The challenges faced by both sides should not lead to inaction because that is not an option. It should rather lead to amplified efforts to find solutions that will have the least impact possible on the industry but satisfies the legal request of citizens worldwide for their governments to enhance air cargo security.

X Roles and responsibilities (Doc: FA0018)

A first draft of the document on "Air Cargo Supply Chain" has been presented at the last meeting. This new version has been re-configured with the aim of making it more susceptible to amendment and updating as the Group progresses.

Common position

We should take note of the document. If necessary we should intervene in line with the 2010 EU Action Plan on Air Cargo Security (Council Document 16271/1/10 Rev. 1

We should say that the document gives elementary information to those that do not have an intimate knowledge of the air cargo environment. We should indicate that we agree with the suggested configuration and that it should be regularly updated and amended. However, work on this document should not deter us from advancing on the substance for enhancing air cargo security. Not every detail needs to be agreed at this point in time. The document already provides enough insight to continue with the substance of the TEG work. Some of the bracketed text concerns issues that will be developed over time, such as how to collect and share information, what the process is around cooperation and do not load messages. Pilots are being run or will be set up by WCO Members to test these issues.

We should indicate that in some instances the document is not fully congruent, e.g. in section 1, there is a paragraph about the international express couriers but other actors in the supply chain do not have such an extensive paragraph whilst, certainly, these too deserve a more extensive description of their important roles in the air cargo environment.

Also, in section 2 the role of the consignee/buyer is limited to receiving the goods in the end. However, the consignee/buyer is usually also the one who signs a contract with the consignor/seller to deliver goods and places orders to actually start individual consignments. At that stage, important information about a future air cargo transport is already available to parties in the supply chain, however not to Customs. At the same time, the document does not take account of the Incoterms that determine who is responsible for organising the transport. It is not always the shipper who organises the transport, in some cases it is the consignee who does that or has it done by a representative.

In section 3, in the item the haulier it is mentioned that this party may be an AEO. However, many more parties in the supply chain may be AEOs so the document should either indicate who all may be an AEO or the remark needs to be removed from the haulier item.

XI Presentation by Members on their experiences of working together

The Commission will give a presentation on cooperation between Customs & Civil aviation authorities. Member States who intend to give a presentation on national experiences are invited to liaise with the Commission.

No position necessary

XII Comparison of AEO/Regulated Agent/Known Consignor Programmes

(Doc: FA0016)

An updated tabular comparison between the two programmes AEO and Regulated Agent / Known Consignor (RA/KC) has been presented at the last meeting and it has been decided to task the WCO Secretariat to provide further clarification on the scope, objectives and purposes of both programmes. It results that both programmes pursue comparable objectives.

A group of operational expert (discussing in parallel with this meeting) would identify what can be shared and used by the parties in the separate schemes and explore the opportunity for synergy between them.

Common position

We should take note of the document. If necessary we should intervene in line with the 2010 EU Action Plan on Air Cargo Security (Council Document 16271/1/10 Rev. 1)

We should advocate that the work in the WCO and ICAO focuses on how the audits/validations can be synchronised as much as possible, avoiding, as much as possible, the duplication of efforts, both on the government side and the industry side.

We should also indicate that it is important that the competent authorities not only take the trusted trader status into account during the audit/validation phase but that they also share information when the trusted trader status is suspended or revoked. Otherwise one government agency may suspend or revoke the trusted trader status for their part but the other government agency continues the trusted trader status because it is still unaware that the trusted trader no longer meets the requirements.

We should also indicate that is of importance to find practical ways to take the trusted trader status of the one agency into account in the processes of the other agency. For instance, if a WCO Member Customs administration gives benefits to AEOs in the air cargo security environment, it should also consider how the trusted trader status of the aviation security authorities, even if they are not AEOs, could be taken into account for air cargo security purposes. On the other hand, aviation security authorities should do the same for AEOs, even if they are not Regulated Agents or Known Consignors.

XIII Other Business

Common position

We should indicate that we consider it extremely important that the government departments responsible for Postal Operators are informed about the real security concerns concerning postal operations and that it is very important that swift and decisive action is taken at the UPU level at their Congress in Doha in September 2012. The next occasion will be the 2016 Congress which would mean that 15 years after the 9/11 attacks on the US and 6 years after the Yemen incident postal operation at a global level continue to pose an unacceptable security risk.

XIV Executive Summary

No position is necessary