



# Secure Freight

A graphic element consisting of a blue magnifying glass with a yellow checkmark inside its lens, positioned over a light blue 3D box.

## Cargo Network Services Conference

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Director Cargo Supply Chain Management  
Miami 2010

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# What is Secure Freight?

## Secure Freight: **The Vision**

- The air cargo supply chain faces increasing challenges due inconsistent security regulatory environment:
  - Air cargo supply chain is well regulated in some States and poorly, or not at all, in others
  - Regulatory requirements vary considerably
  - Further complicated as States have different levels of understanding of the air cargo supply chain and perceptions of threat and levels of risk

## Secure Freight: **The Vision**

- The Secure Freight Program is an air cargo security quality assurance system that aims:
  - To set industry standards that secure shipments in the supply chain and then protects them from unlawful interference until they have been loaded onto the aircraft
  - Address deficiencies in the implementation of cargo standards by Contracting States (States contracted to implement ICAO Annex 17) that are not doing so, or not doing so adequately.
  - Provide a solution for those States who require assurance that inbound and transshipment cargo are adequately secured at a point of uplift.

## Secure Freight: **The Vision**

- It is industry's offer of assistance through:
  - Creation of templates and documents, best practices (standards and processes)
  - Based on what actually works in the world to assist those countries in securing the supply chain.
  
- Objective is all air cargo supply chains are secured based on a program to ensure that freight is secured upstream and then protected throughout the supply chain.

## Secure Freight: Guiding Principles

- The guiding principles of Secure Freight are:
  - Incorporates the whole of the supply chain to prevent bomb on aircraft and theft/crime prevention, bringing countries up to ICAO Annex 17 standards
  - Aims to achieve implementation of Secure Freight Standards by states that have no supply chain security programs and recognition by those states that have
  - In countries where programs have effective existing supply chain security standards, IATA will seek to recognize these and will not add to or duplicate requirements
  - The Secure Freight Program ***is not intended*** as “additional measures” to be applied to those countries that all ready are in compliance.

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# Why Do it?

## Secure Freight: **The Value Proposition**

- Industry supports better supply chain security regulations
- However, it cannot afford for these regulations to be inconsistent, duplicated or uneconomic.
- Development, implementation and recognition of a globally relevant air cargo supply chain security standard, being consistently implemented by governments is therefore required.
- For outbound cargo, screening is done at different stages of the supply chain and very often at the handover to the airline, which creates bottlenecks, increases costs and delays shipments.



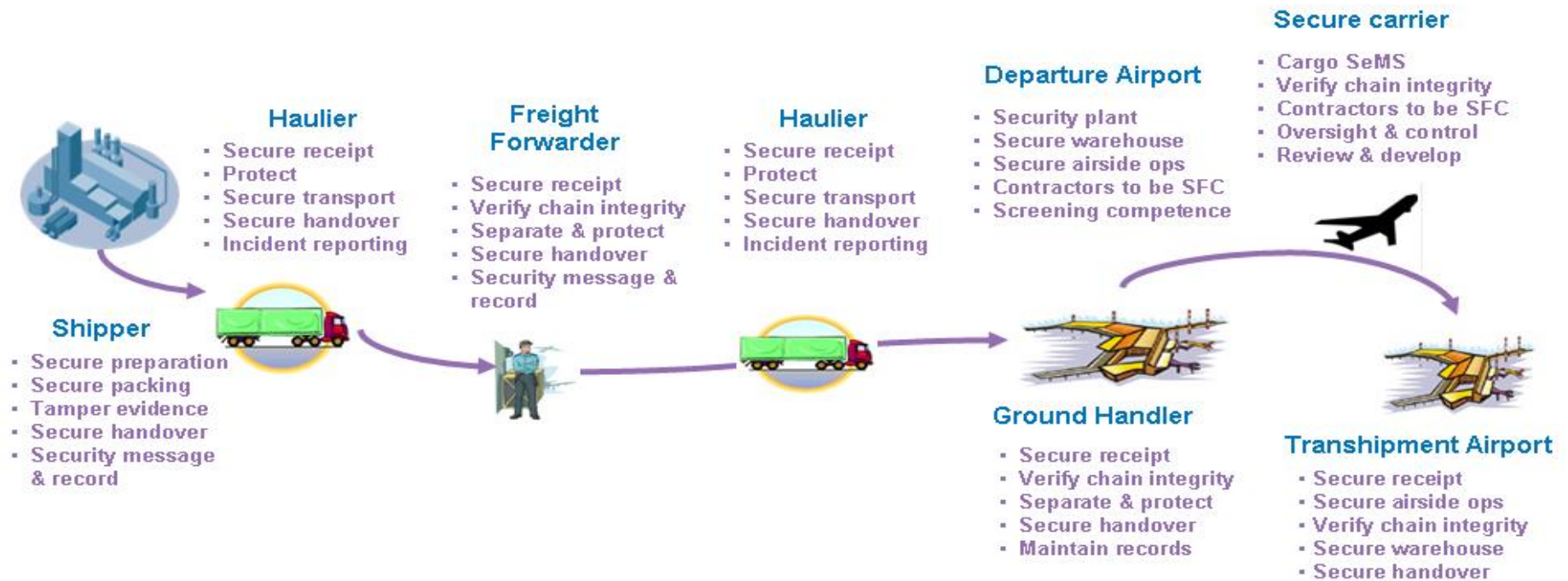
## Secure Freight: **The Value Proposition**

- Secure Freight avoids duplicate screening by supply chain stakeholders and reduces bottlenecks at the airport, as cargo would be secured upstream in the supply chain.
- Today, transshipment cargo may have to be rescreened at the point of transshipment, even if the cargo was secured at the point of loading
- Project will lobby governments to seek recognition of countries that have implemented Secure Freight to not to require additional security measures for transshipment and inbound cargo.
- Secure Freight will deliver consistent standards and operational procedures and therefore lower costs
- Based on the work completed to-date, it is estimated that annual industry savings of up to US\$ 468 million are achievable.

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# The Scope

# Secure Freight: Supply Chain Solution



## Secure Freight: **The Scope**

- Current scope is focused on the movement of freight from the shipper to the airport of uplift for international consignments.
- Secure Freight will in the long term, extend across the whole of the supply chain.
- Where practical, will require security information being transmitted electronically in place of the paper declaration
- To communicate that the cargo has been secured and is being handed over by a Secure Freight Operator.
- To be globally relevant will seek recognition of its equivalence by regulators that have effective supply chain security programs in place.

## Secure Freight: **The Scope**

- All countries that have no or underdeveloped security programs are in scope. A High Level Assessment used to assess where to be implemented:
  - Contracting State to ICAO Annex 17
  - WCO Safe Framework Letter of Intent signed
  - Willingness to participate
- The implementation of Secure Freight requires states and IATA to enter into Memorandum of Understanding
- Thus IATA will only undertake training, audits, etc. at the direction of the State.
- If a State does not have a legal framework that allows for supply chain security, the state will need to write a national Secure Freight program into their legislation.

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# The Secure Freight Product

## Secure Freight: **The Product is based on 3 elements**

### 1. **A National Secure Freight Program:**

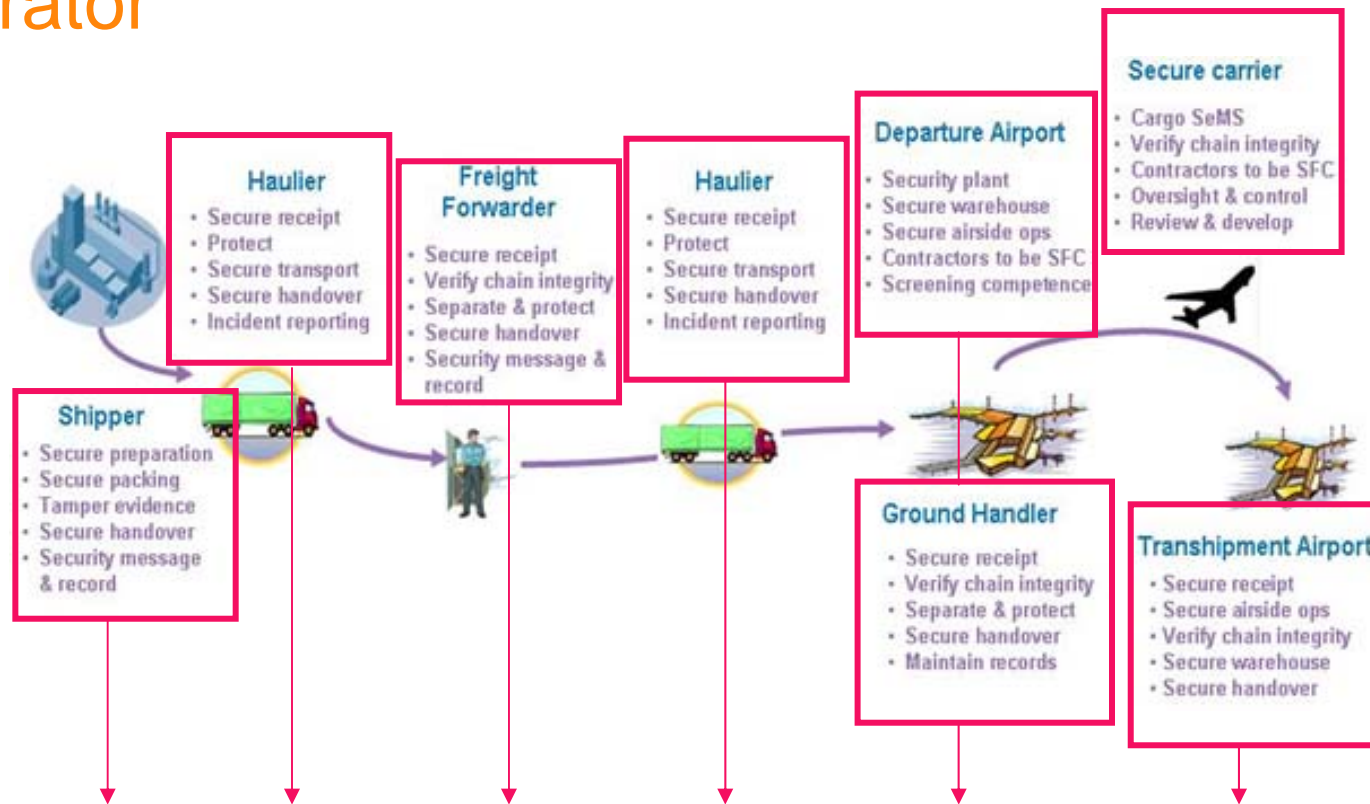
- Its aim to regulate the air cargo industry within contracting states that are compliant with ICAO Annex 17
- So that certified Secure Freight operators comply with secure supply chain process and standards that protect the safety and security of air cargo.
- A National Secure Freight Program shall be in compliance with:
  - ICAO Annexes 17 & 9
  - The Secure Freight program
  - World Customs Organization's Safe Framework of Standards
  - Other relevant national laws

## Secure Freight: **The Product is based on 3 elements**

### **2. Secure Freight Standards Manual:**

- The Secure Freight Standards Manual defines how Secure freight operators are to comply with standards that allow a shipment to be transported across the supply chain securely.
  
- Elements include:
  - Auditing of the legitimacy of a shipper and the security standards at their premises
  - The handover process as the shipment is transferred between the parties of the supply chain
  - What to do in the situation where the package has been tampered with
  - Incident reporting mechanism and action to prevent reoccurrences

# Secure Freight: How to become a Secure Freight Operator



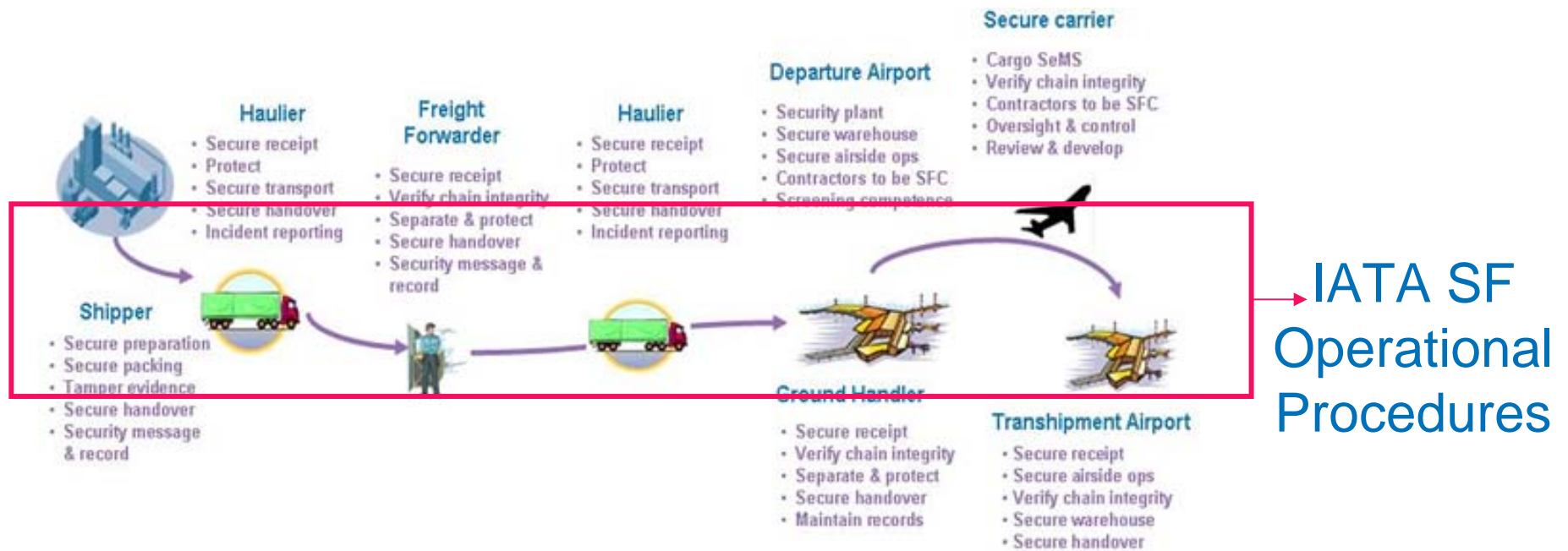
Secure Freight Standard Manual

## Secure Freight: **The Product is based on 3 elements**

### **3. Secure Freight Operational Procedures:**

- The Secure Freight Operational Procedures provide a guide as to how to move cargo with its associated information through the secure supply chain
- That is, from one Secure Freight Operator to the next.
- It provides a high-level description of how stakeholders shall secure cargo and preserve its security integrity from the initial point in the supply chain to the moment it is uploaded on to an aircraft.

# Secure Freight: How to move cargo and information between Secure Freight Operators



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# Delivery Approach

## Secure Freight: **Delivery Approach**

- 2009 Deliverables:
  - Determine the Secure Freight product
  - Establish a National Secure Freight Program in Malaysia in conjunction with DCA
  - Draft the Secure Freight Standards
  - Draft the Secure Freight Operational Procedures

## Secure Freight: **Delivery Approach**

- 2010 key deliverables:
  - Test the product
  - Prove that it works
  - Determine the certification and audit process for SF operators
  - Once tested close any gaps

## Secure Freight: **Delivery Approach**

- 2010 key deliverables – expand the network beyond the pilot location:
  - **Amsterdam**
    - The Netherlands is a moderate threat environment.
    - The security of transshipment cargo is a concern for the European Commission and Member States.
    - Amsterdam is a major transshipment hub
  - **Cairo**
    - Egypt is a higher threat environment.
    - Egypt member of the ICAO AVSEC Panel and together with Egypt Air, expressed interest in 2009 in Secure Freight participation.
  - **Los Angeles or New York.**
    - The USA is at moderate threat level.
    - The US intends to achieve 100% screening of inbound cargo and is exploring options to achieve this.
    - The TSA is not able to mandate a CCSP type programme in each country of uplift and therefore an equivalent alternative is required.
    - TSA is a long-standing supporter of Secure Freight principles and objectives.

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# Success Criteria

## Secure Freight: Success Criteria

- In 2010 deliver the first pilot in Malaysia
- Ensure that a National Secure Freight Program is written into Malaysian legislation
- Prove that a Secure Freight shipment can be transported across the supply chain up to and including the point for uplift at origin
- The Secure Freight shipment is communicated in accordance with the Secure Freight Operational Procedures
- Take the lessons learnt from the Malaysian pilot and adopt them in future Secure Freight locations
- Start Secure Freight network in another 3 locations
- Develop an implementation model for the future Secure Freight locations.



# Secure Freight Panel

- Douglas Britten, Air Cargo Operations, TSA
- Jack Boisen, Chairman Security Subcommittee, TIACA
- Brandon Fried, Executive Director, Air Forwarders Association
- Lenny Feldman, Managing Member, Sandler, Travis & Rosenberg

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# Experiences of Malaysian Pilot

# Secure Freight: Experiences of Pilot

## Starting-up:

- Facing the unknown where did we start - a blank sheet of paper + existing programs as base line
- Determining the road from indicative requirements to a Standards Manual in parallel processes
- The engagement of Malaysian DCA - Leadership
- The approach to establishing a NSFP
- The engagement of all stakeholders with a phased approach
- Commitment to achieve a goal, trust among partners, tenacity, compromise areas of influence



## Secure Freight: Experiences of Pilot

### Specific challenges:

- Associated in the implementation (from individual stakeholder's perspective)
- Dependencies of documents developed in parallel
- Creating something that did not exist in MY (NSFP), needed a legal framework
- Local Operating Procedures (per stakeholder) dependencies
- Hand-over processes agreement among all
- Working in an electronic environment



# Secure Freight: Experiences of Pilot

## The general challenges:

- Getting buy-in from the supply chain
- Available resources
- Availability of the right tools kit
- Management of Change
- Culture
- Time Differences



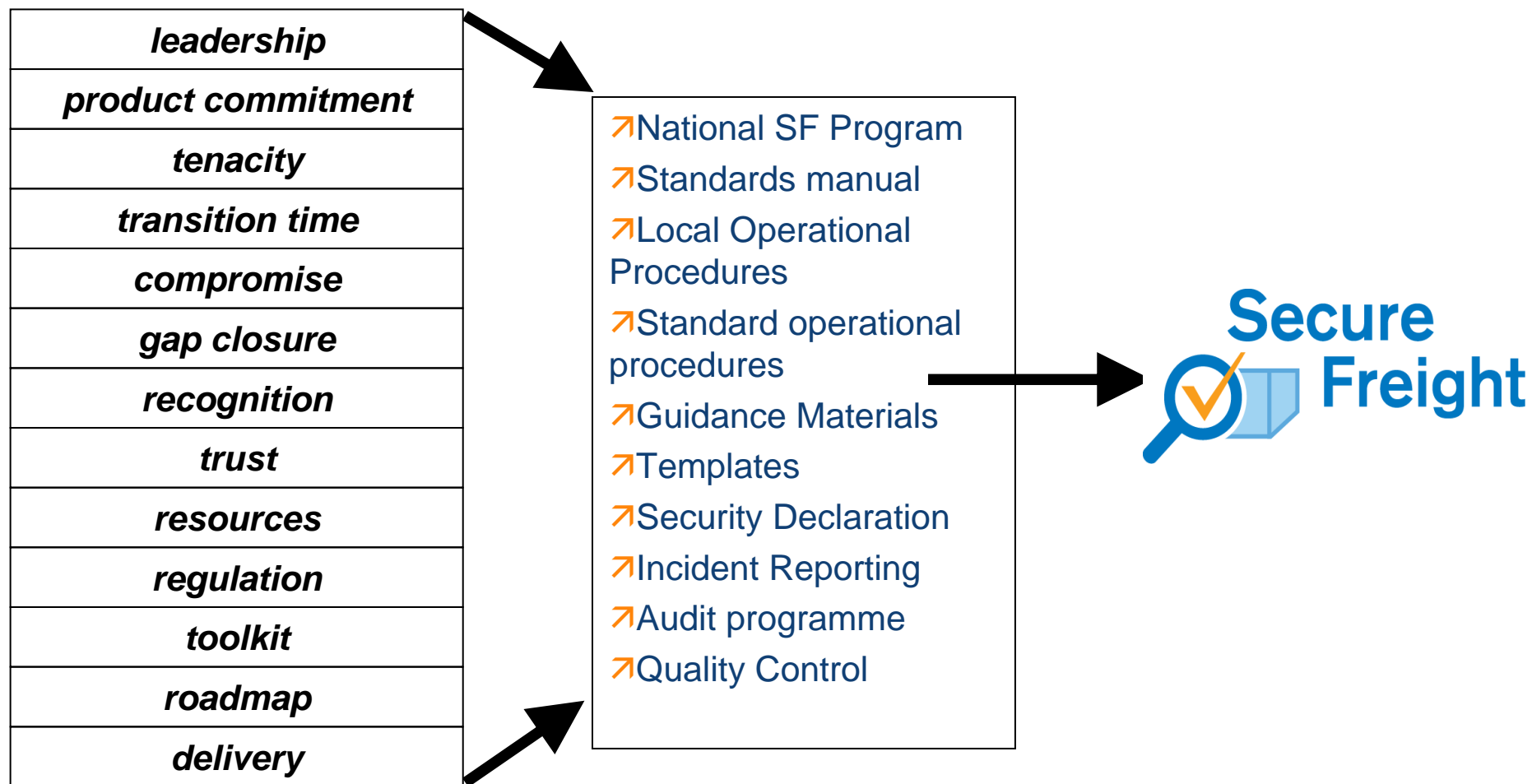


## Secure Freight: Experiences of Pilot

### Achievements:

- We now know what it is!
- Quality Assurance defined and included in the program
- Secure Freight Standards, Operational Procedures, Local Operational Procedures and Training (drafted)
- National Secure Freight Program nearing completion
- DGF Malaysia & Intel Malaysia participating in pilot
- Enhancements to Malaysian infrastructure, processes & procedures
- Industry Task Force

## Building a Secure Freight Location Requires...





For more information, visit the Cargo website  
<http://www.iata.org/whatwedo/cargo/>

The screenshot shows the IATA Cargo website with the following content:

- Navigation:** About Us | Membership | Work Groups | Areas of Activity | Solutions | Events | Training | Pressroom. Below: IATA by Region | Careers | Customer Service.
- Left Sidebar:**
  - > Cargo - Home
  - > e-freight
  - > Cargo 2000
  - > Cargo Safety
  - > Cargo Security
  - > Cargo & Environment
  - > CASS & Cargo Agency
  - > Cargo Standards
  - > Cargo Solutions
  - > Dangerous Goods
  - > Live Animals
  - > Perishables
- Main Content:**
  - IATA e-freight** (with image of yellow and blue cargo boxes)
  - Breadcrumbs: Home » Areas of Activity » Cargo » IATA e-freight
  - IATA e-freight**
  - The IATA e-freight project aims to take the paper out of air cargo. Facilitated by IATA, the project is an industry-wide initiative involving carriers, freight forwarders, ground handlers, shippers and customs authorities.
  - Each air cargo shipment carries with it as many as 30 paper documents – enough to fill 80 Boeing 747 freighters every year. IATA e-freight replaces 13 of these documents with electronic messages. That will increase to 16 in 2009, and 20 in 2010.
  - Key benefits include:
    - Lower costs: industry savings of up to US\$4.9 billion annually
    - Faster service: a reduced cycle time of an average of 24 hours
    - Greater reliability and accuracy: one-time electronic data entry at point of origin
    - Better visibility: electronic documentations allows for online track and trace functionality
- Right Sidebar:**
  - Search box with "All IATA" dropdown and "Go" button.
  - Print this page
  - Contact us
  - Advertisement: "Need Help Supporting Standards? Visit DataConnections" with logo for Progress | DataDirect (www.datadirect.com)
  - Related links
  - Are you READY? (with 'e' logo)
  - Project status
  - IATA E-FREIGHT LIVE