



MARITIME TRANSPORT SECURITY REGULATION: POLICIES, PROBABILITIES AND PRACTICALITIES

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A Quick History of Customs

- Portcullis - the traditional symbol of Customs
- Symbolises a nation's ports - the gates through which international trade must pass
- Customs is the Gatekeeper



A Turning Point

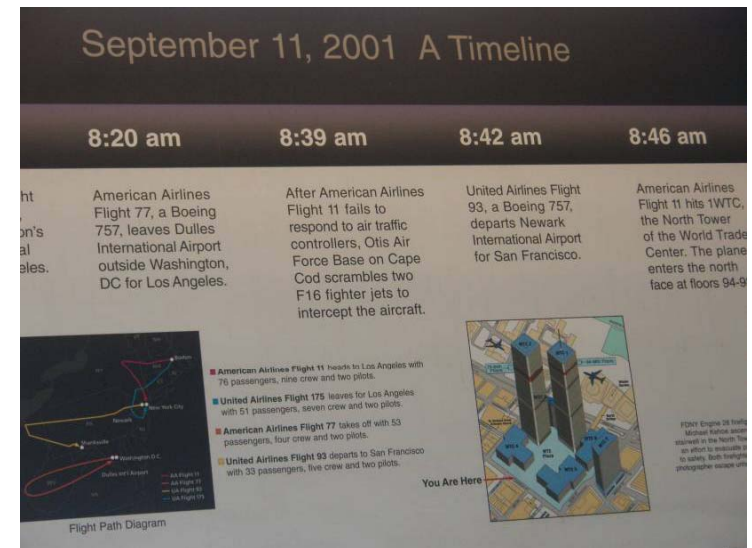
Late 20th Century change in approach:

- From 'Gatekeeper' strategies
- To a balance between trade facilitation and regulatory intervention



Another Turning Point

Since 9/11, supply chain security initiatives have tipped the balance in favour of regulatory intervention



Post 9/11

- Comprehensive US response through e.g.:
 - 24 hour rule
 - Container Security Initiative (CSI)
 - Customs-Trader Partnership Against Terrorism (C-TPAT)
 - Importer Security Filing (“10+2” Rule)
 - Secure Freight Initiative (100% Scanning)

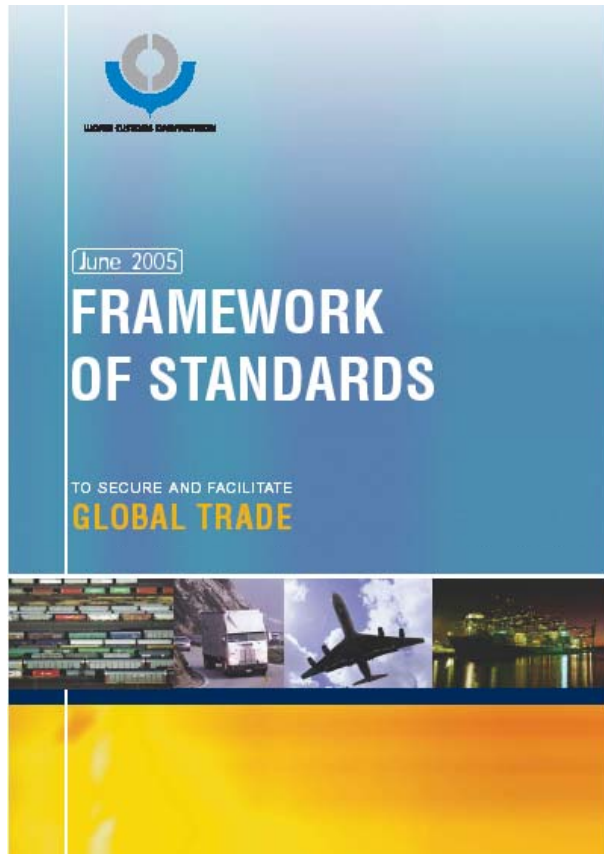


Post 9/11

C-TPAT is designed to provide CBP with a method of identifying and focusing their resources on potentially high-risk consignments, i.e. those that do not form part of a supply chain that is assessed to be ‘secure’



Post 9/11



The WCO drew heavily on the US C-TPAT initiative in developing its Framework of Standards to Secure and Facilitate Global Trade

Post 9/11

Authorised Economic Operator:

“...companies that demonstrate a verifiable willingness to enhance supply chain security will benefit. Minimizing risk in this way helps Customs in performing their security functions, and in facilitating legitimate trade”



Risk-Based Responses

- SAFE Framework of Standards
- AEO Initiatives
- C-TPAT
- IMO ISPS Code
- Known Shipper Program (Air Transport)



Risk-Based Responses

- AEO and similar initiatives provide a way of reducing the size of the ‘risk’ pie
- There is an increasing focus on identifying high risk consignments rather than low risk operators, e.g. 10+2 Rule and 100% scanning



Risk-Averse Responses

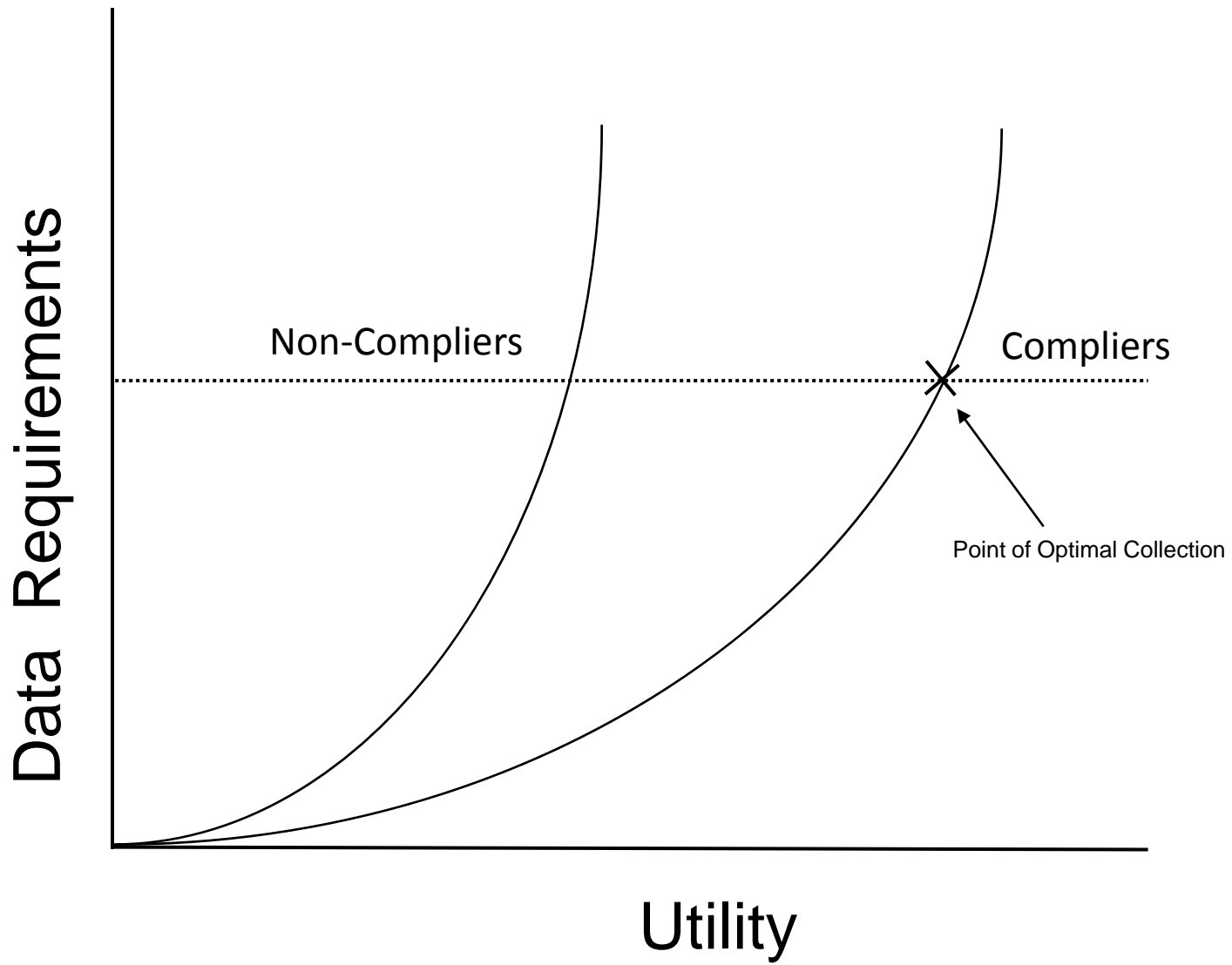
CSI

10+2 Rule

100% Scanning

- Need to maintain perspective and ensure a balance is maintained, i.e. intervention:
 - when there is a legitimate need to do so
 - based on identified risk
- It's time to challenge assumptions





Closing Thought

If a trader demonstrates a commitment to global supply chain security by achieving and maintaining AEO status, does there remain a genuinely risk-based need for the trader to provide advance information to the authorities who granted that status....and also for the container to be scanned?



Thank You!

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