WORKSHOP 4 CONCLUSIONS

Ensuring a Secure
Global Transport System

Wednesday 27th May 2009

Background

Governments and stakeholders, including business and travellers, have a shared interest in establishing effective policies to ensure transport takes place under secure conditions. Policies should be effective and they should make good use of scarce resources.

Towards risk-based security policy

Not all existing security policies are effective. Policies often are inflexible and static, whereas the sources of insecurity are flexible and dynamic. Policies mainly rely on target-hardening, but this is ineffective in target-rich open societies. A thorough rethinking of key principles of security policy is necessary to get more security out of scarce resources.

Current responses grew out of a need to be seen to act and convince the public that security is ensured. This has led to drastic and visible measures, which may protect well against intrusions as they occurred in the past, but do so at a high cost and do not adapt well to changing threats. Regulation often focuses on the process and not on outcomes, further limiting flexibility of the security providers to respond to changing threats or new intelligence.

The public willingness to accept innovative approaches, e.g. body scanning, is low, perhaps partly because of media emphasis on their downsides instead of their potential to provide smoother security services.

The key idea is to move towards risk-based security policies. This implies dropping the illusion that 100% security can be reached by a comprehensive approach, and instead rely on risk-assessment to focus efforts where they are most needed. It requires open communication with the public, showing that risk-based approaches are effective yet admitting they fall short of eliminating security risks entirely. The gap between security and perceived security needs to narrow.

In passenger aviation registered travellers volunteer to provide information to allow background checks and easy identification, and could be subject to less thorough security procedures, freeing up resources for where risks are higher. More selective security policy also facilitates the introduction of effective but currently unpopular detection methods, such as body-scanners, as not all passengers will be subject to them.

In maritime transport, aiming to scan all containers, even if that proves feasible, might actually reduce overall security because it diverts resources from where risks are higher. Initiatives such as the Authorized Economic Operator program within the World Customs Organization (WCO) allow better risk-based policy and deserve encouragement. Although signalling one's low risk profile will not generally lead to exemption from all other security programs, as different layers in the security system address different dimensions of risk, layered and risk-based systems are very good substitutes for extreme policies such as 100% scanning of containers.

Towards a multilateral approach

Security is a global issue, so ideally requires a global approach. In fact there exists a multitude of poorly coordinated and parallel security initiatives, which

businesses or countries often have little choice but comply with at a high cost to them and their customers or citizens.

Mutual recognition or a more comprehensive multilateral approach could reduce compliance costs and the cost of providing security overall. Initiatives such as those in the WCO, or the Transport Security Coordination Group of the EU and the USA, are steps towards multilateralism. However, the ideal of a global "one stop security" system is not within mid-term reach. For example, countries have different interpretations of WCO guidelines, an issue difficult to resolve in such a sensitive area as security.

Who pays and who should pay?

Financing mechanisms for aviation security are diverse, with more emphasis on general revenue funding in the USA and on user charges in the EU. Financing of supply chain security is not very transparent, but compliance costs tend to be borne by supply chain operators and their customers, and by government.

Given that the benefits of security accrue to the general public as well as to travellers or end-users of supply chain operations, a mixed approach is defensible. However, a user-pays-oriented approach holds more potential for incentives to save costs and spend revenues effectively.

Compliance with security requirements can involve large fixed costs, which are harder to bear for smaller firms or countries and may worsen their competitive position.

Incentives for supplying security

Supply chains are complex and evolve quickly. Security needs to be embedded in the operation of the chain, and should be seen as an added value. Procedures should be resilient and flexible, implying that regulation cannot be strongly prescriptive.

Supply chain operators are interested in clear regulations, as they help them decide on how to invest and work towards effective security provision. A clear and common regulatory requirement also avoids competition on security issues and facilitates the operation of alliances.

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International Transport Forum