



Australian Federation of International Forwarders (AFIF) National Conference Gold Coast, Queensland, 24 - 26 May 2012



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Beyond the Simple Facts of Civil Aviation Security



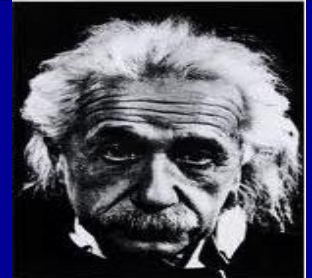
David Fielder

Chairman: FIATA Advisory Body Security Matters

Albert Einstein (1879 – 1955)



Einstein was considered mad on some of his future thinking ideas but he wrote....



“The world is a dangerous place to live, not because of the people who are evil, but because of those who don’t do anything about it”



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Bill Gates once said:



“If you give people tools, and they use their natural abilities and their curiosity, they will develop things in ways that will surprise you very much beyond what you might have expected.”

Most Human reaction is almost impossible to predict and therefore the unknown could be one of our best weapons against terrorism



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Let me challenge your
thoughts and ideas



Is human reaction predictable or is it not?

**Is predictability the terrorist's best weapon and
our weakest defense mechanism?**

Which location below is easier for a thief to enter?



A thief will normally “case a joint” before breaking into it. There are two locations:

Location A: The guard patrols on the hour every hour on a fixed route with login points

or

Location B: The guard is not controlled and is lazy and patrols ad hoc at various times on various routes.



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“Embracing risk could reduce the hassle of today's airport while making us safer at the same time”.



Former head of the TSA, Kip Hawley, in his new book, "Permanent Emergency," outlines why airport security needs to change.

He states: “Randomize security: Predictability is deadly. Banned-item lists, rigid protocols — if terrorists know what to expect at the airport, they have a greater chance of evading our system



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The past, the present,
and the future.....



The intensity of aviation security worldwide has drastically increased throughout the years. In the midst of securing flights, we have incurred additional cost, created much confusion, instilled unnecessary fear and developed additional security layers all in the name of strengthening our perceived security – not to mention increased..>>



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Is maintaining cargo security perceived the same by everyone?



>>> Government: ensuring nothing is added in such as WMD (do they exist?) or drugs

>>> Carrier: nothing inserted into cargo which might damage the carrier and ensure no pilferage

>>> Forwarder: No theft to our cargo



Theft or Terrorism?



ICAO and Governments legislate for prevention of terrorism but not to prevent theft,

Is there really any difference between taking from cargo or adding to cargo? Both involve cargo tampering

Industry and legislators have the same focus, even if objectives are different.... **Maintaining cargo integrity**



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A Security Christmas Carol

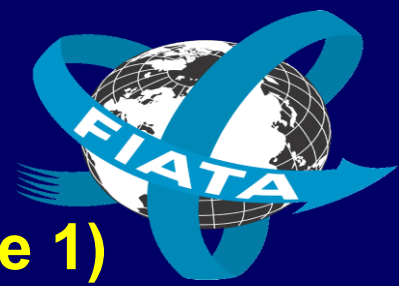


Security Past



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External Threat



In the past aircraft threats were difficult to protect against, (unless you are on “Airforce 1)

1999: Taliban commandos at a hijacked Indian plane that was allowed to land in Afghanistan



22 Nov, 2003, a DHL A300B4 took off from Baghdad Airport and at an altitude 8,000 feet, was struck by one SAM-14 missile.



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Security initiatives MUST change from Reactionary to Pro-active



Lockerbie Bombing – enhanced security checks on luggage

9/11 : Various US Acts to enhance aviation security



Shoe Bomber: taking shoes off when passing airport security

Bomb in underpants: full body scanners to be introduced



The printer cartridge



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The wedding cake



A Security Christmas Carol



Security Present



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So what are governments and Industry doing? And is it the correct path?



ICAO (int'l Civil Aviation Authority which is a UN body owns Annex 17.

TSA have the 9/11 ACT and push for 100% physical screening

The European Union have enacted EU185 and the global application EU859



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EU859

EU859 calls for “independent Validation of Freight Forwarders by July 2014

Industry has varying thoughts as to who should and has capability to do this



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**So what are governments and
Industry doing?
And is it the correct path?**



IATA has formulated “Secure Freight”

USA has recently created “ACAS”

**Australia (OTS) has introduced the *Aviation Transport
Security Amendment Regulation 2012***

So how does this affect you ?



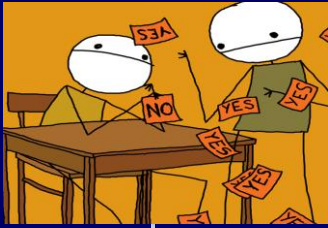
Australia may be at the bottom of the world but is still a very important link in the global supply chain.

But will the new Security regulations be effective?

Can Australia keep up with the world moving towards 100% physical screening?



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More importantly do all the security measures work?



The TSA want clear plastic so that carrier knows what is on the pallet, but the forwarder wants a secure pallet to prevent theft. - Are the two are diametrically opposed?

TSA wants full AWB documentation

but forwarders want as little of sensitive info as it might help thieves target their cargo Are the two are diametrically opposed?



Do we tie ourselves in knots over regulatory compliance that may not work?



The more the **red tape** and rules being black and white, there is less room for common sense to be applied to thwart terrorism.



The more solid the rules makes it easier for the terrorist (thieves) to breach security without hidden surprises.



Do we leave gaping holes for thieves/terrorist to walk through?



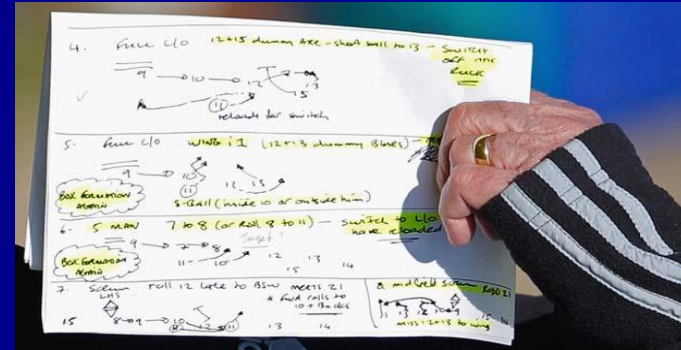
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The All blacks Game Plan



The All blacks Asst. coach, when commenting on suggestions in respect of rules governing reporters, replied:

“I think common sense is the key. You can write as many rules as you like but at the end of the day if you don't use common sense, rules don't matter.”



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A Security Christmas Carol



Security Future



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Without doubt we will face further increased security in the future.



Although the world has gone through and still is suffering from economic collapse in 2008/09, it is ironic that security continues to grow and as a business is a survivor

As cargo flow lessened during the past years did we take this chance to rationalize what security is really needed? NO!



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TSA Sets Cargo Screening Deadline for International Inbound Passenger Aircraft



WASHINGTON – The Transportation Security Administration (TSA) today announced it has set a deadline for passenger air carriers to conduct 100 percent cargo screening on international flights bound for the United States. Beginning December 3, 2012, all cargo shipments loaded on passenger aircraft must undergo screening for explosives, fulfilling a requirement of the *Implementing Recommendations of the 9/11 Commission Act*.

This process requires enhanced screening for shipments designated as higher risk, while lower risk shipments will undergo other physical screening protocols.



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Piece level Screening will come for the entire industry



Maybe the impact of piece level screening is not so much of a deal if we look back on this in 20 years time?

The main challenges for the future for the freight forwarding industry?



History has shown challenges constantly vary - as one is overcome another materializes.

How to meet all the varying security related regulations is certainly challenging.

Challenges exist in balancing the ever increasing need for cargo documentation such as security declarations, against a global move to be paperless and “green”.



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Future Challenges – Food for thought! **A/F Freight Forwarding Doomsday Scenario !?!?**



- Increase in Low Cost Carriers (LCC)
- Reduced passenger on mainline carriers
- Reduction in passenger capacity needed
- Further reduction in cargo capacity in an over-supplied market
- Capacity constraints = freight rate issues
- Cost of cargo in transit reduces
- Security requirements and cost escalate
- Cargo MOVE to O/F!
- Security costs decrease?????



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So what of the Security future?



>>> Aircrafts with embedded bomb detection equipment?

>>> Embedded body chips replacing ID cards and passports

Far fetched?? Remember in the 60's so did putting a man on the moon, space travel, and super computers (2001 a space Odyssey). These were all a dream, yet a dream that has come true.

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Protection>>>>>



So is there a Silver bullet solution to protecting cargo or are we looking at hybrid solution such as a bronze bullet solution

Silver Bullet



or

Bronze Bullet



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The Bronze Solution



Gov't should look to a long term exit plan on the war on terror? and...

Regulations must be practical to achieve the results, and

Regulations must be flexible enough to allow for common sense interpretations, and

Regulators **MUST** ensure industry collaboration,and industry **must** be prepared to collaborate



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Title may be airfreight but.....



AFIF covers both Sea and air so I would like to take this opportunity of going back to my roots as a Master Mariner and briefly also touch on Ocean freight and in particular PIRACY and protection



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The following definition of piracy is contained in article 101 of the 1982 United Nations Convention on the Law of the Sea (UNCLOS):



“Piracy consists of any of the following acts:

Any illegal acts of violence or detention, or any act of depredation, committed for private ends by the crew or the passengers of a private ship or a private aircraft, and directed -

- (i) on the high seas, against another ship or aircraft, or against persons or property on board such ship or aircraft;**
- (ii) against a ship, aircraft, persons or property in a place outside the jurisdiction of any State;**

(b) any act of voluntary participation in the operation of a ship or of an aircraft with knowledge of facts making it a pirate ship or aircraft

(c) any act inciting or of intentionally facilitating an act described in sub-paragraph (a) or (b).

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Ocean Freight - Piracy



At the end of 2010, around 600 seafarers from more than 18 countries were being held hostage by pirates. Piracy clearly affects the world's largest trade transport industry, but how much is it costing the world? One Earth Future (OEF) Foundation conducted a large-scale study to quantify the cost of piracy. Based on their calculations, maritime piracy is costing the international economy between \$7 to \$12 billion annually.

Forgetting tankers, how do delays in containers transit affect forwarders?



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Ocean Freight - Piracy



Based on their calculations, maritime piracy is costing the international economy between \$7 to \$12 billion annually.

But what of claims? The highest recent "RANSOM" paid out was USD18,000,000.

Payment under Criminal activity rather than Piracy! GA??

The Direct Economic Costs of Piracy	
a)	<i>The Cost of Ransoms</i>
b)	<i>The Cost of Insurance</i>
c)	<i>The Cost of Re-Routing</i>
d)	<i>The Cost of Deterrent Security Equipment</i>
e)	<i>The Cost of Naval Forces</i>
f)	<i>The Cost of Piracy Prosecutions</i>
g)	<i>The Cost of Piracy-Deterrence Organizations</i>
Secondary (Macroeconomic) Costs	
a)	<i>Costs to Regional Trade</i>
b)	<i>Cost to Food Price Inflation</i>
c)	<i>Cost of Reduced Foreign Revenue</i>



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Ocean Freight - Piracy



2011 - Piracy



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Ocean Freight - Piracy

Latest figures updated 23 April 2012



Worldwide Incidents:

Total Attacks Worldwide: 121

Total Hijackings Worldwide: 13

Incidents Reported for Somalia:

Total Incidents: 51

Total Hijackings: 11

Total Hostages: 158



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**Piracy, Terrorism, what is the
difference??????**



**I close with the remarks of one of
the Bali bombers....**

**“We were unlucky today;
BUT
YOU must be lucky everyday”**

Latest News:



EU and USA agree to recognize each other's "trusted traders". EU and U.S. certified trusted traders will enjoy lower costs, simplified procedures and greater predictability in their transatlantic activities, as a result of a mutual recognition decision signed on 4 May 2012.

Importantly, mutual recognition will also improve security on imports and exports, by enabling customs authorities to focus their attention on real risk areas.



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And one more final thought:



Today we come to a time in our world where it would be impossible to live without security, even if terrorism stopped, fraud squads and detectives became very efficient and reduced global theft significantly and so? I believe it is so engrained in our lives that it is here to stay no matter what. So let's embrace it and not fight it

Thank you

