WCONEWS

Security and technology: sharing experiences!

E-freight: gain competitiveness and efficiency
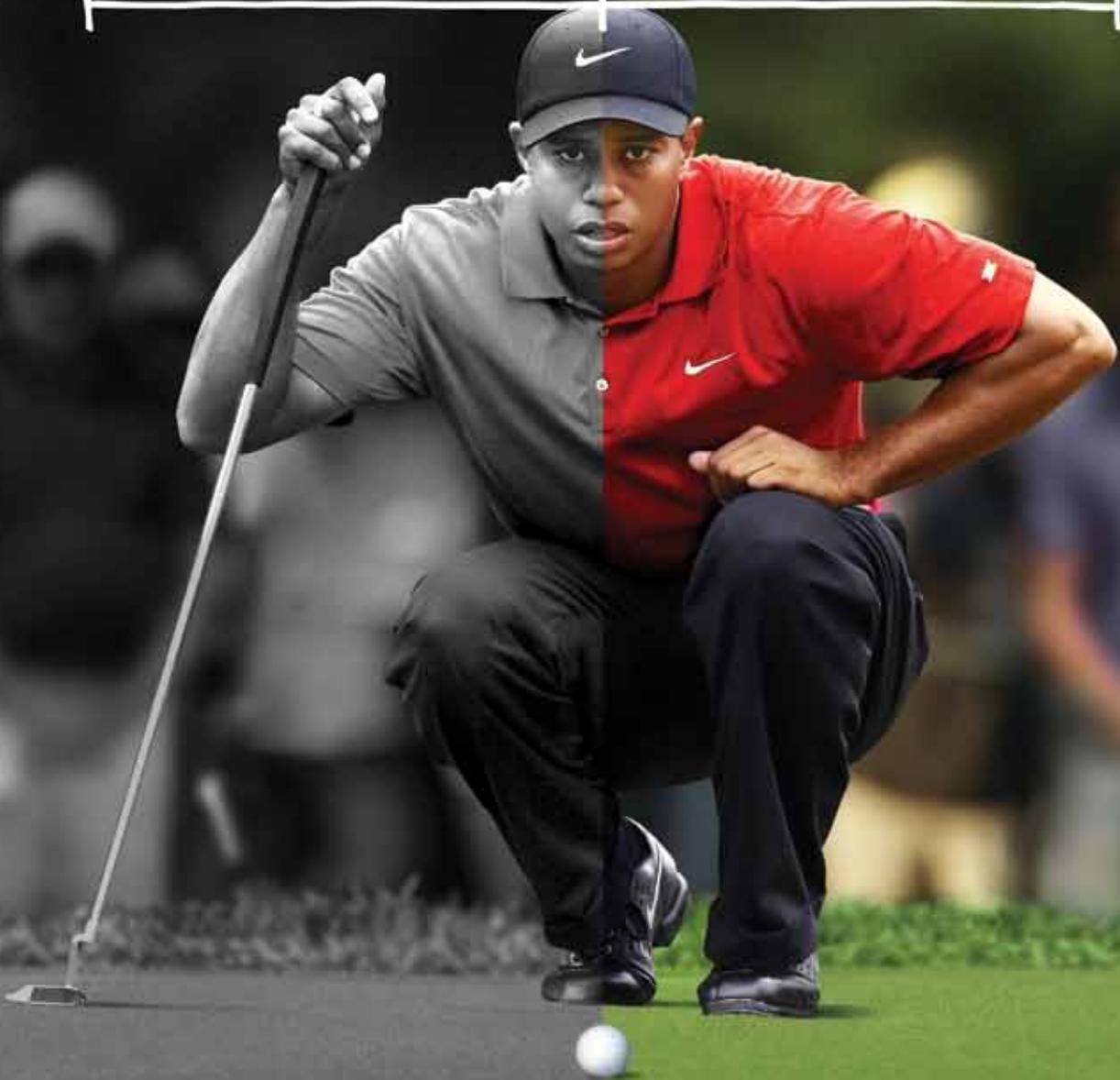
Operation Demeter: a successful hunt on a grand scale

World Customs Organization

Content

Calendar of Events

It should be noted that these meetings are mentioned for information purposes and are not all open to the public. Training Workshops are devoted to Private sector. Unless otherwise indicated, all meetings are held in Brussels. Please note that these dates are indicative only and may be subject to change. This document is regularly updated on the WCO Members' web site, under the "Information for delegates" section, and on the WCO public web site: www.wcoomd.org

October

13 - 14	Training Workshop on HS High-Tech Products
13 - 14	Permanent Technical Committee (187th/188th Sessions)
13 - 14	Enforcement Committee (29th session)
13 - 15	Permanent Technical Committee/Enforcement Committee (Special Joint Session)
15 - 16	Training Workshop on HS General Interpretative Rules
19 - 23	Technical Committee on Customs Valuation (29th Session)
21 - 22	Training Workshop on HS Chemical Products
26 -27	Finance Committee (88th Session)
26 - 30	Data Model Project Team
28 - 29	WCO Counterfeiting and Piracy Group (CAP)

November

5 - 6	WCO Technology and Innovation Forum 2009
16 - 20	Harmonized System Review Sub-Committee (39th Session)
17 - 19	Training Workshop on Rules of Origin
24 - 25	Training Workshop on Customs Valuation and Transfer Pricing
26 - 27	Training Workshop on SAFE Framework of Standards

December

7 - 9	Policy Commission (62nd Session)
10 - 11	WCO Revenue Management Conference

January

4 - 6	Data Model Project Team
6 - 8	Working Group on Commercial Fraud
7 - 8	Information Management Sub-Committee
11 - 14	Scientific Sub-Committee
19 - 20	Global RILO Meeting (9th Meeting)
21 - 22	CEN Management Team(CENMat) (9th Meeting)
25 - 29	Technical Committee on Rules of Origin (28th Session)
26	International Customs Day

February

15 - 16	Audit Committee
17 - 18	Seventh EastWest Institute Worldwide Security Conference

Dear reader,

The paradox of the financial crisis is that the global economy is still feeling its harmful effects on a daily basis, yet at the same time there are sporadic signs of recovery giving us reason to believe that the crisis may have had a salutary effect in some sectors.

Optimism must win the day. The collaborative work carried out worldwide has not been in vain, especially as this period of flux has been capitalized on to move forward and implement reform in the interests of optimal management and heightened performance.

The international Customs community must display ambition and draw inspiration from this approach. Only a single coordinated activity is capable of achieving results in each of the priority areas set, of which the financial crisis and flu pandemic are at the forefront. The WCO must take centre stage in the action, in its capacity as a forum for dialogue and discussion, to note and identify the best practices developed, consolidate skills and know-how and offer WCO Members well-thought-out and pragmatic support, tools and instruments tailored to their requirements.

The WCO has to adopt a forward-looking approach, and this forms the core objective of the research activities undertaken by the "Research and Strategies Unit". This Unit, set up within the Office of the Secretary General, is tackling issues such as the financial crisis, Authorized Economic Operators (AEO) and the impact of the WTO trade facilitation negotiations on Customs. Its aim is to predict problems, suggest discussions and offer innovative solutions that meet everyone's needs.

The WCO must become more accessible and communicate more effectively on the international stage. It does not yet have a high enough profile or enjoy the recognition it deserves and it falls to us, through the quality of our work, the wealth and diversity of our human resources and the motivation which drives us all, to make our Organization shine forth and elevate it to its rightful position.

The year is drawing to a close and we must not waver in our efforts. Much remains to be done, and the international environment will grant us no quarter. What with crisis and pandemic, security and facilitation and, last but not least, capacity building and "Customs in the 21st Century" (C21), the task will not be an easy one.

Without further ado, I leave you to explore this issue which, in addition to the latest international Customs news, contains a Special Report on security technology as a prelude to the Technology and Innovation Forum that will be held in Brussels in November 2009.

I trust you will enjoy reading this edition and I look forward to sharing more news with you next year!

Kunio Mikuriya
SECRETARY GENERAL

*A*t the June WCO Policy Commission and Council sessions I stressed the importance of three key themes, namely, the need for the WCO to remain relevant, visionary and indispensable. On the whole, it is my impression that we strived to maintain and improve upon these three themes during the sessions.

We have promoted the relevance of the WCO to the international community through our communiqué on the global financial crisis, and by encouraging the Secretariat to continue its work on this issue, particularly its interface with the G20.

WCO initiatives such as a review of the revised Kyoto Convention, and the development and implementation of global standards for our authorized economic operator (AEO) and mutual recognition arrangement (MRA) programmes, are helping us to achieve our aims of developing internationally compatible systems and uniform international standards.

The Secretariat continues its work with the World Trade Organisation (WTO); contributing to the multilateral trading system as it seeks to boost aggregate demand and restore growth.

We look forward to the work of the new WCO Counterfeiting and Piracy Group, which we hope will be useful in providing a forum in which to discuss counterfeiting and piracy issues.

As a living document, the Customs in the 21st Century policy provides us with the foundations for the WCO's vision through its strategy and action plan. More Secretariat staff are working on strategy development and also reviewing the work programmes of the technical committees.

The Secretariat is researching issues surrounding globally networked Customs (GNC) and will provide opportunities for the exchange of views and experiences. A new ad hoc group to undertake a GNC feasibility study will provide leadership and guidance on how the WCO can develop GNC, and make recommendations on relevant capacity building for WCO Members.

The Secretariat will collect more information from Members on the structures, arrangements and benefits of models they have implemented in relation to coordinated border management, in order for us to learn more from one another's experiences.

As an example of increasing coordination, the Permanent Technical Committee and the Enforcement Committee will hold back-to-back sessions when necessary.

In recognition of the WCO's key in role in capacity building, in particular, cooperative capacity building with other key development agencies, a Customs Capacity Building Committee has now been established as one of the Organisation's permanent working bodies, helping to ensure the WCO's capacity building programme is well-coordinated.

Regarding security and facilitation of trade, the Secretariat will continue engaging constructively with the new United States Congress and the new Administration, particularly with the Department of Homeland Security, to present alternatives to the US 100% scanning legislation.

The June sessions therefore produced a number of initiatives that will be developed into 2010 and onwards. It is now our task to continue the momentum gained and ensure that we are reaching the goals we have set ourselves though continued hard work, cooperation, and with an eye on the future.

Martyn Dunne
CHAIRPERSON OF THE WCO COUNCIL

Buzz

• Scoop!
The WCO now has 175 Members since 23 September 2009 following São Tomé and Príncipe's deposit of its instrument of accession to the Convention establishing the Customs Cooperation Council with the Belgian Government.
www.wcoomd.org

• On the front page
On the occasion of International Environment Day which is celebrated on 5 June each year, the WCO launched ENVIRONET – an internet-based global communication tool for combating environmental crime at the border. ENVIRONET is an excellent secure platform for more than 900 Customs officials, environmental agencies, police, and international organizations as well as their regional networks to cooperate and share real-time information. **www.wcoomd.org**

• Get reading
World Bank Supply Chain Security Guide
The purpose of the Guide is to make concerned trade and transport-related officials, managers and personnel in developing countries acquainted with, and aware of, the many initiatives mushrooming in the field of supply chain security (SCS), what these initiatives will mean for their respective organizations and how to tackle the inlaid challenges. The Guide describes the many components of SCS, the various programmes worldwide and emerging and existing technologies.
http://siteresources.worldbank.org/INTPRAL/Resources/SCS_Guide_Final.pdf

WTO World Trade Report 2009: Keeping trade open in times of crisis
This year's Report examines the range of measures in WTO trade agreements that governments may call upon when facing economic difficulties (such as safeguards, anti-dumping measures, increase in Customs duties up to permitted WTO ceilings, etc.) and the role that these measures can play.
www.wto.org/english/res_e/booksp_e/anrep_e/world_trade_report09_e.pdf

WTO and UNEP launch a report explaining the connections between trade and climate change
This Report provides an overview of the key linkages between trade and climate change, based on a review of scientific research into climate change, its economic aspects, multilateral efforts to tackle climate change, and national climate change policies and their effect on trade.
www.wto.org/english/res_e/publications_e/trade_climate_change_e.htm

• Info
New WTO online database offers comprehensive tariff information
Comprehensive information on Customs duties became available to WTO website users on 9 July 2009 through a new database – the WTO Tariff Download Facility. Users can now search for Members' Customs duty rates, as actually charged, as well as legally bound maximums and, in many cases, imports, down to a high level of detail.
www.wto.org/english/news_e/news09_e/tar_09jul09_e.htm

• News
⚡At the June 2009 Council Sessions, WCO Members adopted the proposal to establish a Regional Office for Capacity Building (ROCB) in Baku (Azerbaijan). Likewise, two new Regional Training Centres (RTCs) are to be opened; one in the Former Yugoslav Republic of Macedonia and the other in Kazakhstan.

⚡ A new RTC was also inaugurated in Alexandria (Egypt) in February 2009.

• Accessions
Recent accessions to the revised Kyoto Convention
- 28 July 2009, the Former Yugoslav Republic of Macedonia
- 13 July 2009, Qatar
- 26 June 2009, Cuba, Kazakhstan and Sri Lanka
Recent accession to the Istanbul Convention
- 28 May 2009, Albania

• Appointments
Recently appointed Directors General of Customs:
Mr. Vanyo Tanov (Bulgaria); Mr. Karl Dietert (Chile); Mr. Rafael Camilo (Dominican Republic); Mr. Ed Richard Kumah Lanyon (Ghana); Mr. Božidar Vuksanović (Montenegro); Mr. Peter Veld (Netherlands); Mr. Abdullahi Dikko Inde (Nigeria); Dra. Gloria Moreno de López (Panama); Mr. Herman St. Helen (St. Lucia); Mr. George (Oupa) Magashula (South Africa); Mr. Walid Juma (Tanzania); Mr. Arslan Günler (Turkey) Acting DG; Mr. Mike Norgrove (United Kingdom); Mr. Elpidio Jesus Pérez Chirinos (Venezuela).

• For your diary!
4–8 November 2009: 21st Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (Port Ghalib, Egypt).

16–28 January 2010: 15th Meeting of the Conference of the Parties to the CITES Convention (Doha, Qatar).

• Love it!
The French National Customs Museum (Bordeaux) is celebrating its 25th anniversary. The museum is home to extremely varied collections as well as accounts of the history of Customs and its development over the years up to the present day. An exhibition entitled "25 years of acquisitions" is being held to mark this anniversary. Twenty-five objects will be on display, each marking a year in the life of the museum.
www.musee-douanes.fr

• Coming soon
The "Counterfeiting, no thanks!" brochure, a visual aid for the exhibition of the same name, is currently being updated and will be reissued in the coming months together with new exhibition panels. The WCO, a project partner, will offer support to the INPI and UNIFAB which are tasked with coordinating the project. The exhibition and brochure are in English and French.
www.inpi.fr

Improving communication through information

The Compliance and Facilitation Directorate has recently published three new brochures on information and intelligence sharing, a vital element of enforcement.

They describe the three pillars of the WCO's enforcement mechanism:

• The global network of Regional Intelligence Liaison Offices (RILOs) - tasked with collecting, analysing and supplementing data as well as disseminating information on trends, modus operandi, routes and significant cases of fraud.

• The Customs Enforcement Network (CEN) - a global network for gathering data and information for intelligence purposes.

• The CENcomm application - a communication tool permitting the exchange and use of data in a secure manner 24/7.

These three brochures will shortly be supplemented by a fourth presenting the national Customs Enforcement Network (nCEN), offering a secure communication system containing a centralized database for sharing nominal data together with other enforcement tools.

The brochures may be downloaded free of charge from the WCO website and are available in English, French and Spanish.

More information
cis@wcoomd.org
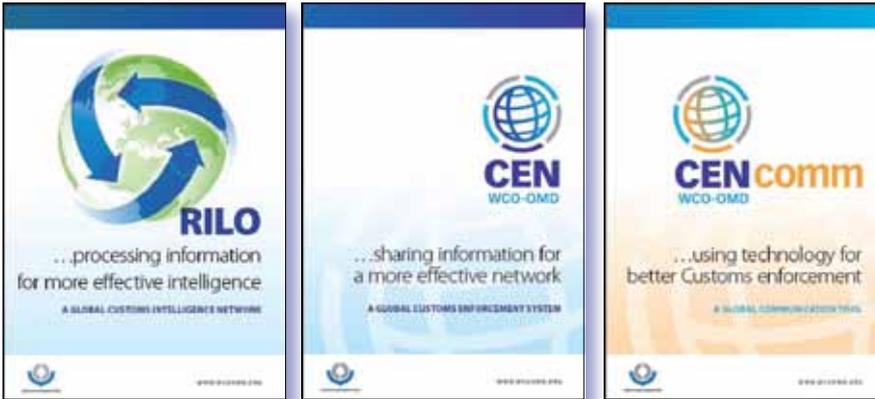
Operation Demeter: tracking illegal shipments of hazardous waste

Between March and May 2009, Customs administrations from 64 countries launched Operation Demeter targeting the illicit cross-border shipment of hazardous and other waste en route from Europe to countries in the Asia/Pacific region and Africa. This joint global Customs initiative netted more than 36,000 tons and 1,700 pieces of illegal hazardous waste in 57 seizures, ranging from household waste and scraps metal to discarded electronic goods and used vehicle parts.

Under the Basel Convention which regulates the transboundary movement of hazardous wastes and their disposal, parties have the right to prohibit the import of waste. Parties are also prohibited from exporting waste without pre-consent from importing countries. Where this occurs without consent it is regarded as illegal trafficking and exporting countries are obligated to take back the waste or dispose of it properly in accordance with the terms of the Basel Convention.

This fifty-day operation which was co-ordinated by the WCO Secretariat was aimed at increasing information exchange among Customs administrations; a vital element in tackling environmental crime at the border. Customs officials at over 300 seaports and other selected points intensified their risk profiling and physical controls to identify high risk shipments, and notified each other of any suspicious shipments across the continents.

The majority of seizures took place in European countries such as the Netherlands, Belgium, and Italy before the waste could be shipped. Iron scrap destined for Asia topped the list in terms of quantities seized. Africa remained the 'destination of choice' for household waste such as used refrigerators containing CFCs and old television screens, with over 1100 of the approximately 1,700 pieces seized destined for countries on the continent.

Deputy Director-General of the Tax and Customs Administration in the Netherlands, Mr. Willy Rovers, said, *"Cooperation with other Customs administrations as well as our national and international law enforcement partners is of crucial importance in the fight against criminal activities, such as the illicit shipment of hazardous waste. Sharing risk indicators and risk analyses on the one hand and exchanging information and intelligence on the other hand are promising new developments".* He added, *"I would like to compliment the WCO and its Members on the results of operation Demeter. These results will be used to refine risk indicators and complete the so-called learning circle or evaluation loop".*

Encouraged by the outstanding success of Operation Demeter, the WCO intends to follow through by launching similar operations in the future covering other areas in the world.

More information
enforcement@wcoomd.org

Swedish Customs seizures made in Göteborg

Italy's Guardia di Finanza & Dogana seize alluminium in Genoa

Dutch Customs seize zinc skimmings sent from Portugal to India without notification

Type and quantity of waste seized

Type of goods	Total in pieces	Quantity in kg
Household waste	1 420	4 080 240
Scrap (end-of-life) vehicles	190	29 400
Waste electrical and electronic equipment (e-waste)	61	272 248
Barrels of silicon	24	240
Zinc skimming	0	92 599
Mixed paper/plastic waste	0	2 200 620
Metal scrap	0	30 026 780
Granite	0	49 280
Total	1 695	36 751 407

A comprehensive look at Customs valuation

Another major new publication relating to Customs valuation is shortly due for publication.

This substantial book – Guide to the Customs Valuation Agreement – was drafted by the World Trade Organization. It provides a very comprehensive look at the WTO Valuation Agreement which was first introduced nearly 30 years ago, during the General Agreement on Tariffs and Trade (GATT) Tokyo Round.

The book starts with an interesting section on the history of Customs valuation; did you know, for example, that the concept for basing import duties on a Customs value dates back to the times of Ancient Greece and Rome? Our current valuation system in fact dates back to 1948, when GATT Article VII first appeared.

Also included in the publication is a detailed account of valuation methodology and descriptions of various interpretation issues relating to key technical areas. Many practical examples, exercises and quotes pepper the publication too.

It is aimed primarily at readers working in the trade environment but will be equally of interest to the Customs community.

More information
www.wto.org

Getting ready for the 2012 version of the HS nomenclature

The World Customs Organization has issued a list of recommended amendments to the Harmonized System (HS) nomenclature that will enter into force on 1 January 2012. Affected goods include certain animals and animal products, foods and agricultural products (fruits, vegetables, grains, nuts, spices, etc.), chemical substances, wood products, textile products, machinery, furniture and video game consoles. These recommendations were adopted by the WCO Council in June 2009 and WCO Members have six months to register any objections.

Environmental and social issues of global concern are a major feature of the 221 recommended amendments. In particular, the use of the HS as the standard for classifying and coding goods of specific importance to food security and in the same vein, the creation of additional subheadings for the identification of chemicals and pesticides controlled under the Rotterdam Convention and ozone-depleting substances controlled under the Montreal Protocol.

Other amendments resulted from changes in international trade patterns. These include deleting more than 40 subheadings due to their low volume of trade, separately identifying certain products in either existing or new headings, and reflecting advances in technology where possible.

The HS Convention is one of the WCO's most successful conventions with 137 Contracting parties to date; Armenia, Ecuador and Georgia being the three latest Contracting Parties.

More information
hs@wcoomd.org

2009, Year of the Environment!

The TARA OCEANS scientific exploration mission, a major scientific project for exploring life in the oceans and studying the global warming phenomena, set out from Lorient (France) on 5 September for a 3-year voyage of exploration around the world.

France's Minister for the Budget, Public Accounts, the Civil Service and State Reform, Mr. Eric Woerth, was keen to involve Customs in this initiative of significant scientific interest, so that it could contribute its maritime, legal and environmental experience to the project.

This scientific expedition ties in well with Customs' environmental protection mission, namely, to detect and report marine pollution by "Polmar" spotter planes, to combat trafficking in endangered species of wild fauna and flora, to collect environmental and energy taxes, to monitor compliance with fishing quotas, and to dismantle cross-border traffic in waste.

Drugs, tobacco and intellectual property
...the WCO's key annual reports

Drugs

The international trafficking of drugs is an extremely damaging international phenomenon, adversely affecting all nations, but particularly impacting on those societies and people who are most vulnerable to exploitation by organised criminal groups. Fighting this scourge will contribute directly towards international enforcement efforts, the security of the international trade supply chain, protecting the health and safety of people, and strategies to stem the harmful narcotics trade.

The latest WCO Customs and Drugs Report 2008 considers the analysis of seizures on a regional basis and includes a brief global overview on each of the main drug categories in order to provide information on the current production and trafficking trends not identified in the analysis. Particular emphasis has been placed on the illegal trade in opiates, cocaine, cannabis, and psychotropic substances which constitute the main drug types. During 2008 seizures of drugs numbered more than 13,444 cases. The extent of the trafficking is revealed in the quantities seized: 6.9 tonnes of heroin; 47.9 tonnes of cocaine; 324 tonnes of cannabis resin; 103 tonnes of herbal cannabis; 12.6 tonnes of amphetamines; 1.7 tonnes of methamphetamines, and 412kg of ecstasy!

Tobacco

The illegal traffic in cigarettes continues to abrade government revenues and harm society. Overall analysis demonstrates that tobacco and cigarette smuggling, including counterfeit cigarette seizures, remains a growing global problem. Concerns have also been raised that trans-national criminal organisations may be using this form of smuggling to fund their operations.

The latest WCO Customs and Tobacco Report 2008 presents an analysis of all reported seizures and aims to provide a global overview of the tobacco smuggling phenomenon and the initiatives undertaken to counteract this lucrative illegal trade. It also includes many facts and figures, statistical analysis and the modi operandi prevalent among smugglers specialising in this specific activity. During 2008 seizures of illicit consignments of cigarettes exceeding 100,000 numbered 1,654 which translate into 2.3 billion pieces!

Intellectual property

The production of counterfeit and pirated products continues to grow at an alarming rate and has reached intolerable proportions. In fact the array of fake goods is staggering. This scourge which has visible negative consequences for international trade, economic development, business confidence, innovation, and the health and safety of citizens around the world has to be stopped as a matter of priority.

The latest WCO Customs and IPR Report 2008 was produced with the main objective of informing the consumer about the real dangers of these products and to raise their awareness about the criminal industry that is so heavily involved in this illegal trade. These efforts will, it is firmly believed, engender a sense of responsibility and mobilise support to combat this empire of fraud, illusion, and deceit which places human lives at risk and wrecks initiatives designed to promote economic and social prosperity whilst impacting negatively on innovation. During 2008 there were more than 14,981 reported cases involving the seizure of more than 371 million counterfeit or pirated articles; 12 million of which were food and drinks products. The top 4 articles being phonographic products, cigarettes, medicines, and toys and games.

More information
communication@wcoomd.org
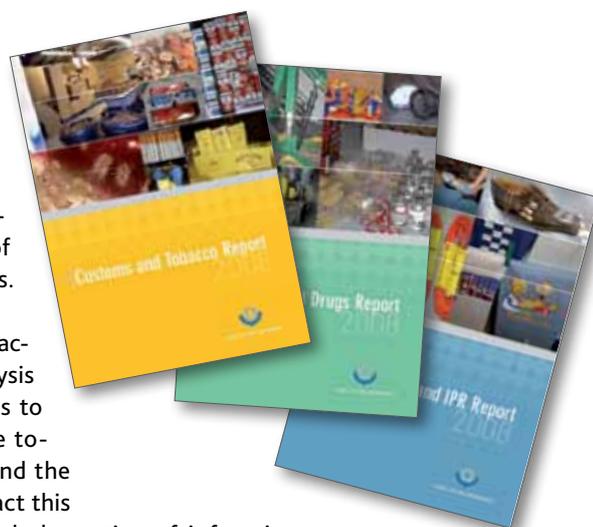
As the primary state agency in the maritime arena, Customs relies on the expertise of its coastguard brigades to participate in official actions at sea.

The crew of the TARA includes a French Customs mariner who is participating in the exploration work and contributing his professional expertise (sailing the vessel, naval mechanics, administrative issues, relations with foreign Customs services, etc.).

French Customs will keep the WCO posted about the expedition's progress.

More information
 www.douane.gouv.fr
http://oceans.taraexpeditions.org

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Special Dossier security and technology

It is nigh on impossible to give a clear definition of security, bearing in mind all the variables to be taken into account as well as differences in opinion, standpoint and approach regarding this issue. One can merely sketch out the contours, recalling certain principles from which one cannot deviate: 100% security does not exist; only the absence of security, and not security itself, can be proven; security is a means rather than an end; and security is shaped by people, processes and technology.

Taking all of the above into consideration, it is worth adding that security largely consists of many specific measures which are designed and implemented to detect and identify risks and potential or recognized threats, as well as their causes and protagonists, to identify and reduce the community's exposure to these risks and threats and, finally, to protect against recognized risks or threats by means of parry or counterattack.

The first idea that springs to mind in order to combat these risks and threats is technology. But how can it offer a solution? Potential risk vectors must be identified before seeking out specially designed security technologies. There appear to be many such vectors, ranging from human beings to containers, lorries and cars and even the humble letter; in short, anything that can serve as a means of transport.

How can we secure trade in such an environment? Is technology enough to counteract the threats? Is scientific research capable of developing materials that can be built into a complex, comprehensive security mechanism, making it possible to assess risks and pinpoint current and impending dangers? Do we have to consider the human angle when choosing technologies? How can we be sure of acquiring technology tailored to security requirements when the risks are changing so rapidly, as well as technology that keeps pace with the progressive and flexible nature of trade and the mushrooming threats?

The aim of this Special Report is not to take stock of the technologies available on the market or rate their performance, especially as it is still too soon to judge them fairly. Instead it is to present some of the non-intrusive security technologies and techniques in existence and development that have been devised to prevent, control and manage threats foreseen in international instruments produced by the WCO[1]. These instruments are designed to strengthen global trade and improve security by enhancing Customs' ability to detect and handle high-risk consignments and streamline goods management, whilst expediting the clearance and release of goods.

The various articles in this Special Report cover projects, analyses and investigations as well as opinions on technology already in existence and future developments in this domain. Views expressed in these articles are those of the authors and do not necessarily reflect the official position of the World Customs Organization.

Please feel free to submit your comments on this Special Report to communication@wcoomd.org for inclusion in the next issue's "Point of View" column.

[1] Detailed standards in the WCO Revised Kyoto Convention, General Annex, Guidelines on Customs control (use of risk management as well as the application of seals on containers for security purposes) and in the WCO SAFE Framework of Standards to Secure and Facilitate Global Trade (advance electronic information, risk management, non-intrusive inspection equipment and Customs-to-Customs and Customs-to-Business partnerships), the CEN and its applications, the Nairobi Convention on mutual administrative assistance, the Databank on advanced technology, etc.).

Container security:
technologies in broad use but several challenges remain

In 2008, the Asia-Pacific Economic Cooperation (APEC) forum completed the Secure Trade project, a research and analysis project designed to better understand the economics, efficacy, and equity of security technologies used for containerized maritime trade in the Asia-Pacific region.

As the premier intergovernmental forum for facilitating economic growth, cooperation, trade and investment in the Asia-Pacific region, there were several key questions that APEC was hoping to answer. Key among them were-

- How effective are various types of container security technologies?
- How are container security technologies being deployed and used differently by developed and developing economies?
- What costs and benefits are associated with various types of security technologies?

To answer these questions, APEC selected a team of Customs and border security professionals from Unisys Corporation to conduct surveys, perform site visits and hold discussions with technology vendors, ports, terminal operators and Customs administrations in the Asia-Pacific region. The team focused its research efforts on 18 ports in 16 APEC economies over a period of several months during 2007:

Port of Melbourne (Australia); Port of Vancouver (Canada); Port of Shanghai (China); Port of Shenzhen (China); Port of Hong Kong; Port of Tanjung Priok (Indonesia); Port of Yokohama (Japan); Port of Busan (Korea); Port Klang (Malaysia); Port of Auckland (New Zealand); Port of Callao (Peru); Port of Manila (Philippines); Port of Singapore; Port of Kaohsiung (Chinese Taipei); Port of Laem Chabang (Thailand); Port of Los Angeles (USA); Port of New York/New Jersey (USA); Port of Ho Chi Minh (Vietnam).

Two broad areas of research and analysis were conducted in relation to maritime supply chain security – the current state of container security technologies, and the related deployment of port security infrastructure. Three specific container security technologies were evaluated:

- *Non-intrusive inspection (NII)* – using X-ray, gamma-ray and other technologies to generate images of the contents inside a container.

- *Radiation detection* – using sophisticated scanning equipment to detect the presence of radioactive material inside a container.

- *Wireless container intrusion detection* – using devices with radio frequency identification (RFID) or other wireless capabilities that can communicate the breach of a container's door.

Utilization of these container security technologies in the seaport environment requires the deployment of associated port security infrastructure. Fixed and mobile NII equipment, Radiation Portal Monitors, and readers for both electronic seals (e-seals) and container security devices are being deployed in ports throughout the world. Depending upon how it is deployed, this security infrastructure can significantly impact, the ability of ports and their terminals to operate securely and efficiently.

In addition to collecting information about the use of container security technologies by the ports, Unisys collected baseline data about the operational infrastructure within the ports. The number of container terminals, berths, cranes, gates, and TEU (twenty-foot equivalent unit) volumes for each port were researched to help identify those factors which can be used to estimate and guide the deployment of security technologies in the port environment. Other operational information including transshipment rates was collected to highlight potential challenges and the degree to which certain infrastructure, such as equipment deployed at gates, can be an effective approach for container security.

Keppel Terminal, Singapore

The project resulted in several key findings and conclusions, many of which continue to be relevant today:

- NII technology is widely used and has benefited customs administrations but requires significant human operator involvement.

As of 2007, NII technology was being used in 17 of the 18 APEC ports that were researched. Customs administrations indicated that this technology has clearly helped them to increase security as well as enforce customs policies, provide trade assurance through the detection of illegal contraband, and ensure appropriate revenue collection. However, in contrast to radiation detection equipment and RFID-based container security devices which can automatically alert users when a security anomaly is found, the NII programmes researched can require significant human operator involvement. Analyzing the images generated by NII equipment can require up to 15 minutes for a single container image. Depending upon the volume of containers selected for NII and the number of images reviewed, this undertaking can impact supply chain throughput and trade efficiency. Several stakeholders suggested that the technology industry should focus on research and development of automating NII image review and analysis. They also suggested that disruptions caused by NII scanning operations could be reduced by coordinating targeting efforts and filing entries for all import shipments prior to arrival in the destination port coupled with on-dock scanning.

- *"Nuisance" alarm rates and transshipments reduce the efficacy of current radiation detection technologies.*

Fixed radiation detection equipment such as first generation Radiation Portal Monitors pose challenges for Customs officers and port operations by generating high nuisance alarm rates. A nuisance alarm occurs when the system correctly detects radiation in cargo but that radiation is due to a low level of naturally occurring radioactive material. Imported ceramic tiles, bananas and other legitimate cargo can emit low levels of radiation that first generation detectors cannot distinguish from a potentially hazardous radioactive threat. This limits the effectiveness of these programmes and reduces efficiency as officers must take time to investigate these nuisance alarms. Advances in radiation detection technology are taking place, and Advanced Spectroscopic Portals (ASPs) are being developed and tested in efforts to provide isotope identification capabilities to fixed radiation detection processes. These ASPs can identify the types of radiation rather than simply detecting radiation and could help to streamline gate operations by reducing the need for secondary radiation screening caused by nuisance alarms. A significant challenge for radiation detection deployed at entrance/exit gates lies with transshipped containers which typically do not pass through checkpoint locations such as gates or weigh stations where most fixed scanning equipment is deployed. Different approaches including crane-mounted radiation detection equipment or mobile in-terminal equipment can help reduce any related security gaps.

- *Container intrusion detection deployment is being slowed by a lack of mandates, incentives, and standards.*

The lack of mandates or incentives for shippers and other supply chain participants to use container security devices or advanced electronic seals continues to limit the level of adoption of RFID-based container intrusion detection technology. Competing radio frequencies and protocols have caused some ports to postpone implementation of RFID infrastructure. Ports and terminals that have chosen to deploy RFID-based container intrusion detection infrastructure have done so primarily due to demand from shippers who want to offer supply chain benefits to their customers, or because of investment decisions and business relationships between terminal operators and technology solution providers. Terminals also continue to watch for potential requirements from government entities of trading partner nations regarding the capability

Photo: Walter Kulyk - Chair, APEC Intermodal & ITS Experts Group (left), and Mr. Adam Kiesel (right)

Adam E. Kiesel is a Director in the Unisys Customs & Border Security group and was the project manager for the APEC Secure Trade project. He provides services to government and private sector clients in the areas of security strategy, risk management, identification and credentialing, and security system implementation.

© Courtesy of PSA Corporation Limited

and use of these technologies. Interestingly, several port operators and authorities indicated that using security technologies such as container intrusion detection may deliver competitive advantage during times of increased crime, terrorist threat/attack or during a security incident by enabling them to assure trading partners and shippers of the safety/integrity of the containers they are processing.

- *International programmes and capacity building efforts are driving container security technology deployments in developed and developing economies alike.*

Bilateral security agreements such as the Container Security Initiative, programmes like the Megaports Initiative, individual domestic policies of APEC economies, and the WCO SAFE Framework of Standards recommendations were cited by ports, terminals and Customs administrations as important drivers for the use of container security technologies, particularly NII and radiation detection. Utilization of container security technologies did not appear to be influenced by whether an economy is of developed or developing status. However, the deployment of these technologies competes for funding with other economically driven priorities, and this challenge may be greater in today's business environment than it was in 2007, due to worldwide economic challenges.

- *There is no single commercially viable security solution that completely eliminates the risks posed to trade by intermodal shipping containers.*

Current technologies, including NII, radiation detection, and container intrusion detection technologies researched for the APEC Secure Trade project, are incrementally effective at reducing security gaps. But there is no "silver bullet" solution or technology that fully deters, prevents or detects all risks posed by a cargo container. Many countries employ a layered approach to risk management by (1) targeting/inspecting shipments they believe to represent the highest risk, (2) inspecting random samples or 100% of container shipments manually or by using NII equipment, and/or (3) scanning container shipments for radiological material. Port authorities, security managers and Customs officials believe that governments and the private

sector must do significantly more in the area of port and supply chain security within individual economies and globally.

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The World Bank launches a Supply Chain Security (SCS) Guide

The purpose of the guide is to make concerned trade and transport-related officials, managers and personnel in developing countries acquainted with, and aware of, the many initiatives mushrooming in the field of supply chain security, what these will mean for their respective organizations, and how to tackle the inlaid challenges. The guide explains the main aspects of supply chain security, and also reviews emerging and existing technologies, container integrity device technologies, track & trace and positioning technologies, as well as non Intrusive inspection technologies.

In addition, the guide's annexes include a glossary, an index, a "linkography" and specific implementation checklists for government agencies and business operators.

The document which is available in English only can be downloaded at the following link: http://siteresources. worldbank.org/INTPRAL/Resources/SCS_Guide_Final. pdf

Border security is critical for a safe and secure Singapore

As guardians of Singapore's borders, the Immigration & Checkpoints Authority (ICA) ensures that the movement of people, goods and conveyances through the checkpoints is legitimate and lawful.

To ensure effective and efficient security checks, ICA deploys several non-intrusive inspection (NII) systems at the major cargo entry points. These NII systems for the inspection of cargo vehicles are funded by ICA as part of the Singapore Government's investments in national security. Such NII systems coupled with the experience and skills of ICA officers help to keep Singapore safe and secure.

ICA operates a wide range of NII systems that leverage different technologies for its cargo security checks. For instance, the earlier-generation radiographic scanning portals at land and sea checkpoints operated on gamma source technology while the more recently-deployed portals rely on x-ray technology. Most of these NII systems operate on a drive-through concept where the cargo vehicle is driven through the fixed scanning portal. The scanning portal activates its radiation source to perform a penetrating scan of the cargo contents. Detailed images of the scanned cargo are then transmitted in real time to ICA officers manning the portals to perform an image analysis. These specialists then meticulously compare the images against the declared goods to ensure that the imports are indeed lawful and legitimate.

To further tighten security and prevent the entry of weapons of mass destruction (WMD) or "dirty" bombs, these radiographic scanning systems are also equipped with a radiation portal monitor to detect any abnormal radiation level emitted from the cargo. All cargo vehicles detected with high levels of radiation are isolated and subjected to further checks.

In addition to these systems, ICA also deploys various mobile scanning platforms at its borders, one of which is the mobile Vehicle and Cargo Inspection System (VACIS). VACIS is a truck equipped with a boom to perform NII using gamma technology. There is also the Backscatter Van which use backscatter technology that ICA has utilized to augment its operations in different areas in anticipation or in response to a surge in cargo volume or specific security threats.

Leveraging NII technologies is one of the key strategies for ICA to ensure effective and efficient border security checks. To this end, ICA will continue to source and evaluate the latest NII technologies to remain ahead of its adversaries and ensure the safety and security of Singapore.

In addition, ICA also leverages extensive info-communication technology, in order to ensure seamless service and convenience to port users and logistics providers. ICA's systems are linked electronically with the main port operator (the Port of Singapore Authority) and Singapore Customs. Any container or cargo consignment that is required or selected to undergo further NII will be systematically routed to the Immigration & Checkpoints Authority's scanning stations.

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Integrated Cargo Inspection System (ICIS) deployed at Ports where ICA is present

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The human side of the cargo x-ray scanning process

Containers scanned at a West African Port			
Year	Containers scanned	Discrepancies proven	Percentage
2000	7 480	103	1,38
2001	13 878	542	3,91
2002	19 767	770	3,90
2003	13 563	489	3,61
2004	9 595	344	3,59
2005	13 163	803	6,10
2006	12 079	1 055	8,73
2007	13 811	1 176	8,51
2008	13 842	1 140	8,24

"The trends between 2001 and 2008 show an increase in the number of proven discrepancies. With this data it becomes evident that with more training the proficiency of the operator increases, indirectly resulting in a more secure supply chain."

Source: Supply Chain Security Guide, The International Bank for Reconstruction and Development / The World Bank, 2009, p. 52

Non-intrusive inspection equipment: performance specifications

The Australian Customs and Border Protection Service (ACBPS) has been using non-intrusive inspection (NII) equipment in cargo and passenger processing since the early 1990s. Various technologies, including x-ray machines (ranging from small cabinet systems to containerised cargo inspection systems) and hand-held radiation detection and identification equipment have been used.

ACBPS usually purchases commercial off-the-shelf NII equipment, using performance specifications to inform their procurement decisions. These performance specifications are based on a combination of two factors: market research by ACBPS (knowing what is available commercially); and performance testing of commercially available products by ACBPS.

In line with Australian government procurement requirements, ACBPS' purchases of NII equipment are made using a two tiered approach:

1. An approved tender process is conducted to test the market.

2. Shortlisted equipment is tested against predetermined baseline performance criteria, system requirements, and using standard test pieces – to test performance claims made by manufacturers.

The ACBPS currently has a number of criteria that NII equipment must meet. For large cargo x-ray systems this includes:

- Dual view or multi-view, dual energy capability.
- A minimum of 450KeV energy, with a preference for high energy systems and for materials discrimination.
- Minimum performance standards based on ACBPS' own standardised test piece for large x-ray systems.
- Compliance with Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) radiation safety standards and license conditions.
- Manufacturer must have proven maintenance and support capabilities within Australia.

They also have a panel of preferred suppliers for cabinet x-ray systems. The requirements for these systems include:

- single-view, dual-view, multi-view or computer tomography imaging;
- dual energy, with materials discrimination;
- minimum performance requirements against the ASTM F792-02 test standard for small x-ray systems;
- compliance with ARPANSA radiation safety standards and license conditions;
- manufacturer must have proven maintenance and support capabilities within Australia.

ACBPS is currently undertaking a tender process to establish a panel arrangement for the supply of hand-held radiation detectors and identifiers for the next three to five years. The requirements listed in the request for tender state that the radiation detector units should:

- include audio, visual and tactile alarms to the presence of a radiation field;
- include an indicated absorbed dose rate in SI units;
- provide a search functionality using an audio indicator of radiation intensity;
- be hand-held;
- alarm to gamma and neutron activity.

The radiation identifiers are required to:
- include an indicated absorbed dose rate in SI units;
- provide a search functionality;
- be hand-held and portable;
- identify single and multiple radioactive isotopes by their spectra.

In 2007/2008, the Australian Customs and Border Protection Service conducted an evaluation of larger radiation portal monitor systems. While no systems have been deployed at this stage, the trial included a range of systems based on plastic scintillator detectors, sodium iodide detectors and high purity germanium detectors. The trial identified capabilities and deficiencies in all of the systems as well as operational and supply chain issues arising from the scanning of cargo for radioactive materials.

More information
www.customs.gov.au

Radiation detection equipment for monitoring borders

the IAEA briefs us on the latest developments

Detection of illicit trafficking of nuclear and other radioactive materials at borders is a multidimensional task, involving clear identification of roles and responsibilities at all stages of detection and response infrastructure, availability of operating procedures, deployment of border monitoring equipment, human resource development and sustainability aspects. One key element to border monitoring systems is radiation detection equipment used to detect illicit trafficking of nuclear and dangerous radioactive materials in cargo, commerce and passengers. More specifically, the focus is put on detecting components of nuclear weapons and radioactive materials out of regulatory control that can potentially be used for Radiological Dispersal Devices (RDD) – the highest priority concern for nuclear security.

The first group of radioactive material ¬– special nuclear material, as a potential component of weapons of mass destruction – is characterized by the presence of specific nuclides (Uranium–235, Plutonium–239), no matter what activity they have. The second group of material and sources – potential RDD components – are dangerous because they involve a very high activity, and therefore could permanently injure or be life threatening to persons in the immediate vicinity due to contamination if dispersed by fire or explosion.

The side effect of radiation monitoring at borders is the detection of a significant number of radioactive sources which do not really pose a security threat, but are outside state control. For example: contaminated residues from the oil industry; calibration sources for scientific applications; and weak thickness/density/moisture gauges for industry sources. In addition, border monitoring arrangements are capable of detecting materials containing elevated amounts of some naturally occurring radioactive materials or long-lived fission products (due to nuclear weapon tests or Chernobyl fallout), exceeding international recommendations or national limits for Thorium 232, Radium 226 and K-40 (Potassium).

Experience has shown that a considerable number of radiation alarms registered at equipped border crossing points are due to naturally occurring radioactive material in goods or from persons who have had medical or diagnostic treatments using radiopharmaceuticals. Such radiation alarms are of no significance to illicit trafficking but nevertheless require a response.

In order to detect radiation and distinguish between various levels of threat as discussed above, the instruments used by front line law enforcement officers and supporting experts should be able to:

- **Detect and verify:** an instrument needs to activate an alarm whenever the presence of radiation above the radiation background is detected. Once an alarm has alerted law enforcement officers to the possible presence of radioactive material, its genuineness must be verified. This is done by repeating the measurement of the possible source with the same instrument or by using a different instrument.

- **Assess and localize:** a verified alarm necessitates searching for and localizing the origin of the radiation. This being done, it is important to make a qualitative assessment of the material's activity (with possible shielding taken into consideration) and for radiation safety purposes.

- **Identify and attribute:** a measurement of the gamma spectrum often enables the radionuclide to be identified. This information is essential to categorize the nature of the event and to determine any further response.

A single instrument — simultaneously sensitive enough to detect small amounts of hazardous material in cargo, light and easy in operation and featuring radionuclide identification does not exist. Therefore, various types of radiation detection instruments should be deployed in order to accommodate all necessary functions. They can be divided into the following categories:

- Fixed radiation portal monitors (RPM).
- Personal radiation detectors (PRD).
- Hand-held radionuclide identification devices (RID).

Fig.1
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Fig.2
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Fig.3
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Fig.1. Assembled nuclear weapon

Fig.2-3. Examples of radioactive material posing a potential threat: radioactive metal scrap and weak industrial sources

Fig.4

Fig.5

Fig.4. RPM

Fig.5.RID

Fig. 6.NSD

Fig.6

- Hand-held neutron search detectors (NSD).
- Portable radiation scanners (PRS).
- Field gamma ray spectrometers.

Functional and technical specifications for the border monitoring equipment are described in detail in the IAEA Technical Guidance Document. This document, prepared in extensive consultation with IAEA Member States, is being used: as a recommendation for implementation, by designers and developers of radiation detection equipment; as development guidance to meet essential end-user requirements, by end-users such as Customs, police, and border guards; as deployment guidance; and by the IAEA as a basis for development of procurement and technical specifications.

For more details on radiation detection instruments, please consult the WCO website:

www.wcoomd.org/home_wco_topics_epoverviewboxes_responsibilities_epnuclearandother-radioactivematerials.htm

Since the first deployments of radiation detection equipment at the borders in the middle 90s, radiation detection equipment has played a key role in combating illicit trafficking. According to the most recent data from the IAEA Illicit Trafficking Database, from 1 July 2006 to 30 June 2009 there were 694 confirmed incidents in total. Among them, 260 incidents occurred at states borders and over 90% of these were detected by radiation detection equipment.

Still there are some gaps between the instrument performance and end-user requirements. The technical challenges mainly lay in the detection and identification of shielded or masked radioactive material. Functionality of the instruments should also be improved to make them more reliable and user friendly. Along with the continuously growing number of instruments deployed at borders and at other strategic locations, the issue of sustainability is getting more and more crucial. A wider deployment of an integrated nuclear security network, connecting Radiation Portal Monitors at border crossing points to a central alarm station could partially solve this problem.

Apart from those operational aspects, the detection of radioactive materials at green or blue borders using portable or mobile radiation scanners, ensuring radiological security of major public events and venues and the categorization of radionuclides having a dual nature are further challenges that should be addressed with the highest priority.

More information
www.iaea.org
www.wcoomd.org

Acquisition of x-ray equipment

The WCO assists its Members

With a view to implementing the WCO SAFE Framework of Standards, many WCO Members are looking at the potential for using x-ray or gamma-ray imaging equipment for scanning containers, in order to meet their objectives in terms of efficiency in examinations. This type of equipment can increase the number of consignments inspected without causing undue delay to legitimate consignments.

Prior to purchasing this equipment, and given the outlay required, an in-depth feasibility study should be carried out to determine which, of all the technologies available on the market, best meets a Customs administration's needs given national financial constraints, and whether it makes greater financial sense to continue using standard intervention methods.

Likewise, the purchase of this equipment presupposes the resolution of administrative issues (defining the problem, user requirements and technical specifications) and planning (purchasing process – call for tender/assessment of bids/selection –, factory reception test, deployment, field validation test, acceptance of equipment and post-implementation review).

Smart containers: their use, their payback

The world is trying to ensure that global container traffic is controlled and secure; reducing the vulnerability containers could pose for nations and their ports. Governments and non-government organizations are constantly debating and demanding certain protocols be adopted to achieve this security, for instance the demand by the United States (US) for scanning.

Unfortunately, these organizations do little to demonstrate that they understand the business needs of the private sector and that securing the supply chain actually provides business benefits to the private sector, specifically it makes money for those who secure the supply chain. There really doesn't have to be opposing sides to this issue. It is time for both industry and government to understand the value of smart containers: protect the homeland and make a profit!

Smart containers today

First, how do we define smart containers? Second, what do they detect? Third, how smart is smart? Fourth, how does it know when to begin and end working? Fifth, what are the benefits? Sixth, who pays, and finally, does their usage meet the requirements of Customs security programmes?

- **How do we define smart containers?**

Smart containers are smart because they can carry on a conversation. The user or their international control center ("platforms") can communicate with them, depending on the programming, sensors, and technology used,

in real-time or close to real-time. We define smart containers by what they do, more specifically what they are programmed to do. Their sophistication ranges from simple reporting of location only to a chain-of-custody system from origin to destination. Some containers are simply more intelligent than others because of how they are equipped and programmed.

- What can be detected and reported besides location?

Each type provides a different benefit for varying users. If you are a pharmaceutical company like Pfizer, Inc., you may need to have additional information such as the container's internal environment like temperature, and for high-value cargo like Viagra, security against theft. In general, while different shippers, carriers, and consignees have different needs, the basic features of smart containers include location (historical and real-time reporting); detection and reporting of unauthorized access or breach through any portion of the container; internal environment like temperature, excessive vibrations, the presence of substances like WMD, human cargo and illegal drugs; and logistics data.

- How smart is smart?

Tracking and tracing functions, a trait of a mentally-challenged smart container, merely monitor location by RFID fixed antennas or by satellite or

To assist Member administrations in the process of purchasing and deploying scanning/imaging equipment, the WCO Secretariat has produced guidelines with the assistance of the Scientific

Sub-Committee, which describes in detail the key aspects to be examined, issues to be settled in advance and the different stages and procedures to be followed. They are available on the Members pages of the WCO web site, but their scope is limited to x-ray and gamma-ray imaging type equipment and does not cover nuclear and other radioactive material detection equipment including radiation

portal monitors which may be considered as optional extras when purchasing container scanners.

The International Atomic Energy Agency (IAEA) has produced suitable technical guidance for nuclear and other radioactive material detection equipment (see WCO News No. 59 – June 2009, pages 46-47).

More information
www.wcoomd.org

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cellular, depending on the level of communication latency the user is willing to accept. The very smart containers can tell you the following electronically: the contents of the container; who supervised loading the cargo and who is accountable for the accuracy of the contents at origin; the time the container was sealed; when it left its origin; its route; its internal environment; its progress; whether it deviated from its course; its arrival at port of embarkation; when it was loaded aboard the vessel; whether it was breached; when it arrived at the destination port; and who opened it and verified the cargo.

Shielded, weapons grade, uranium not detectable by non-intrusive portal scanners, can be detected by smart containers appropriately equipped with sensors that can detect and report its presence. [Davabhaktuni Srikrishna, A. Narasimha Chari, and Thomas Tisch, "Nuclear Detection: Portals, fixed detectors, and NEST teams won't work for shielded HEU on a national scale, so what next?", 16 May 2005, p.1]

Companies out there can provide smart containers now. For example, the features of Onstar that monitors General Motors vehicles in the US are available for containers from other companies. There are also multiple satellite service providers like Iridium, Orbcomm, Inmarsat, Europe's Galileo, and Compass – the Chinese entry into satellite communication – that can provide position detection at relatively low costs.

• **When does smart start and stop?**

Everything depends on the security programme and software utilized. At present the smartest container has a sophisticated, comprehensive chain-of-custody system that begins at the stuffing (loading) of the container at origin and maintains, monitors, and reports its integrity to the end of the global supply chain path at destination. Its process includes the human element in the supply chain and the electronics of the system. No system is 100% effective and one cannot depend on technology alone. However, technology often overshadows the role of humans in security systems. Container systems have

to include the identification of the party responsible and personally accountable for final inspection of the cargo prior to its sealing and dispatch and subsequent international movement to destination. Someone must necessarily take responsibility for confirming the cargo on the bill of lading or booking sheet, for activating the smart container system, and for locking the doors. This responsible party must be vetted with respect to integrity and competence.

Equally, there must be a counterpart at destination. Both parties are electronically connected by a unique identifier to the smart container to complete the system. This can be done with an electronic activation key or equivalent that is loaded at origin with the bill of lading and booking information, or information needed by Customs authorities, and other data such as the identity of the supervising and arming agent at origin and the final agent deactivating the system at destination. This secure electronic key protocol is then used to insert the data from the company's logistics system into the device affixed in the container and is carried to destination. Therefore at activation, the accountable party becomes an integral element in the smart container security system. Once the container is activated by using an electronic key protocol inserted in the electronic memory of the container, the device can be read at almost any time during the voyage through satellite communication.

When a smart container is opened at destination by an equally accountable person and cargo is missing, and there were no breaches detected, recorded and reported, the accountable person at origin can face either disciplinary, or worse, criminal action by appropriate authorities. Worldwide control centres offer the capacity to serve as a third-party electronic record of the transaction recorded automatically in its servers. The smartest container offers an electronic receipt of delivery, accomplished by the opening of the container by a person at destination approved and authorized to open the container, which is provided by another specialized electronic key protocol usable only with and

by an authorized individual at the point of destination.

European Datacomm (EDC) and Global-Trak in the US can today provide these smart containers.

• **What's it worth and who pays?**

While we all pay one way or the other, the private sector really pays for all of this. In fact, in March 2006 US Customs and Border Protection (CBP) boasted about how the US zone of security is being pushed back to the point of origin which "…allows for better risk assessment and targeting, freeing CBP to allocate inspectional resources to more questionable shipments." The conclusion seems obvious: let other nations and private enterprises spend their money to push back the US border and free up CBP for something else. The problem is that pushing back the border of the US is not the duty of the private sector or other nations.

Realising the cost to the private sector, CBP commissioned the University of Virginia to determine the cost/benefit outcome to taking security measures. Published in a 2007 cost/benefit survey report, CBP indicated several benefits for simply participating in its Customs Trade Partnership Against Terrorism (C-TPAT) programme. [Abdoulaye Diop, Ph.D., David Hartman, Ph.D., Customs-Trade Partnership Against Terrorism Cost/Benefit Survey Report of Results, Weldon Cooper Center for Public Service, University of Virginia, August 2007, p. 47]

Unfortunately, it seems that the return on investment (ROI) is not known to, appreciated by, or significant enough to the user, to employ smart containers. Or the user is simply focusing on the costs involved in using smart container technology, not weighing the bottom-line benefits of a visible supply chain. All agree that at a minimum there will be expedited treatment, at least, by US Customs authorities for the use of smart containers as defined in the US SAFE Port Act. The benefits of expedited shipments, alone, vary from US$ 600 to US$ 700 per container per move (Bearing Point Study, 2003); and

US $ 1150 per move (AT Kearney Report, 2005). Therefore, if a smart container costs you an additional US$ 100 from origin to destination, and you save US$ 1000 on the expedited treatment, what was the cost? Costs are associated with the loss or delay of cargo; diversions; increased insurance premiums; supply chain disruptions; increased labour to reship or replace the cargo; business downtime; loss of seasonal promotions; or the costs of the sale. Benefits include minimizing financial risks, reduced inventory carrying costs, protection against counterfeiting; reduced or eliminated diversion costs, reduced out of stock, and reduced insurance costs.

A Stanford University recent study revealed that the quantifiable benefits of security controls and technology included: improved product safety; improved supply chain visibility; improved product handling; more efficient Customs clearance; speed; and higher customer satisfaction. [Barchi Peleg-Gillae, Gauri Bhat, and Lesley Sept, Innovators in Supply Chain Security The Manufacturing Institute, Stanford University, July 2006, p. 4]

Other sources, including the US Congressional Budget Office in March 2006, offer different, but compelling, benefits to using smart container technology. In a 2006 A.T. Kearney survey report, respondents stated that "...they need real-time data for accurate visibility into their supply chains"*. Since accurate data does not exist within the current logistics industry, smart boxes can provide that missing data deemed important to shippers. The report further revealed that the US Department of Defense is now utilizing smart containers even though they are not the smartest containers. These smart boxes "...reduced overall losses (military supplies) to less than 8%"**. There is a favorable bottom line to using smart boxes based on speed alone. [*Smart Boxes, A.T. Kearney, 28 July 2006, p. 1] [**Smart Boxes, A.T. Kearney, p. 2]

- **Are Smart Containers Compliant?**

Only the smartest (chain-of-custody) containers meet all or most of the following: the World Customs Organization (WCO) revised Kyoto Convention of 1999 which focused on simplifying Customs procedures and called for greater use of information technology and more e-commerce; the UN Economic Commission for Europe's Recommendation 33 of 2004 which called for a Single Window through which "...trade-related information and/or documents need only be submitted once at a single entry point to fulfill all import, export, and transit-related regulatory requirements."; the WCO revised Kyoto Convention ICT Guidelines of 2004 which called for the electronic exchange of information at export and import, a chain of "electronic" data and a single global schema linked electronically; and the WCO Framework of Standards to Secure and Facilitate Global Trade of 2005 which called for security from stuffing to destination, control at stuffing, intermediate handling, loading, off loading, terminal, and destination; and use of electronic communications.

Finally, smart containers meet the requirements of the US C-TPAT, New Zealand's Secure Export Partnership (SEP), Jordan's Golden List Programme (GLP), Canada's Partners in Protection (PIP), and the European Union Authorized Economic Operator (AEO) programme that countries around the world are adopting in one form or another. All of these governmental programmes call for security at stuffing, tracking and monitoring, electronic records, and the use of advance electronic data and more. And now in the US because of a change in its Federal Rules of Civil Procedure, electronic data generated from or linked to smart container usage can now be used in litigated civil proceedings as evidence for the prosecution or defence. In addition, smart containers meet, in part, and complement the electro-technical International Standard 28000 of 2007 (Specification for Security Management Systems for the Supply Chain).

Conclusion

Smart containers know when they are breached or entered, when their internal environment changes, where they are, how to talk, when to start and stop talking, what to say, and when to begin and end being smart. They exist now, are getting more sophisticated, and offer to the world, knowledge of where any given product is, and its condition. It is even smart enough to generate revenue for the user while offering protection to all of us. What is missing is government's support for them. Their increased use will ultimately depend on government incentives and benefits in spite of possibly being smarter than the governments that need them.

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Besides having served as Director of Transportation and Logistics Studies at TAMIU's Center for the Study of Western Hemispheric Trade, Jim is a reviewer for the US National Research Council's Transportation Research Board. He has authored over 130 articles, books, and monographs, and has been published extensively on transportation and trade issues in addition to having written the International Insight column in Logistics Management for five years.

As a former FBI special agent, OSI special agent and a Colonel in the Office of Special Investigations where he handled counterintelligence matters, he currently provides transportation security lectures on C-TPAT, and other Customs and Border Protection (CBP) programmes. Jim holds a Masters degree from UNC Charlotte, a Masters degree from Florida International University, and a Doctorate from the University of Miami.

Fumigants: keeping hidden dangers at the border in check!

The fumigation of imported goods has become an inevitable consequence of international trade.

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Economic gains associated with increased international trade have multiplied the financial and ecological risks of bio-security threats. In a world where international trade is worth trillions of US dollars, no country can afford to ignore bio-security threats and the potential for lost markets and crippled industries.

Health and safety are paramount

To minimize these risks, most countries now demand that imported goods be fumigated, either at source or point of entry. Goods such as furniture and bedding, as well as the wooden dunnage in many containers, provide ideal housing for exotic pests and diseases that pose a potential risk, especially to agricultural-based economies. As a consequence, personnel inspecting or de vanning shipping containers are regularly placed at risk of being exposed to a cocktail of chemical compounds present in the air inside the container. Hazardous vapour compounds such as fumigants are regularly introduced to ensure the container contents meet international phytosanitary requirements* and often the shipping container itself is used as the fumigation enclosure prior to shipping. [*International Standards for Phytosanitary Measures, 2002. ISPM No.15, FAO, Rome]

A container fumigation study conducted in Germany* on over 2 000 containers indicated that up to 35% of shipping containers contained fumigant concentrations that exceeded TRGS 512 safety levels. Shipping container airspace carries a complex mixture of chemical vapors. Some of these vapors are harmless; others, such as formaldehyde and methyl bromide, can be toxic, and even fatal. These vapors may be residues from container fumigation or out-gassing from product components such as resins and glues. Workers entering shipping containers can be at great risk of exposure to these chemicals. [*Baur X,,Ollesch T, Poschadel B, Budnik L.T,Finger S, Matz G: Ordinariat und Zentralinstitut fur Arbeitsmedizin, Hamburg Institut fur Messtechnik der Technischen Universitat Hamburg-Harburg]

Chemicals commonly found in container airspace include Sulfuryl fluoride (known commercially as Vikane), methyl bromide, formaldehyde, chloropicrin, ethylene dibromide, hydrogen cyanide, benzene, toluene, xylene and ammonia. These compounds can have a significant impact on human health if concentrations exceed the regulated thresholds. Country-specific regulations vary from 20 ppm to 3 ppb, depending on the gas. The Netherlands is widely acknowledged as one of the more stringent countries in terms of exposure levels. By contrast, the United States has much higher exposure limits for some compounds.

Port based solutions

Container air analysis solutions have been developed to specifically meet the needs of governments, port management and port service providers delivering cost effective, accurate and hi-speed screening of container atmosphere, without even opening the container door.

Both the Canadian and Australian Customs administrations have adopted solutions of this nature to protect Customs staff by testing container air space prior to examination of container cargo. A van-based mobile testing solution has now been launched at the Port of Rotterdam in the Netherlands; ensuring dangerous containers are identified, vented quickly and made safe for entry.

A container air sample can be collected through the container door seal using a specially designed sample wand. The operator prizes open the rubber seal between the container doors to allow extraction of the air sample. To minimize the risk of sample contamination, a sample collection case has been developed that utilizes a vacuum chamber so that the sample itself does not pass through a pump as it is drawn through Teflon-lined tubing into one of three available sample bags. Samples can be taken from the top and bottom of the container door if required. Once the sample is collected, the instrument analysis can be performed at the user's convenience. Sample analysis is a simple procedure of connecting the sample bag to the instrument's inlet and activating a scan via the touch-screen interface.

The key advantage of these solutions is the ability to analyze a wide range of compounds as well as the ability to apply individual country exposure levels, delivering customized solutions for country-specific legislative requirements. While the instrument can simultaneously analyze all VOCs present, it can also be configured to run separate analysis of interest to the user.

A standard Fumigant analysis takes less than one minute. Upon completion, the instrument displays the concentrations in ppb for each compound as well as the accepted exposure levels. The results determine how to proceed with a given container. With exact knowledge of fumigant quantities, workers can accurately estimate the required duration of evacuation and the intervals at which to repeat sampling. Having accurate knowledge of fumigant levels minimizes the time required to reach a safe exposure level

before container inspection. This real-time analysis alerts shipping and devanning personnel when hazardous levels of these fumigants are present without the need for opening the container doors and the risk of exposure. Containers can then be vented and retested until they are safe to enter.

Fumigant and toxic chemical detection for health and safety purposes can be run on every container requiring physical inspection; however, additional containers can be tested, using the same instrument for a wide range of other compounds providing intelligence on key markers of specific interest to Customs and security personnel. The testing process can therefore be used as a triage screening step, negating the need for further inspection, saving time and money.

Given the growing need for fast, accurate, selective and cost-effective screening of containers, container air analysis solutions provide an integrated, turnkey system for sample collection and analysis, container venting, and reporting.

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Cameroon launches a GPS tracking system for goods in transit

Against an overwhelmingly liberal trade background, the modern Customs environment appears to be dominated by seeking the best possible balance between facilitation and security of international trade, followed by the impact of information and communication technology (ICT) on Customs clearance activities.

By fully including these two parameters in its modernization plan, Cameroon Customs has expedited the continuous simplification of Customs clearance systems and procedures to control and reduce clearance times, the sustained and priority support for the strategic principles of integrity and governance and, finally, the ongoing incorporation of ICT in Customs clearance procedures in general, and transit in particular, through Nexus.

Transit permits the entry and movement, within a Customs territory and with duty and tax suspension, of foreign goods from a given departure point en route to a preestablished destination.

Within the Economic and Monetary Community of Central Africa (CEMAC) zone, this procedure is used to handle deliveries of goods imported by sea and bound for landlocked States (Chad and the Central African Republic), as well as supplies of petroleum products to these countries. They account for an average of 3,000 journeys per month.

Despite clear regulations, this transit system continues to present shortcomings, of which the following list is not exhaustive:

- Excessively long journeys (30 to 60 days to cover the 1,085 km between Douala and Ndjamena).
- Guarantees tied up for an excessively long time.
- Fraudulent unloading of goods in transit in the national territory, resulting in losses of Customs revenue for all the States involved in the goods transit.
- Proliferation of road checks (300 on some routes).

What role does Nexus Cameroon Customs GPS play against this backdrop?

It is an enhanced system for processing and managing transit operations, incorporating real-time, GPS monitoring of transit cargo movements within the well-established ASYCUDA Customs application.

It consists of two key components:

→ A physical mechanism for real-time, end-to-end handling and processing of transit operations.

→ An information system which collects, structures, stores and organizes the distribution of data and information gleaned from transit activities – this information can be transmitted to all entities involved in the Customs clearance process.

What benefits will Nexus Cameroon Customs GPS offer?

Test trends (approximately 200 journeys in the space of about 40 days) show that nexus could make it possible to:
- Improve time management and reduce delivery times (from 60 to 20 days).
- Shorten intervention system response times in the event of an incident (unscrupulous drivers, breakdown, accidents, etc.).
- Speed up processing times for releasing guarantees and cut bank charges.
- Reduce the number of roadside checks and certification disputes when goods actually reach their destination.
- Control trade flows and transit statistics.
- Protect the national economic area.

In short, Nexus Cameroon Customs GPS is a global and innovative solution aimed at reconciling the requirements of supply chain security and trade facilitation in the long term, whilst safeguarding the legitimate interests of all players.

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SMART-CM, a container chain management project to improve global container movements

SMART-CM is a research project co-funded by the 7th Framework Programme of the European Commission and its partners from freight-related industries aimed at developing an IT platform which will improve the operational security, safety and efficiency of global container movement.

It utilises the web and widely available track & trace technologies to facilitate interoperability of container security technologies and to enable cargo security and freight visibility from one end of the freight management supply chain to the other. In addition, SMART-CM packages web technologies so that both public administrations and commercial users can apply them to their needs. A service-oriented architecture (SOA) leverages these web technologies and guarantees a realistic relationship between goods flow and data flow.

The SMART-CM platform will enable efficient interfaces in the entire global supply chain; providing a channel of communication between shippers, logistics service providers, transport service providers, port authorities, terminal operators, AEO agents and Customs administrations.

Driving factors behind the development of the SMART-CM platform are the compliance requirement of new security regulations and the following critical needs identified by the supply chain industry:

• Transparency, security and reliability in container movements.
• Timeliness and reduction of overall transport times.
• Operating cost cutting, especially the reduction of expensive bottlenecks in hinterland connections.
• Administrative burden decrease with the aid of interoperability between modes and systems.

• Exceptional situation handling during cargo transportation by container.

By being technology independent, the SMART-CM platform brings a whole host of benefits to Customs authorities especially in relation to fulfilling security requirements and certification schemes (AEO, Single Window, and electronic Customs clearance among others) that demand global trading compliance systems and information management systems. It enables them to fully implement the "green lane" concept thus providing more effective performance and more efficient transaction based risk management, by having access to real time data regarding the status and location of containers through the SMART-CM neutral layer information gateway.

Once all data fields are posted on the platform, pre-arrival and pre-departure declarations are made available to the concerned Customs authorities, thus ensuring that the two declarations are identical and eliminating the burden of their comparison.

The use of the SMART-CM platform will help combat counterfeiting too. If, for example, a pharmaceutical multinational systematically uses Circuit Switched Data (CSD) for monitoring its cargo status and security, the importation of any unmonitored medicine would be regarded as a high risk consignment to Customs owing to the fact that the medicine could possibly be counterfeit. By establishing a relationship between containers, cargo and shipping lanes, the platform will help Customs authorities unravel any knots in global cargo movement.

The operation of SMART-CM and the evaluation of the benefits it brings to

supply chain management are being demonstrated in two transport corridors:

• Europe-Middle-East (Antwerp/Port Said: feeder service to Thessaloniki, Greece - Dubai - Nava Sheva - Mundra).

• Europe-Asia/Pacific (Antwerp/Singapore: feeder service to Laem Chabang, Thailand - Ningbo, China).

SMART-CM is a win-win situation between the global logistics industry and Customs as it will forge a strong commitment to intermodal "door-to-door" container transport.
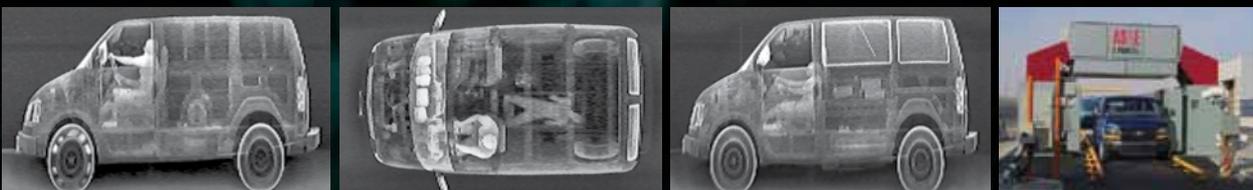
More information
European Intermodal Association
Communications & Media partner of
SMART-CM
www.smart-cm.eu

Jordan's Transit Monitoring and Facilitation System

In its efforts to facilitate the movement of transit trade across Jordan and to balance security and facilitation requirements, Jordan Customs has begun implementing an electronic Transit Monitoring and Facilitation System (TMFS), the first of its kind used by a Customs administration.

Different technologies have been used in the system such as GPS, GSM, GIS, RFID, satellite images, vector maps of Jordan, wireless communications and electronic seals.

The process starts at entry border crossings, after completing Customs declaration procedures – an electronic tracking unit and an electronic seal are installed in the truck, the transit route is configured with geo fencing capabilities, after which the truck is allowed to move across the country without a physical escort. The movement of the truck and any violations committed during the trip is monitored through a central monitoring room at Customs' headquarters. The system is capable of detecting any violations such as a change in the transit route, tampering with the GPS unit, breaking the e-seal, and stopping at high risk areas.

At the exit border crossing, the GPS unit and the electronic seal are removed by Customs officers and a trip report is generated that contains all violations committed during the transit trip. Based on this report suitable action is taken by the Jordanian Customs authority at the border.

Jordan Customs has implemented its TMFS system successfully and a summary of the main advantages include:

- Significant reduction in waiting time for transit trucks at borders.
- Reduction in physical inspections of transit goods at borders.
- Reduction in the smuggling of goods and dangerous material via transit trucks.
- Immediate handling of any violations by transit trucks after detection through the system.
- Replacement of physical escorts of transit conveys across the country.
- Reduction in the transit trip time across the country.
- Introduction of maximum facilitation for transit trade without sacrificing security requirements, as the monitoring and control is done remotely from the control room.
- Contribution to global supply chain security.

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Utilizing technology to detect narcotics and contraband at the border

Historically, Customs and border control checkpoints have focused on searching for narcotics and contraband using canines, x-ray scanners and traditional trace detection technologies. However, as narco-terrorists become more sophisticated, the need for new detection technologies including operational field trials is emerging. Customs and border control officers need technology to help them detect and identify narcotics to complement their current methods.

A global industry with serious ramifications

According to the UN Narcotics Report, the global illegal narcotics industry is worth around US$ 320 billion and an estimated 208 million people use illicit narcotics each year. The trafficking of narcotics is directly connected to three global issues:

- International terrorism: most terrorist groups are thought to be in receipt of some of their funding from narcotics trafficking and associated crimes. [UNODC – United Nations Office on Narcotics and Crime].

- Organized crime: national police forces often indicate that between 50-70% of crimes committed worldwide are in some way narcotics related.

- Public health: the spread of HIV/AIDS, hepatitis C and other blood-borne diseases, which have been classified by the World Health Organization as global pandemics.

With the largest affected population and the largest budget for combating the problem, the United

States has long been the most active in combating the trade, both alone and bilaterally with other countries.

Trafficking routes and modes of transportation

Most narcotics trafficking routes originate in Asia (the Golden Triangle), the Middle East (the Golden Crescent) and South America and then flow through Europe, the US and Africa. Ruthless and agile Drugs Trafficking Organizations (DTOs) control the smuggling routes, transportation and distribution.

Narcotics are transported by DTO cells into targeted countries via a myriad of transportation modes including private and commercial vehicles, private and commercial airlines, and cargo ships and trains.

Protecting the frontier

Points of entry are protected by a fusion of detection technologies including surveillance technology to track vehicles crossing borders (to flag frequent travelers for spot checks); x-ray scanners and canines units are deployed to help detect narcotics shipments.

Traditionally, the most effective ways of detecting and identifying narcotics vary depending on whether the narcotics being sought are tons of narcotics in a shipping cargo container, a couple of grams in personal possession, or narcotics sent through the post in parcels. Different methods of detection are used for each application and consequently the accumulative costs of the detection equipment can be high.

Traditional detection methods

One of Customs' most effective tools in the war on narcotics has been narcotics detection canines. These canines have proven highly effective and reliable in detecting illegal narcotics. However, despite their ultimate sensitivity and detection capabilities, there are many drawbacks to using canines for this purpose. They have a limited duty cycle, approximately one hour before they need to rest; canines need to be constantly trained even when they are not used; costs relating to canine care, including food, veterinary care, and contact with the handler, are high. In addition, canines cannot communicate the type of narcotics detected.

A further approach to narcotics detection, particularly in prisons, involves systematic random urine testing.

Trace detection technologies

The trace detection technologies seen in the market today are the traditional Ion Mobility Spectrometry (IMS) and High-Frequency Quartz Crystal Microbalance (HF-QCM) trace detection systems. Using trace detectors, Customs officials can determine if items have been in the presence of narcotics. The technology is based on the assumption that in concealing narcotics in a bag, vehicle, package, etc., the offender is bound to leave molecular traces of the narcotics on parts of the item with which they have had physical contact. Trace detectors can be used to non-intrusively inspect cargo and containers. Narcotics residue on the exterior, or vapors seeping from the interior, can be detected by the detector which then signals to security officers that the item requires further investigation. These detectors operate in two basic modes: vapor detection; and particle detection. As most narcotics substances do not have a strong vapor presence, and in the real world are difficult to detect, the more reliable sample collection method for these substances is particle collection.

Narcotics detection equipment such as IMS devices were introduced into Customs and border control security checkpoints over 10 years ago. However, a study published by Dr. Kay Lumas on the use of IMS in detecting narcotics maintains that this technology is not reliable enough. The reason lies in the fact that it produces too many false positive results. The report says that "ninety-one percent (91%) of the positive results, on confirmation, would be found to be false". In other words, almost all positive scanner results are false. The US Department of Justice agrees and found that "an innocuous substance such as prescription

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medications, over-the-counter medications, perfumes, lotions, herbal products, poppy seeds, chlorine baby wipes and gas fumes can be mistakenly identified as an illegal narcotic substance". [Dr. Kay Lumas – Narcotics Testing in the Workplace- A Pilot Study on Trace Detection Technology]

While narcotics trace detectors have many advantages over other methods, it is clear that new technology and procedures are needed to increase detection rates. Examples of such technologies are the passive millimeter wave technology as well as body imaging systems. Nevertheless, these are mainly designed to detected bulk quantities and bring controversy over the individual's privacy rights. Also, they lack the ability to specify and quantify targeted materials.

Summing up

Detecting narcotics and preventing narcotics trafficking is fundamental to the security and safety of society as a whole. Customs and border control agencies should further continue the exploration of emerging technologies as well as actively support field trials of such technologies in their environments.

Until then, it is clear that trace detection technology still provides a substantial upgrade to existing Customs and border control checkpoints by addressing the need to identify minute traces of concealed narcotic materials.

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Secure borders: a new era for data exploitation

Facilitating legitimate travel and trade, while improving the detection of high-risk people and goods, is leading to a transformation in the way that Customs administrations need to share data and use intelligence.

The situation has become increasingly complex with the introduction of pre-departure and pre-arrival data requiring risk-based decisions to be made far earlier in the supply chain while security threats and global trade demand that decisions are effective and timely. Increasingly the most significant challenge faced by Customs is how to embrace new tools and techniques to perform risk-based targeting across increasing volumes of data to complement and support their officers in making make more informed decisions.

Transforming cooperation

As detailed in the WCO's recent 'Customs in the 21st Century' policy paper, the new challenges facing Customs administrations demand a new concept of cooperation between border regulatory authorities to facilitate legitimate trade.

The EU Multi-Annual Strategic Plan (MASP) and the creation of a pan-EU data exchange format and risk rules is one example of the significant steps being made to realise the benefits of data sharing for the purpose of risk-assessing freight. Data sharing is already common place in risk-assessing passengers with figure 1 providing an example of the benefits of this approach

Techniques for identifying high risk

With an increase in data there is of course the danger that Customs agencies are unable to see the wood for the trees. The challenge of detecting high risk and facilitating legitimate trade requires new techniques to fully exploit the value from the shared data. The obvious and traditional first step is to introduce automated rules. However, these can be reverse engineered over time and therefore lose effectiveness unless maintained in line with ongoing analysis of new trends. In our experience the critical success factors for introducing automated detection of high-risk goods and/or people are:

• Ensuring that a feedback loop exists to continually monitor detection rates and optimise the rules as new trends and behaviours emerge.

• Contextualising the risk-scoring as often the risk of a single transaction can only be understood in relation to the normal pattern of behaviour.

• Using social network analysis to determine the network of relationships and associations, and risk scoring the network and associations rather than just the individual transaction.

A good example of the recent success of automatic detection techniques is the UK Freight Targeting System (FTS), which was highlighted by the Lord West report:

"In the month following its launch in September 2007, FTS has contributed to the seizure of more than nine million cigarettes, 20kg of heroin and over 2 1⁄2 tonnes of cannabis".

Social network analysis

Social networks are very topical with the advent of sites like Facebook, but the use of social network techniques to automatically link billions of records to form networks which can then be scored and profiled introduces a powerful new approach to unlocking the value in large volumes of data and in particular data shared across multiple organisations. This can be seen as follows:

A recent example of the benefits of social network analysis and data sharing can be found in the UK Insurance Fraud Bureau (IFB). The IFB was set up by over 20 UK insurance companies as a central body to detect and combat organised insurance fraud. Following the introduction of the IFB and its use of data sharing and social network analysis techniques, the number of arrests jumped from an average of 1 per year to 74 in the first year. The IFB has as a result saved the UK insurance industry millions of pounds sterling per annum.

Other industries that rely on intelligence and risk-based approaches, including banking, law enforcement, tax collection and border security have also introduced these techniques and have reported significant benefits. Typically these include:
- Uncovering 10 times more criminality.
- Making investigators 3 times moreefficient.
- Producing 10 times fewer false.

Lessons learnt

The use of powerful new techniques can radically improve intelligence and increase detection rates but a number of other aspects need also be considered for any solution to be successful:
- Data quality - certain data quality issues can be overcome but the old adage of 'garbage in, garbage out' remains true. The first step in any project should be to assess the value and quality of the data.
- Early and regular engagement with the trade is critical - for instance the trade are the main providers of data and can have a major impact on its quality.
- Business and cultural change - the introduction of new tools and techniques can be overwhelming for end-users if the business is not ready to receive and exploit them effectively.

A promising future

Greater inter-agency cooperation will undoubtedly continue to increase the volumes of available data. New, proven techniques such as social network analysis have already demonstrated the significant benefits that can be achieved from generating better intelligence and improved risk-based targeting. The future is promising for those organisations that can harness these new techniques and provide their officers with the appropriate tools to make more informed decisions.

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Training, technical assistance, and technology: essential elements for security

Terrorism continues to be one of the most serious threats to international peace and security of our century. It is a global threat that requires a global and comprehensive response.

In the global fight against terrorism, the African Union (AU) – which in 2002 became the successor to the Organisation of African Unity (OAU) – has an important role to play. In Africa, a number of regional bodies, including the AU, took terrorism into account long before the dramatic events of September 11, owing to incidents in all four corners of the continent including Algeria, Egypt, Kenya, Nigeria, Tanzania and South Africa to quote a few. Some African states developed anti-terrorism legislation as far back as the 1940s.

In 1999 the OAU Convention on the Preventing and Combating of Terrorism was adopted, followed by the Plan of Action on the Prevention and Combating of Terrorism in Africa in 2002. As a result of concerns that the 1999 OAU Convention had inherent weaknesses which could impair implementation, it was unanimously decided to adopt a Protocol to supplement the 1999 OAU Convention.

The objective of these instruments is to promote a comprehensive, coordinated and consistent response, at the national, regional and continental levels to counter terrorism. They serve as a common, coherent and more focused framework which provides the guiding principles for the AU Counter-Terrorism (CT) Strategy. They also highlight the important role that the AU can play in serving as a bridge between the international counterterrorism framework embodied in international counterterrorism instruments as well as regional efforts. In addition they contain important provisions on extradition, the exchange of information, capacity building, law enforcement cooperation, mutual legal assistance, border control and other elements, which if and when implemented, have the potential to strengthen counterterrorism cooperation across the continent.

Subsequent to these developments and to ensure the proper operationalization of the norms and values inherent in these declarations and resolutions, the African Centre for the Study and Research on Terrorism (ACSRT) was established.

The critical issue for the AU is how best to translate the agreed principles for the prevention and combating of terrorism into concrete actions that would ensure comprehensive and effective implementation of the adopted instruments. It is therefore the role of the ACSRT – entrusted by the AU, under which this reasonability falls – to act, inter alia, not only as a provider/facilitator of capacity building and technical assistance (T.A) but also as a centre for excellence providing policy recommendations to the AU and its Member States covering areas relating to the prevention and combating of terrorism.

To better fulfil its mission the Centre is designed to function in permanent and continuous relation with national and regional Focal Points (FPs). The functioning modalities also call upon the Centre to develop cooperative and collaborative partnerships with international partners and international FPs.

In terms of Technical Assistance the ACSRT, since its establishment, has been active on many fronts including the development and delivery of a number of capacity building programmes to build and enhance the CT capabilities of its Member States. These programmes include, among other things, the detection and neutralization of explosives, combating terror financing and money laundering, trans-border cooperation for combating

CAERT headquarters in Algers (Algeria)

different forms of illicit trafficking, border control and joint law enforcement CT training programmes. It nevertheless recognized early in this process that it needed to redesign and tailor its programmes to fit the specific needs of the regions, which were at different levels of comprehension and technical expertise, and had different perceptions of the terror threat. It was also recognized that what may work in one region may not necessarily work in another, and thus the preparation of any programme necessitated the input of local stakeholders that would enable the Centre to better adapt its assistance taking into account the local and regional context, dynamics and environment.

More recently, during the third meeting of FPs, a Continental Threats and Vulnerabilities Assessment was presented. This resulted in the adoption of the ACSRT 2010-2013 strategic plan that illustrates how the Centre will provide technical assistance programmes based on identified needs and priority areas.

Africa is no different from the other parts of the world when it comes to the use of technology as a preventive measure in priority areas such as border control, supply chain security, exchange of information, and expertise. One thus has to take into account a number of parameters ranging from Member States' human resource capacity and development to environmental factors such as heat, humidity and dust that can have an adverse affect on the technology being considered or used.

Indeed, African countries face many challenges on the ground. In many cases it has

Speed boat used to patrol the Niger River

been observed that due to the absence of automated clearance systems, Customs is 100% dependent on manual processes with little scope for flexibility and discretion or in the treatment applied to transactions or declarants. Another hindrance that a great number of its countries have to manage is the diverse terrain including desert, mountain and coastal borders that present challenges in providing for effective border monitoring and control.

To address these challenges and enhance border management systems, countries had to innovate, an example of which is the pilot project between Libya and Tunisia in exercising joint Customs border control at the Ras Jdeer border. It is managed by a unified command of all relevant agencies and areas outside the perimeter of the designated border gate are patrolled by Libyan and Tunisian border guards each respecting their national boundaries. This project is considered to be a best practice in the region. A further best practice that springs to mind is the increasing use of 'Joint Security Chambers' at borders that are represented by all relevant agencies to coordinate patrols and share information allowing for the efficient sharing of resources and access to different databases. In the case of Customs, it has been noted that these chambers needed to be connected to the WCO Central Enforcement Network (CEN) to take advantage of analysis collected on trends, modus operandi, routes and significant cases of fraud disseminated by WCO Regional Intelligence Liaison Offices (RILOs). Both these best practices are consistent with the WCO's global Customs policy to promote coordinated border management as a means to better facilitate and secure trade.

Indeed, it has been recognized that the 53 Member States of the African Union are at different levels when it comes to technology implementation, expertise and resources. These range from countries that have, for example, enough back-up equipment at one terminal to equip three others, to those countries who lack the basic equipment that would allow them to conduct their work; in a number of cases it was noted that staff were using their own personal equipment to conduct their work! The needs also range from training (basic to advanced), and equipment (communication being a serious problem, and centralized databases being another, notwithstanding detection and monitoring equipment). Transportation is also a high priority given the serious problem of porous borders, high cross-border movements, and organized crime mobility. This is exacerbated by the fact that in most cases state of the art equipment is poorly maintained, operated by ill-trained staff or those that can use the equipment being transferred to other posts, and/or the lack of joint activities with other law enforcement agencies, through which synergies could be created (joint customs, immigration and police training for detecting cash couriers, forged and counterfeit documents, risk management, and profiling and targeting of goods and persons at border points). Enhanced Customs coordination with different agencies that are involved in port and airport security in the use of equipment such as x-rays at entry/exit points is fundamental.

Given all of the above one should also note that the will to overcome these challenges is there, both at the political and operation levels. It was noted that those dealing with these issues day in and day out have a lot of experience to share with us, as they are working with the available means and have developed processes that could serve as commendable examples elsewhere.

For the successful implementation of any technical assistance programme one needs not only to involve all relevant stakeholders at the national, regional and international levels but also apply project management principles to create synergies and avoid any setbacks.

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Mr Mounir Lallali is the Head of the Alert and Prevention Unit, in charge of Analysis, Studies and Publication at the African Centre for the Study and Research on Terrorism (ACSRT) since January 2005. His primary responsibilities include: leading the design and development of the Centre's Counter-Terrorism Early Warning System; managing a team of analysts that conduct policy analysis, studies, synthesis, and audits on terrorism in Africa; monitoring the ratification of African and universal counterterrorism instruments; representing the ACSRT in the UN Security Council's Counter-Terrorism Committee Executive Directorate country visits in Africa. Mr Lallali is also the General Manager of Aymen Security Group, the first private security training and consulting company in Algeria. He is currently working on his PhD on Corporate Security Management and holds a Postgraduate Diploma in Corporate Security Management from Cranfield University (the Royal Military College of Science) in the United Kingdom, an MBA in International Business from Regent's College in London, an MA in Security Management from Webster University in the United States, and a BSc. in Finance from the University of Algiers. The views expressed in this article are personal and do not necessarily reflect those of the African Union or any of its Organs.

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One hundred years old!
Hong Kong Customs celebrates

The years 1909 to 2009 mark a century of dedicated service by the Customs and Excise Department of Hong Kong, China (HKC).

The HKC can trace its history back to the Preventive Service (the Service) which was established on 17 September 1909, the very day on which a small team of 25 officers took up the sole duty of protecting revenue on liquor.

During the 1910s, the Service began its long battle against illicit opium and other narcotic drugs, and following the First World War it started shouldering the responsibility for combating contraband smuggling. To fulfill international obligations as well as bilateral and multilateral trade agreements, the Service has, since the 1930s, implemented trade control measures; enabling Hong Kong's industries to enjoy preferential tariffs for their exports to some foreign countries.

By the early 1970s, the Service was tasked with curbing the infringement of copyright and the forging of trademarks in a bid to protect Hong Kong's reputation as a shopping paradise for genuine goods. In 1977, the Service was renamed the Customs and Excise (C&E) Service, making its name in line with other Customs administrations worldwide. In 1982, the C&E Service became an independent department.

Following the reunification of Hong Kong with the People's Republic of China in 1997, the HKC has helped maintain the Hong Kong Special Administrative Region's (HKSAR) status as a separate Customs territory under the "one country, two systems" policy.

Entering the 21st Century, the HKC has further transformed itself to become a modernized force of over 5,500 staff that discharges its dual missions of law enforcement and trade facilitation. Being a strong supporter of international cooperation, the HKC joined the WCO in 1987 and was elected as the WCO Vice-Chair for the Asia Pacific Region between 2000 and 2002. The HKC has also taken an active part in the work of the APEC Sub-Committee on Customs Procedures.

The 100th anniversary of the HKC was an historic moment. The administration organized a range of meaningful activities to make it memorable. On 17 September 2009, a centennial cocktail reception took place with over 700 distinguished guests, including the Chief Executive of the HKSAR, in attendance to share this joyful event. A three-day exhibition, which showcased the Customs and Excise Department's significant achievements over the last century, was also staged.

More information
www.customs.gov.hk

OSCE Border Management
College launched in Tajikistan

The Organization for Security and Co-operation in Europe (OSCE) launched a Border Management Staff College in Dushanbe, Tajikistan on 27 May 2009 that will help train border security managers and promote cooperation between OSCE States and partner countries.

The College will offer border management training courses to senior border officers from OSCE participating states and partners, including neighbouring Afghanistan. It will also provide an outreach programme of workshops and seminars in Central Asia to enhance cross-border and inter-agency cooperation in the region.

All dimensions of the OSCE's work will be addressed by the College; in particular border related challenges pertaining to terrorism, transnational organized crime, illegal migration and illicit trafficking in nuclear, biological, chemical and conventional weapons, as well as trafficking in human beings, drugs and hazardous waste.

Along the Pamir Highway in Tajikistan - the river is the border with Tajikistan on the right side and Afghanistan on the left

A research and development centre will also be housed at the College. Training and research will focus on the free and secure movement of persons, border crossing procedures, trade facilitation, and transport security. The College aims to provide a single point of knowledge delivery and promote international standards and best practices in all aspects of border management.

The Spanish, Finnish and Greek OSCE Chairmanships and the Tajik Government all contributed significantly to the concept and its implementation.

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Korea Customs Service donates fake shoes to charity

The "2009 Shoes of Hope Sharing Festival" organized by the Korea Customs Service (KCS) on 7 June enabled students and citizens to paint messages of peace and hope on canvas shoes that were later distributed through UNESCO to young people in less developed countries.

12,000 pairs of seized fake shoes worth about USD 330,000 were provided by the KCS with the consent of trademark holders. The trademark labels on the shoes were removed before the event to prevent them from being resold on the market.

KCS seizes nearly USD 830 billion worth of counterfeits each year which necessitates massive human and financial resources to manage and dispose of these goods, not to mention the environmental pollution generated during the disposal process.

This event enabled the KCS to save about USD 417,000 in terms of recycling resources, disposal costs and environmental pollution. The Festival also provided an ideal platform to deliver an anti-counterfeiting message to the public. In addition, it gave participating youngsters a chance to think about the less-fortunate situation of those in other countries whilst realizing the true meaning of global sharing.

The Korea Customs Service plans to further expand donations of seized counterfeits to charity organizations at home and abroad in the future with the consent of trademark holders.

Creative cooperation between Customs administrations and their stakeholders at the national, regional and international level embodies the WCO's commitment to a partnership approach.
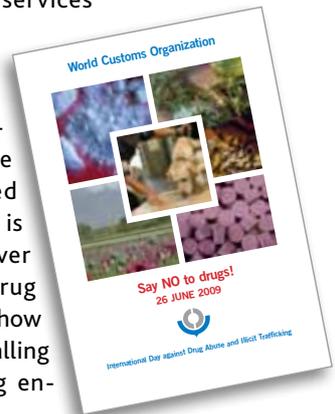
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www.customs.go.kr

Say NO to drugs!

The Secretary General asked all the Directors General of WCO Member countries to organize operations on 26 June – the International Day against Drug Abuse and Illicit Trafficking – to destroy drugs and chemical precursors seized by Customs services or in conjunction with other competent services in order to raise public awareness about drug issues, make an impact, recall the importance of the role played by Customs which is responsible for over half the world's drug seizures, and show how Customs is marshalling forces in the drug enforcement domain.

The Secretariat produced an information and promotional poster to mark the event that was made freely available to Members for download from the WCO website.

Forty-three Customs administrations responded favourably to the WCO request and destroyed drugs, conducted heightened control operations, held symposia or seminars, or ran awareness-raising campaigns. It is worth pointing out that some Customs administrations do not have the jurisdiction to destroy drugs. They consequently organized other awareness-raising activities to demonstrate their commitment to combating illicit drug trafficking.

In parallel, some initiatives were launched with interested private sector parties, notably the Business Alliance for Secure Commerce (BASC). It is active in Latin America and was created in 1996 under the name "Business Anti-Smuggling Coalition".

The events of 26 June 2009 are illustrated in a selection of photos from the four corners of the world.

More information
pierre.bertrand@wcoomd.org

26 June 2009 – Operations conducted by some WCO Members

Saudi Arabia
Drug destruction operations were carried out in some ports. A one-day workshop was also held at Customs Headquarters in Riyadh, together with an exhibition of seizure photos.

Spain
7,500 kg of cannabis and 500 kg of cocaine, seized by Spanish Customs and stored in a Customs warehouse on the Canary Islands, were loaded onto a Customs vessel at the port of Las Palmas (Canary Islands) as part of Operation "Fulmar". The drugs unloaded in Spain were destroyed in an environmentally-friendly manner in a zero-emission, waste-to-energy incineration plant.

Mali
Ceremony to destroy seized drugs, held on Bamako Airport premises : 82 kg of cocaine and 1,660 kg of Indian hemp were destroyed, witnessed by the Customs authorities, Police, Gendarmerie, the National Committee for Drug Destruction and journalists.

New Zealand
Destruction of the equivalent of 9 million dollars worth of drugs, mainly "ContactNT" containing pseudoephedrine (precursor).

Burkina Faso
Operation to destroy 62 kg of cocaine.

Hungary
A demonstration by dog and handler teams during a public awareness-raising day at the Office of the Hungarian Customs and Finance Guard in Röszke (at the Serbian border). This Office achieved the best results in terms of drug enforcement. A press conference and an exhibition displaying methods and instruments employed by Customs as well as seized vehicles also livened up the day.

Morocco
Incineration of 30 tonnes of cannabis, 1.2 kg of cocaine and small quantities of heroin and amphetamines.

Sri Lanka
An operation to destroy a cannabis plantation was carried out in the jungle some 250 km from Colombo. Stickers and brochures were distributed to airline passengers, flight crew and other airport staff. Information banners about the events of 26 June were displayed in airports and some Customs offices.

Korea
*1- Poster and bulletin board as part of a campaign to raise awareness about the dangers of drugs. A day focusing on drug enforcement controls and a symposium (in Seoul) on information sharing and co-operation between all relevant services were also organized.
2- Seizure of methamphetamine concealed in the inner tube of a bicycle tyre.*

Kenya
Destruction of 5 tonnes of chemical precursors and incineration of 45 kg of cannabis, with the Customs authorities and Customs officers in attendance.

Mauritius
Operation to destroy drugs organized in conjunction with the Drug Enforcement and Anti-Smuggling Unit. Awareness-raising activities were also run by the enforcement agencies.

Czech Republic
Parcels were inspected by a dog and handler. The day was marked by activities and a drug enforcement awareness campaign.

Francophone Directors General of Customs meet in Paris

The XVIth Conference of Directors General of Customs of francophone countries was held on 29 and 30 June 2009 in Paris with a focus on "Customs efficiency: how to measure and improve it". Eric Woerth, the French Minister of Budget, Public Accounts, Public Service and State Reform, opened the Conference by stressing the need for Customs administrations to reform in order to rise to the challenges they face; globalization and fast-paced trade as well as fraud linked to organized crime. The discussions were led by Jérôme Fournel, Director General of French Customs, and Philippe Kearney, Deputy Director for International Trade.

This Conference was set up in 1975 at France's initiative to bring together those involved in Customs cooperation in the

French-speaking world. The previous meeting was held in Morocco in 2004. The latest Conference was a resounding success: 35 countries[1] were represented, 24 by their Director General of Customs – along with various international organizations such as the OIF, the WCO, the World Bank, UNCTAD and the IMF[2].

The agenda for the Conference, primarily devised as a forum for lively interaction, made it possible to switch between presentations and discussions involving all delegates. The chosen topic – "Customs efficiency" – was both open, enabling contributors to present reforms undertaken from various perspectives (missions, organization of services, human resource management, financial and equipment resources) and unifying, since many Maghreb and sub-Saharan Africa countries have been working on measuring the performance of Customs administrations for a number of years now. Nevertheless, in most developing countries, the concept of "performance" is used as a means to draw up blueprints for modernization rather than as a tool for managing and monitoring the activities of services.

The Directors General of Customs of Algeria, Andorra, Cameroon, Canada (Quebec), Morocco and Senegal each presented a status report on the Customs reforms initiated in their respective countries. The UNCTAD representative, co-ordinator of the ASYCUDA programme, took stock and looked at the future of ASYCUDA[3] after 25 years of developments around this Customs automation system. As for

France, it looked at two topics in detail: the French performance management mechanism; and the "paperless Customs procedures" approach.

The meeting's interactive format and the topics examined afforded participants an opportunity to share their experiences and compare their approaches in terms of steering reforms within their administrations.

A draft summary of operational conclusions was presented to participants at the end of the Conference. This document, accompanied by a roadmap setting out a number of proposals for Customs modernization within the French-speaking Customs community, will serve as a reference document for francophone Customs administrations in the years to come.

The next Conference is scheduled to be held in Gabon in 2011.

More information
www.douane.finances.gouv.fr

[1] *Albania, Algeria, Andorra, Belgium, Benin, Bulgaria, Burkina Faso, Cambodia, Cameroon, Canada, Cape Verde, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Former Yugoslav Republic of Macedonia, Gabon, Guinea, Haiti, Luxembourg, Madagascar, Mali, Morocco, Mauritania, Niger, Romania, Senegal, Switzerland, Togo, Tunisia and Vietnam.*
[2] *OIF: Organisation Internationale de la Francophonie; IMF: International Monetary Fund; UNCTAD: UN Conference on Trade and Development.*
[3] *ASYCUDA: Automated SYstem for CUstoms DAta*

JAPAN and the US conclude an AEO Mutual Recognition Arrangement

On 26 June 2009, during the WCO's Council Sessions, Mr. Hiroshi Fujioka, the then Director General of Japan's Customs and Tariff Bureau (CTB), and Mr. Jayson P. Ahern, Acting Commissioner of US Customs Border Protection (CBP), signed a Mutual Recognition Arrangement concerning their Authorized Economic Operator (AEO) programmes, namely Japan's AEO programme and the US's Customs-Trade Partnership Against Terrorism (C-TPAT). Distinguished delegates from Member administrations and observer organizations, including Mr. Martyn Dunne, Chairperson of the Council, and Mr. Kunio Mikuriya, the WCO Secretary General, witnessed the ceremony.

The arrangement, which entered into force immediately, provides for CTB and CBP to accept members of each other's programmes as authorized economic operators. The arrangement is expected to contribute to furthering secure and facilitated trade between the two countries. It is Japan's second one, and the US's fourth. To date, only five such arrangements are in operation around the world.

Since the terrorist attacks in the United States in September 2001, ensuring both the security and facilitation of international trade has become an indispensable part of a Customs administration's mission. To cope with this challenge, the WCO adopted its SAFE Framework of Standards to secure and facilitate global trade in 2005, which highlighted the importance of introducing AEO programmes, under which Customs provides benefits such as simplified Customs procedures to traders who are compliant with supply chain security standards.

The SAFE Framework further encourages the development of mechanisms for mutual recognition of AEO validations and authorizations. In 2006, the WCO adopted the AEO Guidelines covering relevant requirements and benefits, and in 2007, the Framework was amended to incorporate these Guidelines. Japan and many other WCO Members have already introduced or are establishing AEO programmes in accordance with the pertinent WCO guidelines. With a view to furthering the secure and facilitated flow of international trade in goods, a range of consultations aimed at mutual recognition of AEO programmes have been initiated among Customs administrations around the world.

Japan Customs has implemented MRAs with New Zealand and the US to date, and is currently conducting consultations with the European Union, Canada and Singapore in this regard.

More information
www.mof.go.jp

Why seeing now means believing...

kromek security

kromek bottle scanner

How can you be certain whether that bottle of dark rum, *really* is just a bottle of dark rum.

Kromek has a solution which takes less than 30 seconds to detect if any narcotics have been dissolved within a bottle or if the bottle contents have been substituted.

The Kromek Verifier allows you to verify, using multi spectral analysis, the contents of a container: glass, metal or plastic, clear or opaque to determine if it has been altered in any way.

The system is a non invasive desktop unit and no sample preparation is required, it is fast, accurate and automated. Only minimal operator training is needed with single soft key operation and a simple pass or fail display screen.

Primarily designed for ports and border protection agencies as a checkpoint aid for the screening of narcotics in carrier liquids, the systems can also be configured to provide a range of security solutions such as screening for alcohol or the presence of potentially hazardous liquids.

The Kromek Verifier is supplied with a standard database, which can be upgraded to meet specific user requirements or local conditions.

Kromek is pioneering digital colour imaging for x-rays and has brought ground-breaking innovation to materials technology and advanced 3D imaging, that will literally change the way in which we see the world.

IATA e-freight: facilitating trade through faster, more reliable and environmentally friendly air cargo

Air cargo is a US$ 50 billion business that transports 35% of the value of goods traded internationally. It is a critical part of an aviation industry that supports 32 million jobs and economic activity amounting to US$ 3.5 trillion.

The International Air Transport Association (IATA), representing 93% of the world's scheduled international air traffic, is focused on improving the industry's competitiveness during the continuing economic crisis. One example is IATA e-freight; an industry-wide initiative that replaces paper documents required for international air shipments with electronic messages, saving time, money and improving reliability.

The WCO whole-heartedly endorses the principles underpinning IATA's e-freight project, and encourages Customs administrations to work collaboratively with their aviation counterparts to facilitate the adoption of e-freight in their respective countries.

Steve Smith, IATA e-freight Project Director, talks to WCO News about the benefits e-freight participants can expect and how organisations can get involved.

WCO News: What is e-freight and why did IATA decide to develop the concept?

IATA: Today's air cargo supply chain relies on paper. In fact, the average air cargo shipment generates more than 30 documents, from the certificate of origin to the import goods declaration.

The current paper-based processes lengthen transport times, increase shipment costs and provide little real time visibility for the customer. With so many stakeholders in the supply chain exchanging information, the manual transfer of data from one to another is error-prone. These errors cause delays in shipments.

The fact that Customs documents arrive at the same time or even after shipments eliminates the ability to pre-clear goods, causing delays and hampering the ability of Customs officials to conduct targeted screening. The administration of so many documents also requires more resources across the air cargo supply chain, increasing overhead costs.

IATA e-freight takes the paper out of air cargo and replaces it with standard electronic messages. This has the potential to save up to US$ 4.9 billion for the air cargo supply chain every year. It can also reduce shipment times by up to 24 hours and eliminate more than 7,800 tonnes of paper documents each year – the equivalent of 80 Boeing 747 freighters.

W.N.: Which countries and locations are using e-freight?

IATA: IATA e-freight has been rapidly gaining momentum. At the end of 2007, six countries were e-freight live; at the end of 2008, that number tripled to 18. By the end of this year, we expect 26 countries to be e-freight live. That number includes nine of the top 10 international cargo markets: France; Germany; Hong

Kong, China; Japan; the Netherlands; Singapore; South Korea; the UK; and the USA. China is e xpected to go-live in 2010.

W.N.: How can supply chain partners implement IATA e-freight?

IATA: The IATA e-freight Handbook is a comprehensive guide to implementation that includes all the messaging standards required. It is available for free download on our website: www.iata.org/e-freight. In 2009, the project team is hosting workshops around the world – called local adoption meetings – that allow supply chain partners to interact with companies that are already e-freight live and IATA representatives. More information about the local adoption meetings is available on our website.

W.N.: What is the role of Customs authorities in the implementation of e-freight, what are the benefits they will derive from participating and in which sense does IATA e-freight ensure the promotion of WCO standards and the e-customs concept?

IATA: Customs authorities are a critical partner in e-freight implementation. In fact, in South Korea the national Customs authority led local implementation efforts. The benefits of e-freight for Customs authorities include:

- Promotion of WCO standards and e-Customs by traders
- A better, stronger and more competitive air cargo supply chain
- Provision of advanced electronic data allows targeted, more effective screening
- Electronic submission of data (via e-declarations) to customs allows for consistency of import and export data and prevents customs revenue leakage
- Better visibility and track & trace of shipments

" IATA e-freight takes the paper out of air cargo and replaces it with standard electronic messages. "

Customs authorities also have a vital role to play in promoting IATA-e-freight in countries that are already live.
They can:
- Publicly endorse e-freight through proactive local communi-cation to encourage participation
- Ensure that all customs offices in your countries endorse e-freight
- Further push the use of standard electronic messages to re-place paper documents
- Ensure that new local regulations will not (re) introduce paper documents

Regarding standards, our focus is to produce standards that work for everyone – across companies large and small and across shipments for air, land and sea. The WCO has done great work in promoting e-Customs for member administrations and developing an infrastructure to support electronic Customs clearance. IATA e-freight relies on WCO electronic messages and as a result we promote the adoption of these messages at every opportunity.

W.N.: Could you mention a few words on the nature, extent and value of the cooperation between IATA and the WCO?

IATA: IATA e-freight is built by the supply chain, for the supply chain. In that context, the involvement of the WCO is critical to ensuring that the project makes sense for its Members. We have worked with the WCO to align the IATA e-freight offering to WCO standards. Together, we work to encourage the adoption of e-Customs programmes, as that paves the way for paper-free air cargo.[7]

More information
www.iata.org/e-freight
IATAe-freight@iata.org

Steve Smith,
Project Director IATA e-freight

Following service in the Royal Navy, Steve Smith joined British Airways World Cargo in 1996, as the Head of Revenue Optimisation in Cargo Revenue Management. This was followed by a three-year period in the change management programme at BA World Cargo, specifically focused on the implementation of BA's New World Cargo Centre. In 2001 he became Head of Planning and Development within the London Heathrow cargo operation, after which he was appointed General Manager for the cargo business in Africa responsible for Sales and Customer Service. Steve joined IATA in April 2006, as Director Cargo Standards and Safety in Montreal before being appointed as Director IATA e-freight in May 2007, based in Geneva.

Chile's Director General of Customs elected WCO Deputy Secretary General

On Saturday 27 June 2009, Directors General of Customs who had gathered for the 113th/114th Council Sessions elected by acclamation a new Deputy Secretary General, Mr. Sergio Mujica Montes, the National Director General of Customs in Chile.

From left to right: Martyn Dunne, Kunio Mikuriya and Sergio Mujica Montes

After being congratulated by the WCO Secretary General, Kunio Mikuriya, the Council Chairperson, Martyn Dunne, and all Heads of Delegations and observers, Mr. Mujica assured the Members of the WCO and those associated with the Organization of his full and wholehearted commitment to ensuring that the WCO remains a modern, effective, strong and united Organization.

Before he takes up his duties officially on 1 January 2010, Sergio shared some thoughts about his vision for the WCO with us.

WCO News: What made you decide to be a candidate for the post of Deputy Secretary General?

Sergio Mujica Montes: The WCO Vice President for the Americas, Silvina Tirabassi, called me at the end of December of last year and suggested that it was timely for our region to submit a candidate for the post of Deputy Secretary General of the WCO. I cannot deny that at the beginning I had some doubts, mainly because of the difficulties related to moving with my family to a different country and continent. Nevertheless, after some thought I clearly realized that I had to accept this challenge. I am convinced that our Organization needed a better balance and increased representation. A good example of this is Latin America, despite many attempts throughout the life of the WCO the Region had never been elected to any first level position at the WCO Secretariat. I believe that this is one of the important reasons why my candidacy received such firm support.

W.N.: How would you describe the significance of this post?

S. M. M.: The post of Deputy Secretary General plays a key role in the challenge put forth by the Chairperson of the Council, Mr. Martyn Dunne, to achieve a visionary, relevant and indispensable Organization.

In this context, the Deputy Secretary General must support the Secretary General in his efforts to implement changes in the WCO related to governance, capacity building and research. The Deputy Secretary General and the Secretary General must work together as a team, with a common vision.

Furthermore, the Deputy Secretary General's support for the work of the Directorates is critical. Each of the Directorates has substantial projects and tasks that require the strong support of the Deputy Secretary General, who must contribute to such tasks with efficiency and effectiveness.

The Deputy Secretary General also plays a significant role in bringing the WCO closer to the different regions. This goes beyond collaborating with countries that have more needs or developing countries being merely observers or beneficiaries of these processes. We need Customs administrations to be the principal leaders in their modernization processes, and to be committed to implementing the necessary changes.

In this regard, I would like to highlight the decision made by the Policy Commission recently in which they supported the strengthening of the WCO's work on capacity building. I believe that it will be difficult to achieve the objectives of the WCO un-

less we deliver specific tools and resources to assist developing countries to strengthen their Customs administrations.

W.N.: How will your professional experience in the Chilean public service assist you with your work at the WCO?

S. M. M.: I have worked my whole life in the public sector, developing my career as a public servant from the very day that democracy was reinstated in Chile. My professional experience covers core issues dealt with by the WCO, among which my core experience was gained in the almost four years that I served as Director General for the Chilean Customs Service.

Prior to my work as Customs Director General, I must highlight the six years I served as Director of the National Fisheries Service, and the period I was in charge of the legal area of the Forestry Service of Chile. These areas are key exporting sectors, and are highly relevant to the economic development of my country.

Throughout my career, I gathered first hand experience in developing and implementing high impact public policies in each one of these sectors, and liaising and strengthening cooperation with the private sector and the international community, which is directly related to the goals of the WCO.

Finally, I would like to highlight my professional experience in subjects related to the protection of the environment, which is especially significant this year for the WCO, bearing in mind this year's theme "Customs and Environment: protecting our natural heritage".

W.N.: During your campaign you said that it was important for the WCO to have a clear vision of the needs of the regions in order to develop its programmes. How do you plan to achieve this?

S. M. M.: During my campaign, I said that the Deputy Secretary General must have a clear vision of the needs of the regions in order to develop its programmes. I believe that it is impossible to apply "wording systems" from one Member to another, without bearing in mind the unique features of each country.

" I said that the Deputy Secretary General must have a clear vision of the needs of the regions in order to develop its programmes. "

To achieve this I believe that a close working relationship with regional Vice Chairs and Directors General is essential, as well as visiting Customs administrations in order to have a direct vision of their needs. To attain this objective, we need to learn about local realities and seek specific solutions to specific problems, with the participation and leadership of the administrations themselves.

On this point, I would like to acknowledge the efforts made by the WCO Secretary General to visit various regions of the world on a regular basis. I am convinced that these efforts can be complimented by a Deputy Secretary General that comes from the developing world and who will also be available to engage with Member countries.

W.N.: Since his election, the Secretary General has been working to enhance the participation of Members whose national language is neither English nor French. What suggestions can you, as a Spanish speaker, make about this?

S. M. M.: In effect, languages turn into very important barriers for the participation of countries whose native tongue is neither English nor French.

Although describing the situation is simple, the solution is complex. These countries have a limited number of officers that

Biography

Sergio Mujica Montes was born in Santiago (Chile) on 21 March 1969. He is married to Isabel Naveillan and has 6 children. He obtained a Degree in Law in 1991 from Pontificia Universidad Católica de Chile. He later obtained a Masters Degree in International Law (LL.M.) from the American University in Washington DC (USA) and a Certificate in Management Skills from the Universidad de Chile's Department of Industrial Engineering.

Sergio was Director General of the Chilean Customs administration from 2006 to 2009, before being elected Deputy Secretary General of the WCO effective 1 January 2010. He previously served as National Fisheries Director from 2000 to 2006; the fisheries sector being one of the most relevant exporting sectors in the Chilean economy. He also served as head lawyer in the Forestry Agency of Chile and as consultant to the Ministry of Agriculture in procedures related to the submission of bills to Congress. Sergio has served as a member of the Board of various public corporations and as a university professor. His work has appeared in numerous publications dealing with various legal and public policy related matters.

speak either English or French, and on the other hand, there are a limited number of experts in the various technical fields of the WCO. The end result is that frequently the people that attend technical meetings are officials from Embassies or Customs officers that speak one of either of the official languages and have a general knowledge, but not sufficient expertise in the specific subject matter of the meeting.

" The upcoming period will present many challenges and they can count on my commitment and dedication to assist our Organization to face them with excellence. "

I would like to highlight that recently a lot of progress has been made in this area, especially thanks to the leadership of the Secretary General, but it is necessary to continue moving forward and obviously I will make my best effort to contribute in finding a solution to this relevant issue.

W.N.: Do you have a message for the WCO's Members and partners?

S. M. M.: I would like to thank WCO Members and our partners for their firm support towards my candidacy and ensure them that I will make every effort to work for the well-being of the Organization. The upcoming period will present many challenges and they can count on my commitment and dedication to assist our Organization to face them with excellence. I look forward to working with all of them in close collaboration with the regional Vice Chairs and Customs administrations across the globe, because I am convinced that this is the best way to move forward to comply with the objectives of the WCO.

More information
www.wcoomd.org

Secure borders:
a new age for data exploitation

While globalisation has brought about a dramatic increase in cross-border travel and trade, providing benefits and opportunities to many countries, it also presents a significant risk to domestic security.

Ensuring the facilitation of legitimate travel and trade, while preventing those who might cause harm by entering a country, calls for a transformation in border management.

Detica specialises in collecting, managing and exploiting information to reveal actionable intelligence.

By combining technological innovation with in-depth industry knowledge, we have developed a world-class border security capability encompassing:

- Comprehensive real-time risk assessments of the end-to-end supply chain
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- Biometric authentication and identity management to integrate identity and risk
- Risk-based targeting using social network analysis with Detica NetReveal®
- Automatic extraction of intelligence from unstructured data using Detica TxtReveal™

For more information on Detica's border security solutions, please contact:

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Detica

Jamaica Customs Department

Main aims

The Jamaica Customs Department (JCD) plays a pivotal role in fulfilling the mission, vision and achieving the targets set by the Ministry of Finance and the Public Service. Customs is a principal contributor to government coffers, collecting approximately 30% of national tax revenue annually.

The Department collects and protects revenue, guards against illicit imports, and is responsible for the following: assessing and collecting customs duties, fees, and penalties due on imports; interdicting and seizing contraband, including narcotics and illegal drugs; processing passengers, baggage, cargo and mail; detecting and apprehending persons engaged in fraudulent practices designed to circumvent Customs related laws; protecting industry, labour and intellectual property rights by enforcing laws intended to prevent illegal trade practices, including provisions related to quotas; the Anti-Dumping Act; and by providing Customs records for copyrights, patents, trademarks; protecting the general welfare and security of Jamaica by enforcing import and export restrictions and prohibitions, and anti-money laundering laws.

Its activities are governed by the Customs Act. In addition to its own laws, Customs enforces over 125 other provisions of law for other agencies.

Vision statement

To collect the revenues due in an equitable and efficient manner in order to maintain public confidence in the integrity of the Administration as we strive to achieve the highest level of voluntary compliance at the least cost to stakeholders.

Mission statement

To be a world-class organization that facilitates trade, protects our borders, and promotes economic growth, consistent with national policies on trade and development.

Priority activities

Trade facilitation: Customs has intensified its efforts to facilitate trade, having recently revised its Selective Importation Inspection System (SIIS) to release goods on a quicker basis by relying more on the use of technology and risk assessment. In furtherance of this, it is in the process of outlining an Authorised Economic Operators programme to streamline the process.

Border security: Customs is redefining its role as a border protection agency and has been partnering with stakeholders and other countries to strengthen its border protection capabilities. In this regard, the JCD has partnered with the US to implement the Megaports Initiative to deter, detect, and interdict illicit trafficking in special nuclear materials and other radioactive materials throughout the global maritime network. It is also working with local stakeholders to develop a port community system.

Pre-inspection and pre-clearance: The goods clearance process has been revised and a pilot programme is now being tested to have cargo pre-checked and ready for duty payment prior to the arrival of the importer. The legal framework is also being reviewed to make this a reality.

Counterfeiting and piracy: The Customs Contraband Enforcement Team (CET) has been refocused and has improved its performance target six-fold over the last financial year. The Team is aggressively working to interdict counterfeit goods which put the health and well-being of Jamaicans at risk.

Capacity building and human resource development: Customs is making significant investments in its staff. As such, critical training programmes have been identified to improve competency and job knowledge. This remains an important area for the Department as it will determine, to a great extent, the overall efficiency and effectiveness of Jamaica Customs.

International and regional cooperation

To foster bilateral and multilateral Customs cooperation, Jamaica is a member of the Caribbean Customs Law Enforcement Council (CCLEC).

General information

Commissioner of Customs and Excise
Hon. Danville Walker O.J.
(Appointed 2 June 2008)
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Myers' Wharf
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1 September 1985
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General contact point
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Fax: +876 967 3234
Email: public.relations@jacustoms.gov.jm
Date of WCO membership:
29 March 1963

International conventions on Customs matters signed by Jamaica

The major ones include the WTO valuation agreement, the Convention on the Prevention of Marine Pollution by Dumping of Wastes and other matter; the CITES Convention; the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade; and the Protocol against the Smuggling of Migrants by Land, Sea and Air, supplementing the UN Convention against Trans-national Organized Crime.

More information
www.jacustoms.gov.jm

A regional approach to WCO capacity building

…the Asia Pacific Regional Office for Capacity Building

In order to enhance and improve capacity building activities for its Members, the WCO developed a "Customs Capacity Building Strategy" at the June 2003 Council session. One of the core aspects of the Strategy was the "Regional approach to capacity building", the objective of which is to provide better capacity building in the regions through proper identification of regional needs, and by establishing Regional Offices for Capacity Building (ROCB) in each WCO region.

Taking the first step

To materialize the strategy, the WCO Asia Pacific Regional Heads of Customs Meeting held in April 2004 decided to set up an ROCB for Asia Pacific (ROCB AP) in Bangkok, Thailand. The ROCB AP was formally opened in September 2004 following the endorsement of the WCO Council and the approval of the Thai Government.

Principal and strategic plan

Although the ROCB AP was formally established, no standards, rules, manuals and guidelines existed with regard to the ROCB's activities and, moreover, nobody knew the right directions and right answers; this was a totally new experience for the WCO and its Members. Under such circumstances, after careful deliberation ROCB AP set a first principle, i.e. to make it "Visible" to Members, the Secretariat, donor institutions and other stakeholders. In 2006, when the ROCB's activities were widely recognized by stakeholders, the ROCB added a new "User-oriented" working principle to meet the needs of stakeholders more directly. Currently, the activities of ROCB AP are conducted under a third "Result-oriented" principle to satisfy the expectations of stakeholders.

In addition, ROCB AP started to develop a three-year ROCB Strategic Plan and Annual Action Plan since 2005, which contains its mission statement and four pillars of activities. The four pillars are: to support the implementation of the SAFE Framework of Standards; to develop partnerships with donor institutions; to enhance technical and management assistance; and to develop communication and coordination with Members.

Major activities

Implementation of the SAFE Framework

In January 2006, the WCO launched its Columbus Programme which supports Members in implementing the SAFE Framework. To assist this initiative, ROCB AP tried to foster diagnostic accredited experts and to use them as much as possible for this purpose. As a consequence, regional experts joined 13 missions among 19 Phase I diagnostic missions conducted by the WCO Secretariat. Also, regional experts joined 9 out of 10 Phase II Action Plan Developing workshops conducted in the Asia Pacific region by the ROCB and the WCO Secretariat.

Moreover, to assist implementation of the action plan, the ROCB concentrated on two main activities, namely, the organization of an area specific workshop and donor meetings. For example, the ROCB organized a national workshop in the Maldives on risk management in collaboration with Japan and transferred our knowledge to Maldives Customs. As a result, Maldives Customs introduced a cargo selectivity system in July 2008, which was one of the priority areas specified in the diagnostic report. The other example was the organization of national donor meetings in Cambodia and Papua New Guinea (PNG), which were held to assist the implementation of the action plan by matching Customs' needs with the priority areas of donors.

Development of the partnership with donors

Recognizing that donor institutions had been providing many Customs and trade facilitation related capacity building initiatives in the region, the ROCB intentionally and positively attended meetings, seminars and workshops organized by donors in order to deepen mutual understanding and develop a strong partnership with them. Consequently several concrete activities were organized by both parties including joint seminars on trade facilitation and the GMS (Greater Mekong Subregion) Heads of Customs Meeting with the Asian Development

Takashi Matsumoto

Having just completed a five-year term as Head of the ROCB Asia Pacific, Takashi Matsumoto has now returned to Japan as Director: International Affairs at the Customs and Tariff Bureau of the Ministry of Finance (CTB-MOF). Prior to joining the ROCB, he was Head of the National Intelligence Analysis Center at Tokyo Customs. Before this, he was Deputy Director: APEC at CTB-MOF after being a Japan International Cooperation Agency (JICA) Expert and Policy Adviser to the Director General of Indonesian Customs.

Bank. National donor meetings are also good examples of the cooperation with donors.

Providing technical and management assistance

The ROCB is expected to facilitate capacity building activities organized under Japan's Customs Cooperation Fund (CCF), e.g. seminars and workshops. In this regard, since its establishment the ROCB in collaboration with the WCO Secretariat and the Regional Training Center (RTC) or host country has organized about 10 to 15 WCO regional and national seminars/workshops every year using CCF Japan. To provide better technical and management assistance to its Members, ROCB AP has also organized a Heads of WCO Regional Training Centres (RTC) meeting every year since 2004. The deliverables of the meeting were the development of RTC compendiums, best practice for the Customs training centre, a pool of regional experts, and a vision and mission statement for the Asia Pacific RTC.

Yoshiro Kosaka

Before taking recent charge of the ROCB Asia Pacific, Yoshihiro KOSAKA was Deputy Director: International Affairs and Research Division at the Customs and Tariff Bureau of the Ministry of Finance (CTB-MOF) in Japan. From 2000 to 2003, he was a Technical Attaché at the WCO Secretariat in the Compliance and Facilitation Directorate. After 4 years in Brussels, he returned to the CTB-MOF in 2004 as Deputy Director: Office of Economic Partnership and in 2006 became Deputy Director: Enforcement Division.

Conducting study and research

In 2007, the ROCB started a new initiative concerning the "identification of regional best practices" to provide better information to Members to support their modernization activities. So far five reports on the "Time Release Study", the "Authorized Economic Operator (AEO)" and "Customs Modernization in Papua New Guinea" have been issued. These reports were distributed to the WCO Secretariat, other regional ROCB's and RTC's as well as to Members in the Asia Pacific region. This action was highly appreciated.

The way forward

ROCB AP's five years of activities have been well-received by WCO AP Members, the Secretariat, donor institutions and other trade related institutions. For example, ROCB AP received the "2008 Ozone Layer Protection Award" from the United States Environmental Protection Agency (EPA) in May 2008. It was also a great honour to receive the "SAHAMETRE Medal" from the Cambodian Government in July 2009 upon completing my term at the ROCB.

Currently, ROCB's are established in all six WCO regions and ROCB AP is expected to take a leading role on how the WCO's regional approach to capacity building can be implemented through the ROCB's. As my successor, Yoshihiro Kosaka, has deep knowledge and experience on Customs matters including three years experience at the WCO Secretariat, he meets these expectations and seeks a path finder role as Head of the leading ROCB.

More information
www.wcoasiapacific.org/wcoweb/rocbweb

The 113ᵗʰ/114ᵗʰ Council Sessions: discussions and decisions

Directors General of Customs representing the WCO's 174 Members met in Brussels for the annual Council Sessions from 25 to 27 June 2009.

The main issues addressed by the Council related to policy matters, elections and appointments, and a wide range of topical Customs and trade matters.

Policy matters

The primary focus here was on the topics discussed at the Policy Commission's 61st Session from 22 to 24 June 2009:

• **International supply chain security and facilitation**
The main issues stemming from the work of the SAFE Working Group (WCO Trade Recovery Guidelines, changing references to "Integrated Border Management" in the SAFE Framework to "Coordinated Border Management", the final version of the AEO Implementation Guidance and AEO Compendium, the successful completion of the Guidelines for the Purchase and Deployment of Scanning/Imaging Equipment), the outcomes of the work of the Private Sector Consultative Group (PSCG), and certain documents submitted for approval, together with recent developments regarding the US 100% scanning issue.

The WCO's policy of constructive engagement with the United States Congress in respect

of the 100% scanning issue was strongly supported by Members, as was the use of risk management set out in the SAFE Framework of Standards as an alternative to the US 100% Scanning Law.

The Council agreed to all proposals.

• **Global financial crisis**
The Council adopted a Resolution on the WCO's continuing response to the global economic downturn. This Resolution outlines the background to the measures taken by the WCO, emphasizes the need to remain vigilant in respect of the economic downturn's impact on trade and Customs operations, and sets out three recommendations derived from the Communication to the G20 aimed at facilitating trade and re-establishing confidence in the international trading system.

• **Customs in the 21st Century**
The "Customs in the 21st Century" (C21) Action Plan has been integrated into the annual WCO Strategic Plan. It reflects the interests, priorities and needs of Members gleaned from meetings of the WCO's regions and working bodies. The Secretariat will continue to move ahead with implementation of the C21 Action Plan, in consultation with the relevant WCO committees and the regions.

The Council decided to launch an Ad Hoc Group that will conduct a feasibility study on globally networked Customs (GNC), the first of the 10 building blocks that make up C21. The Group will manage the completion of the study and will present its conclusions and recommendations to the Policy Commission and Council in June 2011.

• **Combating counterfeiting and piracy**
Given the deadlock within the SECURE Working Group, the Council adopted the draft Terms of Reference for a new body to deal with IPR border protection issues. It will be known as the WCO Counterfeiting and Piracy (CAP) Group. Members were urged to participate in the future work of this Group.

The Secretariat's sustained activity in terms of IPR-related capacity building and technical assistance was also highlighted due to the large number of developing countries that continue to request the Secretariat to provide greater assistance in their regions.

• **Customs capacity building**
A Capacity Building Committee has been established to ensure the development of more effective planning mechanisms and for the WCO's capacity building programme of work to become its strategy in this respect. The Committee supersedes the High-Level Working Group on Capacity Building, Training and Technical Assistance (HLWG) and will become one of the Organization's permanent working bodies. The achievements made under the different capacity building programmes (Columbus, PICARD, Integrity and training) were emphasized.

• **Trade facilitation and regional trade agreements**
An update on the current status of the WTO trade facilitation negotiations and the services offered by the Secretariat to Members in this connection were presented.

A preliminary impact study on the potential effects of the WTO Doha Development Agenda negotiations on Customs has been carried out and made available to Members. The preliminary results have been analysed from fiscal, legal, policy,

procedural, operational and capacity building standpoints. It transpires from this study that it is vital for Members to engage in the WTO negotiations which will affect Customs procedures and, as a corollary, the WCO.

Turning to the revised Kyoto Convention (RKC), non-Contracting Parties to the Convention were urged to accede thereto as soon as possible. The RKC is one of the WCO's key trade facilitation instruments and a greater number of Contracting Parties would strengthen the WCO's position in terms of trade facilitation on the international stage.

The Council adopted the Recommendation concerning the use of the WCO Data Model, a global standard for data requirements at borders for the release and Customs clearance of goods. This Recommendation is aimed at encouraging WCO Members, the United Nations or its specialized agencies to adopt the Data Model and use its data elements as well as its standard electronic messages to facilitate the international exchange of data between Customs administrations and all other parties involved in international transactions and cross-border movement of goods.

With regard to the Action Plan aimed at improving the administration and management of preferential rules of origin, a database on preferential trade agreements and their related rules of origin has been launched. The comparative study on preferential rules of origin has been initiated and training and capacity building activities conducted.

• Palestine's involvement in the WCO
The WCO continues to provide capacity building assistance to Palestine. As a result of the work carried out by the WCO, the Palestinian Authority has developed a capacity building action plan for its Customs Department. This programme will be supported by the WCO's regional structures (the Vice-Chairperson and the ROCB).

• Other business
The WCO has circulated several information papers about H1N1 influenza to inform Members in a timely manner about measures taken by other Customs administrations and possible actions to take. In order to raise the level of awareness among international travellers, some Customs administrations have distributed information documents about this virus.

The "Purpose and Scope" paragraph of the Enforcement Committee's Terms of Reference was amended to include a reference to firearms and, where the Customs administration has the legal mandate to act, the trans-border movement of people and goods affecting health and safety.

• 62nd Session of the Policy Commission
The Policy Commission's 62nd Session will be held at WCO Headquarters in Brussels (Belgium) from 7 to 9 December 2009.

Elections and appointments
• Secretariat
Mr. Sergio Mujica Montes (Chile), the current Director General of Chilean Customs, was appointed Deputy Secretary General

for a five-year term of office beginning on 1 January 2010.

• Other
Other election outcomes are shown in a summary table on page 55.

Council news items
•Cuba, Kazakhstan and Sri Lanka acceded to the revised Kyoto Convention*.
•The WCO and Kenya signed a Memorandum of Understanding on the Regional Office for Capacity Building in Nairobi.
•The WCO and Kazakhstan signed an agreement to set up a WCO Regional Training Centre in Astana.
•The WCO, Canada and Haiti signed a tripartite agreement on capacity building.
•The WCO and Mongolia signed an e-learning agreement.
•Japan and the United States signed a Mutual Recognition Arrangement (MRA).

* The number of Contracting Parties stood at 64 on 28 July 2009 (on 13 July 2009, Qatar deposited its instrument of accession, followed on 28 July by the Former Yugoslav Republic of Macedonia).

WCO photo competition

The WCO's first ever photo competition, held this year and focusing on "Customs in action", attracted entries from 44 Member Customs administrations.

The photos were put on show during the Council Sessions so that Heads of Delegation could choose their favourite.

The competition was won by the Danish Customs administration with a photo of Chili, the Customs sniffer dog, who is said to have a "nose for success!"

A poster-sized print of the winning photo is on display in the lobby at WCO Headquarters.

The WCO Yolanda Benitez Trophy

At the June 2009 Council Sessions, the WCO Yolanda Benitez Trophy for combating counterfeiting and piracy was awarded for the fourth year in succession.

Thirty countries competed for the Trophy.

This year's winner was the Customs Administration of the Former Yugoslav Republic of Macedonia. The Administration made a great number of seizures of counterfeit goods that could affect people's health and safety, examples of which include automobile parts, toothpaste and detergent.

This year's winner was the Former Yugoslav Republic of Macedonia

Three special awards were also presented to:

- Belgium, for the biggest seizure in Europe of counterfeit malaria drugs at Zaventem Airport in transit to countries in Africa

- Saudi Arabia, for its work in raising awareness in the Middle East region, including the organization in October 2008 of the first pan-Arabic conference on this issue, and for its commitment to building the IPR enforcement capacity of Customs as well as the translation of WCO documentation into Arabic

- Uruguay, for spectacular seizure results of goods such as fake drugs and tequila that could endanger the health of people

The WCO has dedicated this trophy to Mrs. Yolanda Benitez, a Customs official at the Cuidad del Este Customs terminal in Paraguay, who was shot dead by traffickers for her efforts to combat the illegal importation of several container loads of CD-ROMs.

A boost for the revised Kyoto Convention

The International Convention on the Simplification and Harmonization of Customs Procedures (Revised Kyoto Convention or RKC), a blueprint for effective and modern Customs procedures in the 21st Century, which entered into force on 3 February 2006, has been boosted by a further 6 Contracting Parties since the last Council Sessions, bringing the total number to 64.

2009/2010 ELECTIONS FOR COUNCIL WORKING BODIES AND THE SECRETARIAT

COUNCIL

Key: **Ch**: Chairperson, **VC**: Vice-Chairperson, **WP Ch**: Working Party Chairperson

POLICY COMMISSION
Members: Council Chairperson, Vice-Chairpersons, Australia, Bahrain, Botswana, Brazil, Canada, China, Congo (Republic of), Côte d'Ivoire, European Communities, Germany, Greece, Italy, Japan, Malaysia, Mexico , the Netherlands, Russia (Federation of), Saudi Arabia, Spain, Switzerland, Thailand, Zimbabwe, United States
Observers: Delegate from Belgium, Chairperson of the Finance Committee

Chairperson:	M. DUNNE (New-Zealand)	
Vice-Chairperson:	S. TIRABASSI (Argentina)	
VC:	U. BAEK (Rep. of Korea)	
VC:	A. BELLOT (Luxembourg)	
VC:	A. ZAGHNOUN (Morocco)	
VC:	P.M. MALINGA (Uganda)	
VC:	A. NANGA (Senegal)	

FINANCE COMMITTEE
Members: Australia, Benin, France, Germany, India, Italy, Japan, Kazakhstan, Kenya, the Netherlands, Panama, Paraguay, Saudi Arabia, Spain, Sweden, United Kingdom, United States

Chairperson:	T. SCHOENECK (Germany)	
VC:	B. O'HEARN (United-States)	

AUDIT COMMITTEE
Members: Ecuador, Ireland, Lesotho, Morocco, New Zealand, Sierra Leone

Chairperson:	A. ZAGHNOUN (Morocco)	

PERMANENT TECHNICAL COMMITTEE

Chairperson:	K. SUBRAMANIAN (India)	
VC:	I. DIOP (Senegal)	

INFORMATION MANAGEMENT SUB-COMMITTEE

Chairperson:	A. SAHU (India)	
VC:	E. BROEKEMA (Netherlands)	

ENFORCEMENT COMMITTEE

Chairperson:	P. CAMPBELL (New Zealand)	
VC:	M. FORMAN (United-States)	

TECHNICAL COMMITTEE ON RULES OF ORIGIN

Chairperson:	L. PING (China)	
VC:	K.J.B. KAWANDA (Dem. Rep. of Congo)	

TECHNICAL COMMITTEE ON CUSTOMS VALUATION

Chairperson:	G. MANES (Uruguay)	
VC:	D. YILMAZ (Turquey)	
VC:	N. SHOKAI (Japan)	

HARMONIZED SYSTEM COMMITTEE

Chairperson:	E. HURNI (Switzerland)	
VC:	Y. NOVIS (Brazil)	
	J.F. JAUREGUI (Mexico)	
WP Ch:	Y. NOVIS (Brazil)	

HS REVIEW SUB-COMMITTEE

Chairperson:	R. MÄNTYMAA (Finland)	
VC:	G.J. OLANCO (Dominican Republic)	

SCIENTIFIC SUB-COMMITTEE

Chairperson:	I.S. REESE (United-States)	
VC:	F.M. SIEBERTH (Austria)	

SECRETARIAT

Deputy Secretary General:	S. MUJICA MONTES (Chile)	

* After the closure of the Council Sessions, the Vice-Chair for the South America, North America, Central America and the Caribbean region notified the Secretariat that, with the agreement of the parties concerned, Mexico would serve on the Policy Commission for 2009/2010 rather than Chile as originally proposed to the Council.

Cuba, Kazakhstan and Sri Lanka took advantage of the 2009 Council Sessions to deposit their instruments of accession with the WCO, whilst Qatar and the Former Yugoslav Republic of Macedonia acceded on 14 and 30 July 2009 respectively.
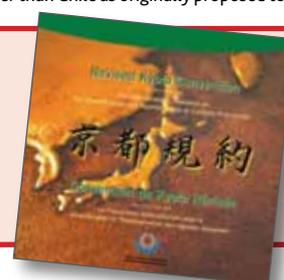
HS Convention

A further three Contracting Parties, namely, Armenia, Ecuador and Georgia, acceded to the International Convention on the Harmonized Commodity Description and Coding System (HS Convention) since the June 2008 Council Sessions.

Global cooperation to combat money laundering and counter terrorist financing

As Customs is in the front line at international borders and has the potential to identify cross-border transport of large amounts of cash and to detect money laundering via international trade activities (also known as "Trade based Money Laundering"), it should be taken into due account as a core element in any comprehensive national anti-money laundering strategy. Close cooperation between Customs and national Financial Intelligence Units (FIU) is therefore imperative in addressing this phenomenon which facilitates the growth of organized crime and undermines political and economic structures.

During the 17th Plenary Meeting of the Egmont Group which met in Doha (Qatar) from 24 to 28 May 2009, a representative of the WCO Secretariat highlighted the important role of Customs in the fight against money laundering and terrorist financing. The Secretariat also presented a short report on the outcomes of the 2nd WCO / INTERPOL International Conference on Illicit Cash Couriers which took place in April 2009, Brussels (Belgium) and briefly informed delegates about the concept of Operation ATLAS; an international operational effort by Customs to identify cash couriers.

The EGMONT Group is a non-political international entity composed of operational FIUs from 116 jurisdictions. It was established in 1995 to facilitate international cooperation in the exchange of information and the sharing of expertise among national FIUs which are responsible for following the money trail to counter money laundering and terrorist financing. The ability of FIUs to transform data into financial intelligence is a key element in fighting financial crime.

Both the WCO and the Egmont Group are committed to continue working together to combat trade-based money laundering and to support one another's efforts to ensure the integrity of the financial supply chain by stopping attempts to channel money for the purposes of funding illicit and criminal activities.

More information
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mail@egmontsecretariat.org

Customs and the academic world discuss global issues

The 4th WCO PICARD Conference which was held in San José (Costa Rica) from 28 to 30 September 2009 built on the successes of previous PICARD conferences. This year's conference tackled a number of issues of relevance to Customs and international trade including current and planned academic research, the impact of the economic crisis, the impact of regional trade agreements and their

The frontier, a world of interactions

Coordinated border management (CBM) is now a topic on the international Customs agenda and has been given prominence by its inclusion in "Customs in the 21st Century"; a strategic policy adopted by the Council of the WCO at its June 2008 annual sessions.

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By organizing its first Inter-Agency Forum on Coordinated Border Management from 29 to 30 June 2009, the WCO wanted to encourage discussions by inviting administrations to share their experience regarding collaboration, cooperation or integration of services.

Several WCO Members have indeed been reorganized, some merging with other fiscal services or border control services, notably immigration and food inspection, others undertaking other types of restructuring.

A key benefit of CBM was identified during the Forum's discussions: better and smarter border services at least cost with or without structural change, leading to enhanced integrated risk management, a more efficient and secure international trade supply chain, and a faster clearance process.

Some administrations explained the border management transformation that had occurred in their countries and outlined some key lessons learned from their experience. Different models of cooperation between services inside the same country or between services at the regional and international level were also analyzed. It was stressed though that while a "whole-of-government" approach to border management sounds straightforward in theory, it is difficult in practice.

It is therefore essential to understand the connections between the work of Customs and that of its colleague agencies, or, for administrations covering all border functions, how the different functions interact. The need for performance measurement at the border as a starting point for assessing the need for change was also emphasized – here the WCO's Time Release Study was mentioned as a possible tool. The importance of regional integration when planning and initiating CBM systems was also raised; arrangements such as joint cooperation committees in border issues between neighbours offered many benefits.

Several challenges to good cooperation were identified: the existence of cultures, philosophies and intervention strategies which often differ from service-to-service and from country-to-country; legal and administrative challenges when setting up joint border posts for example; the necessity to develop cross-training; the harmonization of rates of tariff duties and taxes; the lack of transparency and data protection; and data sharing.

Initiatives in term of standardization – document alignment, codes and data definitions – that facilitate cooperation were also discussed. The private sector introduced its activities in the field of standardization and harmonization of industry information. The development of international recommendations and supporting standards for single window implementation were also mentioned. Reference was also made to version 3.0 of the WCO Data Model which provides a global standard for cross-border data requirements needed for the release and clearance of goods.

The next Forum will follow up the dialogue, inviting other border agencies to express their vision of the border and share their perceptions as to what should be done at the border, which sometimes differs from how Customs sees border management.

A summary of the debates as well as speakers' presentations are available on the WCO website in the events section.

More information
www.wcoomd.org

proliferation, the impact of environmental protection, and ongoing research needs and opportunities to address those needs.

More about the outcomes of the conference in the next issue of the magazine...

More information riitta.passi@wcoomd.org - www.wcoomd.org

Sustainable improvement of tariff classification

Improvement of tariff classification was the focal point of a regional seminar on the WCO classification work model and Advance Tariff Ruling Service (ATRS) held at the Shanghai Customs College in China from 15 to 19 June 2009. Thirty-one participants and observers from 22 countries in the Asia-Pacific region gathered to explore possible ways of improving various aspects of tariff classification in their administrations, in light of the standards recommended by the WCO and the best practices used by administrations in the region.

It was recognized that improving tariff classification infrastructure and procedure, and the implementation of other elements laid down in the WCO Council Recommendations on binding pre-entry classification information (1996) and on good classification work model (1998) was a very important prerequisite to sustainable long-term improvement of tariff classification work and revenue collection functions of Customs as a whole. Participants agreed that it would be very useful for them to once again consider whether their administrations' tariff classification work was in conformity with the two WCO instruments. Once they have identified areas where improvement is needed they would develop and implement a programme of measures to enhance tariff classification in their respective countries.

The seminar is the beginning of a long-term endeavour of administrations to bring their tariff classification work into line with the standards recommended by the WCO and already successfully used by many WCO Members. The WCO Secretariat confirmed its commitment to providing technical assistance to administrations that have difficulties implementing the Council Recommendations and encouraged participants to turn the conclusions of the seminar into concrete action in the field.

More information
nomenclature@wcoomd.org

Origin in the land of the rising sun

For the first time, the WCO conducted a Regional Seminar on Rules of Origin in Japan.

This Seminar was a chance to take stock of the work on the harmonization of non-preferential rules of origin being carried out at the World Trade Organization (WTO). The key characteristics of the Japanese and European rules of origin were presented, with discussions focusing in particular on the Japanese rule for intermediate goods and the European "no drawback" rule.

In response to the proliferation of rules, some countries are considering measures to streamline their rules of origin and establish a common framework for their agreements.

Participants were therefore given the opportunity to present their management procedures for preferential rules of origin and the difficulties they faced in their respective countries. The Seminar also afforded beginners an understanding of the main characteristics of rules of origin and enabled experts to share their experiences.

The event was arranged by the Asia/Pacific ROCB with financial backing from the Customs administration of Japan. Besides the organisers, 23 countries were represented at the event which was held at the Customs Training Institute in Kashiwa, north of Tokyo, from 15 to 19 June 2009.

More information
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