Air Cargo Security

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General Manager, Cargo
Transportation Sector Network Management
Regulatory Overview
House and Senate Proposed Air Cargo Security Language

**House Language Overview (H.R. 1 Section 406)**
- Establish a system to **inspect** 100% of cargo transported on passenger aircraft not later than 3 years after date of enactment
- Provide a level of security **equivalent** to the level of security in effect for passenger checked baggage
- “Inspection” percentage milestones:
  + 35% by the end of fiscal year 2007.
  + 65% by the end of fiscal year 2008.
  + 100% by the end of fiscal year 2009.

**Senate Language Overview (S. 509 Section 3, 4, and 5)**
- Establish a system to **screen** 100% of cargo transported on passenger aircraft not later than 3 years after date of enactment
- Provide a level of security **comparable** to the level of security in effect for passenger check baggage
- Evaluate results of blast-resistant cargo container pilot… and begin acquisition of a significant number of containers to meet requirements of TSA’s cargo security program (HULD)
Air Cargo Final Rule Executive Summary

The Air Cargo Final Rule, published on May, 2006 requires the air cargo supply chain to:

- Consolidate approximately 4,000 private industry Known Shipper lists into one central database managed by TSA
  - This will allow TSA to have more visibility into the activities of companies shipping on passenger aircraft and permit more in-depth vetting of known shippers
- Conduct background checks on approximately 81,000 off-airport freight forwarder employees and agents
Security Directives Update: Air Carriers

In 2006, TSA and Department of Homeland Security (DHS) issued security directives to further enhance air cargo security.

- Require 100% of cargo accepted in the passenger terminals to be screened by TSA
- Require that 100% of cargo originating at smaller airports be screened by TSA
- Elimination of screening exemptions
- Require air carrier to screen a specified percent of Known Shipper cargo that is designated for passenger flights
- Require air carriers to provide a specific amount of cargo to TSA-certified explosive detection canine teams for screening when present
- Mandate that 100% of high-risk cargo be screened
- Require that air carriers report specific cargo statistics to TSA to assist in the evaluation of the effectiveness of the security directive changes
Security Directives Update: Indirect Air Carriers

In October 2006, TSA and DHS issued a second phase of security directives to elevate security requirements at the IAC stations in order to further enhance air cargo security.

- Require IACs to screen shipments or observe the build-up of consolidations using a specified methodology
- Require IACs to screen 100% of TSA specified elevated risk cargo
The Standard Security Programs will focus on:
- Strengthening security requirements for regulated parties in air cargo supply chain
- Expanding population of regulated entities to promote greater regulatory coverage
- Establishing Security Threat Assessments (STA) for persons that have unescorted access cargo
- Expanding Security Identification Display Area (SIDA) to cargo operations at airports
- Establishing a Standard Security Program for All-Cargo operations over 45,500 kg
- Preventing unauthorized access to cargo, facilities, and conveyances
- Enhancing security and training requirements for Indirect Air Carriers (IAC)
Current Air Cargo Initiatives
Indirect Air Carrier Management System (IACMS) and Known Shipper Management System (KSMS) Programs Overview

- Securing aviation supply chain
- Consolidated view of regulated parties (IACs, shippers)
- Building towards an integrated, comprehensive supply chain risk profile
FAS is a technology solution that determines elevated risk cargo based on data available within Industry for each cargo shipment.

FAS Overview:
- Applies TSA developed risk rules against data provided by IACs and Air Carriers about a shipment, usually in the form of an Air Waybill
- A risk assessment result is determined from the Air Waybill data, based on the TSA risk rules
- Three tier infrastructure
  - TSA Managed
  - Carrier or IAC Managed
  - Third Party Portal Maintained
Canine Initiative Overview

- Currently, 329 canine teams are screening cargo at ~75 airports
- The canine teams are required to spend a specific % of their time screening cargo and air cargo facilities
- Canine screening of cargo is focused on cargo identified for transport on a passenger aircraft
- Canine screening is performed at planeside, inside cargo warehouses, and at cargo staging areas
- Canines screen break-bulk parcels, unit load devices (ULDs), pallets & skids, “cookie sheet” consolidations, and ground support carts
DHS Science & Technology (S&T) Pilots Overview

DHS S&T, with the assistance of TSA, is testing different concepts of operations to screen significantly more cargo in passenger and all-cargo aircraft.

### DHS S&T Pilot

<table>
<thead>
<tr>
<th>Key Players</th>
<th>Objectives</th>
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<tbody>
<tr>
<td>DHS S&amp;T and TSA (HQ &amp; Local)</td>
<td>Physically screen a significant percentage of air cargo</td>
</tr>
<tr>
<td>Transportation Security Lab</td>
<td>Use TSA approved methods and advanced technology – approx 9 months</td>
</tr>
<tr>
<td>National Labs</td>
<td>Detect threat quantities of explosives in bellyload cargo</td>
</tr>
<tr>
<td>3 Airports</td>
<td>Detect threat quantities of explosives and stowaways in freighter aircraft</td>
</tr>
<tr>
<td>Air Carriers</td>
<td>Evaluate concepts for enhanced screening of cargo carried on passenger flights</td>
</tr>
<tr>
<td>Law Enforcement Office (canine)</td>
<td>Two passenger cargo airports and one all-cargo facility</td>
</tr>
</tbody>
</table>
Future Air Cargo Initiatives

100% Screening of Cargo Placed on Passenger Airlines
TSA and its industry partners have focused on programs that significantly increase the percentage of passenger cargo screened prior to transport. TSA will soon launch an initiative to achieve 100% screening of passenger air cargo originating domestically. The program will focus on three categories of cargo:

– Elevated Risk Cargo
– Known Shipper Cargo
– Certified Shipper Cargo
Certified Shipper Program

- TSA’s key initiative to achieve 100% Screening of Air Cargo on Passenger Aircraft is the Certified Shipper Program
  - Certified Shipper Program will enable shippers who meet increased security standards to screen 100% of cargo at its point of origin
  - Certified Shipper Program will build on successful programs internationally, including the Known Consignor Program in the United Kingdom and Ireland.
# UK v. US Program Highlights/Differences

<table>
<thead>
<tr>
<th></th>
<th><strong>UK Known Consignor Program</strong></th>
<th><strong>Certified Program</strong></th>
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<tbody>
<tr>
<td><strong>Standards</strong></td>
<td>■ Facility based</td>
<td>■ Corporate &amp; Facility based</td>
</tr>
<tr>
<td></td>
<td>■ Use of tamper evident seals</td>
<td>■ Use of tamper evident seals</td>
</tr>
<tr>
<td><strong>Unknown Cargo</strong></td>
<td>100% screening with fee</td>
<td>Not allowed</td>
</tr>
<tr>
<td><strong>Cargo flows</strong></td>
<td>■ Cargo can be made secure at the Consignor, Regulated Agent or Air Carrier</td>
<td>■ Cargo enters supply chain from shipper and is only scrutinized by secondary screening measures (e.g. canine or FAS)</td>
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<td>■ Shippers primarily send cargo through regulated agents to the air carrier</td>
<td>■ 60-80% of cargo flows through an IAC</td>
</tr>
<tr>
<td><strong>Screening</strong></td>
<td>Regulated Agents and Air Carriers conduct screening</td>
<td>IACs and Air Carriers conduct screening</td>
</tr>
<tr>
<td><strong>Vetter</strong></td>
<td>3rd Party</td>
<td>3rd Party</td>
</tr>
<tr>
<td><strong>Choosing Vetter</strong></td>
<td>Entities apply to the Department for Transport to become a regulatory agent</td>
<td>TBD</td>
</tr>
<tr>
<td><strong>Self Certification and Initial Vetting</strong></td>
<td>■ Consignors use checklist to determine if they meet requirements</td>
<td>■ Shipper must first become a Known Shipper</td>
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<td></td>
<td>■ Industry pays for validation by 3rd party</td>
<td>■ Industry pays for validation by 3rd party</td>
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Timeline to 100% Screening

100% Screening Program

<table>
<thead>
<tr>
<th>Cargo Volume</th>
<th>Time</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
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<tbody>
<tr>
<td>Elevated Risk Cargo - 100% screened by TSA</td>
<td>X% Screening</td>
<td>X% Screening</td>
<td>100% Screening</td>
<td></td>
</tr>
<tr>
<td>Known Shipper</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certified Shipper - 100% Screening (at point of origin)</td>
<td></td>
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<td></td>
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<table>
<thead>
<tr>
<th>Elevated Risk</th>
<th>• Year 0: 100% screened by approved TSA screening methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Known Shipper</td>
<td>• Year 3: 100% by approved TSA screening methods</td>
</tr>
<tr>
<td>Certified Shipper</td>
<td>• Year ½ – 3: Amount of certified shipper cargo increases substantially</td>
</tr>
<tr>
<td></td>
<td>• Year ½ – 3: 100% screening at point of origin</td>
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TSA’s air cargo strategy is a risk-based, layered approach to cargo security that is composed of the following three layers:

1) Vetting
2) 100% Screening
3) Targeting
# Vetting

**Purpose:** To limit the universe of supply chain participants to ones certified by TSA. These companies must be legitimate businesses, uphold comprehensive security standards, and subject themselves to inspection.

### What is needed?
Companies are vetted to strengthen & standardize security requirements.

**Companies vetted:**
- Known Shipper (KS)
- Certified Shipper (CS)
- Indirect Air Carrier (IAC)
- Air Carrier (AC)

**Vetting process:**
- KS, CS, & IAC Management Systems
  - Corporate Risk Indicator
  - Security Threat Assessments
  - Data Review
- Initial Site Visit
- Periodic Reassessments

### Who does what?

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| KS | ■ Submits data.  
■ Implements & upholds base policies & standards. |
| CS | ■ Submits data.  
■ Implements & upholds enhanced policies & standards. |
| IAC & AC | ■ Submits data.  
■ Implements & upholds policies & standards. |
| 3rd Party Vetter | ■ Conducts initial site visit of CS.  
■ Conducts periodic reassessments to ensure CSs uphold policies & standards. |
| TSA | ■ Vets submitted data to ensure legitimate & law-abiding business.  
■ Issues certification. |

**Compliance & Monitoring:** TSA inspects companies vetted to ensure compliance with security programs, and revokes certification in instances of significant non-compliance.
100% Screening

**Purpose:** To ensure that every shipment is screened by a certified entity in the supply chain.

<table>
<thead>
<tr>
<th>What is needed?</th>
<th>Who does what?</th>
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<tbody>
<tr>
<td>100% of all cargo on passenger aircrafts will be screened.</td>
<td>CS</td>
</tr>
<tr>
<td><strong>Approved forms of screening include:</strong></td>
<td>IAC &amp; AC</td>
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<tr>
<td>- Manual search</td>
<td></td>
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<td>- Canine</td>
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<td>- EDS</td>
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<td>- ETD</td>
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<td>- X-ray</td>
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<td>- Alternate means for special cargo</td>
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<tr>
<td>Decompression chamber</td>
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<tr>
<td>- Other approved detection equipment</td>
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<tr>
<td>- Screening at the point of initial packaging</td>
<td></td>
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<tr>
<td></td>
<td>TSA</td>
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</table>

**Compliance & Monitoring:** TSA inspects to ensure supply chain members are screening cargo in line with requirements. TSA reviews data and spot checks to ensure screening is performed appropriately.
Targeting

**Purpose:** To ensure that every shipment is assessed for elevated risk. If elevated risk is identified, the shipment is screened a second time.

**What is needed?**

100% of all cargo will be analyzed for risk. Elevated risk cargo will be screened a second time.

**Methods to identify elevated risk:**

- Automated targeting (Freight Assessment System)
- Standard Operating Procedures (e.g., driver ID check, KS ID check, IAC certification check)
- Prescreen for tamper evidence Random selection

**Who does what?**

| IAC & AC | Prescreens cargo for tampering.  
| Perform risk analysis on cargo through FAS & screens when directed.  
| Screens cargo displaying other risk-based characteristics. |
| TSA | Randomly screens cargo using K9.  
|Screens cargo with evidence of tampering. |

**Compliance & Monitoring:** TSA inspects to ensure supply chain members are complying with risk-based targeting requirements and delivering cargo to TSA for inspection when appropriate. TSA reviews data and spot checks to ensure screening is performed appropriately.