



Best Practices
at
Border Crossings

Balancing Security with
Trade Facilitation and
Developing Partnerships with
Private Industry

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OBJECTIVES

1. Provide a better understanding of the need to facilitate legitimate trade while ensuring border agencies meet their regulatory responsibilities
2. Examine methods for facilitating trade and establishing partnerships between Industry and Government
3. Discuss the need to adopt a comprehensive and integrated “whole of government” approach to border crossing point management methods and policy development
4. Questions and Answers



OVERVIEW

- The Trade and Transport Security Environment
- Importance of Partnerships with Private Industry
- Traditional and Historical Approaches to Border Management – The Case for Change
- Case Studies – Customs and Trade Partnerships
- Consultation Mechanisms between Customs and Trade
- Best Practice Models for Partnerships and Collaboration



Current Security Environment

Trends

- Moving towards a “whole of Government” approach to border management
- Increasing sophistication of crime
- Criminal infiltration of the supply chain
- **Major security threats**
 - Normal criminal incursions/breaches
 - Technical violations, Documentary fraud, illegal entry
 - Transnational organised crime
 - Terrorism
 - Abuse of power and corruption



STAKEHOLDERS IN BORDER SECURITY AND TRADE FACILITATION

BRAINSTORM EXERCISE

In 3 groups, make a list of stakeholders that use border services and group them under the following headings

3 Cluster of Business Stakeholders

- Traders
- Transport and related services
- Facilities and infrastructure



STAKEHOLDERS IN BORDER SECURITY AND TRADE FACILITATION

Transport Services

Shipping Companies
Ferry operators
Airlines
Trucking
Buses
Passenger vehicles
Rail
Freight Forwarders
Brokers, Agents
Banks

Facilities

Seaports
Airports
Rail terminals
Inland Ports
Port Operators
Stevedores
Cargo Handlers
Warehouses
Depots
IT providers

Traders

SME
Large Corporations
Foreign investors
Importers
Exporters
Buying/selling Agents
Retailers
Distributors



National Security Initiatives

4 CATEGORIES OF SECURITY OBJECTIVES

1. Umbrella
2. Goods-Specific
3. Control Specific
4. Safety Specific



Multi Lateral Security Initiatives

International Conventions:

Treaty on Non Proliferation of Nuclear Weapons
Biological and Toxic Weapons Convention
Chemical Weapons Convention
UN Security Council Resolution



OSCE Border Security and Management Concept (BSMC)

Core Objectives:

1. Promote free and secure movement of goods, people services and investments across borders in conformity with law through security enhanced travel documentation
2. Reduce terrorism threat by preventing cross-border movement of goods, people and funds connected with terrorism
3. Detect, deter and disrupt translational crime, organised crime, illegal migration, corruption, smuggling and trafficking in weapons, drugs and human beings



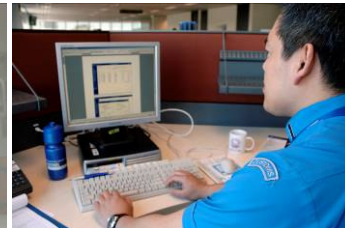
OSCE Border Security and Management Concept (BSMC)

4. Promote high standards in border services and national structures promote dignified treatment of people wanting to cross the border and comply with international laws and conventions
5. Promote dignified treatment of people crossing the border in conformance with law, conventions and human rights
6. Create beneficial conditions for prosperity and the social, economic, and cultural benefit of communities
7. Foster joint economic development prospects and develop common spaces of freedom and justice
8. Secure the International transport circuit for supply of commodities



Regional Security Initiatives

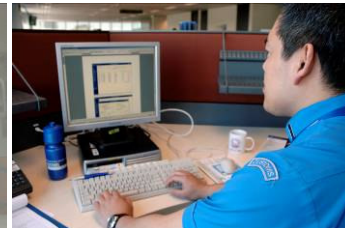
- OSCE Commitments and Mandates on Container Security
- UN Global Counter-terrorism Strategy
- European Union Customs Security Program
- The FAST (Free and Secure Trade) Program



Goods - Specific Initiatives

EU enforced prohibitions and restrictions on certain trade such as:

- Military goods
- Instruments of torture
- Conflict diamonds
- Materials used in the illegal manufacture of illicit drugs
- Counterfeit goods
- Wildlife



Transport - Specific Initiatives

Container Security Initiative

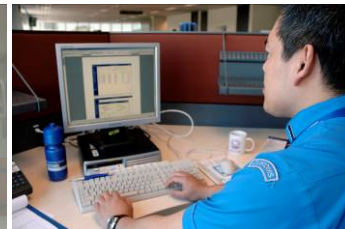
- Pre-selection of high risk containers destined for the US

Secure Freight Initiative

- Enhanced non-intrusive scanning technology

Importer Security Filing

- Enhanced documentary and profile screening



Security Initiatives Introduced by Specific Industries

Transport Asset Protection Association (TAPA)

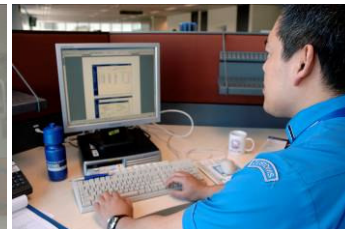
- Association of high-tech industries
- Promotes security standards and best practices
- Freight Security Requirements (FSR) (process and security standards)
- Trucking Security Requirements (TSR) (Self assessment compliance program)

International Organisation for Standardization (ISO)



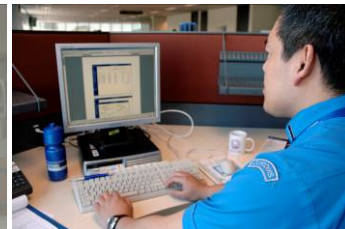
Operational Practices for Improving Security

- Electronic Profiling Systems that are integrated with Industry
- Improved enforcement and monitoring of air and sea freight forwarders
- Identification Cards (including background checks on holders), for those who need access to secure areas
- Education and dissemination of information relating to security and threats
- Policy and Procedures properly documented and communicated
- Physical barriers and security personnel



Technical Methods for Improving Security

- Physical screening of goods and people using technology
- Use of seals and other intrusion detection technology
- Blast-hardened containers (air cargo)
- Access control, audit/tracking capability and authentication
- Tracking systems
- CCTV (Closed Circuit Television)

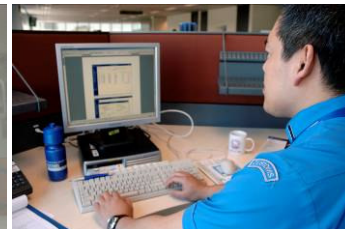


The Cargo Supply Chain and Customs Role

Customs is *part* of the supply chain not an “owner” of any part of it

The supply chain:

- Multiple networks of relationships
- Integration of business processes
- Adds value at each step of the way
- Integrated with support services



Global Supply Chain

UN Centre for Trade Facilitation and e-business Standards (UN/CEFACT)

- Supports trade facilitation and e-business standards, recommendations and tools
- A forum for Government and national industry groups to co-design and manage best practice on standard weights and measures, codes, terms of trade, messaging standards, documentation and dangerous goods classification



THE IMPORTANCE OF TRADE FACILITATION

WTO DEFINITION OF TRADE FACILITATION:

Those measures that are undertaken to simply harmonize, standardize and modernize trade procedures

Trade procedures are the activities, practices and formalities involved in collecting, presenting, communicating and processing the data needed for the movement of goods in international trade.

The Customs challenge is to minimise the cost of compliance for Industry



INTRODUCING TRADE FACILITATION

Needs:

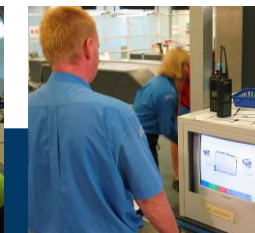
1. Strategic action plan and framework
2. Supporting legislation
3. Simplification and harmonization of procedures
4. Risk Management Framework
5. Automation and e-commerce
6. Inter-agency and inter-government cooperation



Traditional and Historical Approaches to Border Management - The Case For Change

Delays – the impact on business

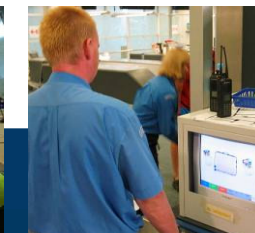
- Damage to perishable goods
- Production delays
- Loss of market share
- Cash flow and debt
- Legal consequences for breach of contract and losses
- Economic impact



THE NEED FOR FACILITATION

WHAT DOES INDUSTRY WANT?

- Predictability
- Know what costs they are going to incur and why
- Integrity and ethical behaviour
- Respect and courtesy
- Visibility and transparency
- Non-adversarial relationship with Government



TRADITIONAL V FUTURE THINKING

IN GROUPS

USING THE PRO-FORMA HANDOUT

“TRADITIONAL VS FUTURE THINKING”,

COMPLETE THE COLUMN HEADED “INTERNATIONAL BETTER PRACTICE”



Key Indicators and Best Practice (European Commission Blueprint)

(EC, 2007 pp 31-33)

Legal Basis

Processes and Procedures

Organisation and working methods

Cooperation

Service



Key Indicators and Best Practice (EC, 2007 pp 31-33)

Legal Basis:

- Industry views taken into account in drafting legislation
- Trade obligations spelt out
- In line with conventions and standards

Processes and Procedures:

- Streamlined and simplified processes
- Electronic processing of documentation
- Pre-clearance

Key Indicators and Best Practice (EC, 2007 pp 31-33)

Organisation and working methods:

- Facilitation is “business as usual” and integrated into planning
- Customs procedures are consistently and uniformly applied
- Cost of compliance is minimised
- Communication lines between Industry, community and Customs
- Risk Based intervention

Co-operation:

- MOUs in place
- Single access points
- Consultative Committees

Key Indicators and Best Practice

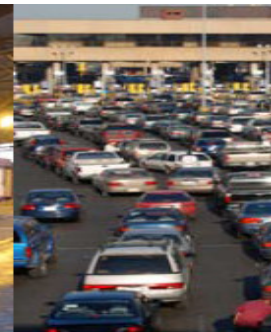
(EC, 2007 pp 31-33)

Service:

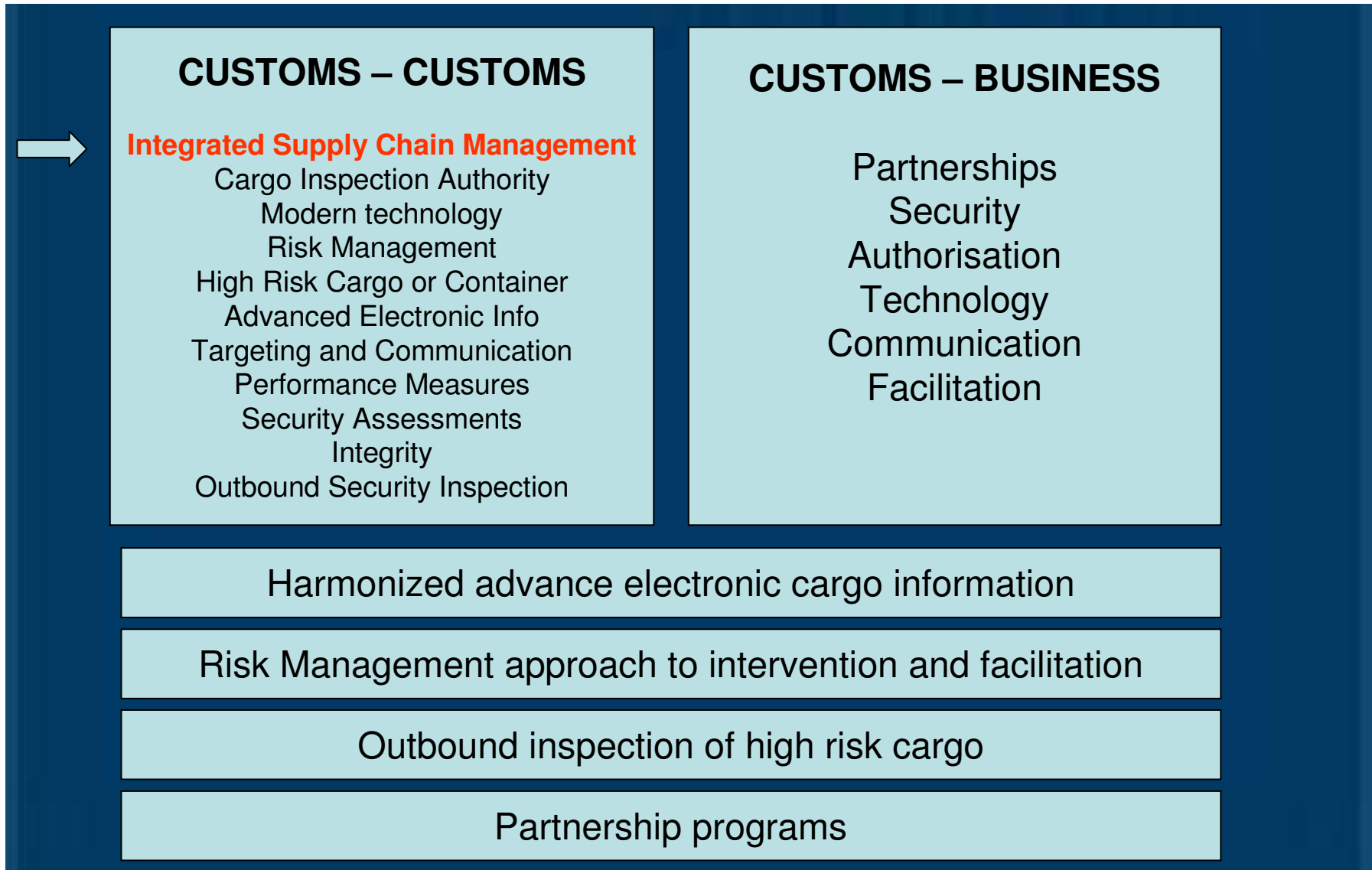
- Working hours aligned with Industry and other stakeholders
- Service Charters/standards underpin processes and services
- Fees and Charges are reasonable
- Electronic interface for document lodgement and declarations
- Electronic storage and retrieval systems
- Up to date advice on tariffs, procedures and other requirements is available and easily accessible
- “Help Desk” facilities are available for telephone, e-mail or face to face interaction with Customs

The case for integrated “Whole of Government” approaches to border management

1. Integrated Supply Chain Management and Security – WCO SAFE Framework, CSI, C-TPAT, AEO
2. Improved Trading Environments
3. Improved Competitiveness
4. International Links to Global Supply Chain



WCO SAFE FRAMEWORK



The case for integrated “Whole of Government” approaches to border management

Integrated Customs Control Procedures and guidelines (WCO SAFE)

- Revised Kyoto Convention – general provisions on Customs Control
- Timely, accurate advance electronic information for risk assessment and clearance
- “Authorized” traders/supply lines
- Integrated document and physical controls, shipment, personnel and information security
- Common and integrated risk standards, information and intelligence sharing and joint monitoring of control procedures
- Seal integrity program
- Unique Consignment Reference (UCR)



The case for integrated “Whole of Government” approaches to border management

Integrated Customs Control Procedures and guidelines (WCO SAFE) (cont)

- E-Business and electronic interface with Government (eg Australian Customs & Border Protection Integrated Cargo Management System)
- Rapid (and preferably electronic) release of “clear” cargo
- “Single window” trade data input and sharing



The case for integrated “Whole of Government” approaches to border management

Improved Trading Environments

Reasons for
more and better
participation

Globalized trading,
international growth
of trade and free
trade areas

Negative impact of zero or low
participation level between border agencies
and private industry users

- Non-realization of faster clearance at border crossings
- Lack of international standards

The case for integrated “Whole of Government” approaches to border management

Improved Competitiveness

Reasons for more and better participation

On-time supply chain management, ensuring maintenance of competitiveness with foreign exporters.

Negative impact of zero or low participation level between border agencies and private industry users

- Loss of orders for national exporting companies
- Rising unemployment
- Emigration of skilled workers – “brain drain”
- Downward cycle in competitiveness of national industries

The case for integrated “Whole of Government” approaches to border management

International Links to Global Supply Chain

Reasons for more and better participation	Negative impact of zero or low participation level between border agencies and private industry users	
<p>International logistics service providers can use modern supply chain management methods and information exchange to meet their clients' demands for lower costs and faster delivery.</p>	<ul style="list-style-type: none"> • Isolation of national transport and warehousing companies from modern international good-practice methods • Zero or low level of international logistics company market entry – market protectionism • Outdated equipment • Outdated management methods by Customs and other border crossing control agencies, State transport organizations, and private industry users • Lack of market-driven solutions and services 	<ul style="list-style-type: none"> • State and private market monopolies • Transport cartels • Formalities (paper documents, stamps, signatures), leading to rent-seeking and integrity issues

Customs Accreditation Programs

Authorised Economic Operator (AEO)

- Introduced by the EU 1 Jan 2008
- A party accredited as complying with WCO or equivalent supply chain security standards

Benefits:

- Expedited processing and clearance
- Reduced fees, financial guarantee waivers, rebates
- Pre-clearance
- Simplified clearance steps or procedures
- Audit controls rather than transaction based
- Priority processing
- AEO status consideration in applying sanctions
- Self assessment and clearance when electronic systems are not functioning

INDUSTRY ENGAGEMENT – Consultation mechanisms

GROUP ACTIVITY – Case Study

AUSTRALIAN CUSTOMS AND BORDER PROTECTION SERVICE

Towards 2015 “Whole of Government Approach”

Using the handout outlining Australia’s vision for a “whole of government” approach, discuss and list 3 key POLICY INITIATIVES your governments could adopt to move towards a “whole of government” approach

Models for collaboration and engagement

- UNCTAD National Trade and Transport Facilitation Committees
- Procedure (PRO) committees
- Trade associations
- Chambers of commerce
- UK International Trade Facilitation Committee
- Swedish Trade Procedures Council
- Ongoing training and public outreach programs

Models for collaboration and engagement

**Trade Facilitation through Customs Procedures:
Assessment of progress in APEC
APEC Policy Support Unit
August 2011**

**FINDINGS WERE THAT A LOT MORE WORK NEEDS TO BE DONE
ESPECIALLY IN RELATION TO DATA PROCESSING,
MANAGEMENT AND PROCEDURES**

APEC TFAP II Actions and Measures on Customs Procedures

GENERAL RECOMMENDATIONS: APEC SHOULD:

- Address processes for developing, monitoring, and reviewing programmes
- Undertake cases studies of effectiveness of customs procedures in the region
- Identify & address capacity building implications
- Examine the interaction of customs procedures & infrastructure
- Specify benchmarks to guide implementation of TRS
- Specify the key outcomes to be sought from TRS
- Measure time taken at each step in Customs clearance & technical control
- Specify additional KPIs on outcomes
- Develop better defined, measurable & targeted KPIs

SUMMARY AND KEY MESSAGES

- Global Trade and Security Environment necessitates working in partnership with industry and other government border agencies
- Traditional and Historical Approaches to Border Management will not work in the future
- Models for Customs and Trade Partnerships
- Consultation Mechanisms between Customs and Trade
- Best Practice Models for Partnerships and Collaboration

QUESTIONS?

