



**What is the “Mandate of ABAC”?**

**How can SOM and ABAC work together to achieve the common goal?**

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**Gordon Chu, ABAC Member, Canada**

ABAC 2006 Ha Noi, Vietnam

STAR IV

- 1. What is the mandate of ABAC?**
- 2. Challenges for SOM and ABAC working together to achieve the common goal**
- 3. Future direction of STAR as an example**
- 4. Conclusion**

# What is the mandate of ABAC?

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- An advisory body
- Members appointed by leaders
- Not required to solicit support from SOM
- Create its own agenda

**Facilitate Movement of Cargo, People and Investment with APEC**

# Challenges for SOM and ABAC.....

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- SOM and ABAC report directly to Leaders
- ABAC can only advice but SOM has the resources to implement
- ABAC is result oriented while SOM is a bureaucracy
- Leaders act on recommendations from Ministers
- Lack for communications between SOM and ABAC

# Future of STAR as an Example

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- Paradigm shift
- Better coordination between committees
- Som and ABAC held simultaneously
- Bureaucracy and Business should work together to define common mandate

# Future of STAR as an example

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- STAR is about security of movement of cargo and people
- ABAC – Facilitation and costs
- SOM – Security and safety
- Two sides of the same coin

# Conclusion

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- Trade security and Trade Facilitation are two sides of the same coin
- Paradigm shift for SOM and ABAC
- Better coordination between committees to provide leaders with joint recommendations
- ABAC members should take steps to interact more with SOM



# Capacity Building Efforts on Maritime Security

- Ministerial Conference on International Transport Security-

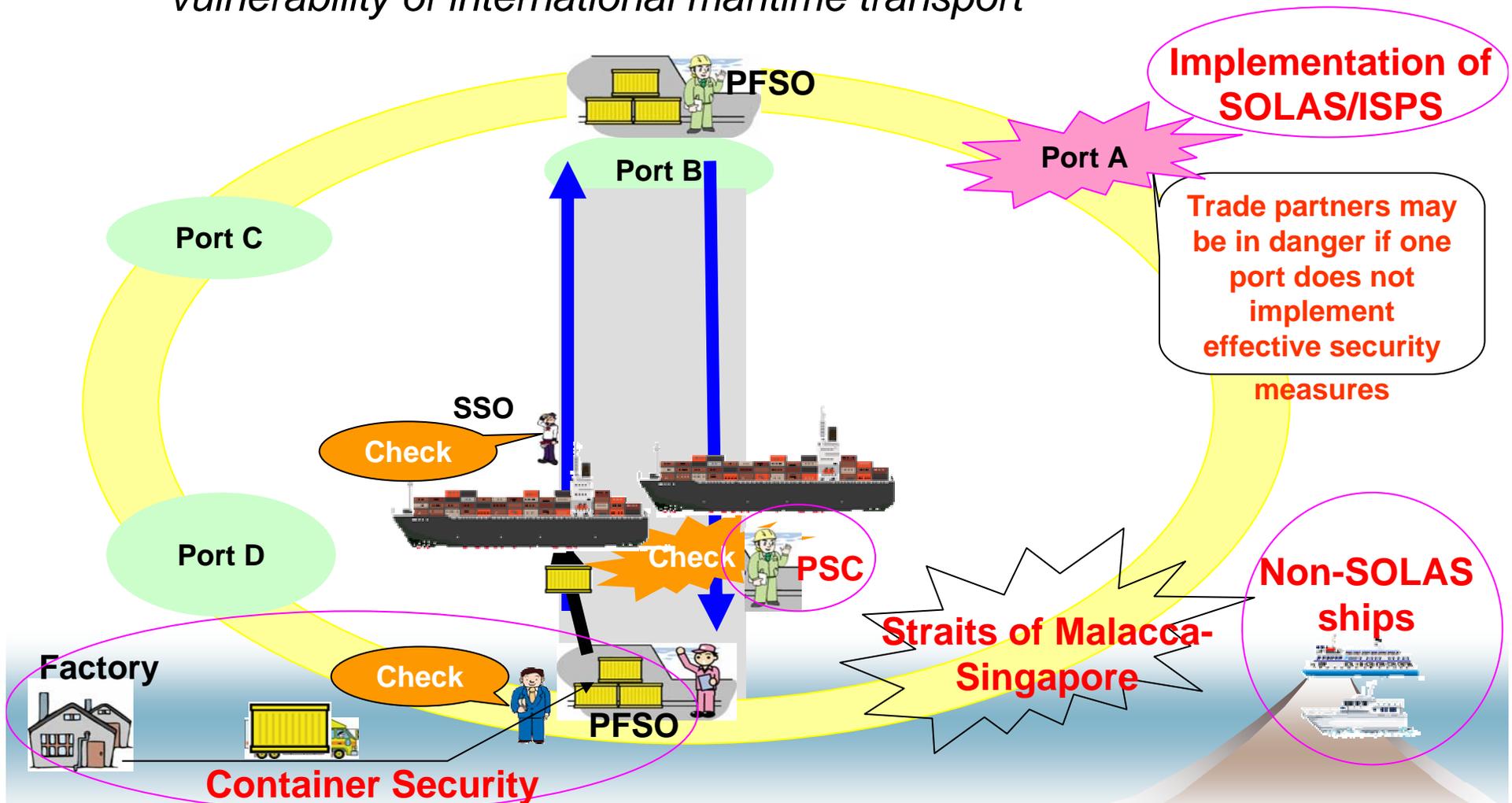
**Feb. 2006**  
**Hanoi, Viet Nam**

**Hironobu Ishibashi**  
**Ministry of Land, Infrastructure and Transport, Japan**



# Ministerial Statement on Maritime Security

*SOLAS/ISPS maritime security framework and remaining vulnerability of international maritime transport*





# Implementation of SOLAS/ISPS

## Remaining issue on SOLAS/ISPS

Where *no external audit scheme exists* for security measures, unless *every country implement and maintain effective security measures* at their own ports and on their own ships, worldwide maritime transport network can not be secured.

**Urge & assist countries having  
difficulty in implementing SOLAS/ISPS**

## To ensure implementation of SOLAS/ISPS

**< especially at port facilities >**

- 5) Urge to verify continued compliance by conducting inspection, audit, etc.
- 6) Share best practices
- 7) Promote further co-operation in capacity-building

**< at ships >**

- 8) Promote further co-operation through MoU for PSC



## Ministerial Statement on Maritime Security

7) Resolve to continue, *in cooperation with IMO and other appropriate fora*, to provide necessary assistance and support to Contracting Governments to the 1974 SOLAS Convention in enhancing their ability and capacity to implement appropriate security measures at their port facilities through further international and regional efforts



## Capacity Building efforts and initiatives on Maritime Security

### □ Global approach

- *Strong but difficult and time-consuming in establishing universal framework*

### □ Bilateral approach

- *Quick but need lots of resources. Possible overlaps with other donors*

### □ Regional approach

- *If facing common issues, can learn from each other & streamline efforts*

Further efforts on capacity building are required.

However, overlaps or even conflicts between various bilateral & regional efforts need to be minimized. Also such efforts should be **coordinated and appropriately targeted.**



**Japanese regional approach through ASEAN/Japan & APEC**



# ASEAN/Japan Maritime Transport Security Program

**A/J 1<sup>st</sup> Seminar on Maritime Security and Combating Piracy (2003.12)**

-  Seminar in Indonesia (2004.3)
-  A/J Seminar in Cambodia (2004.5)
-  A/J WS in Philippines (2004.4)
-  A/J WS in Vietnam (2004.6)
-  A/J Seminar in Myanmar (2004.5)

**2004.7- SOLAS/ISPS entered into force**

**1<sup>st</sup> stage:  
How to comply  
with SOLAS**

**A/J 2<sup>nd</sup> Seminar on Maritime Security and Combating Piracy (2005.3)**

**2005.10 JICA Training Course on Port Facility Security**

**2<sup>nd</sup> stage:  
How effectively &  
continuously  
implement SOLAS**

-  A/J Seminar/WS in Thailand (2005.7)
-  **APEC** WS in Vietnam (2005.12)
-  WS in Myanmar (2005.11)
-  **JICA/APEC** Seminar in Indonesia (2005.12)

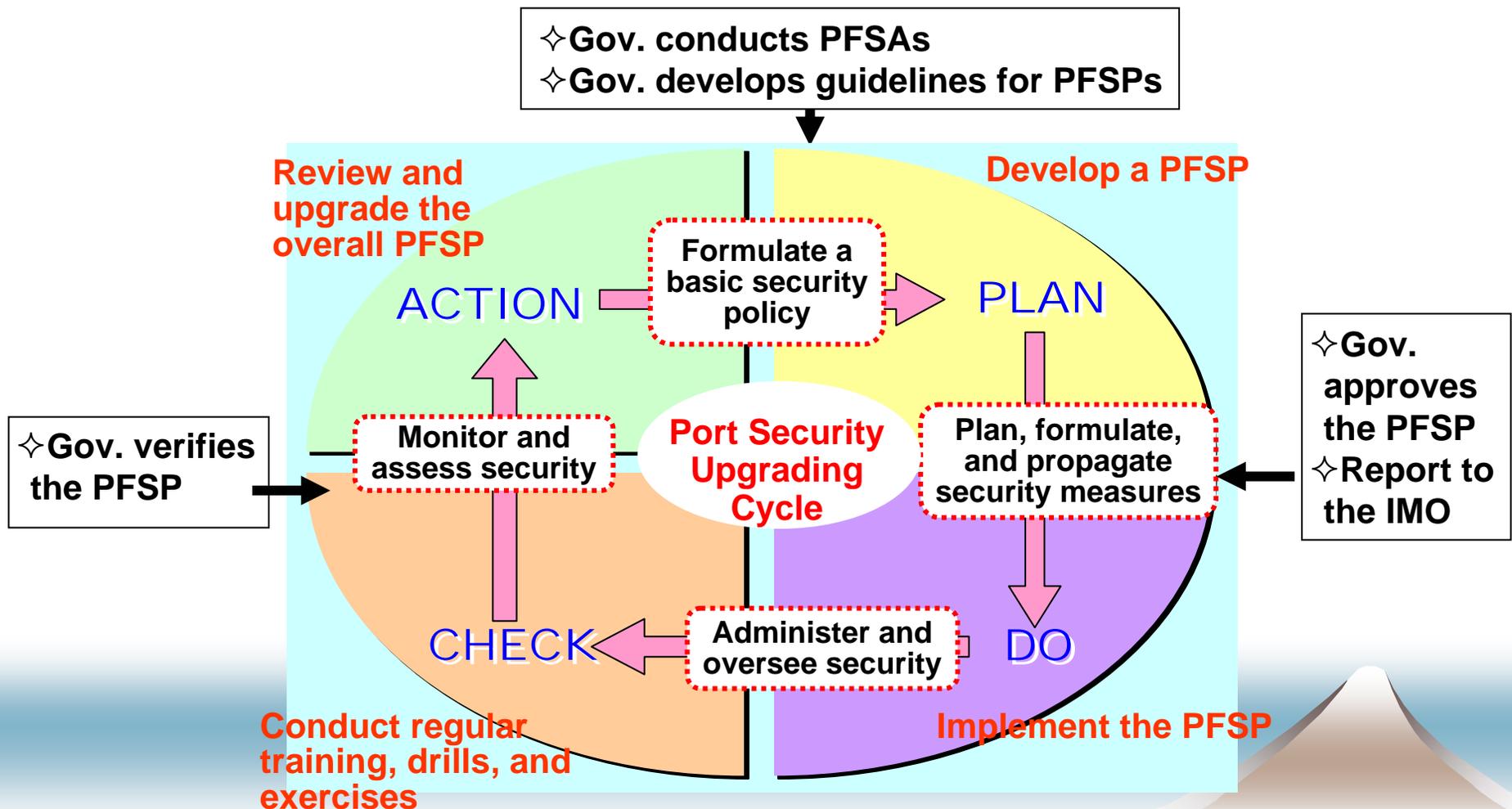
**How to focus and streamline capacity building efforts**

**3<sup>rd</sup> stage:  
How to check &  
upgrade security  
measures**



## “KAIZEN” through PDCA cycle

*It is important to establish PDCA cycle. Special emphasis are placed to establish ‘CHECK’ process, such as inspection & audit, drills and exercises.*





## ASEAN-Japan Regional Action Plan on Port Security (RAP)

- *Individual & Collective action plan under A/J Maritime Security Program*
- *Establish PDCA (Plan-Do-Check-Action) cycle to enable effective and continuous implementation of security measures in each country*
- *2006-2009 (to review & if necessary, upgrade PFSP by July 2009)*
- *Voluntary, non-binding and open plan, basically unclassified*

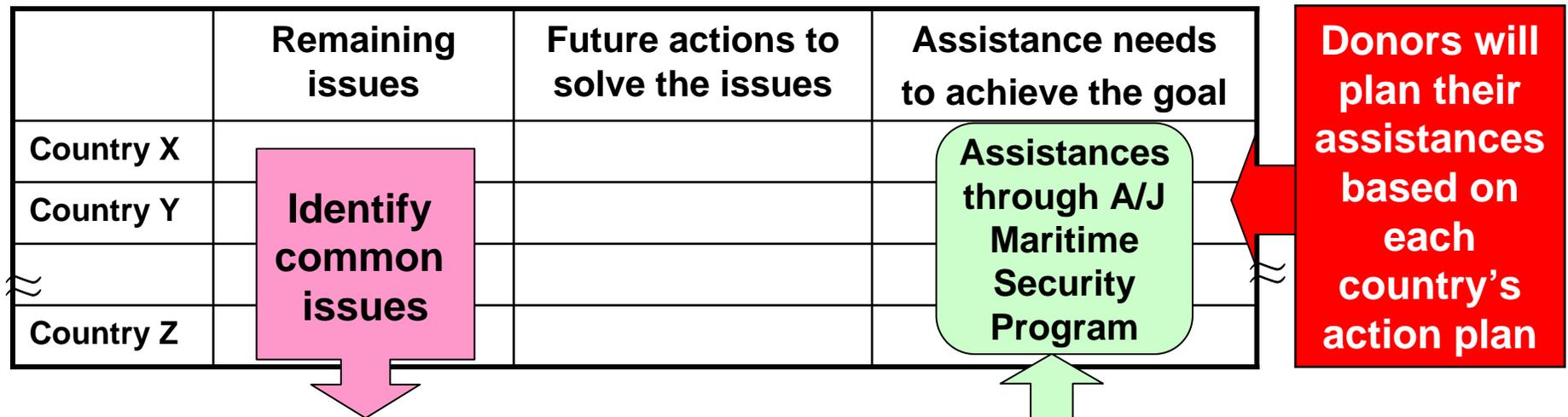


# ASEAN-Japan Regional Action Plan on Port Security (RAP)

## 1. Identifying remaining issues and drafting of action plan by each country



## 2. Compile each country's plan into Regional Action Plan



### Collective Actions

- 1) Share **best practices** and compile common **guidance**
- 2) Hold **training course** on port security
- 3) Take initiatives in conducting **joint security communication exercise**

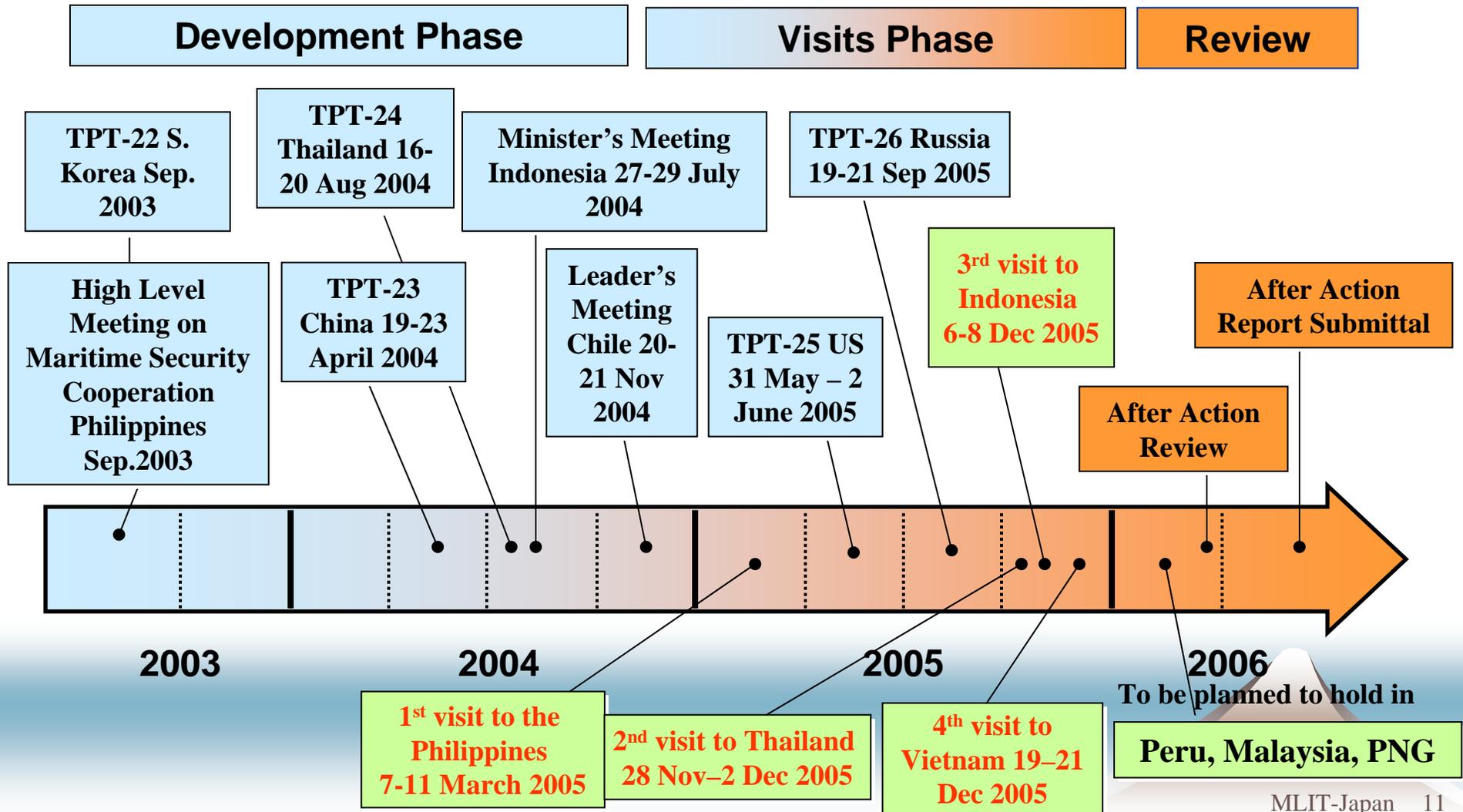


## APEC ISPS Implementation Assistance Program

1. Provide APEC members with **pragmatic and tailored** approach at enhancing maritime security and compliance with the ISPS Code.
2. Developed by **Maritime Security Experts Group** and launched by **seven APEC leaders** at APEC Leaders Meeting in Santiago Chile on Nov. 2004.
3. Participating economies are **Australia, Canada, Japan, Korea, Singapore and the US**. Economies taking advantages of the program are **Philippines, Thailand, Indonesia, Vietnam, Peru, Malaysia and PNG**.
4. Based on the **“APEC Self-assessment Program”** provided by the requesting economy and through the discussion with the economy, ISPS assistance team will **focus the issues which the requesting economy is having the most trouble with, therefore saving resources**.
5. Create **a catalog of maritime security training programs** available to APEC Member Economies similar to the APEC Aviation Security Working Groups training catalog.



# ISPS Implementation Assistance Program Project Timeline





# Maritime to Trade & Regional to worldwide cooperation

**STAR initiatives**

**Aviation security**

**Trade Security**

**Maritime/port security**

**Cargo Security**

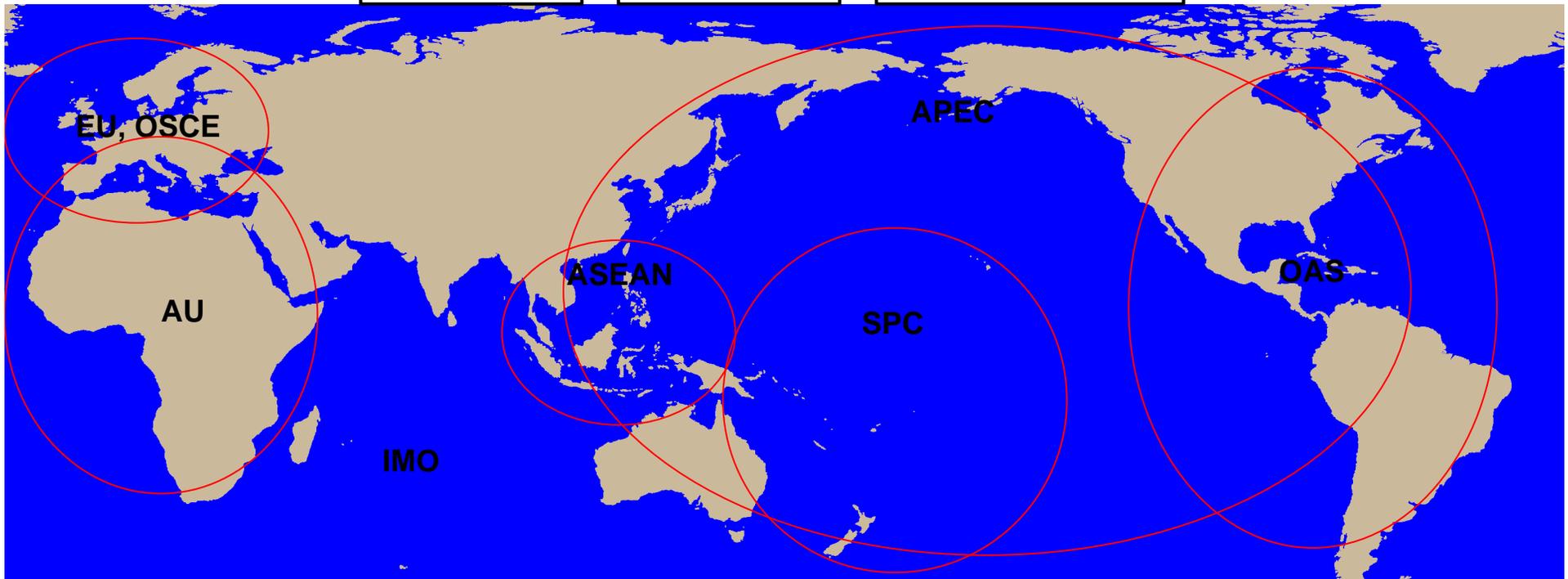
**TPTWG/MSEG**

**Facilitation & Coordination roles**

**SE Asia**

**Oceania**

**CS America**



A teal-colored map of East Asia, including Japan, Korea, and Taiwan, serves as a background for the text.

# **Capacity Building Efforts on Aviation Security**

**Prepared for the Fourth APEC STAR Conference  
February 25, 2006**

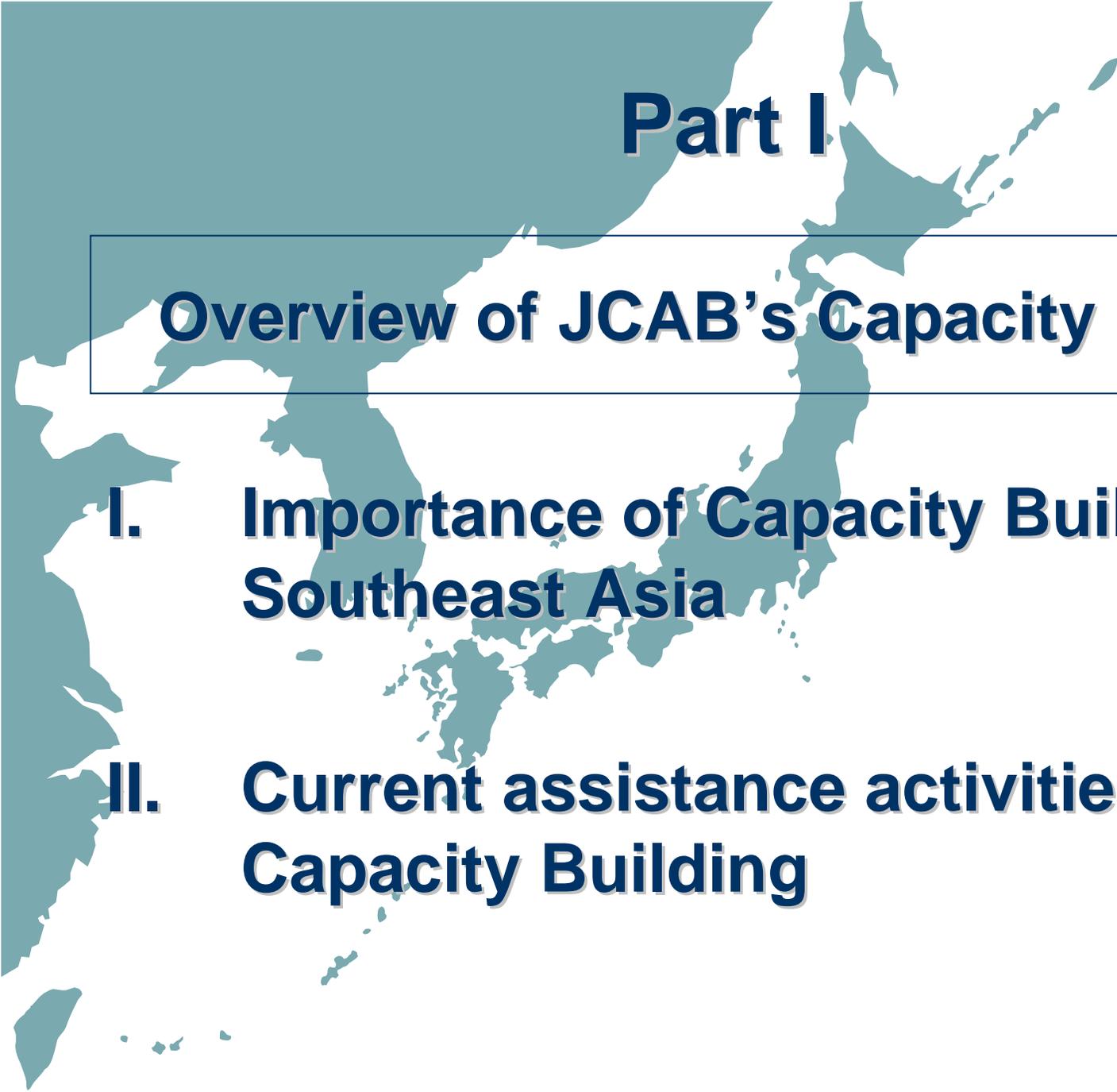
**Tatsuyuki Shimazu**

**Director for International Security Coordination**

**Aviation Security Office**

**Civil Aviation Bureau (JCAB)**

**Ministry of Land, Infrastructure and Transport, Japan**



# Part I

## Overview of JCAB's Capacity Building

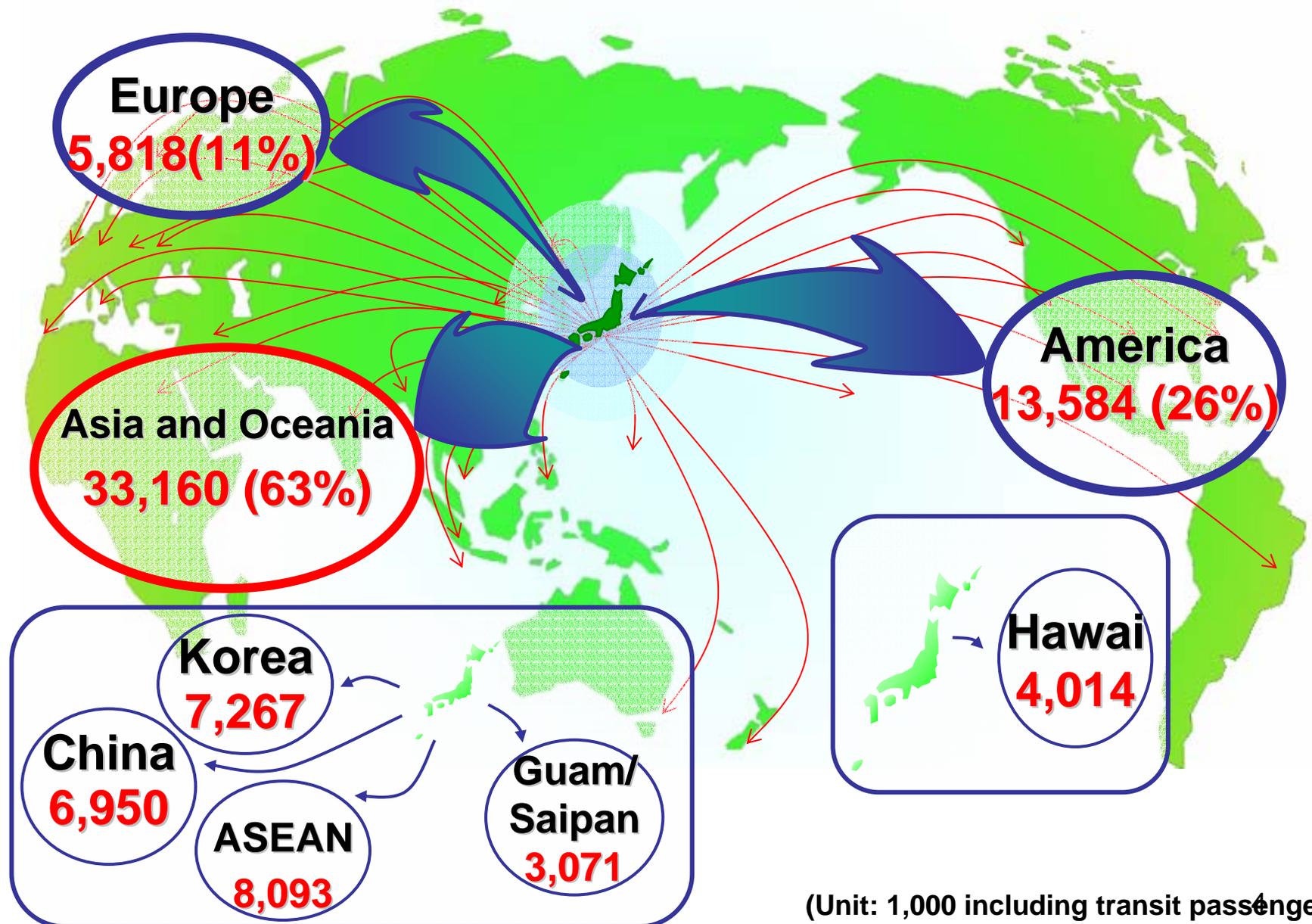
- I. Importance of Capacity Building in Southeast Asia
- II. Current assistance activities for Capacity Building



# **I. Importance of Capacity Building in Southeast Asia for Japan**

- **Flights between Asia and Japan account for approximately 70% of Japan's International Air Traffic.**
- **There have been many terrorist incidents in Southeast Asia.**
- **The ICAO Universal Security Audit revealed that over 20% of Asian countries need major improvements.**
- **The enhancement of Aviation Security Measures in Southeast Asia is needed in order to counter emerging terror threats.<sup>3</sup>**

Total number of international passengers: 52.56 million per year



(Unit: 1,000 including transit passengers;  
Figures for Fiscal 2000)

# Major Terrorist Incidents in Southeast Asia



- **A small bomb exploded on board Philippine Airlines Flight 424 from Manila to Tokyo, claiming one life in Dec. 1994**
- **Bali car bombing, claiming 202 lives in Oct. 2002**
- **Ferry bombing in the Philippines, claiming 116 lives in Feb. 2004**
- **A bombing at the market in the Philippines, claiming 15 lives in Dec. 2004**
- **Multiple bomb explosions in Myanmar in May 2005**
- **Several bomb explosions occurred in the southern Thailand in 2005**
- **A series of explosions occurred in Bali, claiming at least 22 lives in Oct. 2005**



## II. Current assistance activities for Capacity Building

- **ICAO Aviation Security Action Plan**
  - Japan is the second largest contributor for the ICAO USAP, providing \$720,000 in 2005 (accounting for 15% of the total fund)
- **Aviation Security Seminars/Workshops (JICA Aviation Seminar)**
- **Bilateral Assistance for security equipment installation and security measures implementation**
- **ASEAN-Japan Aviation Security Project for capacity building in certain countries to enhance aviation security**

# ASEAN-Japan Aviation Security Project

## Phase I: ASEAN-Japan Aviation Security Meeting (2004. 10)

- Two-day meeting was held to share information and experience.
- The Aviation Security Expert Group has been set up for consulting on possible cooperation and implementing joint studies and other activities.





## **Phase II: Joint Studies (2006. 3. 28-29 )**

- **The Aviation Security Expert Group Joint Studies will be conducted to examine better-coordinated measures that would more effectively protect the air transportation system against terrorism.**

## **Phase III: Aviation Security Seminar (2006 -)**

- **Based on requests from ASEAN countries, Japan or other ASEAN countries will dispatch aviation experts and hold aviation security seminars.**

## Part II

# International Cooperation in Capacity Building



Ministerial Conference on International Transport Security  
( January 12 – 13, 2006 in Tokyo )

# Increasing capacity building efforts to ensure the integrity of aviation security worldwide

## I. Challenge

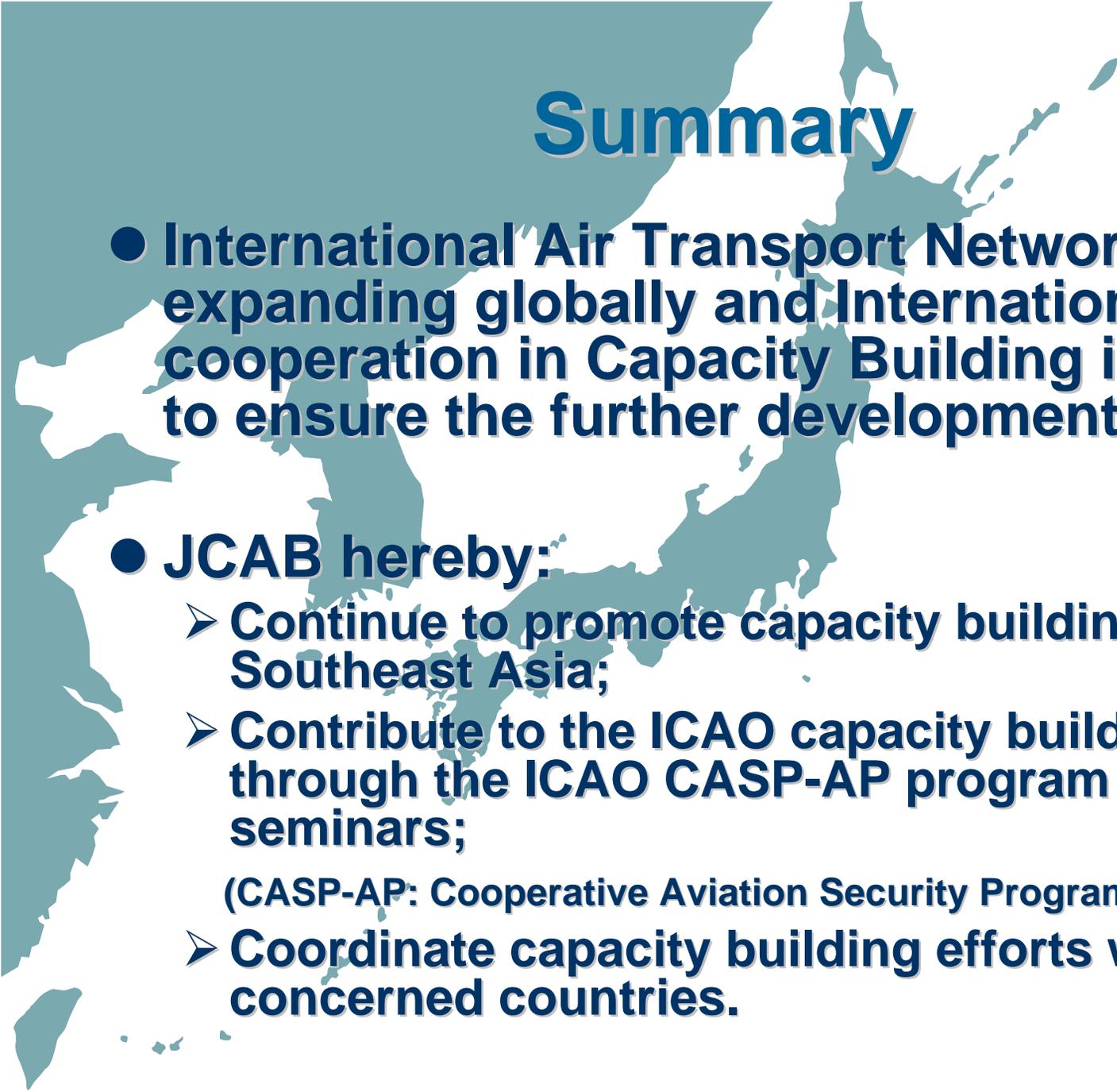
- The worldwide aviation network has been highly developed.
- The existence of countries and regions whose security measures are not sufficiently developed due to lack of financial and human resources. (Terrorists target at weak areas)

## II. Principle

- Encourage States to promote aviation security capacity building efforts, both on a bilateral basis and through the use of multilateral and regional arrangements.

## III. Future actions

- ICAO and like-minded countries will promote capacity building efforts.
  - holding of seminars on aviation security,
  - inviting of security experts from developing countries for exchange of information etc.



# Summary

- **International Air Transport Network has been expanding globally and International cooperation in Capacity Building is essential to ensure the further development of Aviation.**
- **JCAB hereby:**
  - **Continue to promote capacity building in Southeast Asia;**
  - **Contribute to the ICAO capacity building activities through the ICAO CASP-AP program and ICAO seminars;**  
(CASP-AP: Cooperative Aviation Security Program, Asia/Pacific)
  - **Coordinate capacity building efforts with other concerned countries.**



Australian Government

Department of Transport and Regional Services

# The APEC Model

## *Global Partnership through Regional Initiatives*

Tony Beard

Office of Transport Security (OTS), Department of Transport and Regional Services  
(DOTARS), Australia

# Office of Transport Security (OTS)

## The Office of Transport Security

- ❖ Primary advisor to the Australian Government on Transport Security;
- ❖ Regulates aviation and maritime security ensuring compliance with international standards (ICAO & IMO);
- ❖ Ensures a nationally consistent approach to surface transport security;
- ❖ Coordinates the National Counter-Terrorism Arrangements for transport;
- ❖ Coordinates protection of critical infrastructure in the transport industry.



Australian Government

Department of Transport and Regional Services

# Asia-Pacific Economic Cooperation (APEC)

- ❖ APEC facilitates economic growth, cooperation, trade and investment in the Asia-Pacific region.
- ❖ APEC includes 21 Member Economies, more than a third of the world's population, over 50% of world GDP, and in excess of 41% of world trade.
  - Member Economies include: Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; The Republic of the Philippines; The Russian Federation; Singapore; Chinese Taipei; Thailand; United States of America; Vietnam.
- ❖ The objectives of APEC are to:
  - Enhance regional economic growth and prosperity;
  - Strengthen the Asia-Pacific community; and
  - Safe and efficient movement of goods, services and people across borders in the region through policy alignment and economic and technical cooperation.



Australian Government

Department of Transport and Regional Services

# Secure Trade in the APEC Region (STAR)

- ❖ The STAR initiative was agreed to in 2002 at the APEC Economic Leaders Meeting in Mexico
- ❖ The aim of the STAR initiative is to strengthen APEC transport security, customs and immigration cooperation while facilitating the movement of goods and people, including capacity building.



# Secure Trade in the APEC Region (STAR)

❖ There have been three STAR conferences:

- 2003 in Thailand
- 2004 in Chile
- 2005 in Korea

❖ The three conferences have achieved outcomes for addressing issues related to:

- aviation security
- maritime security
- supply chain security
- mobility of people
- enhanced border integrity measures; and
- establishment of financial intelligence units.



# The 4<sup>th</sup> Hanoi STAR Conference

❖ The focus will be on:

- Improved transportation for effective trade;
- Mobility of business people;
- Sub-Committee on Customs Procedures;
- Counter-Terrorism Taskforce; and
- The role of APEC Business Advisory Councils

❖ The main theme for STAR 4 is:

**Enhancing the Public-Private Partnership in the Implementation of Secure Trade Measures.**



# The 4<sup>th</sup> Hanoi STAR Conference

❖ STAR 4 will have four sub-themes:

- **Trade and Security in the APEC Region** – a perspective for enhancement of Public-Private Partnership;
- **Maritime Security** – facilitating trade while ensuring maritime security;
- **Air Security** – controlling threats to aviation security and facilitation of the mobility of people; and
- **Capacity building programs for secure trade activities** – cooperation and exchange of technology, establishment of a more secure and effective business environment in APEC.



# The 4<sup>th</sup> Hanoi STAR Conference

## Aviation Security



❖ Examples of specific issues to be addressed include:

- Effectiveness of current security programs, management of the MANPADS threat with effective export control mechanisms;
- ICAO security implementation consistency across member economies;
- Status of Advanced Passenger Information (API) and Advance Passenger Processing (APP) proposals;
- Multilateral arrangements to implement the Regional Movement Alert List (RMAL);
- Application of biometrics in immigration procedures;



# The 4<sup>th</sup> Hanoi STAR Conference

## Aviation Security (continued)

- Ongoing review of an APEC Travel Card to facilitate the movement of business people;
- Supply chain security, the problems of air freight;
- Better liaison between immigration officers and airlines;
- Combating document fraud;
- Enhancement of the public-private partnership; and
- Identification of new threats for aviation security and the ability to be adaptive while taking account of the effect on trade.



# The 4<sup>th</sup> Hanoi STAR Conference

❖ A key objective of STAR 4 is therefore to:

- seek agreement on opportunities to harmonise both security measures and trade facilitation;
- review what has been done by individual economies to implement agreed recommendations; and
- establish a practical work plan for the future.

❖ Star 4 is an important consolidation meeting:

- Decisions about security are only as good as their effective implementation;
- Implementation must be transnationally interoperable.



# Protective Security

❖ Protective security must be considered within the context of other immediately related issues such as:

- A common understanding and acceptance of the nature and level of threat;
- A common practice in the discipline of risk and vulnerability identification and risk action planning or risk mitigation strategies;
- Individual and regionally collective border integrity measures;
- Law and order interoperability, including cooperation of regional police forces;
- The interoperability of legislation governing the exchange of money, goods and services;
- Freight and logistics chain integrity, including common customs methodologies; and
- Effective and honest exchange of intelligence supporting national security and criminal decision making.



# Australian Regional Capacity Building

- ❖ OTS actively participates in regional capacity building through:
  - Close working relationships with our Asia/Pacific neighbours;
  - Encouraging the use of common lexicon between regional neighbours and government / business;
  - Exchange of best practice between neighbours and sectors;
  - Harmonised implementation of international security standards for greater interoperability; and
  - Encouraging a common approach to transport security.



# The Current Security Environment

## ❖ Nature of the threat:

- Constant heightened level of threat;
- Probability of no prior warning of attack;
- Terrorists and criminals are very professional in their approach and capacity;
- Focus on mass casualties;
- Potential for catastrophic and traumatic consequences;



# The Current Security Environment

## ❖ Mitigation strategy:

- Preparedness is critical;
- Protective security must be linked with response capabilities;
- Response to transnational crime must be transnational government/business capacity and readiness;
- Adequate security awareness of staff and customers such that we create an environment hostile to terrorist activity by the capacity to identify and resolve suspicious activity;
- Both risks and vulnerabilities must be addressed.



Australian Government

Department of Transport and Regional Services

# Key Points

- ❖ Security measures should always be part of larger government and business objectives;
- ❖ Regional initiatives should be consistent with global commitments ie ICAO / IMO;
- ❖ Regional security initiatives should allow for development of relevant and consistent local security practices and understanding among neighbours;
- ❖ APEC STAR:
  - supports cost effective and efficient regional trade practices;
  - is a Government – Business – International Organisations partnership;
  - focuses on security issues identified as being most relevant to mitigating the intelligence based assessment of threat and consequential risks.



# Key Points

- ❖ Transnational terrorism is the greatest threat as the consequences are irreversible and untenable;
- ❖ Criminal activity can identify vulnerabilities that must be addressed to adequately mitigate the threat of terrorist attack;
- ❖ In the current threat environment care must be taken to address risks and vulnerabilities;
- ❖ Security measures must move beyond process, and focus on ensuring staff and customers are alert and informed to identify and seek resolution of suspicious activity - the objective must be to create an environment hostile to terrorist activity.



Australian Government

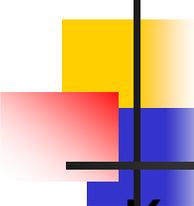
Department of Transport and Regional Services

# Secured and Effective Maritime Transport in China



APEC STAR VI  
CONFERENCE

24-25 February  
2006



# An Overview of Shipping & Port Industries in China

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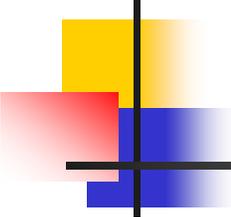
## Key Figures & Facts 2005:

a seagoing merchant fleet of over 28 million gross tonnage;

a total of 1400 ports, over 130 ports for foreign trade;

port throughputs: 4.91 billion tons

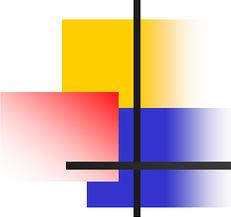
Container throughputs: 75.8 million TEUs



# Anti-terrorism Position in China

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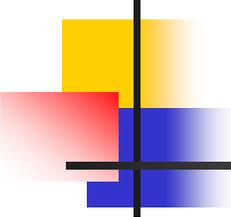
- Fully committed to fighting all forms of terrorism;
- Support any anti-terrorism initiatives within the framework of UN, relevant international bodies or similar multilateral mechanisms
- International Cooperation



# Positive Approach towards Maritime Security

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- Constructive input to the development of relevant instruments:
  - Amendments to SOLAS Chapter XI-2 and ISPS Code;
  - 2005 SUA Protocols;
  - Amendments to SOLAS Chapter V(Regulation 19-1, Long Range Identification and Tracking)
- Strict and Effective implementation of SOLAS Chapter XI-2 and ISPS Code;
- Active participation in sub-regional or regional efforts in enhancing maritime security

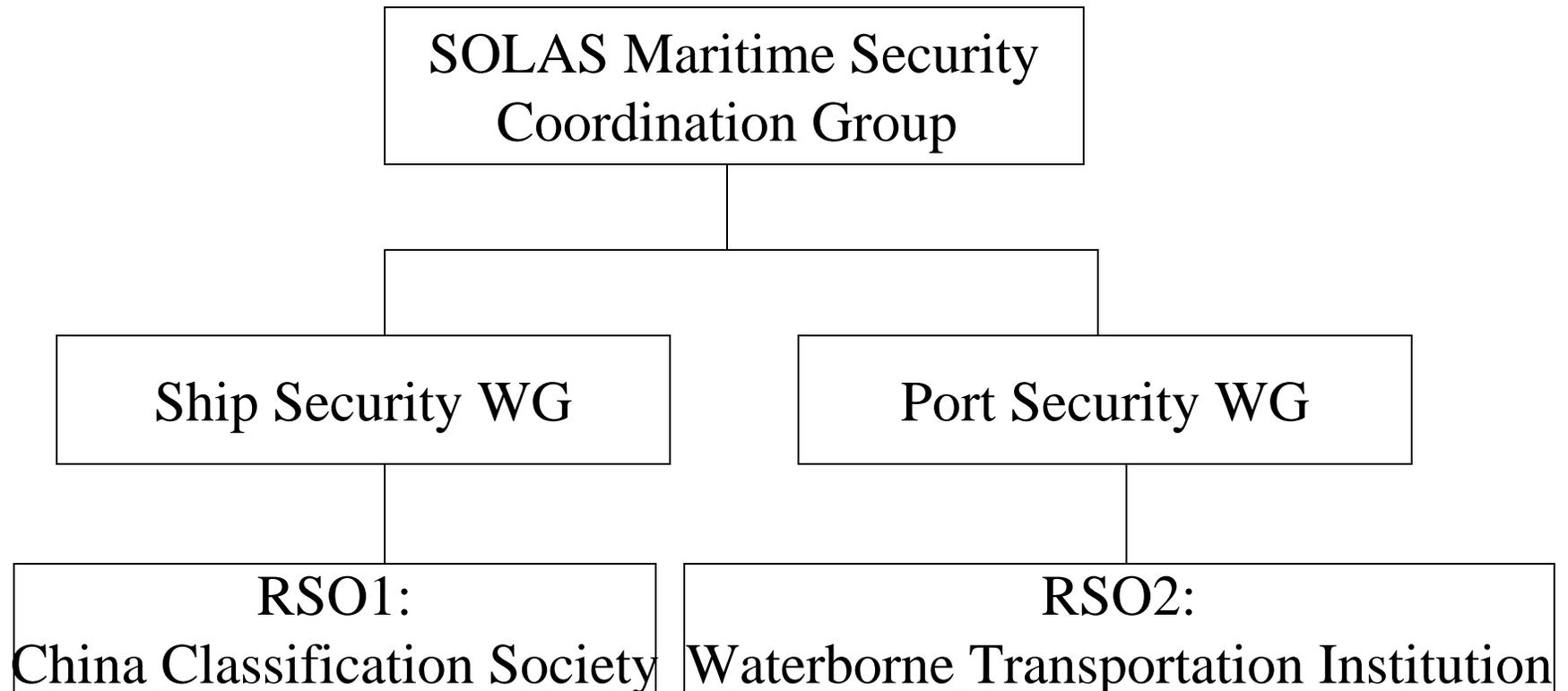


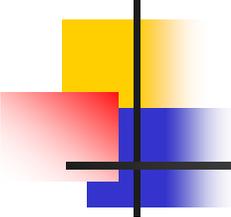
# Strict and Effective Implementation of ISPS Code

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- Institutional Mechanism
- Regulatory Measures
- Administrative Measures
- Capacity building
- International Cooperation

# Establishment of a Sound Institutional Mechanism





# Development of Domestic Regulatory Measures

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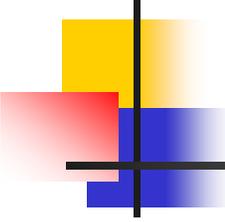
- Port Facility Security Regulation
  - Promulgated on 14 November 2003
- Ship Security Regulation
  - Promulgated on 16 June 2004

# Adoption of Administrative Measures to Ensure the Effective Implementation of

## ISPS Code

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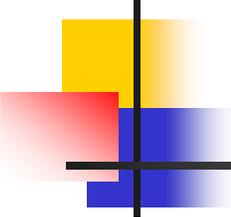
- to put in place a three-tier assessment and evaluation mechanism for Port Facility Assessment Report and Port Facility Security Plan (local and provincial port administration and the MOC);
- to develop the Guidance on Port Facility Security Drills and Exercises, and conduct security drills and exercises accordingly;
- to tighten supervision over the implementation of the ISPS Code (annual verification, on-scene inspections to ports and PSC inspections on all outgoing and incoming vessels) .



# Capacity Building Initiative: training and consultancy service

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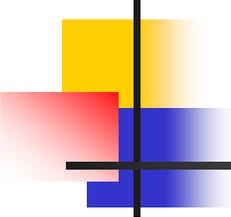
- Since Dec.2003:
  - 22 training courses on port security and 2 training courses on ship security officers have been held;
  - Over 4500 persons trained in respect of port security and 208 ship security officers duly authorized obtaining the ISPS certificates;
  - Technical advice and consultancy service by Waterborne Transportation Institute



# Strengthen International Cooperation: share best practices

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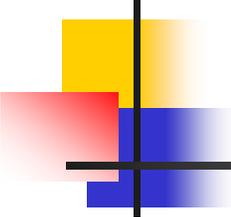
- **Bilateral Framework:**
  - Regular PSC exchanges on ship security have been held;
  - China-US Ship and Port Security Exchange Programs;
- **Multilateral Framework:**
  - Active participation in all IMO meetings or seminars
  - Ministerial Conference for International Transport Security, Japan



# Achievements so far

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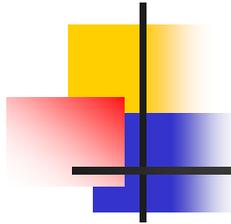
- By the end of 2005:
  - Over 670 Port Facility Security Plans and Statements of Compliance have been approved and issued;
  - 638 the Chinese-flagged vessels on international voyage have been issued International Ship Security Certificates;
  - Continuous synopsis records (CSRs) of all the ships to which ISPS Code applies have been endorsed.



# Keys to the Successful Implementation of ISPS Code

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- Political will  
government commitments, heightened awareness at operational level
- Resource mobilization  
improve port infrastructure: fences, CCTV, electronic access checking system, patrol
- Technical support  
training, information sharing

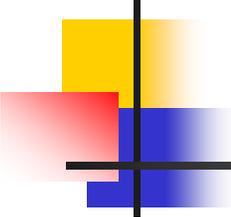


# Reflections

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“The world must advance the causes of security, development and human rights together, otherwise none will succeed. ”

----- UN Secretary-General Kofi Annan



# Conclusions

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- A sustained and healthy shipping is premised on a secure maritime environment, which in turn should promote the development of a sustained and healthy shipping rather than stifle it.
- The implementation of ISPS Code should keep in sight at once security and effectiveness of maritime transport.

# International Port Security Program



APEC STAR IV Conference  
February 2006, Hanoi

Presented By Commander Joseph Lo Sciuto, USCG



**Homeland  
Security**



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# International Port Security (IPS) Program

The IPS Program's focus is to:

- Engage in bilateral and multilateral security discussions with trading nations
- Share and align maritime security practices
- Exchange best practices



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# Multi-Phased Approach

- Preliminary information exchange between nations
- Port facility visits
- In country visit and information exchange
- Ongoing dialogue
- Reciprocal visits



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Security**



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Coast Guard**

# U. S. Policy Technical Assistance

## USCG Navigation Vessel Inspection Circulars (NVICs)

- International Port Security Program (NVIC 02-05)
  - Port State Control (NVIC 06-03, Change 1)
  - OCS Facility Plans (NVIC 05-03)
  - Vessel Security Plans (NVIC 04-03, Change 1)
  - Facility Security Plans (NVIC 03-03, Change 1)
  - Port Security Plans (NVIC 9-02, Change 2)
- 
- Web site: <http://www.uscg.mil/hq/g-m/mp/nvic.html>
  - E-mail: [fldr-g-moc@comdt.uscg.mil](mailto:fldr-g-moc@comdt.uscg.mil)
  - Phone: 877-687-2243 (toll free) / 202-366-9991



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# IPS Program Country Visit

Port facility visits involve:

- Visits to select port facilities of U.S. trading partners
- Observation of implemented security practices
- Use of international standards for assessments and plans
- Discussion of observations

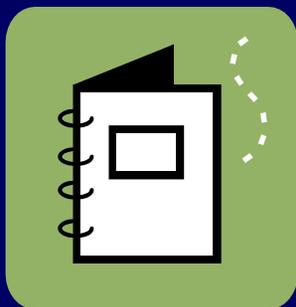
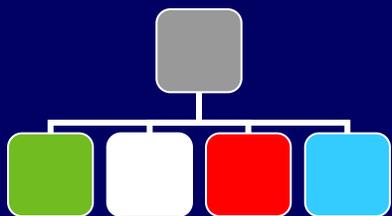


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# Areas of Interest



- Security organization
- Physical security measures
- Security policies/procedures
- Security in ship/port interface operations
- Security training/exercises



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# Physical Security Infrastructure

- Walls, fences & barricades
- Lighting & signs
- Access control & searches
- Alarms, cameras, & locks
- Identification cards
- Guards & equipment



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# Visits Conducted to Date

- Algeria 
- Argentina 
- Australia 
- Bahamas 
- Bangladesh 
- Brazil 
- Cameroon 
- Canada 
- Chile 
- China 
- Colombia 
- Costa Rica 
- Dominican Republic 
- Ecuador 
- Equatorial Guinea 
- Gabon 
- Gambia 
- Guatemala 
- Honduras 
- Hong Kong 
- India 
- Indonesia 



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# Visits Conducted to Date

- Jamaica 
- Japan 
- Kuwait 
- Madagascar 
- Mexico 
- Mozambique 
- Netherlands Antilles 
- New Zealand 
- Panama 
- Peru 
- Philippines 
- Russian Federation 
- Senegal 
- Singapore 
- South Korea 
- Thailand 
- Trinidad 
- Tunisia 
- Turkey 
- Uruguay 
- Venezuela 



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**Coast Guard**

# General Visit Observations

- Good awareness of the requirements of the ISPS Code
- Physical security is generally good.
- Sustainability may be a challenge for some countries
- Cargo documentation is an area with potential for increased security
- “Management Infrastructure” must continue to evolve

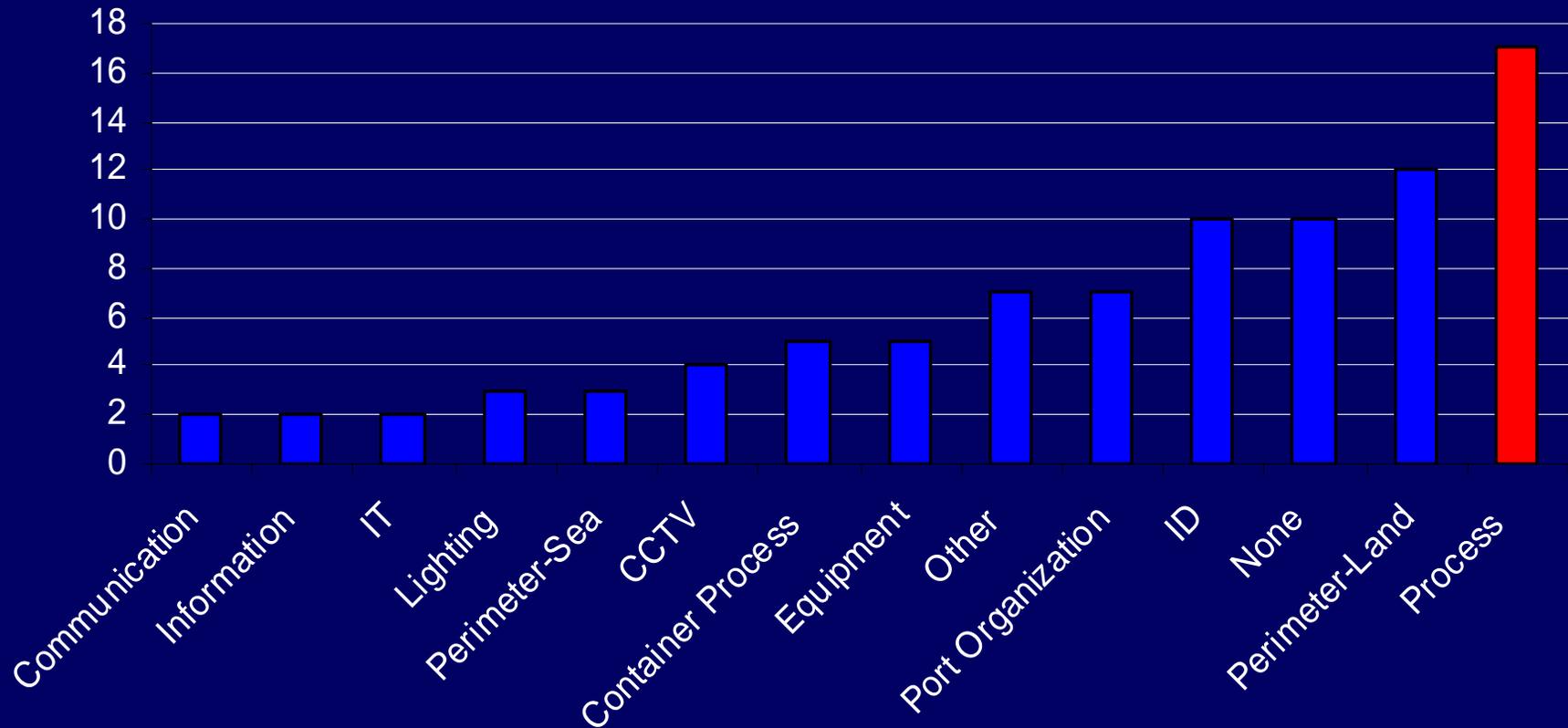


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# Observations - Types

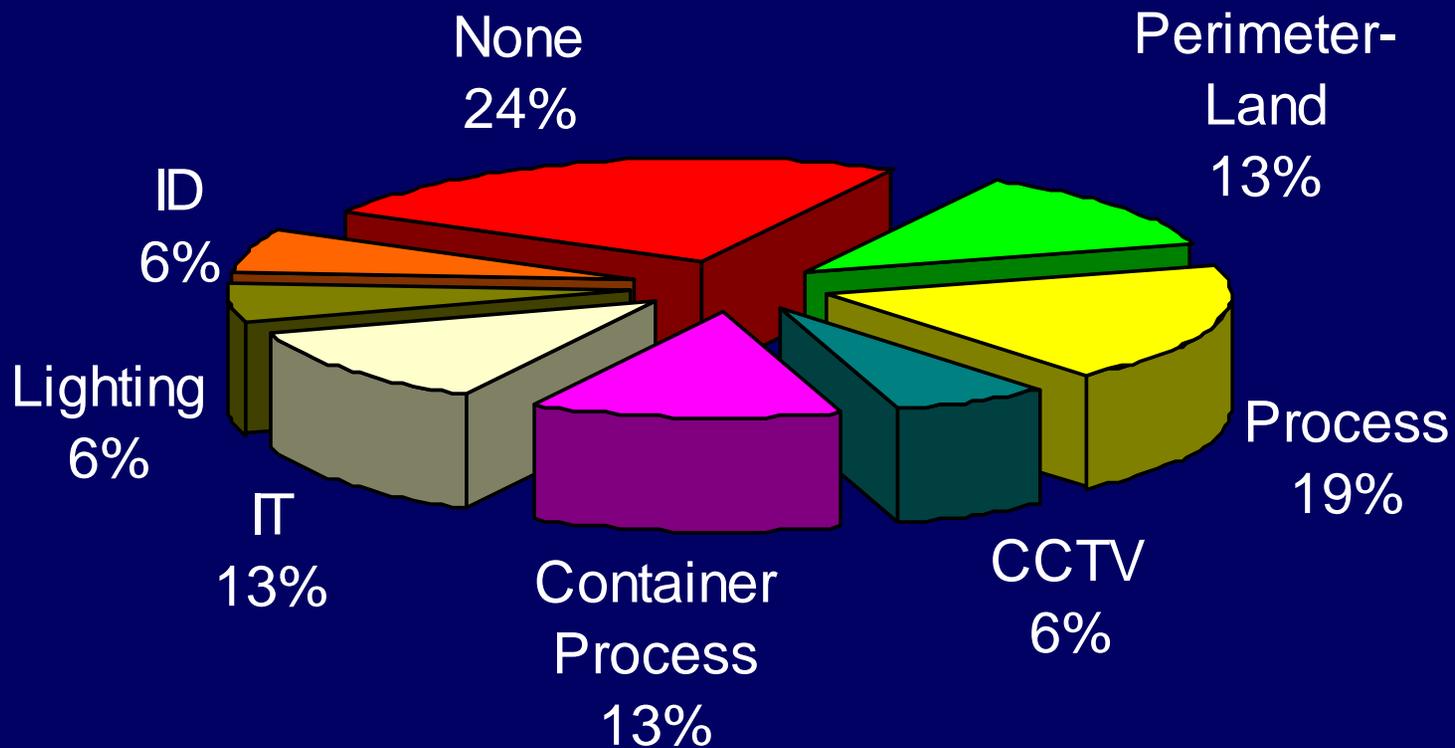


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# Observations – Region 1

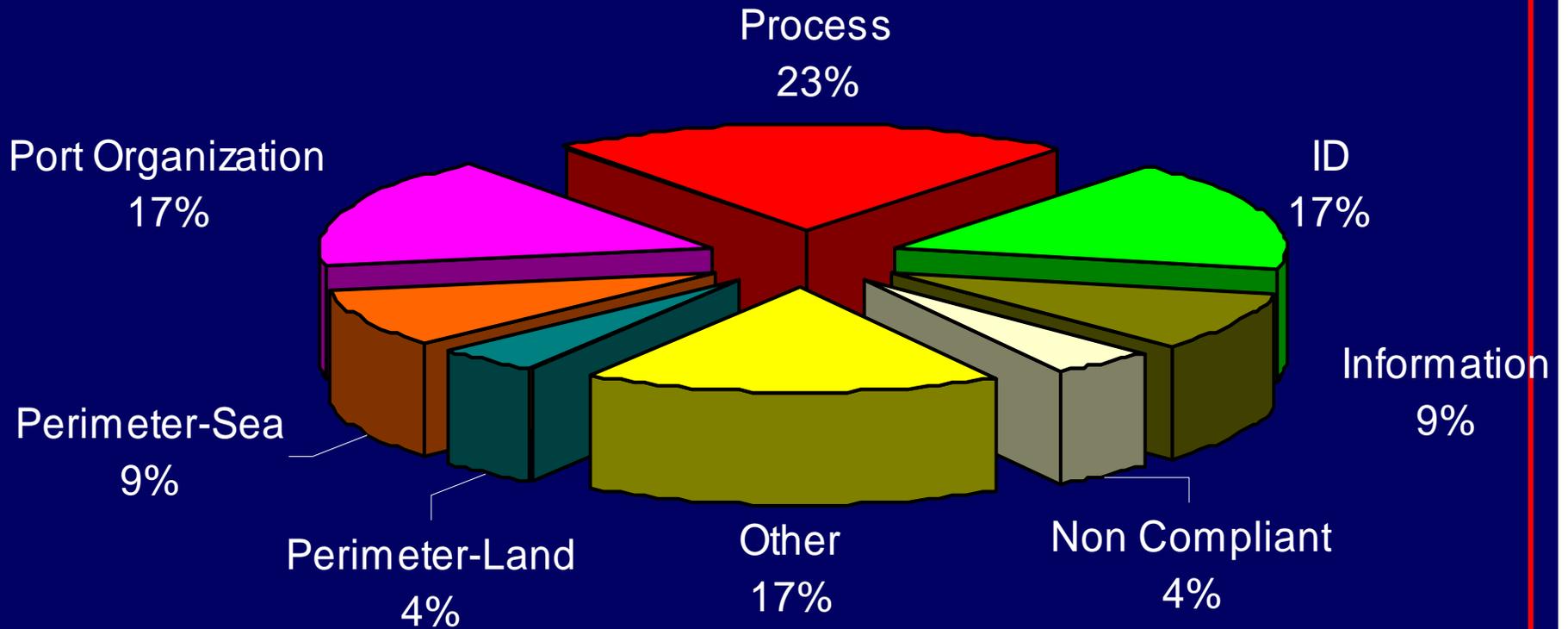


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# Observations – Region 2

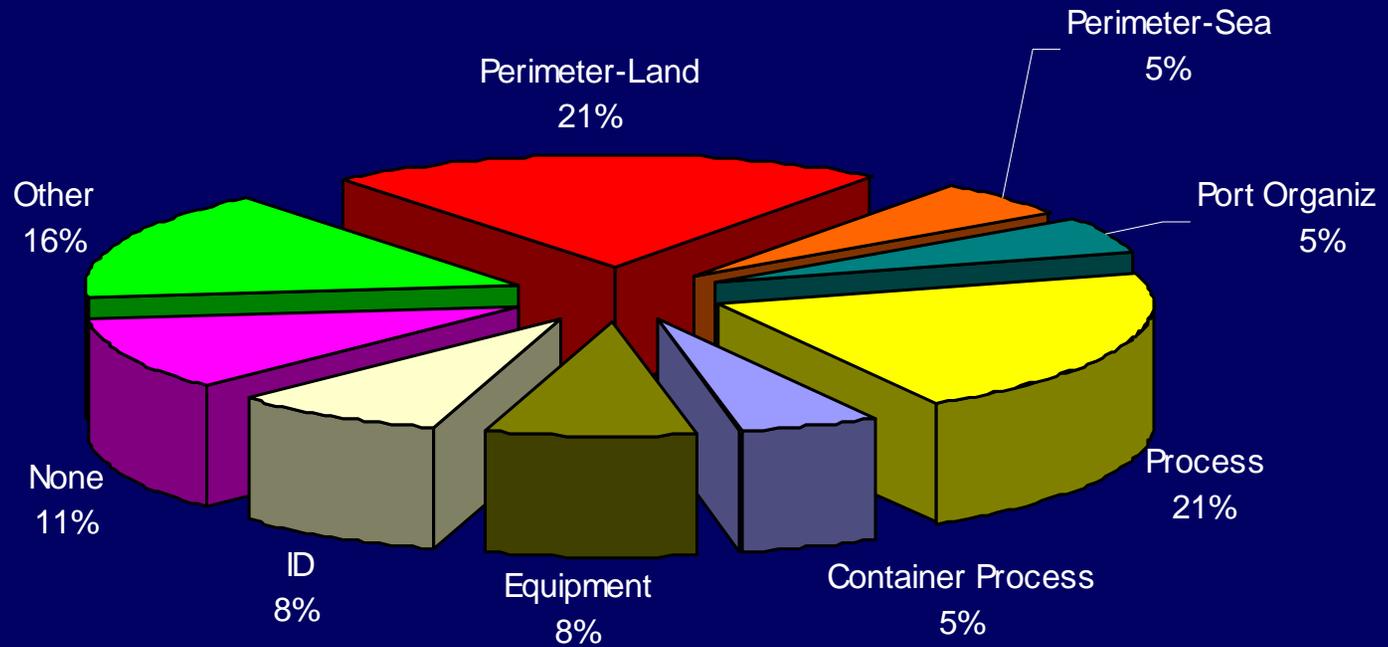


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# Observations – Region 3



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# Best Practices

<http://wwwstage.uscg.mil/hq/g-m/mp/xfaqs.html>

## Access Control

- Port Identification Badges – identifies zone(s) in which the port employee has access to.
- Color Changing Identification Badges - change in color indicates expiration of badge validity, restricting employee's /visitor's access to the port.
- Multiple Identification Badges – one for the port and the other for the facility.
- Improvised Under Vehicle Inspection Mirror – low cost solution and manufactured in house.



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# Best Practices (cont)

<http://wwwstage.uscg.mil/hq/g-m/mp/xfaqs.html>

## Perimeter

- Pole Guards – cheap and effective way of prevent access to the port.
- Fence Line into the Water – this prevents individuals from walking into the port during low tide.
- Infrared Motion Detection System for Waterside Access - still permits access to the water.
- Use of Empty Containers to Create Temporary Barrier



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# Best Practices (cont)

<http://wwwstage.uscg.mil/hq/g-m/mp/xfaqs.html>

## Other

- Shuttle Buses – port operated buses to transport employees, eliminating need of personal vehicles. Facilitates port monitoring operations.
- Door to Door Stacking of Empty Containers - this prevents individuals from access containers (stowaways /bomb)
- Daily Port Security Status Report - must be read and initialed by all employees as they clock into work.
- Light Tower Doubling as Guard Tower



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# IPS Program Summary

- Focus on ISPS Code implementation
- Visit all U.S. trading partners
- Exchange information based on each trading partner's interpretation of the ISPS Code



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# For Further Information

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Port Security Directorate (G-PCP-3)  
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[Jlosciuto@comdt.uscg.mil](mailto:Jlosciuto@comdt.uscg.mil)

Program Web Page:

<http://www.uscg.mil/hq/g-m/mp/ipsp.shtml>



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The Report of the Survey on Current Practices  
Related to  
“APEC Key Elements for Effective Export Control  
Systems”

25 FEB,2005

Economy: JAPAN

# Outline

1. Background and Purpose
2. Methodology
3. Average Points
4. Trend in Each Answer
5. Open-ended Questions
6. Analysis and Comments
7. Conclusion

# 1. Background and Purpose

1. Commitments toward effective export controls in Bangkok Declaration (2003)
2. Identification of key elements for effective export control systems by Ministerial Statement in Santiago (2004)
3. Concrete steps for effective export controls are required this year
4. The survey aims to provides a step for cooperation by analyzing capacity-building need regarding key elements

## 2. Methodology

- A. Average point system
- B. Trend in each answer
- C. Open-ended questions

### 3. Average Points

#### “Legal and Regulatory Framework”

	All Economies	Regime Member Economies	Regime non-member Economies
Controls on arms brokering and other intermediary activities.	2.6	2.3	3.0
Controls on transfers of unlisted items, services, and technologies of potential concern, if the transfers are intended for programs involved in weapons of mass destruction, their delivery systems, or conventional weapons ("catch-all" controls).	3.3	3.7	2.8

## 3.Average Points

### “Legal and Regulatory Framework” (Cont’d)

	All Economie s	Regime Member Economie s	Regime non- member Economies
Comprehensive export control laws and regulations that control transfers of items, technology, and related services.	4.2	4.7	3.9
Laws and regulations that control technology in both tangible (blueprints, for example) and intangible (e-mails and verbal communications, for example) forms.	3.7	4.3	3.1
Legal authorities that permit denial of licenses without excessive threat of appeal or demand for compensation by trade companies.	4.2	4.7	3.7
Controls on foreign-origin items re-exported from an economy	4.34	5.0	3.9

## 3. Average Points

### “Licensing Procedures and Practices”

	All Economies	Regime Member Economies	Regime non-member Economies
Procedures, databases, and watch lists for evaluating parties involved in transfers, paying particular attention to those considered to be suspicious, unreliable, or presenting a high risk of diversion.	3.8	4.7	3.1
Procedures to confirm, as appropriate, that licensed items have reached their stated end-users and are being used for their stated end-use.	4.1	4.3	3.9

## 3. Average Points

### “Enforcement, Investigation, and Prosecution”

	All Economies	Regime Member Economies	Regime non-member Economies
Legal authorities to permit routine, advance review of detailed manifest data to analyze for suspicious transfers.	3.5	5.0	2.1
Procedures to apply risk management and targeting strategies, using trade information and intelligence, to detect suspect transfers and to minimize impediments to legitimate trade.	4.5	5.0	4.1
Effective cooperation among policy officials, enforcement agencies, licensing officials, technical experts, and intelligence agencies to establish whether specific transfers involve items or transactions that are controlled or are contrary to member economies' interests.	4.5	5.0	4.1

## 3.Average Points

### “Industry Outreach”

	All Economie s	Regime Member Economie s	Regime non- member Economies
Effective outreach to raise the awareness of companies and commercial individuals, universities, and centers of research and development -- including conventions and trade shows -- about their responsibilities under the economy’s export control system	4.0	5.0	3.0
Strong relationships with industry to identify suspect sales and deliveries.	4.0	5.0	3.0
Efforts to encourage industry to develop internal compliance practices that incorporate checks on end-users and end-uses of concern.	3.0	4.3	1.7

## 4. Trends in Each Answer

### Elements with multiple “c”

- “Comprehensive export control laws and regulations” (two)
- “Controls on transit and transshipment” (two)
- “Foreign-origin re-exported items” (two)
- **“Controls on arms brokering and other intermediary activities” (five)**
- “Procedures, databases, and watch lists about suspicious end-user” (two)
- “Procedures to confirm between customs and export licensing authorities that an item being exported is subject to a control list and appropriately licensed, such as quick and transparent reference between shipping documentation, control lists and export licenses” (two)
- “Procedures to confirm stated end-users and end-uses afterwards” (two)
- **“Effective outreach to raise the awareness” (three)**
- “Strong relationships with industry” (two)
- **“Efforts to encourage industry to develop internal compliance practices” (four)**

## 4. Trends in Each Answer

### Elements with Fewer “a” and more “b”

- “Controls on arms brokering”  
(three a’s and three b’s)
- “Catch-all controls”  
(four a’s and six b’s)
- “Efforts to encourage industry to develop internal compliance practices”  
(four a’s and four b’s)

## 4. Trends in Each Answer

### “d” answered elements

- “Controls on tangible and intangible technology transfer” (one)
- “Catch-all controls” (one)
- “Legal authorities that permit denial of licenses without excessive threat of appeal or demand for compensation by trade companies” (one)
- “Provisions that protect the confidentiality of commercial information, while permitting information-sharing with other governments to enhance international efforts against proliferation” (one)
- “Procedures, databases, and watch lists about suspicious end-user” (one)
- “Permitting advance review of detailed manifest data” (two)

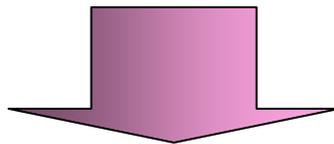
## 5. Open-ended Questions

- (1) Technical assistance for programs related to WMD non-proliferation
- (2) Technical assistance and training programs to detect illegal transfers that violate export control laws
- (3) Training and resources necessary to investigate and prosecute
- (4) Commodity identification
- (5) Developing HS concordance list with multilateral regimes' control lists
- (6) Cooperation, information and experience sharing will help in further enhancing the effectiveness of our control systems

## 6. Analysis & Comments

Following elements with multiple “c” answer indicate needs for capacity-building, while experience and knowledge are accumulated in a region

- "comprehensive legal and regulatory framework"
- "controls on transit and transshipment"
- "procedure to confirm stated end-users and end-uses afterwards."

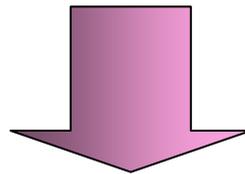


Information sharing and seminars would be useful

## 6. Analysis & Comments

Following elements with fewer “a” answers and more “b” answers indicate less accumulation of experience and knowledge in a region

- "controls on arms brokering "
- "catch-all controls"



Study groups, workshop by experts will be useful for accumulation of knowledge and implementation

## 6. Analysis & Comments

- Elements in Industry Outreach shows low points in general
- This indicates that some economies are in the process of upgrading other elements and have not worked on this section.
- However, cooperation with industry is essential for effective export controls

Seminars for awareness raising and supporting internal compliance in industry is required

## 7. Conclusion

Trends in capacity-building needs are identified in general APEC economies should applaud unilateral, bilateral, and multilateral capacity building efforts and supports for following purposes

1. Keep the momentum of the Bangkok Declaration
2. Contribute to the APEC goals through establishing infrastructure for free and open trade
3. Support other international institutions and regimes efforts

Introduction of

**“Ministerial Statement on Security  
in International Maritime Transport Sector”**

**Ministerial Conference on International Transport Security**

26<sup>th</sup> February 2006

Tomoyasu IZAKI

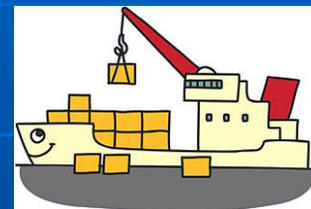
Maritime Bureau

Ministry of Land, Infrastructure and Transport (MLIT), Japan

# **“Ministerial Statement on Security in International Maritime Transport Sector”**

Future Directions of 4 areas of Maritime Transport Sector :

i. **Maritime containers**



ii. **Non-SOLAS ships**

iii. **Straits of Malacca and Singapore**

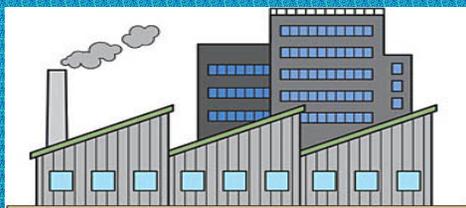
iv. Implementation of

**SOLAS Chapter XI-2 and ISPS Code**

## i. Maritime containers

### *International supply chains*

Manufacturers



Logistic Companies



Ports & Ships



Covered by  
**SOLAS XI-2 & ISPS**

## i. Maritime containers

### ***How can we enhance the security of containers throughout the international supply chain ?***

#### Customs

- USA : C-TPAT (2002.4)
- EU : Authorized Economic Operators (2005.2)
- WCO : Framework of Standards (2005.6)
- ✓ Coexistence of Security and Facilitation

#### Transport

- SOLAS XI-2 and ISPS Code / Resolution 9 in IMO (2002.12)
- ✓ Necessity of Container Security in international maritime transport



**Necessity of Co-operation**

## i. Maritime containers



The following agreement was reached at the Ministerial Conference:

- 1) Invite IMO to consider, in cooperation with WCO, to develop and to adopt the measures to enhance the security of the maritime containers in the international supply chain, while respecting efficiency and international harmonization.

## ii. Non-SOLAS Ships

# **SOLAS Ship and Non-SOLAS Ship**

### Ships

#### SOLAS Ships

##### Ships covered by SOLAS XI-2 and ISPS Code

- ▣ Passenger ships for international voyage
- ▣ Cargo Ships\* of 500GT and more for international voyage

#### Non-SOLAS Ships

##### Ships not covered by SOLAS XI-2 and ISPS Code

- ▣ Ships for domestic voyages  
Coasting cargo ships, Domestic passenger ships, Port service etc.
- ▣ Small cargo ships for international voyage  
Small cargo ships, Ocean tugs etc.
- ▣ Other small ships  
Fishing vessels, Pleasure yachts etc.

\*Cargo Ship: Any ship that is not a passenger ship, as defined in SOLAS

## ii. Non-SOLAS Ships

# ***Security threats on Non-SOLAS Ships***



### **1. Attacked by terrorists**

Example: Ferry “Super Ferry14”  
In Manila  
In February 2004

### **2. Assaulted by pirates or armed robbery**

Example: Ocean tug “Idaten”  
In Malacca Strait  
In March 2005



### **3. Used as attacker**

Example: Tanker “Limburg”  
In Yemen  
in October 2002



## ii. Non-SOLAS Ships



The following agreement was reached at the Ministerial Conference:

- 2) Invite IMO to study and to make recommendations to enhance the security of *Non-SOLAS Ships*, in order to protect them from becoming targets of acts of terrorism, piracy, or armed robbery, and to prevent them from being exploited or used as means for committing such acts.

### iii. Straits of Malacca and Singapore

#### **Jakarta Statement On “Enhancement of Safety, Security and Environmental Protection in the Straits of Malacca and Singapore”** (September 2005)

- ✓ Continued work of TTEG
- ✓ Mechanism by three littoral States to meet regularly with user States, shipping industry and others concerned
- ✓ Mechanisms for information exchange about maritime domain awareness
- ✓ Capacity building through co-ordinated patrol, training programs and exercises

### iii. Straits of Malacca and Singapore



The following agreement was reached at the Ministerial Conference:

4) Resolve to take necessary actions, as appropriate, in response to the Jakarta Statement,

respecting fully the sovereignty of the littoral States, and

note with appreciation the offer by Malaysia to host a follow-up meeting.

#### iv. Implementation of SOLAS XI-2 & ISPS Code

The following agreement was reached at the Ministerial Conference:



#### < ISPS Implementation esp. at Port Facilities >

- 5) Ensure continued compliance of ISPS
- 6) Share best practices
- 7) Promote co-operation in capacity-building

#### < Port State Control >

- 8) Further co-operate through MoU for PSC

#### iv. Implementation of SOLAS XI-2 & ISPS Code

### **Tokyo-MoU 14<sup>th</sup> PSC Seminar**

around end of June 2006, in Tokyo (provisional)

The program will be including:

- ✓ Current trends of terrorism
- ✓ Relevant regulations
- ✓ Essentials of PSC activities
- ✓ Case study



# Table of Contents

1	Introduction
2	Background of the problem
3	Solution to the problem
4	Recommendations
5	Malaysian Case Study
6	About the Technology
7	Conclusion
8	About the Company
9	Question and Answer



# Introduction

## Border security

- **Facilitating the passage of people WITH proper travel documents through official ports of entry; and**
- **Preventing the illegal entry of people WITHOUT proper travel documents.**



# Importance of Border Security



# Introduction

## Successful Implementation of Biometric Technology for Border Security

**Effective and  
efficient  
Smart Border**

**Adopting  
crucial  
Methods and  
Technology**

**Overcoming  
identified  
problems**

**Sharing of our  
experiences**



# Background of the Problem

a) Wide Area to Secure

b) Fake Travel Documents

c) No Integrated Systems

d) Reliability and Accuracy of Screening

e) Threats to Border Security



# Threats for International Border Security

## Examples of Threats



And many more . . .



# Solution to the Problem

a) Make borders more secure

b) Start at source country

c) Multiple checkpoints

d) Linking the databases

e) Integrating systems

f) Zero false identification

g) International cooperation

h) Reliability and accuracy of screening



# Recommendations

a) Biometrics Verification technologies

b) Issuance of travel documents

c) Information sharing

d) Clear ties among agencies

e) Enhance Standard Processes and Practices

f) Data integrity



# Malaysian Case Study

a) Malaysian Government Efforts

b) Citizens – Electronic Passport & ID Card

c) Karsof™ Foreign Worker System

d) Karsof™ Illegal Immigrant Management System

e) Karsof™ Foreign Worker Monitoring System

f) Karsof™ Secure Foreign Worker Card System

g) Karsof™ Amnesty System

h) Karsof™ MIS Reports System



# About the technology

Unique

Accurate

Secure

Least  
Intrusive

Compatibility

Cost  
Effective

Time  
Effective

Control

Scalable

Inter-  
operability

**Karsof™ Biometrics  
Smart Border is  
the best solution**

**Usage of Biometrics  
for Border Security**



# Conclusion

- a) Through Biometrics technology security implementation at all ports of entry
- b) Requiring the verification of travelers' identities before leaving the country
- c) Checking the authenticity of travel documents with the traveler's source country's authorities
- d) Watch list and blacklists data sharing among Countries
- e) International cooperation
- f) Wide-scale systems integration



# About the Company

1. Multimedia Glory Sdn Bhd (MGSB) was incorporated in 1999.
2. MGSB is a MSC status Company.
3. Karsof™ is Trade Name for all the products from MGSB.
4. Total Software Solution Provider
5. Strategic Partner - IATA



# About the Company

**The company holds seven patent pending technologies registered as Malaysia innovation and the patents are pending worldwide including United States, Singapore and PCT**

**Karsof™ Biometric Technology has got patent granted for processing over the web**

**\* PCT = Patent Co-operation Treaty**



# About the Company

## **OUR SERVICES**

### • **Software Development**

- **System Protocols**
- **Health Care**
- **Banking / Finance**
- **Insurance**
- **Human Resource & Payroll**
- **Accounting System**
- **Security Solutions**
- **RFID based Applications**

### • **Consultancy Services**

- **System Integration Settings**
- **Network**
- **System Architecture Design**

### • **Reverse Engineering**

- **Conversion of System from One Platform to Another**

### • **Security Solutions**

- **PKI**
- **Encryption**
- **Single Sign On**
- **Multi Layered RFID Solutions**
- **Biometric Based Solutions**

### • **R & D**

- **Biometric Solutions**
- **Smart Cards**
- **RF Services**
- **Business Continuity**
- **Protection Shield**
- **Cd Piracy**



# About the Company



- Presented the implementation as a case study in APEC 2004 STAR II, Chile
- Presented the implementation as a case study in APEC 2005 STAR III, Incheon, Korea



# About the Company

- a. MSC-APICTA (Asia Pacific ICT Award) 2003 “Best Security System Applications”
- b. MSC-APICTA 2003 “Best of the Best Prime Minister’s Award”



Winner of “Best Security System Application”  
MSC-APICTA 2003



Winner of “Best of the Best” Award from  
Prime Minister of Malaysia



# About the Company

## c. International APICTA 2003 “Best of Security”



# About the Company

- a. MSC-APICTA 2004 “Best of Research and Development”
- b. MSC-APICTA 2004 “Best of Security System Applications”



Winner of “Best Research and Development”  
MSC-APICTA 2004



Winner of “Best Security System Application”  
MSC-APICTA 2004



# About the Company

d. Product of the year Award 2004



**Product of the Year 2004 Award**



# About the Company

- a. MSC-APICTA 2005 “Best of Research and Development”
- b. MSC-APICTA 2005 “Best of Financial Applications”



# About the Company



# About the Company

**Karsof™ Time Attendance and Management System (KTAMS), a product that made history in 31<sup>st</sup> October 2003 when it was used by the past Prime Minister Tun Dr Mahathir Mohamed to clock out and the new premier Datuk Seri Abdullah Ahmad Badawi to clock in on 3<sup>rd</sup> November 2003 in the Prime Minister's office.**



**Tun Dr. Mahathir Mohd  
Placing his finger  
for attendance while  
he leaves his office in  
his last day**



**Datuk Seri Abdullah  
Ahmad Badawi  
Placing his finger  
for attendance while  
he coming his office  
in his first day**



THE FOURTH APEC STAR CONFERENCE  
AVIATION SECURITY ROUNDTABLE DISCUSSION

Talking Points on Security & Trade Facilitation

Prepared for  
Alan Turley, Managing Director, Vice President Gov't Affairs, APAC Region

**INTRODUCTION**

Supply chain security and trade facilitation measures can be mutually reinforcing. Better security can actually facilitate trade. Two of the hallmarks of FedEx's services - reliability and information - also enhance security. Traditionally, security has focused on decreasing theft and protecting our company's brand and image. However, the new age of homeland security requires more information about our customers and our shipments than ever before. It requires greater control over our processes, our employees and our facilities. If properly done, meeting these requirements does not have to put a drag on the supply chain. Instead, FedEx believes these security enhancements can help us get there faster and improve service levels and the customer experience.

But government and industry must work closely together to ensure that security regulations provide a high level of security while also ensuring the efficient movement of cargo that is vital to the global economy.

**TWELVE STRATEGIES TO HELP  
ENSURE SECURITY REGULATIONS FACILITATE TRADE**

FedEx meets regularly with security officials from around the world to constantly evaluate our security programs and their regulatory regimes. We have also been active in discussing security measures and advising regulatory bodies and international organizations such as the World Customs Organization (WCO) and International Civil Aviation Organization (ICAO).

The following are twelve strategies to help ensure security regulations facilitate rather than hamper trade:

**#1 Security Measures Must Be Harmonized Globally**

Effective, globally harmonized security measures are critical for trade facilitation. The lack of mutual recognition between governments of their respective security efforts decreases efficiency.

**EXAMPLE:** The World Customs Organization (WCO) has developed a single set of global security standards called the “SAFE Framework” in close consultation with the private sector. FedEx is one of 30 members on the Private Sector Consultative Group.

Ideally, harmonized standards will pave the way to mutual recognition—but not without the necessary political will. FedEx recognizes the political implications of relying on another country to ensure the safety of your own border. However, the fact that 128 of 169 member countries of the WCO have formally indicated their intention to implement the WCO’s SAFE Framework (including 21 APEC countries) brings us one step closer to the goal.

FedEx believes those countries meeting the WCO standards should be able to implement limited forms of mutual recognition with regard to (a) the validation of Authorized Economic Operators (AEOs) and (b) exemption of shipments from further inspection if there is ample proof that the chain of custody has been maintained after inspection by another country. Once a shipment has been properly inspected by one country, it should not have to be inspected by subsequent officials.

## **#2 Regulators Need to View the Private Sector as a Partner**

The appropriate industry stakeholders should play a definitive role in developing security requirements. The private sector needs to lead with creative ideas. Regulators can benefit greatly from this additional expertise in aviation, engineering and logistics.

**EXAMPLE:** All of the major security initiatives of CBP (ACI, C-TPAT, etc.) were developed in partnership with the trade community. All the stakeholders were brought to the table to discuss how to make the border more secure.

**EXAMPLE:** The TSA has made effective use of the pre-existing Aviation Security Advisory Committee (ASAC) to form a working group to develop 40 recommendations to enhance TSA air cargo security regulations. More recently, another TSA formed another ASAC working group to advise it on the development of its Freight Assessment System. By and large the ASAC Working Group (which was first established after the bombing of Pan Am 103 in 1988) has been a successful model. However, TSA needs to make sure it has the appropriate industry stakeholders participating in those working groups (i.e., rethink the role of victims of the Pam Am 103 flight and forwarders that do not own airplanes).

**EXAMPLE:** The WCO High Level Strategic Group responsible for drafting the WCO's SAFE Framework held several 2 or 3 day consultative meetings between the full body of the WCO member state representatives and members of the private sector. In fact, several members of the Private Sector Consultative Group participated in the actual drafting sessions following those meetings. The resulting framework was a much better product.

### **#3 Regulators Should Implement Flexible Standards**

In further recognition of the private sector's expertise, flexibility should be built-in to the regulations to allow the private sector to work out of the specifics. That's what we are good at. If you take away the flexibility to adapt a standard to specific operational needs you will hurt the process, not help it.

**EXAMPLE:** Shortly after 9/11, one of the first security directives issued by the newly formed TSA was a requirement to protect the cockpit from being commandeered by terrorists. Rather than trying to create a "one size fits all" solution, the TSA regulators established a procedure whereby an individual carrier could submit for approval its own plan for alternate means of compliance with the new standard. By the fall of 2003, FedEx went ahead and completed installation of new, reinforced and ballistic resistant doors like those found on commercial passenger aircraft on all its wide body aircraft. However, since UPS does not have doors to its cockpits generally it implemented an alternative means of compliance. Thus, the regulation was flexible enough to take into consideration different aircraft configurations.

However, the TSA later proved inflexible when determining the in-flight jurisdiction of a Federal Flight Deck Officer. For passenger planes the FFDO's jurisdiction ended at the hardened cockpit door. Yet, the TSA refused to give similar credit to those all-cargo carriers that had incurred the added expense of installing the same hardened cockpit doors. Instead, the TSA defined the FFDO's jurisdiction on board an all-cargo aircraft as nose to tail. Thus, in this instance the TSA adopted a "one size fits all" solution to the disappointment of FedEx.

### **#4 Regulators Should Be Clear On Costs and Benefits**

This is an area in which the WCO SAFE Framework and the APEC Framework fall short. In the United States, the private sector owns or operates more than 85 percent of the nation's critical infrastructure. The supply chain moves 24/7 and is geographically diffused. Private industry obviously has a vital role to play in ensuring the security of trade. But we have to have predictable costs and

benefits. Otherwise, onerous security regulations can have a devastating affect on trade and even undercut security itself by making the private sector question their value.

Security regulations must also be reasonable. Someone has to pay for additional security. There is tremendous pressure on government agencies to pass the costs on to the airlines. But governments have the sovereign responsibility to protect their own borders. A government cannot insist that a company pay more than its fair share (as defined as when the costs exceed any tangible benefit) over the long haul. Once the cost exceeds the benefits it is just a matter of time before the program collapses under its own weight.

In short, if governments avoid clarifying who pays or insists that a company pay more than its fair share, the terrorists win. Regulators need the private sector to actively work—as an informed, invested partner—to fight terrorism.

One way to balance the cost-benefit ratio of security programs is to provide positive incentives for firms that meet higher standards.

**EXAMPLE:** Potential benefits for C-TPAT third-tier (the so-called Greenlane) participants could include eliminating bonding requirements, monthly billing, reduced and/or faster searches and/or given priority for restarting operations after an attack.

#### **#5 Requirements must be Threat-Based (Different Threats for Passenger versus All-cargo Aircraft)**

We cannot treat every conceivable vulnerability equally as a threat. Knee jerk reaction legislation to yesterday's headline will unnecessarily hinder trade and divert limited resources away from real security threats, negatively affecting both trade and security.

Regulators should adopt a complete risk-based approach. This should include (1) setting goals and objectives, (2) assessing risk (threat, vulnerabilities and criticality), (3) evaluating alternatives; (4) selecting initiatives to undertake; and (5) implementing and monitoring those initiatives. Again, it is important to involve concerned industry representatives at every stage in this process.

Requirements must be based first and foremost on specific threat intelligence. It is impractical to try to address every potential vulnerability in a transportation system or to attempt to implement the latest in security technology just because it sounds like a good idea. Regulations should focus on the intersection between a specific threat to a carrier, weaknesses in a carrier's system and existing technology proven to address the weakness and to

protect against the critical threat. Governments must be willing to make the difficult choices and prioritize.

Governments' main partner against terrorism is the private sector. If regulators use security as a blanket to subject different industries to the same security requirements even when they face different threats, they dilute limited resources and cause us to lose focus on the threat. More basically, they jeopardize the regulator's credibility with its only partners against terrorism—the private sector.

**EXAMPLE:** Most security organizations identify different threats to passenger aircraft and all-cargo aircraft respectively. Logically, regulations should differ for passenger and all-cargo carriers respectively. Specifically, regulations for all-cargo carriers should focus on limiting access to the aircraft. This can be facilitated through screening shipments large enough for a stowaway, conducting more thorough employee background checks and implementing biometric screening of persons with access to the aircraft.

#### **#6 Requirements must be mode-specific.**

Maritime transportation is very different from aviation transportation. One size does not fit all. For example, it is good idea to require carriers to monitor cargo at every stage to ensure it is not tampered with. However, typical maritime container seals may not work in the air cargo context. FedEx is willing to invest in any viable technology that is sustainable operationally and financially, but it does not believe the typical maritime container seal would enhance security for air cargo.

The ability to know a shipment has been opened between two geographic points is of limited value because our containers do not sit at a port unsupervised or on the deck of a ship for long periods of time. Instead, the seal would unnecessarily hinder legitimate needs to quickly open the container to adjust weight balance or add a last minute package. Aviation security's primary advantage lies in the fact that each shipment is constantly moving and will reach its destination in matter of hours (not days or weeks). Each step along the delivery path is timed almost to the second. As part of FedEx's advanced tracking and tracing capabilities a scan is performed with electronic devices at several dozen points along the way telling us where the package is, who has custody of it and what they are doing with it at any given moment. Regulators have to take into account these operational differences. Regulations developed for one mode of transportation should not be blindly imposed on another mode of transportation without careful consideration of the need and the impact.

**#7 Regulators Should Move Away from 100% Physical Inspection at the Border  
(Use an "Information-centric" Model)**

This one factor can have an enormous affect on the flow of commerce, especially when it comes to "just in time" express delivery shipments. Physical inspection of 100% of air cargo shipments is not feasible, or needed. Instead, information-based screening must be utilized.

There is a some confusion over the terms "screening," "inspection" and "physical inspection." Regulators and the private sector often talk past each other because of a failure to understand the terminology being used.

- "Screening" may not be an inspection of any kind. "Screening" typically means a regulator has certain information on a shipment and compares that information with historical trade data for any anomalies based on certain targeting rules. FedEx supports screening shipments in this manner. In the U.S. good examples of screening include the "known shipper" program for all cargo placed on passenger aircraft, and the CBP's ACI program which collects electronic information for all imports and exports in advance.
- The term "inspection" generally refers some sort of minimum security inspection beyond records-based screening. However, an inspection does not necessarily mean opening the package; it can be done externally using so-called "non-intrusive inspection equipment" such as an X-ray machine, imaging device or radiation detection system. Of course, if anomalies are discovered during an external inspection then there must be a "physical inspection" of the contents of the package.
- "Physical inspection" refers to the classic Customs compliance inspection in a warehouse facility where everything is manually taken out of the box for a visual inspection.

**#8 Regulators should request electronic information about cargo in advance  
(but not too far in advance and not in inconsistent formats)**

FedEx supports the use of electronic data to identify shipments that are high risk (which we estimate is less than 1 percent of all cargo). We also believe there is inherent commercial value in having more detailed, more reliable electronic data earlier. In fact, we are exploring ways we can obtain this sort of data from our larger customers even before they complete a manifest by using point of sale systems. FedEx does not believe, however, that countries should impose information gathering requirements without targeting a specific threat, or considering operational time restraints and costs. Information should be gathered for a specific purpose. Information gathering just for the sake of being able to say you have the information is counterproductive.

The U.S. has already begun implementing its ACI system. For air imports, the information is not required more than 4 hours prior to arrival for shipments originating in Europe, Asia, Africa, Middle East, and South America south of the Equator and "wheels up" for shipments originating in Canada, Central America, Mexico, Caribbean and South America north of the Equator.

But FedEx serves 218 countries. As other countries begin implementing electronic data, it is important to consider the need for the various systems to be compatible and for the data elements to be standardized for global networks like ours to operate efficiently. FedEx supports the WCO Framework, which has been adopted by APEC. That framework envisions: (1) a single set of data elements for use by all customs administrations globally, (2) a "single window" through which to submit the data on a standardized platform to be shared with all the regulating agencies in a given country, and (3) an agreement that that data not be required to be submitted more than 5 hours prior to arrival (see WCO SAFE Framework Standard No. 5).

#### **#9 Do not Target Just the Big, Easy-to-Regulate Companies**

By and large we're not the problem. FedEx had one of the most robust security plans in the industry before 9/11, and we set the pace for "best practices" still today. It's the little guys that need the minimum requirements. Likewise, FedEx has the resources to implement its security program. It's the little guys that tend to be wearing too many hats and stretched to thin. Non-operational aspects of the business, such as security, are the first to suffer. It is these gaps in participation that must be addressed.

#### **#10 Make sure solutions work for small to medium customers**

Regulators should not implement regulations that make it impractical for small to medium customers to do business. FedEx has concerns that many of the security initiatives that are being considered will have a disparate impact on small retail business.

EXAMPLE: A significant number of our customers rely on the World Service Centers and Kinko's retail locations to ship their packages. However, existing Known Shipper requirements do not permit us to place in the belly of any passenger aircraft the packages of customers that do not have a FedEx account or the packages of low volume customers (with or without a FedEx account). If the known shipper program were to be expanded to all-cargo aircraft in the U.S. or if a similar program were to be established in jurisdictions outside the U.S. (based on the WCO's Authorized Economic Operator concept) it would have a significant impact on

our ability to serve small to medium businesses as well as our retail customers.

### **#11 Remember the Private Sector is not Law Enforcement**

We applaud the work of the men and women of law enforcement who are on the frontlines every day, carrying out a difficult and dangerous mission. Their efforts are critical to the security of our countries and cannot be replaced.

And we believe FedEx has a role to play and we want to be part of what must be a joint effort to protect the global trade from being a victim or an enabler of terrorism. We have a great deal of information in our systems about our customers and our packages that can be of significant assistance to law enforcement agencies. We have a long history of cooperating with law enforcement and other regulatory bodies to fight the war on drugs and other contraband and we have the same commitment to fighting terrorism.

However, regulators must remember that carriers are not in the law enforcement business. We do not have the necessary law enforcement authority or resources that would allow us to solve this problem on our own. Specifically, a carrier should not be required to enforce compliance by other sectors not included in the underlying regulations. They must be held accountable by the government directly.

### **#12 Set Up a System for Restarting the Global Supply Chain**

In the event of another terrorist attack, we must have a crisis management plan in place. Otherwise, after the terrorists have accomplished their primary goal of massive casualties, they will gain the added benefit of disrupting the world economy. Again, the goals of trade and security go hand in hand.



# Maritime Domain Awareness

Proprietary and Confidential to Channel Logistics LLC

## What We Do ? and How We Do It ?

Value



With 90,000+ Ships and 10,000+ Ports Worldwide, to effectively

Detect, Alert the Anomalies and Threats requires a 'SMART CATE™ SYSTEM'



- DATA Acquisition & Display thru multiple data sources and Live data feeds.
- DATA mining forensics, analytics and Threat Evaluation thru Business Rules.
- Choke Point gathering, monitoring, tracking and pattern analysis.
- Connecting the dots.....thru Domain Experts/ Human Intelligence.

# Developed “Computer Assisted Threat Evaluation (CATE) System” for Maritime Security under a Public-Private Cooperative Agreement

## ■ COLLECT DATA

- Private Sector/ Open Source Data Scrubbed for Reliability
  - Federal/ NGO Sources
  - Commercial/ Pacific Rim/ Mediterranean/ Panama Canal etc.

## ■ ANALYZE DATA

- Collate, Fuse and Analyze data using DB source priority methodology
  - 150+ Threat Evaluation & Threat Mitigation Rules vetted by SAG Group using Suspicion Indicators/ Aggressor Method of Operation methodology
  - Cross referencing of data sources

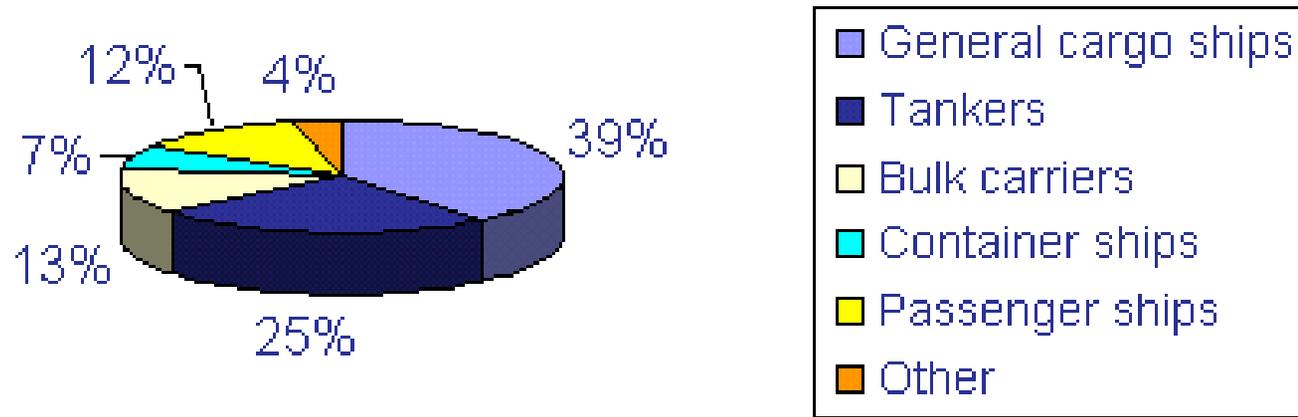
## ■ DISSEMINATE DATA

- Indications and warnings infer risk and assess threat
  - Identification and classification of threat
  - Gaps and anomalies in information and behavior
- Resultant collated and fused data augments the Common Operational Picture
  - “White-Grey-Black” List for Vessel Ownership, Operation and Control
  - Vessel particulars, ownership, history, crew, voyage, etc.

# Large Fragmented Ownership

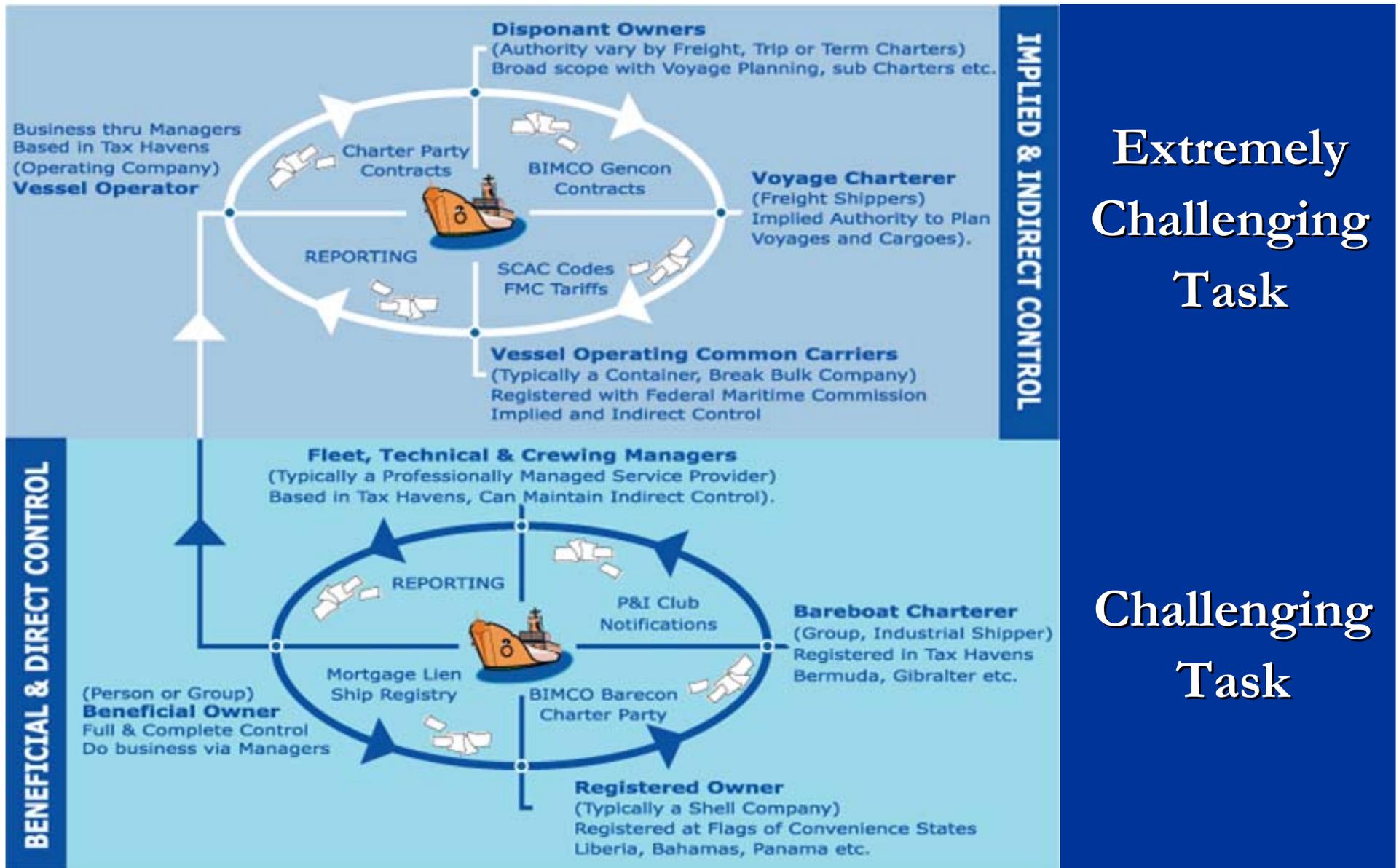
Clarkson Research Study: In 2003 around 5,000 companies owned the 26,000 ships carrying the world's deep-sea trade.

Different sectors as percentage of total number of ships in world fleet:  
1 January 2005



- 33% World Fleet      61 companies      Over 50 ships.
- 33% World Fleet      600 companies      20 to 50 ships.
- 33% World Fleet      4,400 companies      +/- 4 ships each.

# A Complex Web of Relationships

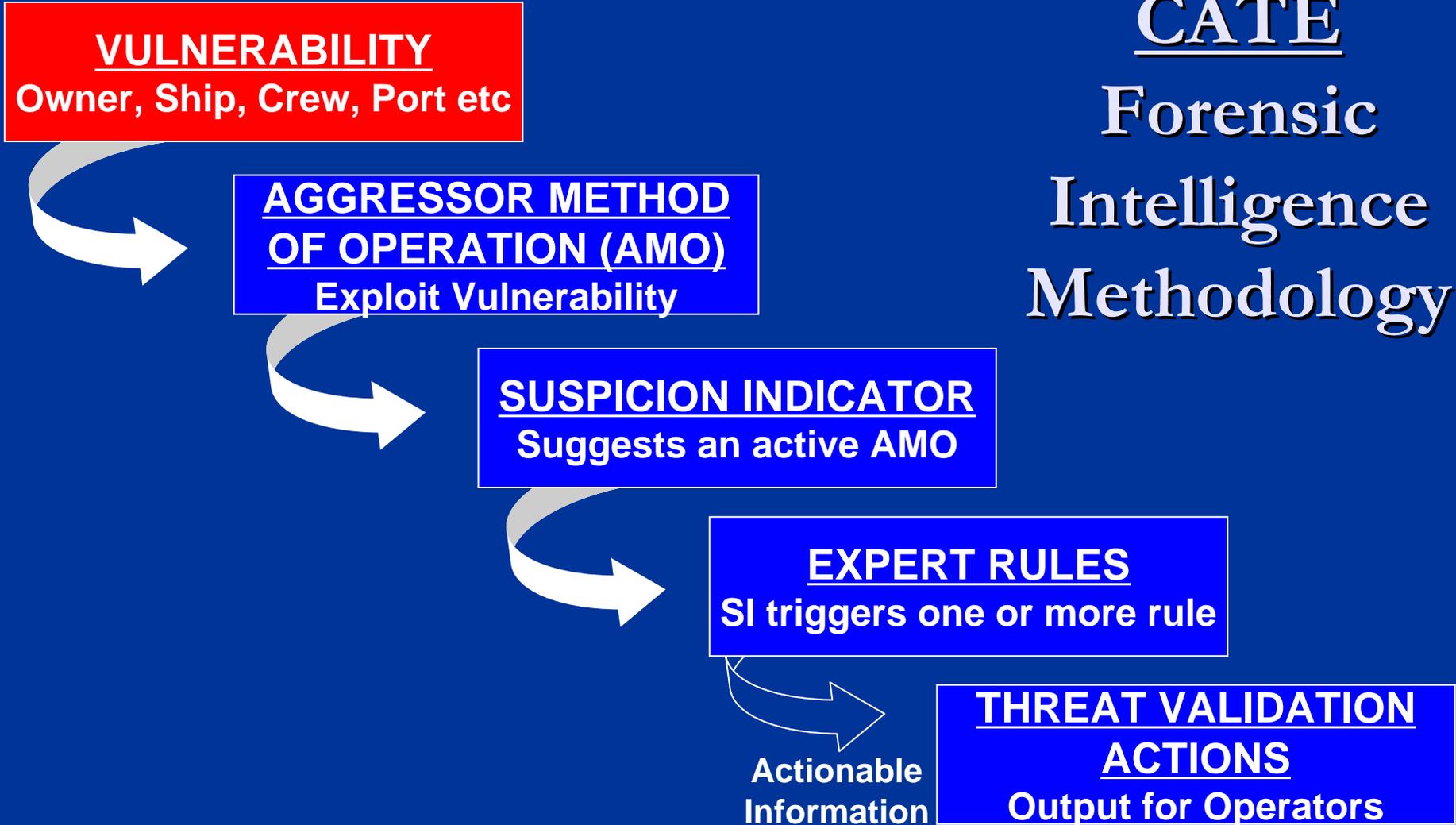


Extremely  
Challenging  
Task

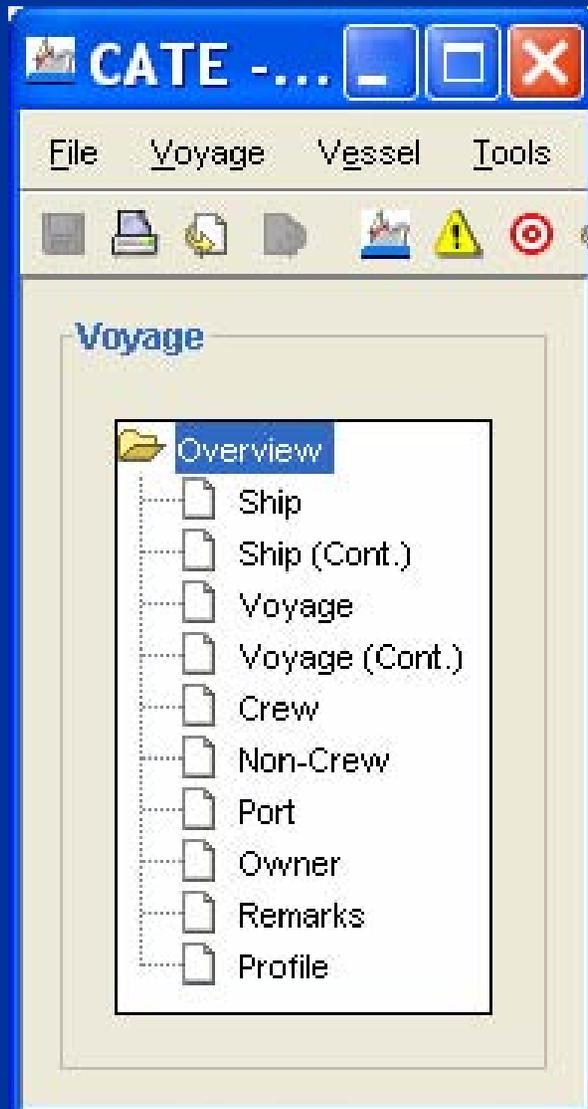
Challenging  
Task

# Technology Discriminator

CATE  
Forensic  
Intelligence  
Methodology



# Tactical Decision Aids



- Threat Matrix – Identify Level of Threat from Vessel
- Dynamic Detection Zones – Screen Vessels of Interest
- Forensics (Highest Risk Values Snapshot)
  - Ownership – Identify current and past owners
  - Operations – Identify parties related to vessel operations
  - Vessel – Identify current and past port calls, names, voyages.
  - Crew – Identify crew background, nationalities
- Pattern Mapping
  - Trade – Identify trading history
  - Flags – Identify Flag history
  - Detentions – Identify vessel detentions/ reasons at prior ports
- Link Analysis
  - Crew – Identify relationships between crew employments
  - Ownership – Identify cross fleet Threat Matrix.
- Monitor – Identify key target data for Vessel of Interest
- Maritime Domain Awareness
  - Snapshot – Target ship's anomalies based on user criteria's.
  - White-Grey-Black List – Identify quality categorization
  - Variances – Identify Cargo Seasonality, Vessel Dimensions etc.
- Tiered Analysis
  - Tier 1 – Fully Automated
  - Tier 2 – Data Scrubbed for redundant information
  - Tier 3 – Fused Maritime Intelligence

# Vessels of Interest

**Vessels of Interest**

File Help

Arrivals Of Interest | Vessels Of Interest

Arrivals

Threat Level	IMO	Name	Arrival Date	Port	Modified Date
Low: 51	8208191	FREEDOM WAVES	02/24/2006	Charleston	02/10/2006
Low: 48	8313221	BRAZILIAN CONFIDENCE	02/24/2006	Charleston	02/10/2006
Low: 35	7125706	RHINE FOREST	02/24/2006	Charleston	02/10/2006
Low: 28	9163594	WILLIAM MITCHELL	02/24/2006	Charleston	02/10/2006
Low: 33	6710839	STIG HALLE	02/24/2006	Georgetown	02/10/2006
Guarded: 70	9302906	OCEAN TWINS	02/24/2006	Long Beach	02/10/2006
Guarded: 66	7504031	ATLANTICA I	02/24/2006	Long Beach	02/10/2006
Guarded: 64	9270828	SATHA BHUM	02/24/2006	Long Beach	02/10/2006
Low: 54	9149823	HYUNDAI VLADIVOSTOK	02/24/2006	Long Beach	02/10/2006
Low: 24	9169500	INDAMEX CAUVERY	02/24/2006	Long Beach	02/10/2006
Low: 22	9285988	CSCL EUROPE	02/24/2006	Long Beach	02/10/2006
Low: 54	8908715	INDEPENDENT TRADER	02/24/2006	Wando	02/10/2006
Guarded: 67	8511328	HYUNDAI PIONEER	02/23/2006	Charleston	02/09/2006
Low: 53	8301242	WMN DUKE	02/23/2006	Charleston	02/09/2006
Low: 45	7931181	HIGHER FIDELITY	02/23/2006	Charleston	02/09/2006
Low: 38	9296286	KOTA RAJIN	02/23/2006	Charleston	02/09/2006
Guarded: 72	7503116	IBIZA	02/23/2006	Georgetown	02/09/2006
Low: 50	9282742	NORD OCEAN	02/23/2006	Long Beach	02/09/2006
Low: 42	6618380	VERONICA	02/23/2006	Long Beach	02/09/2006
Low: 40	5285174	STORM AINE	02/23/2006	Long Beach	02/09/2006
Low: 34	8827868	TENAGA LAUT	02/23/2006	Long Beach	02/09/2006
Low: 32	9038907	STUTTGART EXPRESS	02/23/2006	Long Beach	02/09/2006
Low: 22	7500877	POLAR ALASKA	02/23/2006	Long Beach	02/09/2006
Low: 50	8212697	SEA-LAND QUALITY	02/23/2006	Wando	02/09/2006
Elevated: 94	7808982	MERCAN A	02/22/2006	Charleston	02/08/2006
Low: 45	7932551	RAVAN RIVER	02/22/2006	Charleston	02/08/2006
Low: 44	9003299	NORDSTRAND	02/22/2006	Charleston	02/08/2006
Low: 34	9183518	EXPLORER	02/22/2006	Charleston	02/08/2006

Simulated Data

# Forensics & Overview

CATE - IMO: 9163166 Name: BALSA 62 Port: Georgetown

File Voyage Vessel Tools Admin Help

Voyage Overview

**BALSA 62**  
**IMO# 9163166**  
**CATE Summary**

Port: Georgetown  
 Arriving: 07/21/2005 03:00  
**Guarded: 41**



**Vessel**

<b>Class Society</b>	Nippon Kaiji Kyokai	<b>Flag</b>	PANAMA (52)
<b>PI Club</b>	Britannia Steam Ship P&I	<b>Call Sign</b>	3FYJ7
<b>Vessel Type</b>	General Cargo Ship	<b>Length (Meter)</b>	105.0
<b>Build Date</b>	12/01/1997	<b>Dead Weight (Tons)</b>	6830.0
<b>IACS ISPS White List</b>	Yes	<b>IACS Ships In Class</b>	Yes
<b>IACS SMC White List</b>	Yes	<b>IACS Suspensions List</b>	No

**Threat Analysis**

No.	Rule	Score	Threat Level
12	During the last year, a NOA was submitted after the required time limit.	8	
5	Visited a port within a country with a low Maritime rating.	5	
6	Recently visited a non-ISPS compliant port	5	
27	Unknown owner company	5	
60	One or more vessels in Group Owner fleet has been detained.	5	
59	Ownership change since last visiting current port.	5	
52	Flag State has low corruption perception index	4	
69	Crew comprised of a single nationality.	4	

**Owner**

<b>Group Owner</b>	DOWA LINE	JAPAN
<b>Fleet Manager</b>	HIONG GUAN NAVEGACION	HONG KONG
<b>Technical Manager</b>	HIONG GUAN NAVEGACION	HONG KONG

*Simulated Data*

# Threat Criteria - User Configurable

**Advanced Search (Vessel)**
\_ □ ×

File Options

📁
🗑️
▶️
↶
?

Cargo Attributes
Vessel Remarks
Company Remarks

Vessel Attributes
Port Visits
Country Visits
Ownership by Company
Ownership by Country
Rule Violations
Company Attributes
Crew Attributes

Name	<input type="text"/>	Year built	<input type="text" value="1900"/>		Before <input type="radio"/>	After(>=) <input checked="" type="radio"/>
IMO	<input type="text"/>	Gross Tons	<input type="text"/>		>= <input checked="" type="radio"/>	< <input type="radio"/>
Call Sign	<input type="text"/>	Dead weight	<input type="text"/>		>= <input checked="" type="radio"/>	< <input type="radio"/>
Threat level	<input type="text"/>	Length	<input type="text"/>		>= <input checked="" type="radio"/>	< <input type="radio"/>
Class society	<input type="text" value="Alfa Register of Shipping"/> ▲ <input type="text" value="American Bureau of Shipping"/> ▲ <input type="text" value="Asian Bureau of Shipping"/> ▼	Vessel type	<input type="text" value="Aggregates Carrier"/> ▲ <input type="text" value="Air Cushion Vehicle"/> ▲ <input type="text" value="Alumina Carrier"/> ▼			
PI club	<input type="text" value="American Steamship Owners P&amp;I"/> ▲ <input type="text" value="Arthur J. Gallagher"/> ▲ <input type="text" value="Assuranceforeningen Gard P&amp;I"/> ▼	Flag	<input type="text" value="AFGHANISTAN"/> ▲ <input type="text" value="ALBANIA"/> ▲ <input type="text" value="ALGERIA"/> ▼			

Search Results
Search Explanation

Search Results

IMO	Name ▼

# CATE – Data Bases (Representative)

- Lloyds Register-Fairplay
- Various Shipping Agents
- Equasis
- Paris MOU Detentions
- Tokyo MOU Detentions
- International Association of Class Societies (IACS) Ships In Class
- IACS Class Suspension, Reinstatement, Reassignment and Withdrawal
- International Port Security Program (ISPS) International Ship Security Certificate (ISSC)
- Intl Safety Management (ISM) Document of Compliance (DOC) White List
- ISM Safety Management Certificate (SMC) White List
- ISPS Approved Ports
- United States Coast Guard (USCG) 96H Notice of Arrival (Compatible)
- USCG Major Control Actions
- U.S. Dept of Treasury Foreign Asset Control Sanctions
- Marisec Shipping Industry Flag State Performance
- Expected Vessel Arrival lists from various relevant ports
- Port Track (Fused Data)

# CATE – Stakeholder Advisory Group

- Channel Logistics
- Transportation Security Administration/ DHS
- Maritime Administration, Dept of Transportation
- United States Coast Guard/ DHS
- The American Protection & Indemnity Club
- ExxonMobil (SeaRiver Maritime Inc)
- Maritime Information Services of North America
- Lloyd's Register-Fairplay

# CATE – Client Testimonial

The [redacted] Task Force, which is a congressionally funded federal law enforcement Intermodal port security task force in [redacted] deployed the "CATE System" on [redacted], 20 [redacted]. The CATE application is used to evaluate vessels, ports, crew and other possible factors related to the marine aspect of Intermodal transportation. It has been an outstanding tool which I highly recommend. The analysis and information obtained from CATE have been **highly reliable and timely**. We have utilized information/ analysis from CATE to help us in formulation operational strategies in dealing with potentially threatening vessels entering the Port of [redacted]. To date, information provided by CATE has been utilized in at least [redacted] vessel boardings (It also assisted us in filtering out several hundred vessels as possible threats). The information helped lead us down the right path in our collection requirements. It also was used to corroborate information provided by crew members during interview sessions.

The CATE application is a very valuable maritime forensics/threat analysis tool that rates **at or near the very top of any threat evaluation tool we utilize**. The human intelligence/ sources and tiered analysis support CATE provides has been excellent and other application support has been timely and cost effective. Feel free to call me and discuss any issues or questions you might have.

[redacted], Deputy for Intel/ IT, [redacted] Task Force  
Tel: [redacted] Email: [redacted]

# Maritime Threat Environment

- **Maritime Threats and Vulnerabilities**
  - **Platforms/ off-shore processing, storage, and trans-loading facilities**
    - **Collision, sabotage, take-over, stand-off attack**
- **Ports, loading/ unloading equipment, and shipping**
  - **Airplane or boat-borne incendiary explosive device**
  - **Piracy, Hijacking**
  - **Choke Points such as Strait of Malacca, Strait of Hormuz.**



# Maritime Threat Environment

- Threats in the maritime domain vary widely in scope...
  - Obvious examples:
    - Terrorism
    - Proliferation of weapons of mass destruction (WMD)
    - Smuggling, Oil Bunkering, Piracy
  - Other areas are accorded less attention:
    - Fisheries violations
    - Environmental degradation
- And the maritime domain presents a broad array of targets...
  - Piers, power or chemical plants, refineries, passenger terminals, military bases, factories, and bridges
  - All fit terrorists objectives of inflicting mass casualties, major economic disruption, and significant psychological distress

# Maritime Threat Environment

- APEC members with worldwide investments and interests, must possess the broadest possible understanding of what is now referred to as the “*Global Maritime Domain*” to address the threats and challenges confronting it there
  - Complete understanding of the immense and complex global maritime domain is simply not fully achievable in the near term.
  - We will never know everything that operates on, adjacent to, or takes advantage of the maritime domain.
- The task of understanding and maintaining control of the maritime domain is complicated.

***To counter the threat, APEC must develop Maritime Domain Awareness so as to accurately assess and interdict potential threats to APEC National interests.***

# Maritime Security Recommendation to APEC

- CATE is a Commercially Available Technology TODAY.
- It can be installed at APEC member economies seaports and linked to local databases/ data sources.
- This will enhance Maritime Security, foster International Trade and support the STAR Mission.

*“What you are doing here with CATE is at the very heart of Maritime Domain Awareness”*

Commandant USCG

US Congressional Reception-Rayburn Bldg

November 9, 2005

# **The Development of an Aviation Security Risk Assessment Process**

## **Securing Trade in the APEC Region (STAR)**

**Hanoi, 25 February 2006**

**Mark C Edmonds  
Security Risk Assessment Manager**

# Qantas Risk Management Objectives

## Conformance

- Meet governance requirements
- Assist Board and executives in role
- Comply with regulatory requirements
- Comply with Qantas Group policies
- Ensure continuity of operations
- Assist in focusing and prioritising audit and other assurance functions

## Performance

- Enhance decision making for:
  - Strategic planning
  - Change management
  - Investment evaluation
  - Deployment of capital and resources
- Improve effectiveness and efficiency of commercial and supporting processes
- Broaden perspective to encompass operational not just operations risk
- Focus on both causes and effects
- Identify high priority action areas

# Defining the problem...

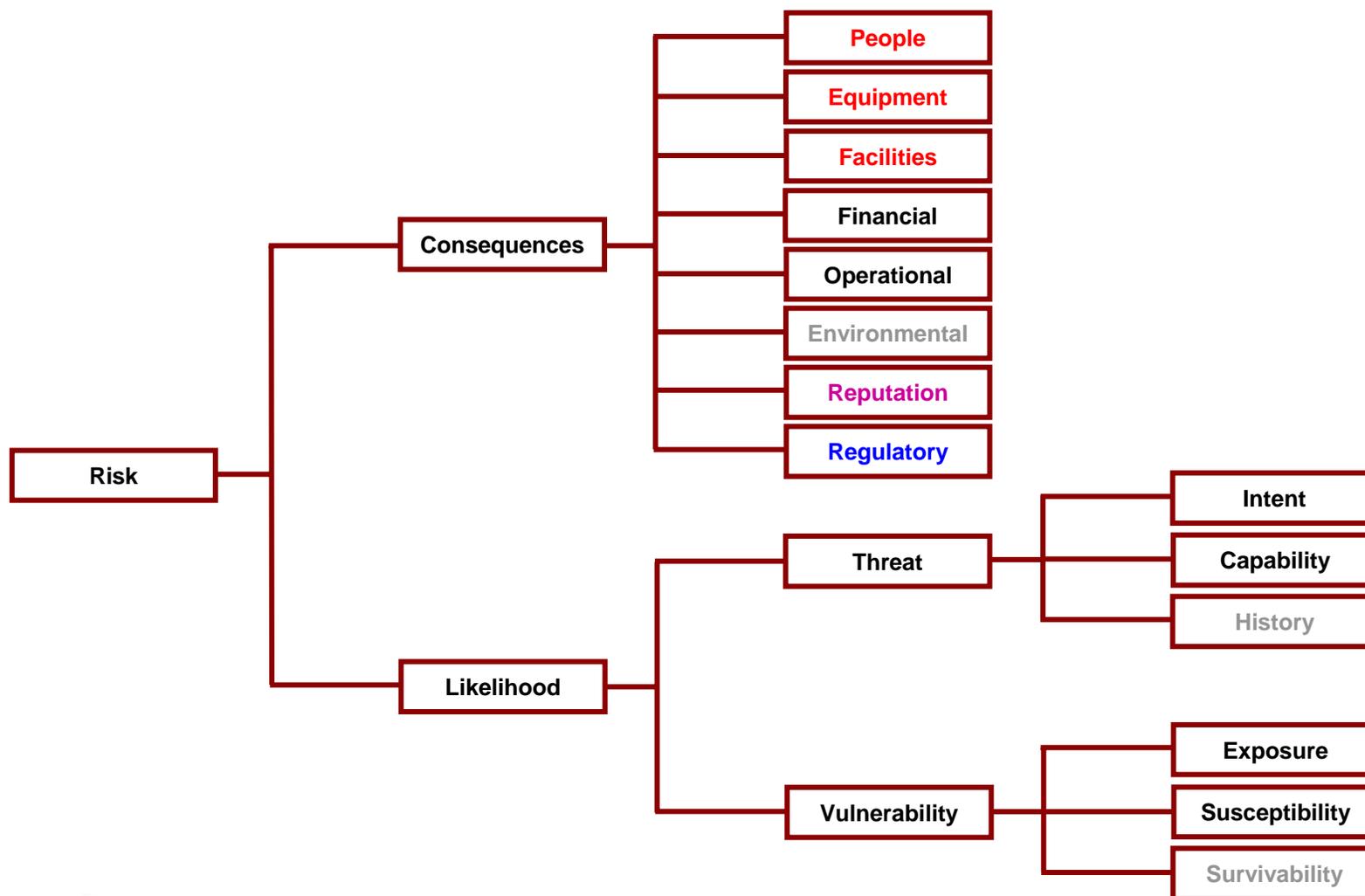
- Inherently 'risky' industry
- Very low operational risk appetite
- Highly regulated security environment
- Maturity of aviation security risk methodologies
- Security investment and limited resources
- Government/Public expectation

# Qantas Aviation Security Risk Assessment Process

- Based on extant methodologies
  - AS/NZ4360:2004
  - Australian Government Threat Assessment
  - US National Infrastructure Protection Center
- Captures the key Security Risk variables
  - Threats (Intent and Capability)
  - Vulnerabilities (Exposure and Controls)
  - Consequences

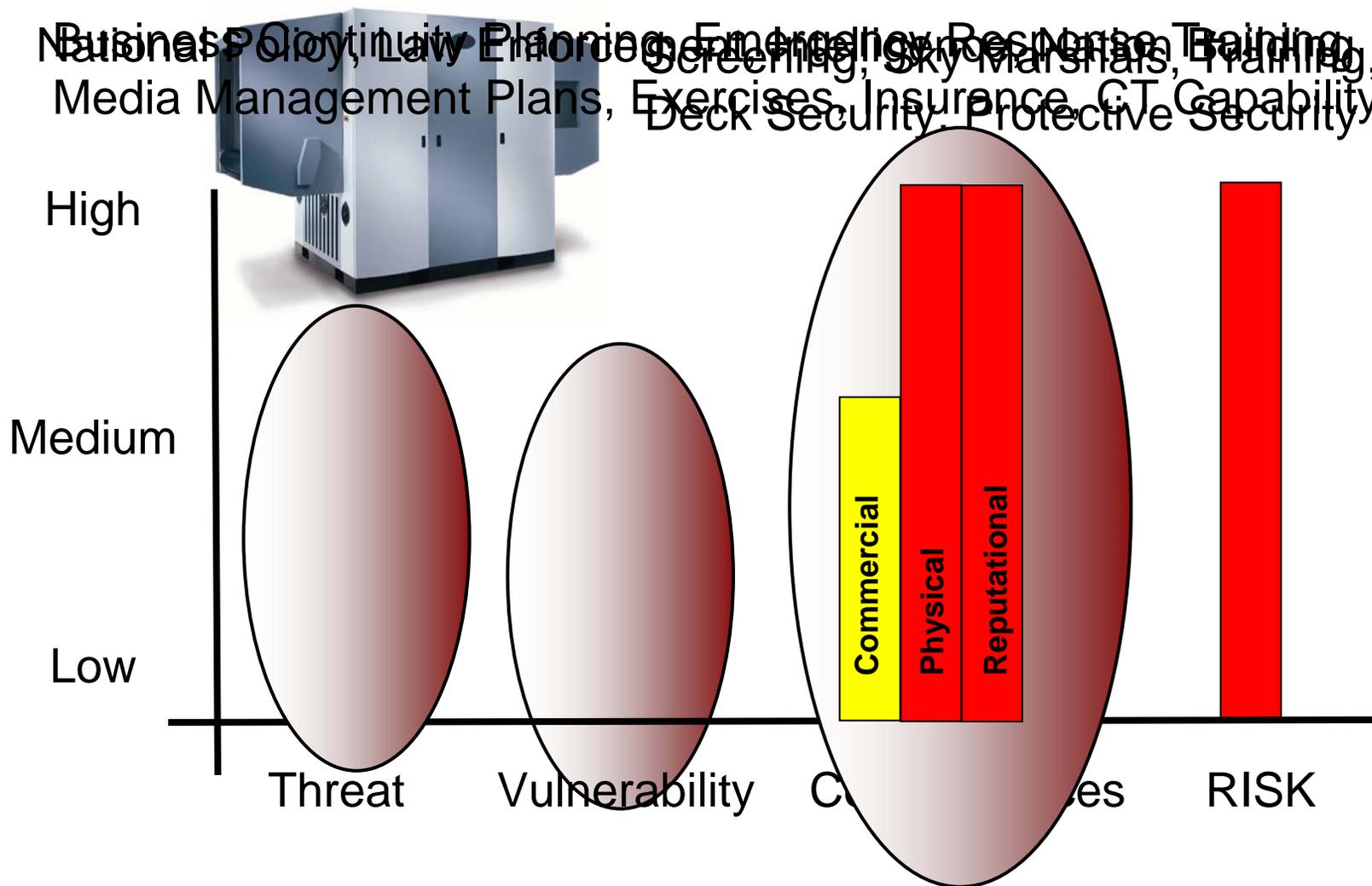
# Security Risk Taxonomy

*Threat x Vulnerability x Consequence = Risk*

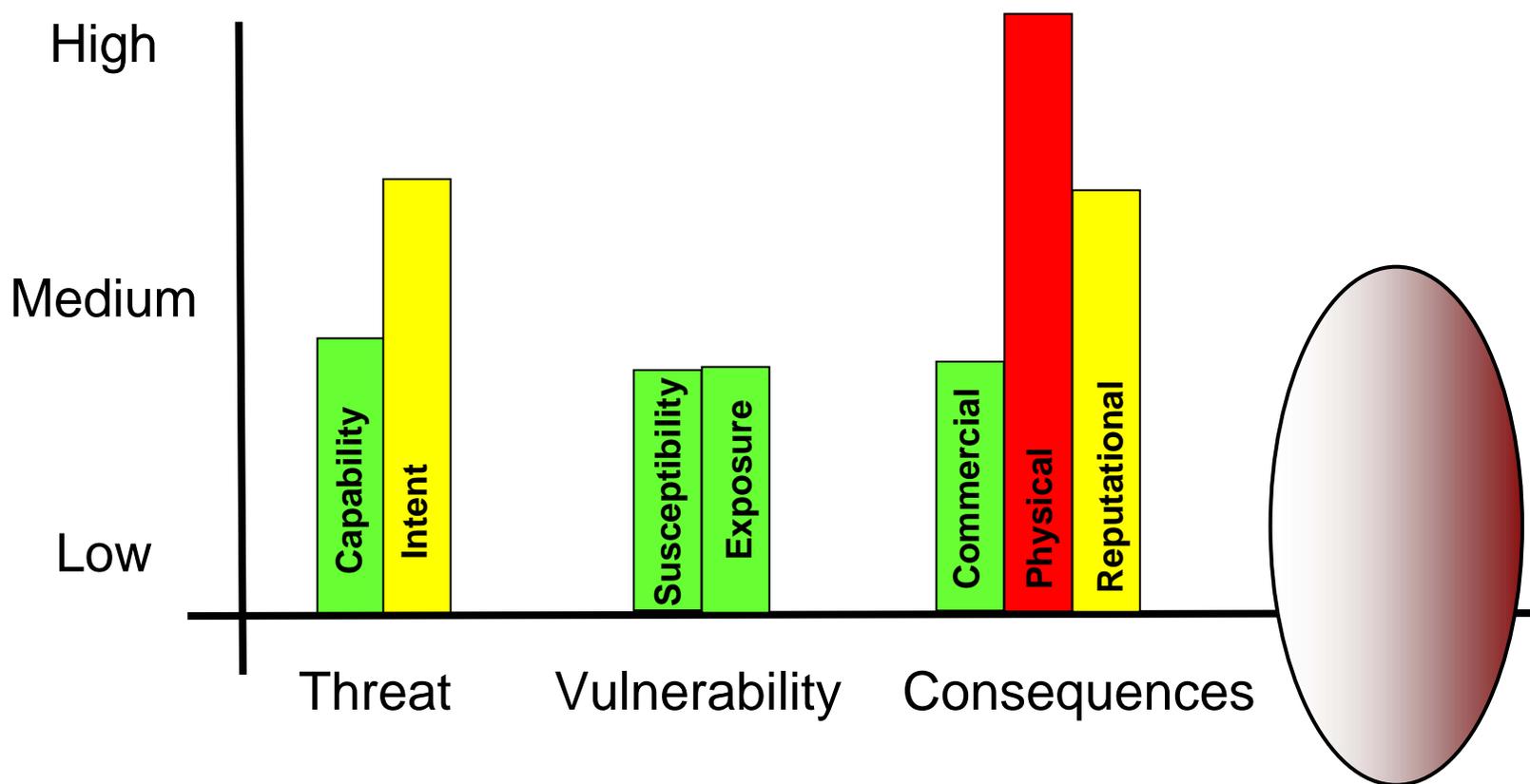


# Private/Public Partnership in Risk Mitigation

Business Continuity Planning, Emergency Response Training, National ID, Low Priority Screening, Sky Marshals, Training, Flight Media Management Plans, Exercises, Insurance, C.T. Capability, Deck Security, Protective Security.



# Private/Public Partnership in Risk Mitigation



# Security Outcomes

- Enhanced cockpit doors on domestic jet and turboprop aircraft
- Enhanced cockpit access control procedures
- Fitting of cockpit door surveillance systems
- Implementation of cargo screening
- Man-portable air defence systems
- Secondary screening at certain foreign ports
- Crew slipping arrangements at foreign ports
- Flight path and schedule variations
- Pandemic avian influenza

# Constraints and Variables

- Labour-intensive process
- Quality control of rigour
- Internal stakeholder scepticism
- Risk tolerance of external stakeholders
- Evolving regulatory philosophy

# Conclusion

- Informed decision making processes
- Coordination between commercial interests and government
- Risk Management, not risk avoidance
- Improved communication of risks

UNITED STATES TRADE AND DEVELOPMENT AGENCY



**Public-Private Partnerships in  
Aviation and Security**

**Fourth STAR Conference**

**February 24 – 25, 2006**

**Diana Rossiter, Asia Region Country Manager**

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# Our Mission



- Advance economic development
- Support the development of a modern infrastructure
- Encourage a fair and open trading environment



# USTDA and Private-Public Partnership

- ◆ Agency links overseas project sponsors (often government) and U.S. companies.
- ◆ Commercial Solutions to Development Challenges: TA, demonstration, and investment analysis programs take advantage of private sector expertise, commercial experience and technology integral to project sustainability.
- ◆ Goal: to achieve enduring private sector-led investments that deliver technical, financial and other benefits to government entities in the host economy.



# Targeted Activities & Sectors

- ◆ Trade Capacity-Building Assistance
- ◆ Transportation Safety & Security
- ◆ Post-Conflict Reconstruction Efforts
- ◆ Environment
- ◆ Energy
- ◆ Information & Communication Technology
- ◆ Transportation Infrastructure

## SUCCESS



Mexican Landfill Biogas to Energy Plant



## Recent APEC Aviation Project Examples

- ◆ Malaysia Aviation Security Orientation Visit
- ◆ APEC Aviation Navigation Technologies Workshop
- ◆ Indonesia Airport Safety and Security Assessment
- ◆ Thailand Threat Assessment
- ◆ Indonesia Hang Nadim Airport Security Assessment
- ◆ Vietnam Da Nang Airport Passenger Terminal



# U.S. China Aviation Cooperation Program

Goal: Facilitate and coordinate U.S. Government and U.S. aviation industry training and technical cooperation with CAAC.

◆ Quick Facts:

- ◆ USTDA \$1.2 million grant funds matched by \$2.3 million in contributions by ACP members.
- ◆ FAA, Boeing, Eaton Aerospace, Engine Alliance, FedEx, General Electric, Honeywell, Lockheed Martin, Metron Aviation, MITRE Corporation, Parker Hannifin, Pratt & Whitney, Raytheon, Rockwell Collins, United Air, UPS, and UTC.



# Becoming a Public or Private Sector Partner

Projects should:

- 1) Represent an economy's priority;
- 2) Further infrastructure or regulatory framework that would allow private sector involvement in the delivery of public sector services;
- 3) Reduce the burden on public sector infrastructure financing.

No formal application procedure. Guidelines can be found online at [www.ustda.gov](http://www.ustda.gov).



UNITED STATES TRADE AND DEVELOPMENT AGENCY



**Public-Private Partnerships  
in Transport Security**

**4<sup>th</sup> APEC STAR Conference, 24 Feb 2006**

**Henry Steingass**

**Regional Director for Asia**

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# USTDA in Brief

- ◆ Independent USG foreign assistance agency active in almost 100 low and middle-income economies.
- ◆ Mission: Advance economic development through U.S. private sector involvement in development of a modern infrastructure and a fair and open trading environment.
- ◆ “Commercial Solutions to Development Challenges”
- ◆ Funding for Infrastructure Project Investment Analysis, Sector Development Work, Trade Capacity Technical Assistance, and Training.



# USTDA Program

## **Project Definition & Investment Analysis**

Involves technical assistance and feasibility studies related to large capital investments that contribute to overseas development.

## **Trade Capacity Building & Sector Development**

Supports the establishment of industry standards, rules and regulations, trade agreements, market liberalization and other policy reforms.

Essentially, USTDA provides grants to assist developing and middle-income countries have access to U.S. expertise for the planning and development of projects.



# Targeted Activities & Sectors

- ◆ **Trade Capacity-Building Assistance**
- ◆ **Transportation Safety & Security**
- ◆ **Post-Conflict Reconstruction Efforts**
- ◆ **Environment**
- ◆ **Energy**
- ◆ **Information & Communication Technology**
- ◆ **Transportation Infrastructure**

## SUCCESS



Mexican Landfill Biogas to Energy Plant



# Trade Capacity Building & Sector Development



USTDA is providing assistance in support of the U.S.-Andean Free Trade Agreement to strengthen the capacity of the Peruvian transportation regulatory agency to supervise transportation investments and operators.

- ◆ USTDA activities support the negotiation of free trade agreements and compliance with obligations under multilateral trade agreements.
- ◆ Areas of assistance may include technical assistance, demonstration project implementation, trade agreement support, training, and trade and industry advisors.



# Recent APEC Transportation Project Examples

- ◆ Malaysia Aviation Security Orientation Visit
- ◆ Chile Port of Valparaiso Secure Supply Chain
- ◆ APEC Aviation Navigation Technologies Workshop
- ◆ Indonesia Seafarer's ID Document System
- ◆ Thailand STAR-BEST Demonstration
- ◆ Russia Intelligent Transportation Systems
- ◆ China – Shanghai Model Port Project



# Shanghai Model Port Project

- APEC Demonstration Project pre-”STAR”
- Collaboration of China Customs, U.S. companies, USG Agencies and NCAPEC
- Customs automation, data collection and reporting, infrastructure and training
- Established package handling facility with new technologies and customs procedures

# Thailand STAR – BEST Project

- Secure Trade in APEC Region – Bangkok Laem Chabang Efficient & Secure Trade
- Launched at 1<sup>st</sup> STAR Conference - 2003 APEC Demonstration
- Secure Container Supply Chain Bangkok-to-Seattle
- Best Practices – Customs, RFID, Track & Trace, U.S. Container Security Initiative
- Collaboration of Ports, Thailand Customs, Thai Shippers, U.S. Companies, USG Agencies



# THE FOURTH APEC STAR CONFERENCE

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**UNITED STATES DEPARTMENT OF STATE  
BUREAU OF INTERNATIONAL SECURITY AND NONPROLIFERATION**





## THE FOURTH APEC STAR CONFERENCE

- Key Elements for Effective Export Control Systems for APEC Economies
- Best practices on controlling and deterring threats from MANPADS



# THE FOURTH APEC STAR CONFERENCE

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## Changing Proliferation Threat

- The non-state actor
  - Terrorists actively pursuing WMD; use many types of conventional and unconventional weapons
  - Proliferation networks (e.g. AQ Khan)
- Countries of concern
  - Continue to pursue WMD and missiles; amass stockpiles of arms; threaten stability
  - Threaten to become “secondary proliferators”





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## Changing Proliferation Threat (cont.)

- More reliance on dual-use technologies by militaries
- Globalization and advances in communications technology
- Greater sophistication -- acquisitions masked as legitimate business transactions
- Exploiting countries with high volumes of international trade and free-trade zones
- Targeting items that falls below control thresholds but are nevertheless useful to WMD programs
- Layered transactions to hide the true end-users/end-use







## THE FOURTH APEC STAR CONFERENCE

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- APEC leaders launched 'Secure Trade in the APEC Region' (STAR) in 2002 to enhance security while increasing trade
- In 2003 in Bangkok, APEC leaders declared “to take all essential actions to eliminate the severe and growing danger posed by the proliferation proliferation of weapons of mass destruction and their means of delivery by strengthening international non-proliferation regimes, adopting and enforcing effective export controls, and taking other legitimate and appropriate measures against proliferation”
- Also agreed in 2003 to strengthen joint efforts to curb terrorist threats against mass transportation and confront the threat posed by terrorists' acquisition and use of MANPADS against international aviation
- APEC Ministers endorsed "Key Elements of Effective Export Control Systems, " in Santiago, Chile in 2004 in the four priority areas of legal and regulatory framework, licensing, enforcement, and industry outreach



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In 2004, The United Nations Security Council unanimously adopted Resolution 1540 on Non-Proliferation of Weapons of Mass Destruction. UNSCR 1540 requires that all States:



Establish appropriate controls to prevent the proliferation of nuclear, chemical, or biological weapons, their means of delivery, and over related materials, by developing and enforcing effective border, export, and trans-shipment controls

UNSCR 1540 also urged States to provide assistance, as appropriate, to those lacking the legal and regulatory infrastructure, implementation experience, and/or resources for establishing export and border controls



## THE FOURTH APEC STAR CONFERENCE

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- To advance implementation of these best practices, the United States and Vietnam co-sponsored the "Effective Elements of Export Control Systems for APEC Economies" Conference in November 1-3, 2005, in Hawaii
- The conference, as part of the U.S. Department of State's Export Control and Related Border Security Program (EXBS), brought together government and private sector participants representing 16 member economies and one international organization (the United Nations) to discuss recent export control-related events, trends and developments in an effort to both promote security and facilitate free trade



# THE FOURTH APEC STAR CONFERENCE

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Effective Elements of Export Control Systems for  
APEC Economies Nov. 2005 :

- **Legal and Policy**
- **Enforcement**



# THE FOURTH APEC STAR CONFERENCE

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## **Legal and Policy :**

- Harmonization and creation of global export control system norms
  - Norms could be achieved through increased cooperation among APEC economies
  - Establishment of clear policies and legal authorities
  - Tackling new dimensions of modern and sophisticated diversion schemes
  - Cooperating with industries
  
- Looking towards future conferences and workshops
  - Agreement on the importance of harmonization for an effective global export control system
  - Need for international and regional cooperation and information sharing
  - Need for increased export control capacity building, such as training



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## **Enforcement:**

### Risk management and targeting strategies

- Principles of risk management and targeting allows officers to identify high risk cargo, facilitating and promoting legitimate trade among economies
- Timely collection of data—such as manifest, container and conveyance data—is the key to effective targeting strategies
- The concept of a national targeting center to support local officers in their work by providing them access to a centralized data system, which doesn't require large amounts of manpower
- The importance of cooperation among economies to successfully fight secondary proliferation networks and cybercrime



## THE FOURTH APEC STAR CONFERENCE

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**Best practices on controlling and  
detering threats from MANPADS**



## THE FOURTH APEC STAR CONFERENCE

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### **Controlling MANPADS Exports**

- Good export controls provide foundation for preventing proliferation
- Existing guidelines that can form the basis for control
- APEC Economies adopted guidelines for control of MANPADS in 2004



# THE FOURTH APEC STAR CONFERENCE

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## License Review

- Requires careful scrutinizing of licenses
- Potential for diversion or misuse
- Recipients willingness to ensure strict controls
- Retransfer assurances & inventorying
- End-Use Monitoring
- Information sharing essential



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### **Effective Domestic Controls**

- Strong domestic regulation of MANPADS production, transfer, and brokering
- Ban transfers of MANPADS to non-State actors
- Develop procedures to ensure secure storage
- Destroy excess stocks



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### **Stockpile Security & Accountability**

- Maintain strong facilities security for both government and manufacturer stocks
- Retain necessary stocks for national security; consider destruction of rest
- Do not sell excess stocks



# THE FOURTH APEC STAR CONFERENCE

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Contact the **EXBS** program

Vu Xuan Le, [LeVX@state.gov](mailto:LeVX@state.gov)

Foreign Affairs Officer, Department of State, Office of Export Control  
Cooperation

State Department Bureau of International Security and Nonproliferation  
website: [www.state.gov/t/np](http://www.state.gov/t/np)

**EXBS** program website at State: <http://exportcontrol.org>



## **Building a state maritime security system against terrorist threats**

Fight against acts of terrorism at sea is a component of struggle against terrorism at all. The problem of terrorism at sea infringes on interests of all world community, including the Russian Federation.

For ensuring of maritime security a complex of legal, organizational and other measures has been provided in the Russian Federation in recent years. Their main result was the creation of the national system of sea protection against terrorist acts in Russia.

The basic purpose of this system is prevention and suppression of illegal actions against the objects of sea transport.

The legal basis of functioning of the national system of maritime security against terrorist acts has been created. So, in the Russian Federation in 1998 the law at suppressing terrorism came into force. The basis of struggle against terrorism including that at sea, the competence of executive bodies of this area were fixed. The legal basis of functioning of the national system of maritime security against terrorist acts was established by the decision of the Russian Federation in 2000.

Development of a complex of corresponding normative legal acts regulating the process of functioning of the specified national system goes on. A big role in this sphere would belong to a bill at suppressing terrorism and a bill at transport security which aimed at counteracting new challenges and threats of terrorism.

In practice ensuring maritime security against acts of terrorism in the Russian Federation is provided with a complex of organizational, regime, operative, technical, and other measures. Now coordinative bodies on different levels and counterterrorist headquarters of different authorities of maritime security have been created and are successfully functioning. Protection of ships

and port facilities is carried out. Examination of crew members, attendants, passengers, hand luggage, luggage, cargoes is realized.

Actions within the framework of the national system of maritime security from terrorist acts are realized by the majority of executive bodies of the Russian Federation by law-enforcement bodies and as well as those which are not engaged in struggle against crime. A significant role here belongs to the Federal security service of Russia, to the Ministry of Internal Affairs of Russia, the Ministry of transport of Russia and other state bodies.

So, the Federal security service takes active measures on counteraction to acts of terrorism perpetrated against objects of sea transport, within the framework of the competence given to this state body by the Russian legislation. Counterterrorist headquarters on suppression of acts of terrorism at sea have been created and are functioning now. FSB of Russia actively develops international cooperation with foreign partners. Foreign observers are invited to maneuvers on suppression of acts of terrorism at sea, with a view of exchange of experience. FSB of Russia is interested in information sharing with foreign partners on mutual basis: about threats of acts of terrorism in respect to objects of sea transport; about persons who are planning or have committed acts of terrorism at sea; about methods and means of terrorist activity; about ways of penetration of terrorists by sea and deliveries of weapon by them and about other ways of commitment of terrorist acts.

The Russian Federation is interested in further development of international legal basis in the field of struggle against terrorism at sea. Russia actively participates in development of international treaties in the given area. Russia is a participant of antiterrorist conventions, including the SUA Convention. Russia actively participated in development of the Protocol 2005 to the SUA Convention in frames of the International Maritime Organization.

Great deal of attention in the Russian Federation is given to realization of provisions of Chapter XI-2 of SOLAS-74 Convention and of the ISPS Code.

Within the framework of realization of these measures three tasks are realized: the first one is the development of relevant normative legal acts at national level and of necessary international contracts proceeding from the SOLAS Convention; the second is the creation of the necessary bodies entitled to provide maritime security both on ships and in ports; the third is to arrange effective work of these bodies in realization of the provisions of the SOLAS Convention and the ISPS Code.

The Ministry of transport adopted a number of normative legal acts for realization of the tasks which specified the competence of bodies of this ministry in sphere of realization of actions aimed at ensuring maritime security. The Service of sea security which implements these actions in practice has been created. The optimum system of expert estimations of vulnerability and development of plans of protection of ships and port facilities has been created and is active now. Process of their approval by sea authorities was set up. Implementation of these measures has revealed a number of problems. Among them is the necessity of development of the united measures of estimation of ships and port facilities vulnerability on the international level and of development of plans for their protection. It is also necessary to develop the requirements to various measures of protection. It is necessary to define the list of ways of fulfillment of terrorist acts against vessels and port facilities, that is to develop the various models of commitment of terrorist acts.

It is possible to say that the national system of struggle against terrorism at sea in the Russian Federation is working. Undoubtedly, it demands further perfection. Similar systems exist in a number of other states. However they should be created in all states of the world participating in international sea navigation. It is possible to call the world community to make efforts in pursue of formation of the global international system of struggle against terrorism at sea. This system should provide for functioning of national systems of sea

security, the interaction, cooperation of states with international organizations, creation of the necessary international and interstate basis.

Realization of the aforesaid in practice will promote maritime security from acts of terrorism, and also of the whole world community.

**The Fourth APEC STAR Conference**  
**Hanoi, Vietnam**  
**24-25 February 2006**

**SUMMARY REPORT AND RECOMMENDATIONS**

**Introduction**

The Fourth APEC STAR Conference (STAR-IV) was held in Hanoi on 24-25 February 2006. The Conference was attended by about 200 participants and more than 40 speakers from 21 APEC member economies and international organizations. A large number of participants and speakers were from the private sector.

The Conference was opened by H.E. Mr. Truong Dinh Tuyen, Minister of Trade of Viet Nam and the APEC 2006 SOM Chair, Mr. Le Cong Phung, first Deputy Minister of Foreign Affairs of Vietnam.

Following efforts made by Thailand, Chile and Korea during the last three years, the STAR IV Conference was aimed at providing a platform for discussion of effective measures for secured trade while reducing transaction costs in the Asia Pacific Rim.

Recognizing the importance of identifying ways to address the relationship between strengthening security and facilitating trade as well as reducing transaction costs for the business sector in the Asia Pacific region, Viet Nam has set the theme for STAR IV as “Enhancing the Public-Private Partnership (PPP) in the implementation of secure trade measures”.

The Conference was divided into four sessions: a joint plenary session on reviewing Trade and Security in the APEC region and perspective for public and private partnership; two concurrent sessions on Aviation Security and Maritime Security; and a final joint plenary session focusing on capacity building.

**Trade and Security in the APEC Region**

The session was opened with remarks made by H.E Truong Dinh Tuyen, Minister of Trade of Vietnam. Three clear messages were conveyed; APEC members should cooperate to ensure a secured environment in the Asia-Pacific region, and existing differences in perceiving and implementing security measures in the region require more coordination,

and participation of key stakeholders in designing and implementing security measures. Achievements of the STAR Initiatives in the last three years were confirmed in the welcoming remarks of APEC 2006 SOM Chair, Mr. Le Cong Phung. Increased costs for business in the implementation of security measures were also pointed out, and he urged APEC to work out a balance between security measures and trade facilitation.

Under the theme “Trade and Security in the APEC Region: Perspectives for the Enhancement of Public – Private Partnership”, the session was devoted to reviewing major works done through the STAR Initiative, tasking ahead, key challenges for APEC work on counter-terrorism and exploring the perspective for further Public and Private Partnership in addressing security measures.

Among the tasking ahead for the STAR Initiative, Ambassador Tran Trong Toan, Executive Director of the APEC Secretariat stressed on areas such as building business confidence and enhancing public-private partnerships in combating terrorism; the need for more information and best practices sharing on measures taken to ensure secured trade and for further capacity building activities.

Specific operational and strategic challenges of CTTF work were raised by Ambassador Benjamin Defensor, CTTF Chair. In addition, he noted that globalization of the supply chain places additional challenges which require closer co-operation of all stakeholders, both public and private to improve the security of global supply chain.

Increased costs associated with security compliance, especially with the 24-hour AMR, were addressed by private sector representatives, Mr. Gordon Chu, ABAC Canada and Mr. Hoang Van Dzung, Vietnam Chamber of Commerce and Industry. Issues such as enhancing risk management programs and facilitating genuine business travelers via ABTC are specially noted as requiring further cooperation between government and business communities. With regard to the perspective for public-private partnership, there is the need for private sector to engage in long term investment in security measures rather than simply being a fund provider.

Mr. NITTA from Japan’s Ministry of Land, Infrastructure and Transport (MLIT) briefed the Main outcomes of the Ministerial Conference on International Transport Security held in Tokyo, January 2006. He expressed that Japan, as a host economy of the Conference, hopes that each economy note the outcomes of the Conference and join in taking steps to enhance transport security at APEC region (more information is available at [http://www.mlit.go.jp/sogoseisaku/kokusai\\_e/minister\\_e.html](http://www.mlit.go.jp/sogoseisaku/kokusai_e/minister_e.html)).

Singapore provided an update on preparations for the Total Supply Chains Security Symposium that will take place from 6-7 July. Participants at the STAR IV Conference welcomed and supported the Symposium.

## **Maritime Security**

These sessions were chaired and moderated by Ambassador Juan C. Capunay, Senior Official of Peru and Commander Joseph Lo Sciuto, Supervisor of International Port Security Program, U.S. Coast Guard. The theme for discussion was: “Facilitating Trade While Implementing Maritime Security”.

Presentations and discussions focused on sharing best practices and model projects in maritime security, especially the implementation of ISPS Codes. Human resource development, training of transportation workers, policy coordination between and among government departments and the private sector are key points highlighted at the session.

Summary of the discussion is attached as Annex-1

## **Aviation Security**

These sessions were chaired and moderated by Ambassador Benjamin Defensor, CTF Chair. The Aviation Security Round Table 1 of the STAR IV Conference discussed the sub-theme “Controlling Threats to Aviation Security and Facilitating the Movement of People.” Summary report of discussion and recommendations from the Aviation Security Round Table Discussion is attached as Annex-2

## **Capacity building programs for secure trade activities**

Insights into capacity building experiences and main conclusions from the Ministerial Conference on International Transport Security were shared by Japan’s MLIT, Ports and Harbors Bureau and Civil Aviation Bureau. Experiences showed that capacity building should be done in the spectrum of the security cycle; from planning to implementation, checking and assessment of security measures. Capacity building should be done at all international, regional and bilateral levels in a coordinated manner. Special attention should be given to checking and upgrading security infrastructures. The Department of Transport Security of Australia also shared capacity building experiences in exchanging best practices, harmonizing implementation of international security standards for greater interoperability and encouraging a common approach to transport security.

The views from ABAC showed that there are potential partnerships between public and private sectors in capacity building exercises if more communication and information sharing occurs. There is a need for a paradigm shift and to improve communication between SOM and ABAC and related APEC working groups. Recommendations were made for the establishment of frameworks for ongoing dialogues between the public and private sector to facilitate communication. Demonstration projects also offer an effective method for enhancing public and private sector collaboration in this regard.

## **Recommendations**

With the aim of reviewing the progress of implementation of the STAR initiative; identifying measures to reduce security compliance costs for business and enhancing public and private partnership, the project overseers of STAR IV Conference put forward the following recommendations:

- Enhancing Public and Private Partnership is crucial for effectively and efficiently promoting secured trade in the region. Such partnerships should be done at both domestic and inter-regional levels.
- The private sector, including small and medium enterprises should not be viewed simply as fund providers but as a partner in implementing security measures. They should also be included in the decision making process;
- There is a need to promote the complementary objectives of trade facilitation and security. To do this, the factors of costs, efficiency and security should be considered;
- Further efforts should be made in promoting coordination and interaction between SOM, ABAC and APEC committees on issues relating to the STAR Initiative so that joint recommendations can be provided to the Leaders;
- APEC relevant committees and fora should encourage member economies to share best practices and model projects in implementing security measures, inclusive of the protection of ports and other infrastructure. Standardization and harmonization of methodology should be encouraged in implementing security measures;
- Multi-level and coordinated capacity building efforts should be intensified. In this regards, APEC should ensure adequate coordination and exchange of information within its working groups and task forces to avoid duplication with work undertaken by international donor coordination fora.

*Recommendations from Aviation and Maritime Security discussions are reflected at the Summaries of each session attached as Annex 1 and Annex 2 for reference.*

**ANNEX 1**

## **SUMMARY OF DISCUSSION ON MARITIME SECURITY ROUND TABLE**

The Round Table on Maritime Security was chaired by Ambassador Juan Carlos Capunay, Peru's Senior Official and Commander Joseph Lo Sciuto, Supervisor, International Port Security Program, U.S. Coast Guard. The session attracted the participation of a great number of participants from both public and private sector in APEC region. Various issues of common interests were discussed by the participants in a very constructive and enthusiastic manner.

Topics for discussion were, inter alia, supply chain maritime security and supply chain security from industry perspectives, establishment of a state maritime navigation security system against terror threats, regional experience in the implementation of international security requirements on seagoing vessels via port state control measures in the Asia-Pacific region and maritime related technologies.

Representatives from the private sector discussed the requirements to guarantee the security of supply chain in the region. In their presentations, emphasis was laid on closer coordination among different stakeholders involved in the supply chain. Suggestions to address the security concerns also put forth including open dialogue and closer coordination with the World Customs Organization, research institutes, universities, etc. Mutual recognition to ensure consistency in standards applied was highlighted since it helps increase predictability of customs procedures and protocols and improve the relation between enterprises and customs agencies, so that facilitate business performance and bring about much benefit for businesses all over the region.

Canadian experiences showed that partnership with the private sector and coordination in marine security policy amongst different policy making agencies by an Interdepartmental Marine Working Group is very important. Implementation of security check on port workers and ISPS code is also Canadian priority.

China experience in implementing ISPS code showed that political will, with government commitments and awareness at operational level, together with resource mobilization and technical supports are key to success. Concerted efforts in different fronts such as institutional mechanism, regulatory measures, administrative measures, capacity building and international cooperation are also needed for an effective and strict implementation of ISPS Code. Promotion of sustained and healthy maritime environment is also seen as more important than tightening security measures.

For the implementation of IPS (International Port Security) Program, US representative, Commander Joseph lo Sciuto, US Coast Guard, showed that a permanent & long-term contacts for economy visit and information exchanges with each trading partners is crucial to ease the implementation process. Specific points of maritime threats and vulnerabilities were also identified, such as: platform & off-shore processing, storage, trans loading facilities, collision sabotage, take – over, stand off attack, port loading/unloading

equipment & shipping, piracy terrorism, smuggling, oil bunkering, fishery violation, environmental degradation etc...

Russian representative introduced its process of promulgation of maritime security-related laws and regulations, in which he pointed out the role of relevant state agencies (Ministry of Transportation and Ministry of Defense) in such process. He also called for further international cooperation in maritime security on legal basis, for more information sharing at the regional level. Russia Federation also expressed its willingness to cooperate with other APEC economies towards united measures, multi-levelled commitments in realizing.

US Private sector Representative from Channel Logistics presented on advantages of Computer Assisted Threat Evaluation (CATE) system for maritime domain awareness with a view to highlight that it is a recommended system of technologies for today uses.

Insights into the Ministerial Statement on Security in International Maritime Transport Sector were presented by Mr. Tomoyasu IZAKI, MLIT, Japan. Main agreements were reached on issues such as inviting IMO to consider measures to enhance security of maritime containers and NON-SOLAS ships (small ships, fishing yachts..); resolving to take necessary actions in response to the Jakarta Statement (on enhancing Safety, Security and Environmental protection in the Straits of Malacca and Singapore); ensuring continued compliance of ISPS codes and sharing best practices as well as cooperation in capacity building.

A Maritime Triad Project (by 03 maritime academies) on development of training courses, qualifications and standards for security trainers was presented by the representative from the International Association of Maritime Universities (IAMU), Dr. Larry Howard, State University of New York (SUNY) Maritime College. Special attention was called on the used of simulation technology and software to train security trainers.

Private sector presentations: IBM & APL touched on Supply Chain Security in APEC. IBM representative supported IBM engagement in supply chain security and advocated creating Public and Private Partnership in developing security and trade initiatives and promoting voluntary industry participation that provides collateral benefits.

In conclusion, the round table agreed that maritime security is joint responsibility for both the public and private sector and much more efforts need to be exerted to generate a stronger relation between private and public sectors. To realize this target, it is necessary to have a harmonized approach on a voluntary basis in compliance with key principles of APEC. Additionally, sharing information is also very important since it helps economies to learn experiences from each other. It's, still, necessary to design specific actions, not only in APEC but in other regional fora as well. Finally, the round table reiterated the need to look for a proper balance between security and trade to meet the expectations of businesses, taking into account 3 elements: costs, efficiency and security. However, the balance between trade and security should be applied on the case-by-case basis, taking into full account of infrastructure development level and specific capacity

The following recommendations are suggested by the Chair of the discussion:

1. Establish protocols for professional exchanges on security within APEC.
2. Continue capacity-building efforts with multilateral participation, especially cooperation on port and maritime security.
3. Develop private sector involvement in APEC's maritime security efforts.
4. Work towards harmonization of standards.
5. Promote concept that security is international responsibility.

## SUMMARY OF DISCUSSION ON AVIATION SECURITY ROUND TABLE

The Aviation Security Round Table Discussions 1 and 2 of the STAR IV Conference discussed the sub-theme “Controlling Threats to Aviation Security and Facilitating the Movement of People.”

A total of sixteen (16) speakers took up various topics, which might be summarized under the following sub-headings:

- Agreements
- Assessments and Strategies
- Structures and Systems
- Solutions and Applications

**Under Agreements**, four speakers talked about the Ministerial Statement on Aviation Security, sharing best practices, regulating and facilitating trade, and enhancing cooperation immigration.

Mr. Tatsuyuki Shimazu of the Civil Aviation Bureau of Japan explained the **Ministerial Statement on Aviation Security** which was reached in the recent Ministerial Conference on International Transport Security. He also explained the key principles to guide international efforts, which include implementing and enforcing ICAO rules, improving screening capability by sharing technologies, promoting international cooperation in research and development, and encouraging economies to register with the ICAO Aviation Security Point of Contact Network.

Mr. Vu Xuan Le, of the Office of Control Cooperation, US Department of State, reported on its progress on implementing the APEC Key Elements for Effective Export Control Systems and shared best practices on controlling and deterring threats from MANPADS.

The best practices and deterrence measures include controlling MANPADS exports, license review, effective business controls, and stockpile security and accountability.

Mr. Alan Turley of FedEx presented the relationship between Supply Chain Security and Trade Facilitation measures and explained FedEx's 12 strategies for trade facilitation.

These are:

1. Security measures must be harmonized globally.
2. Regulators need to view the private sector as a partner.
3. Regulators should implement flexible standards.
4. Regulators should be clear on costs and benefits.
5. Requirements must be threat-based.
6. Requirements must be mode-specific.
7. Regulators should move away from 100% physical inspection at the border and instead use an information-centric model.
8. Regulators should request electronic information about cargo in advance.
9. Do not target just the big, easy-to-regulate companies.
10. Make sure solutions work for small to medium customers.
11. Remember the Private Sector is not Law Enforcement.
12. Set up a system for restarting the Global Supply Chain.

Mr. Shim Jun Seop of Immigration Office, Korea introduced enhancements to the Immigration Liaison Officer (ILO) cooperation through the following:

1. acceptance of the IATA/CAWG code of conduct as general principle for ILO operations within the APEC region.
2. agreement to support ILO operations in accordance with the 'General Principles for ILO' proposed by Korea
3. management of factors in ILO capacity building such as training of experts in document examination, good command of languages, cooperation between hosting and sending economies, and raising ILO awareness
4. construction of ILO networks at main hub airports
5. supporting ILO duty by individual economies

**Under Assessments and Strategies**, five speakers discussed preventive and mitigation strategies, the need to contribute to a strengthened export control infrastructure, adopting preemptive measures grounded on a “safety first” principle, expanding the RMAL, and following a development model of private-public partnership.

Mr. Tony Beard of the Department of Transport and Regional Services, Australia, discussed how the establishment of an aviation risk context ensures effective mitigation strategies.

Narrating how the Arab Civil Aviation Congress adopted the STAR model initiated by Australia influenced Arab approach to creating a regional aviation security forum, Mr. Beard urged that member economies ensure that transport protective measures are focused and proportional, recognizing that terrorists are focusing on catastrophic attacks against places of mass gathering.

He concluded on the note that member economies should review their progress in implementing the STAR II agreement to ensure the inclusion of a capacity for identification and resolution of suspicious activity into transport security planning, which would require thoughtful security awareness education and a joint government and business approach.

Mr. Gao Mingbo of China presented China’s experience in identifying new threats and adopting effective measures to protect trade and investment. These effective measures are anchored on the principle of safety first and are geared toward continuously strengthening professional training and undertaking ground prevention and air disposal.

Mr. Tamori, of METI, Japan shared the results of the survey on current practices related to “APEC Key Elements for Effective Export Control Systems” and concluded on the need for economies to:

1. adhere to the Bangkok declaration
2. contribute to strengthening the infrastructure of free and open trade
3. support other international institutions and regime efforts.

Mr. Douglas Palmeri of the Customs and border Protection of the United States provided a total assessment of the implementation of the RMAL and the need to move towards a multilateral arrangement at APEC.

He ended by informing the delegates that US will be making recommendations in 2006 to the AELM to expand the RMAL from pilot stage to an open program firstly for all member economies, then non-APEC members and institutions.

Ms Diana Rossiter of USTDA expounded on a proposal for the enhancement of public-private partnership in aviation security using the USTDA and private-public partnership model. This model aims to achieve enduring private sector-led investments that deliver technical, financial and other benefits to government entities in the host economy. Using recent APEC Aviation project examples with Malaysia, Indonesia, Thailand, Vietnam, and China, Ms Rossiter stressed that to become USTDA's public or private sector partner, one must develop a project that:

1. represents an economy's priority
2. furthers infrastructure or regulatory framework that allows private sector involvement in the delivery of public services
3. reduce the burden on public sector infrastructure financing.

**Under Structures and Systems**, two speakers stressed the importance of interdepartmental coordination and cooperation, and modernization of aviation security systems and equipment.

Mr. Tolly Foerstner, CT Advisor at Foreign Affairs Department of Canada stressed effective coordination and interdepartmental cooperation in aviation security. Toward this end, he presented Canada's model of an Interdepartmental Working Group on Aviation Security, composed of the departments of Transport Canada, Foreign Affairs and International Trade, RCMP, CBSA, CSIS, Public Safety and PCO. These seven bodies essentially support the best practices of effective sharing of information, coordination of government departments and accountability measures.

A representative of Mr. Nikolay Otarshchikov of the Russian Federation threshed up air transport security measures against terrorist attacks by explaining the present status of Russia's aviation security readiness and providing general recommendations on upgrading dedicated security equipment, training personnel in crew safety and security, and elevating the quality of aviation security systems in conformance with international standards.

**Under Solutions and Applications**, five speakers presented specific approaches to facilitating the movement of people across borders as well as reducing risks to the aviation industry.

Ms Suzanne Ford of DIMIA, Australia, enlightened participants on the status of the implementation of the Advance Passenger Information and Advance Passenger Procedure. She recommended that for best results, economies wishing to implement API should

- Undertake strong planning, including adhering to APEC API standards
- Ensure stakeholder cooperation
- Cooperate with other economies in the region.

Mr. Benedict Coles of DIMIA, Australia discussed improving the implementation of the APEC Business Travel Card in order to further facilitate the movement of business people. Based on inputs from business community he pointed out the following recommendations:

1. Publicize the ABTC scheme.
2. Increase the number of ABTC cards.
3. Reduce pre-clearance processing time.
4. Prominent and easily visible APEC lanes.
5. Application forms provided online.
6. Reasons for rejection of pre-clearance given to clients.
7. Extending the validity of ABTC cards from 3 years to 5 years.

DIMIA has indicated that the following actions will be implemented:

1. Adopt Smart Card technology.

2. Improve the Business Mobility website for public information.
3. Introduce a new application processing system in late 2006.

Karthik K, inventor of the Karsof TM biometric technology of Malaysia, introduced his company, discussed how border security can be enhanced through biometrics and presented a case study on the usage of the Karsof technology. He recommended that economies the following:

1. biometrics verification technologies
2. issuance of travel documents
3. information sharing
4. clear ties among agencies
5. enhanced standard processes and practices
6. data integrity

Mr. Andrew Blaze, of the Australian Embassy in Hanoi, talked about the applications of biometrics to achieve immigration and border security outcomes as part of APEC Australia biometric initiatives. Through the electronic passport system run by the Foreign Affairs and the immigration biometric program, Australia looks to:

1. enhance national security by detection and referral of “persons of concern”
2. facilitate border movement
3. identify visa breaches
4. protect people from personal identity theft
5. protect against identity fraud
6. provide technology leadership

Lastly, Mr. Mark Edwards, of Qantas, talked about the development of an Aviation Security Risk Assessment Process and private-public partnership in aviation and security. In view of high expectations, Qantas focuses on the following security outcomes: enhanced cockpit doors and access control procedures, cockpit door surveillance systems and cargo screening, MANPADS, secondary screening at certain foreign ports, crew slipping arrangements at certain foreign ports, flight path and schedule variations, pandemic avian

influenza procedures, labor-intensive process, quality control of rigour, internal security skepticism, risk tolerance of external stakeholders, and evolving regulatory philosophy.

He concluded on the importance of adopting the following:

1. informed decision making processes
2. coordination between commercial interests and government
3. risk management, not risk avoidance
4. improved communication of risks

In a nutshell, we have as many assessments and strategies as the given solutions and applications – which only shows that we are not wanting in searching for the right answers. There were also four areas where we can all forge agreements on – which should indeed prove auspicious.

### **Issues and Comments**

As part of the discussions, the question, answer and comment portion revealed the following main areas of concern:

- **Risk assessment and mitigation.** *For airline companies, this is going to be very expensive as it would entail a comprehensive system package of measures. The main option of airline companies is to rely on governments to mitigate the threat. The threat, according to Australia, cannot be eliminated, but managed using new technologies and innovative approaches. For cargo carriers, the key lies in getting information in advance and knowing one's customers.*
- **Advance Passenger Information.** *API has significantly enhanced border management. 0.01 percent of people entering Australia, who were denied entry, were screened through API. Economies can push their borders out for better security through API.*

- **Use of intelligence in risk assessments.** *There are differences in how governments and the aviation industry assess threats and probable risks. A model for risk and threat assessment may be developed at APEC CTTF. Australia stated that while this may be difficult, an effective risk process using standard terminologies and shared between private and public sectors may be started.*
  
- **Interoperability.** *Thailand, Malaysia and Australia stressed the need to have technologies and systems that are compatible and interoperable with those of other economies in the region.*
  
- **Flexibility of Protocols.** *Participants agreed that maximum flexibility should be used in risk management by the various economies.*