Certified Cargo Screening Program

January 2008

Executive Summary

TSA's Air Cargo Security Strategy is a layered approach

- **Vetting** to ensure entities and people meet security standards

- **Screening** cargo using approved screening methods and technologies

- **Targeting** cargo shipments for risk-based and random secondary screening

- Assess regulated entity **compliance** with security requirements
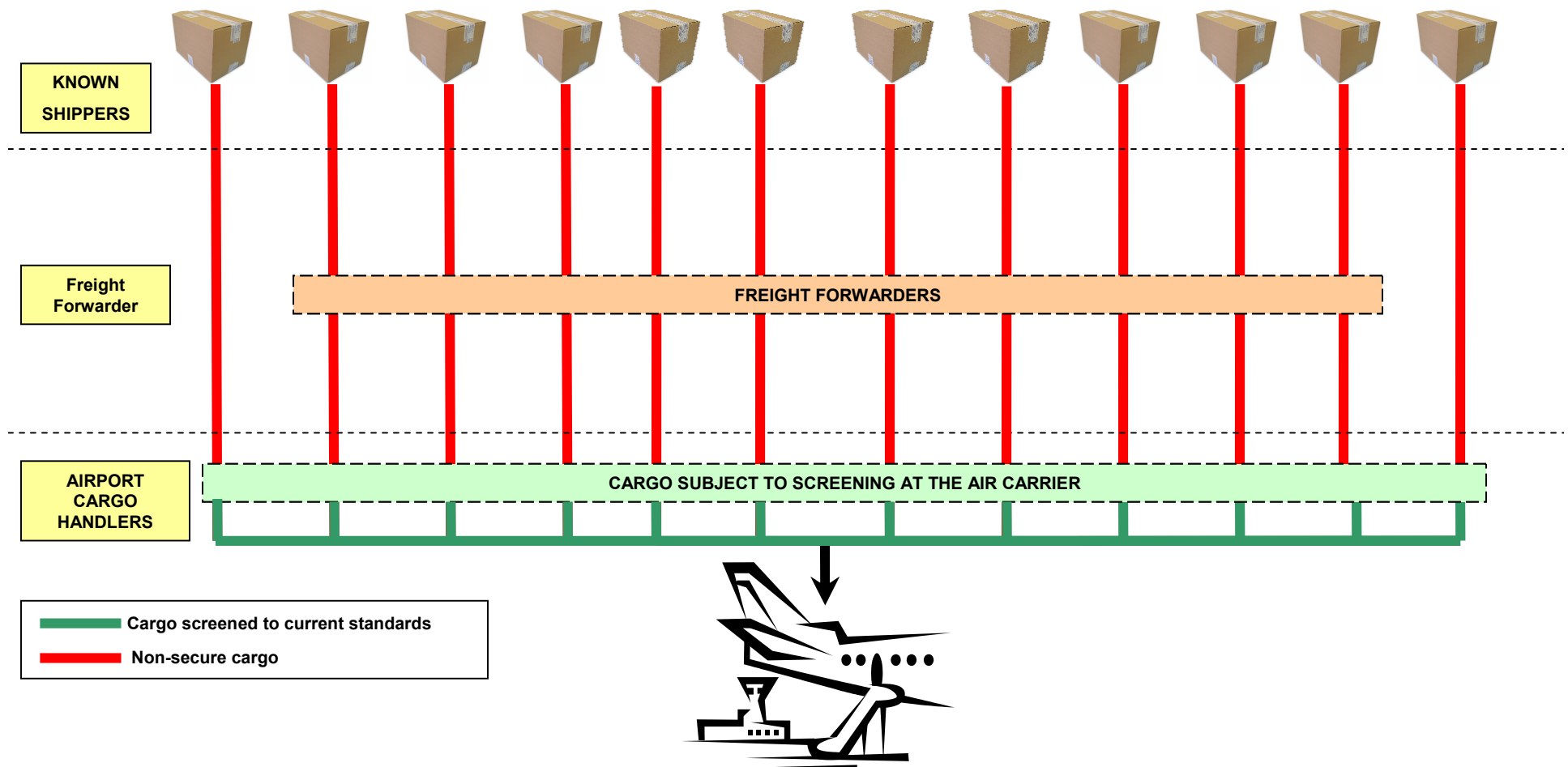
Background

- President Bush approved *Implementing Recommendations of the 9/11 Commission Act of 2007* on August 3, 2007.

- The legislation mandates 100% screening by August 2010 and requires TSA to:

  - Establish a system to **screen** 100% of cargo transported on passenger aircraft.

  - Provide a level of security **commensurate** to that of passenger baggage.

  - Meet inspection benchmarks:

    - 50% of cargo must be screened not later than 18 months after date of enactment.

    - 100% of cargo must be screened not later than 3 years after date of enactment.

  - Provide an Assessment of Exemptions not later than 120 days after enactment.

- TSA is pursuing the Certified Cargo Screening Program (CCSP) and Phase One Deployment as a key component in the requirement for industry to meet 100% screening.

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The Current Air Cargo Supply Chain

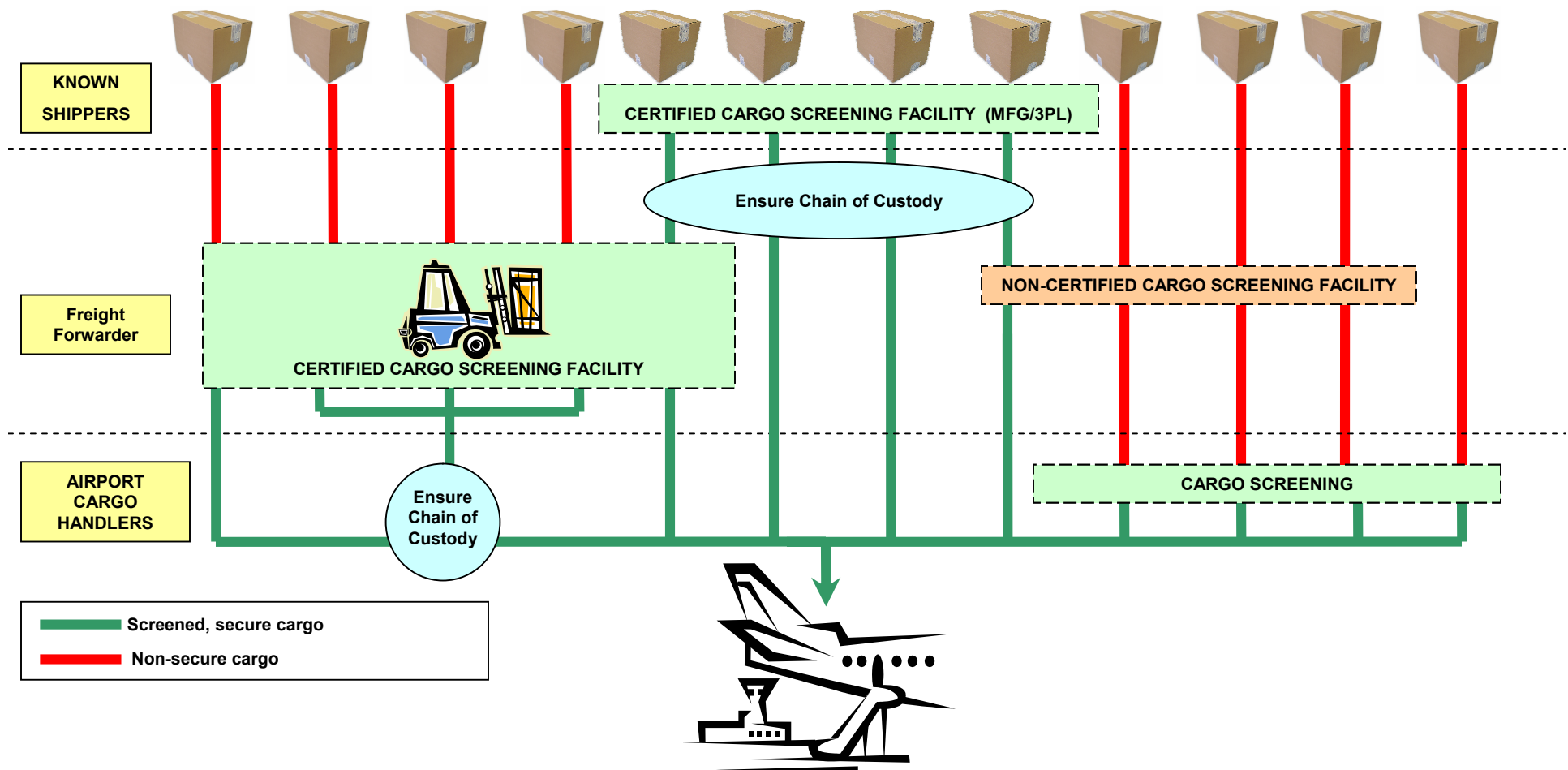Today, the majority of cargo screening bound for passenger aircraft is done by the air carrier.

KNOWN SHIPPERS

Freight Forwarder

FREIGHT FORWARDERS

AIRPORT CARGO HANDLERS

CARGO SUBJECT TO SCREENING AT THE AIR CARRIER

Cargo screened to current standards

Non-secure cargo

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The Future Air Cargo Supply Chain

In the future, screening responsibility will be allocated across the supply chain.

KNOWN SHIPPERS

Freight Forwarder

AIRPORT CARGO HANDLERS

CERTIFIED CARGO SCREENING FACILITY (MFG/3PL)

Ensure Chain of Custody

NON-CERTIFIED CARGO SCREENING FACILITY

CERTIFIED CARGO SCREENING FACILITY

CARGO SCREENING

Ensure Chain of Custody

Legend:
- Screened, secure cargo
- Non-secure cargo

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Key Program Accomplishments

- TSA attended industry meetings in September and October to discuss the "Certified Shipper Program" and gain initial industry feedback.

- Meetings were held in San Francisco, Chicago, and Philadelphia and allowed TSA to:
    - Establish additional mechanisms for ongoing program dialogue and;
    - Identify potential participants in Phase One Deployment.

- TSA revised and changed the "Certified Shipper Program" to the "Certified Cargo Screening Program" (CCSP) to reflect industry insight and increased knowledge gained from industry meetings.

- TSA will launch the phased approach for CCSP starting January 2008.

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Certified Cargo Screening Program

Certified Cargo Screening Program Background

- The Certified Cargo Screening Program (CCSP) is a key component of TSA's strategy to achieve 100% screening while still allowing for the flow of commerce.

- TSA developed the philosophy behind CCSP by working closely with U.S. and international agencies and associations to incorporate key aspects of commensurate security programs:

    - C-TPAT

    - UK Known Consignor

    - Ireland Known Consignor

    - TAPA

- The CCSP is a facility-based program.

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Certified Cargo Screening Program Overview

The Certified Cargo Screening Program (CCSP) is a voluntary program designed to:

- Enable trusted and validated industry participants to screen cargo early in the air cargo supply chain.

- Establish the integrity of a shipment through enhanced physical and personnel security standards at CCSFs.

- Maintain the integrity of a shipment throughout the supply chain by utilizing stringent chain of custody methods.

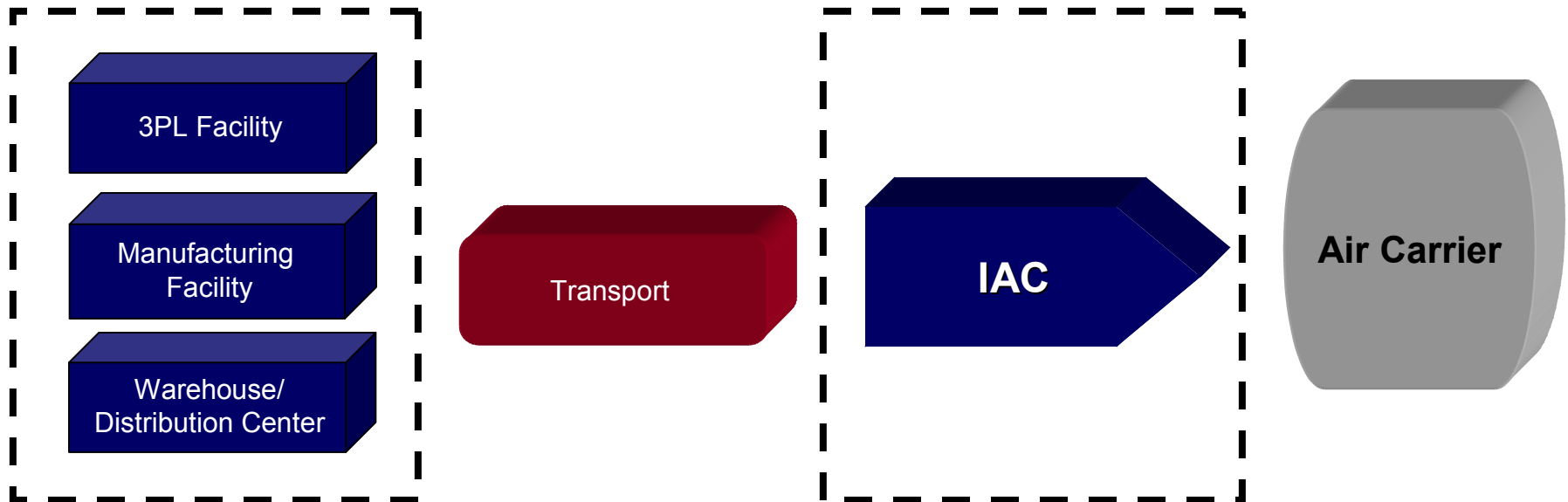Certified Cargo Screening Facilities (CCSFs) must:

- Adhere to increased TSA-directed security standards.

- Share responsibility for supply chain security.

- Employ chain of custody.

- Permit onsite validations.

- Be subject to TSI-C inspections.

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Certified Cargo Screening Program Applicability

Which entity in the supply chain may become a Certified Cargo Screening Facility?

- Screening must occur prior to cargo being consolidated.

- Manufacturers, 3PLs, warehouses, and distribution centers may apply to become a CCSF, if their facility directly tenders cargo to an IAC or AC.

- IACs may also apply to the Certified Cargo Screening Program.

- Entities engaged solely in cargo ground transportation may not apply to become a CCSF.

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Standards & Participation

Certified Cargo Screening Program Standards

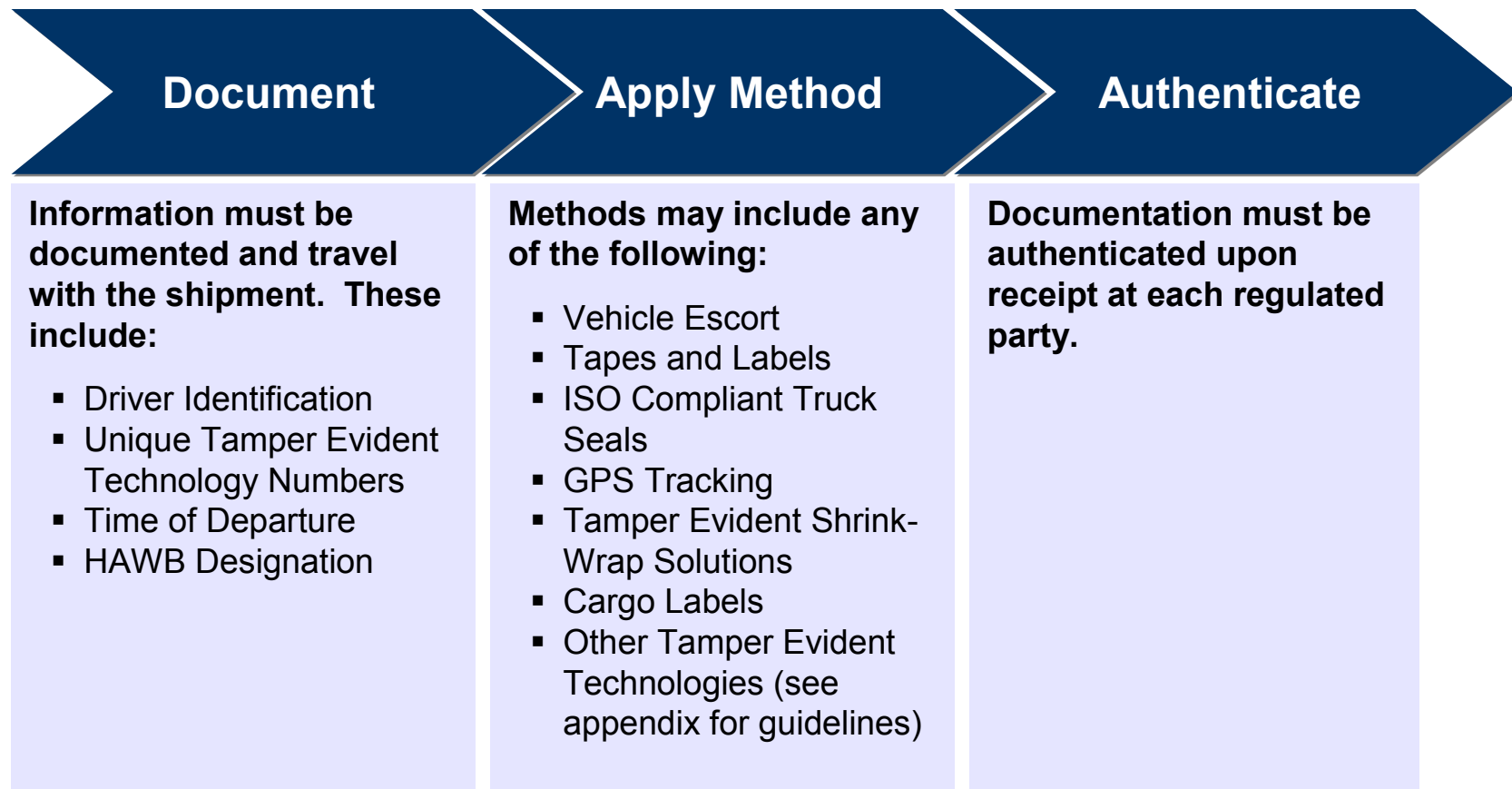Certified Cargo Screening Program standards include:

- **Physical Access Controls**: Procedures and mechanisms must be in place to prevent unauthorized entry to facilities where Certified cargo is prepared or stored, maintain control of employees, contractors and visitors, and protect company assets.

- **Personnel Security**: Processes must be in place to screen prospective employees and contractors, and to periodically check current employees with unfettered access to passenger air cargo.

- **Procedural Security**: Security measures must be in place to ensure the integrity of processes relevant to the transportation, handling, and storage of air cargo throughout the supply chain.

- **Physical Security**: Cargo handling and storage facilities must have physical barriers and deterrents that guard against unauthorized access.

- **Information Technology Security**: Processes must be in place that provide for password protection of user accounts and identify improper access or the altering of data on automated systems.

- **Container and Trailer Security:** Processes must be in place, at point of loading to properly maintain the integrity of air cargo or the conveyance it is loaded on.

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Chain of Custody Standards

Chain of custody methods must be applied to Certified cargo. These standards are broken into three categories:

Document	Apply Method	Authenticate
Information must be documented and travel with the shipment. These include:	**Methods may include any of the following:**	**Documentation must be authenticated upon receipt at each regulated party.**
▪ Driver Identification ▪ Unique Tamper Evident Technology Numbers ▪ Time of Departure ▪ HAWB Designation	▪ Vehicle Escort ▪ Tapes and Labels ▪ ISO Compliant Truck Seals ▪ GPS Tracking ▪ Tamper Evident Shrink-Wrap Solutions ▪ Cargo Labels ▪ Other Tamper Evident Technologies (see appendix for guidelines)	

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Certified Cargo Screening Program Participation

How does an eligible facility in the supply chain become a Certified Cargo Screening Facility?

1. Meet facility standards and employ chain of custody.

2. Submit Application:
   - Applications must be completed on a facility basis.
   - Applications during Phase One Deployment may be manual.

3. Obtain Validation:
   - Validators will provide an unbiased inspection of each facility to ensure adherence to the CCSP standards.
   - Validations during Phase One Deployment will be conducted by TSI-Cs.
   - During full rollout, validations will be performed by Third Party Validation organization (3PVs).

4. Receive Certification:
   - TSA HQ will issue all certifications on a facility by facility basis.
   - Certifications will not be issued at the corporate level.

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Stakeholder Responsibilities

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CCSP Stakeholder Responsibilities

The realization of goals are dependent on the voluntary involvement of industry participants.

Certified Cargo Screening Facilities	Freight Forwarders/Air Carriers	Transportation Security Administration
Expected Responsibilities: • Adhere to increased security standards • Share responsibility for supply chain security • Screen cargo with TSA-approved methods • Initiate and ensure chain of custody • Perform employee background checks • Permit onsite standard validations • Provide feedback to TSA to revise and shape future of program (Phase One) • Comply with all applicable procedures under SSPs • Record and report information on Certified cargo received and accepted	**Expected Responsibilities:** • Recognize Certified cargo as "screened" • Ensure chain of custody • Record and report information on Certified cargo received and accepted • Provide feedback to TSA to improve, revise, and shape future of program • Comply with all applicable procedures under SSPs	**Expected Responsibilities:** • Oversee policy • Conduct validations • Guide training efforts • Provide program oversight • Publish technology guidance • Write certified cargo screening program standards

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Transportation Security Administration

Costs & Benefits

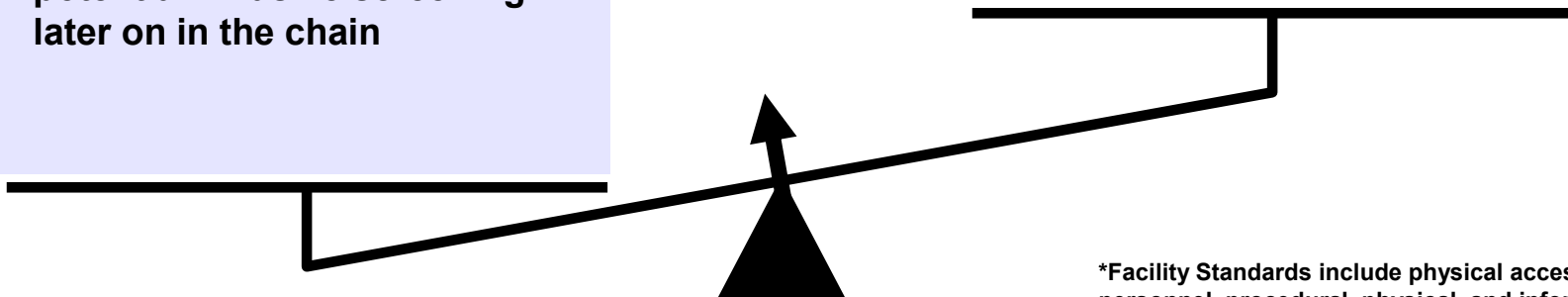# CCSF: Costs and Benefits for Shippers/3PLs/WHSs/DCs

The benefits of participating in the Certified Cargo Screening Program outweigh costs carried by the facility in meeting program guidelines.

CCSF Shipper Benefits

- Decreased log jams (carrier delays) and expedited supply chain flow

- Ability to build bulk configurations

- Ability to continue to ship certain cargo types without potential invasive screening later on in the chain

CCSF Costs

- Implement facility and chain of custody standards*
- Facility validations, if 3PVs are used

*Facility Standards include physical access controls, personnel, procedural, physical, and information technology security.

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CCSF: Cost and Benefits for IACs/ACs

The benefits of participating in the Certified Cargo Screening Program outweigh costs carried by the facility in meeting program guidelines.

CCSF Benefits

- **Decreased log jams (carrier delays) and expedited supply chain flow**

- **Ability to build bulk configurations**

- **Ability to continue to ship certain cargo types without potential invasive screening later on in the chain**

- **Ability to count networked screening**

CCSF Costs

- **Implement facility and chain of custody standards***
- **Facility validations, if 3PVs are used**

*****Facility Standards include physical access controls, personnel, procedural, physical, and information technology security.**
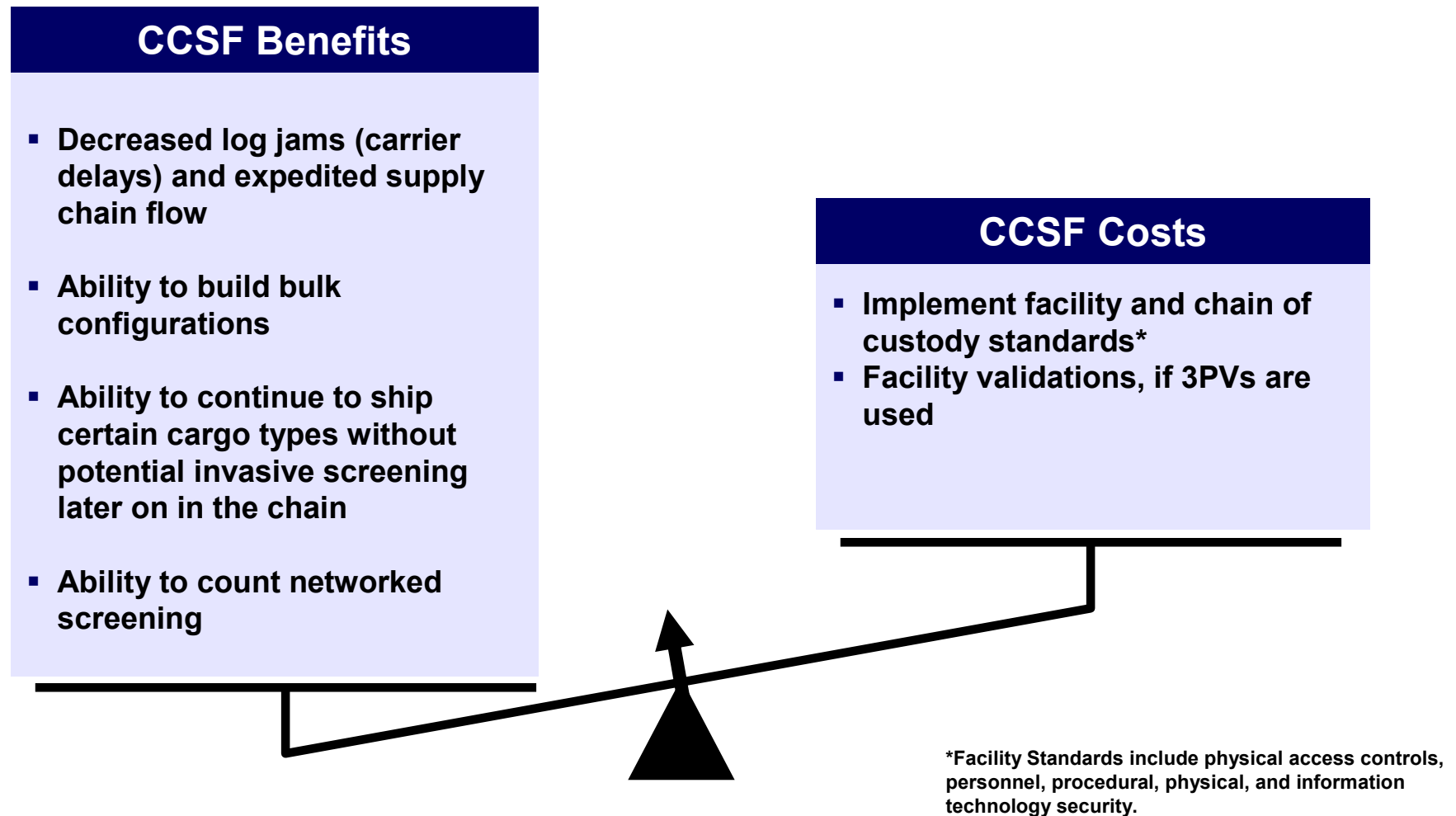
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Phase One Deployment

Certified Cargo Screening Program - Phased Approach

Phased deployment allows program deployment and development to occur in parallel and begins January 2008.

| Determine cities & facilities | Initiate simple scenarios | Evaluate & Refine Program | Introduce Complexity | Evaluate & Refine Program | Expand Program | Full Rollout Early 2009 |
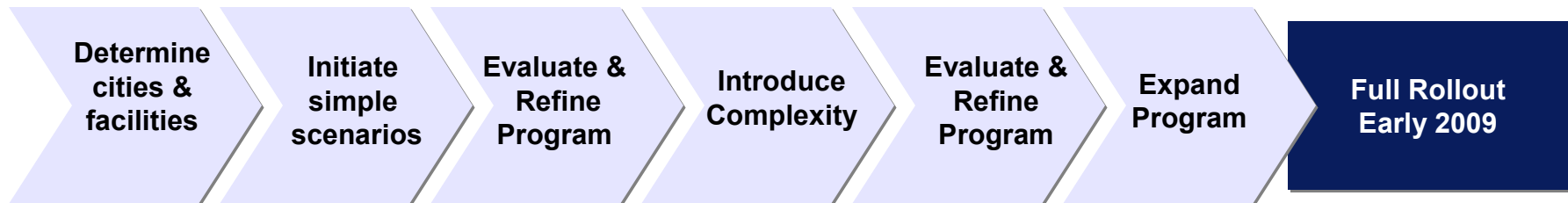
Phase One Deployment

- 10 to 15 facilities per city
- Target three airports initially and expand as program develops
- Introduce cargo complexities
- Team of 10 "seasoned" TSA Field Team members
- Participation based on facility and TSA approval

- Expand number of facilities and cities
- Open to all cargo and business complexities
- Third Party Validators are phased in to replace TSA Field Teams
- All air carriers recognize CCSF screening

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In Summary….

- The 50% and 100% milestones are fast approaching and not flexible.

- TSA will enable secure, validated, and certified facilities to screen cargo further upstream in the air cargo supply chain.

- The CCSP is a facility based program and does not apply at the corporate entity.

- Certified Cargo Screening Facilities (shipper, forwarder, air carrier) must:
  - Be no more than one step removed from a currently regulated party (forwarder, air carrier).
  - Operate under a common security program and standards.
  - Submit to onsite random inspection by TSA.

- CCSP standards are similar to C-TPAT standards.
  - Personnel security requires an STA for persons screening and handling Certified cargo.

- Tamper evident technologies and chain of custody are critical elements of CCSP.

- Collaboration is essential through Phase One Deployment for CCSP to be effective.

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Transportation Security Administration

Q & A

Appendix

Tamper Evident Technology Standards

Chain of custody methods include the use of Tamper Evident Technology (TET). Specific standards are subject to change as the program is being developed. TET standards are as follows:
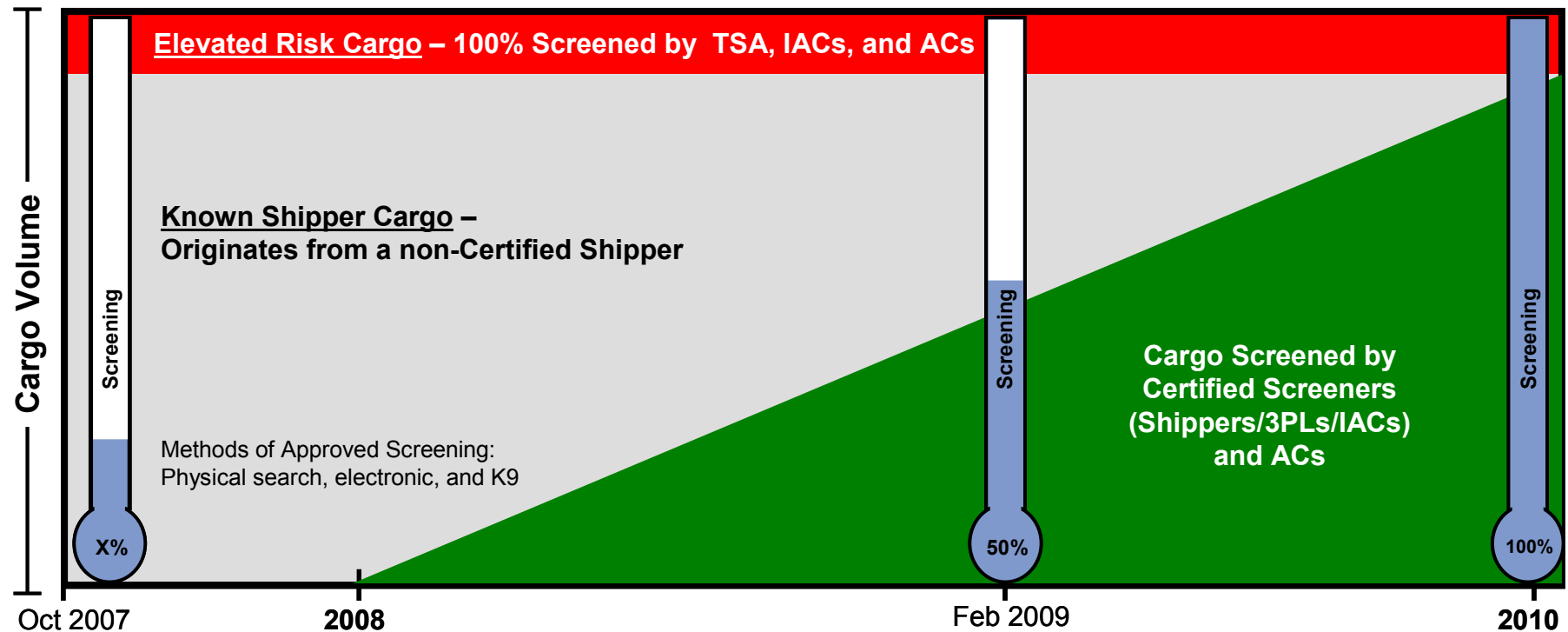
1. **Characteristics**: Requirements for the physical characteristics of the tamper evident technology.

2. **Application**: Requirements surrounding the application of seals to cargo.

3. **Administration**: Requirements surrounding the management of seals.

4. **Tracking**: Requirements surrounding the verification and record keeping of seals throughout the supply chain.

5. **Screening**: Requirements surrounding the appropriate screening methods.

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TSA 100% Screening Three Year Outlook

TSA 100% Screening of Passenger Air Cargo 3-Year Outlook

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