Transportation Security Administration

Achieving 100% Cargo Screening on Passenger Aircraft

October 2008 – Non-SSI Presentation

Agenda

Opening Remarks

100% Screening Legislation

Approach to 100% Screening

- Narrow Body Amendment
- Certified Cargo Screening Program
- Freight Forwarder (IAC) Screening

Policy Details

Looking Ahead

Q&A

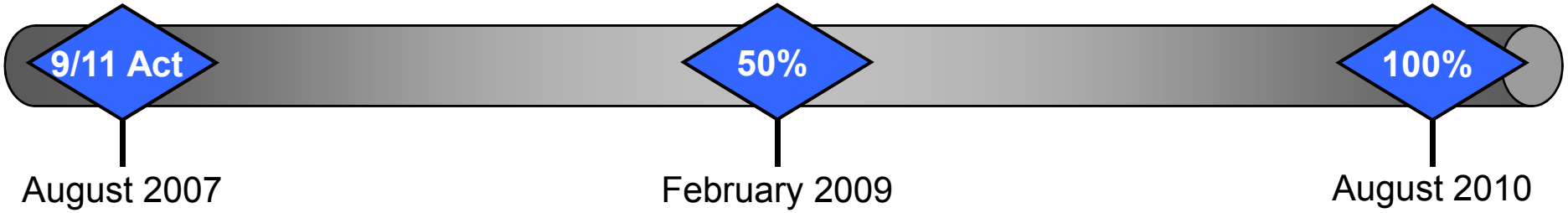
100% Screening Legislation

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.

Congressionally Mandated Cargo Screening Benchmarks



100% Screening Industry Impacts

Impacts

- All cargo must be screened at the piece level by TSA-approved methods prior to being loaded on a passenger aircraft.
- Screening capacity at a single point in the supply chain is not sufficient enough to accomplish this requirement.
- Significant carrier delays, cargo backlogs, and transit time increases are expected.

~12 million pounds moves on PAX daily.

August 2010
100% Screening Required by Congress

Cargo must be broken down to piece level and screened by piece.

Piece Level Cargo

- Piece level cargo is the individual item within a shipment. The number of pieces is determined by the number of pieces identified by the shipper-level documentation.
- By February 3, 2009, all cargo must be broken down and 50% of the individual pieces must be screened prior to being loaded on a passenger aircraft.
- By August 3, 2010, cargo must be 100% screened at the piece level.

100% Screening Technology Tools

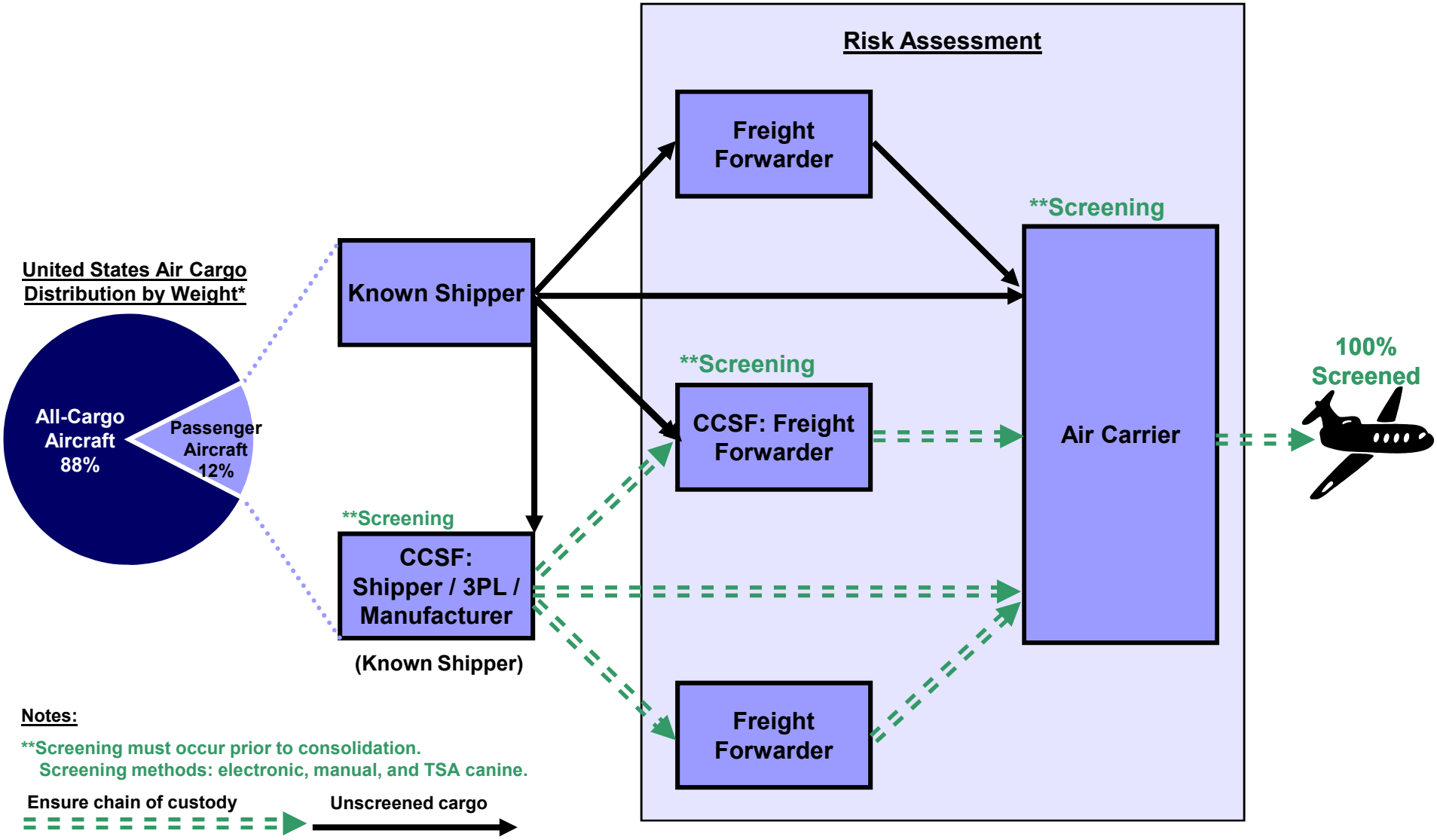
TSA Approved Screening Methods

- Physical search with verification of manifest or other packing document
- AT X-ray*
- Explosives Trace Detection (ETD)*
- Explosives Detection System (EDS)*
- Decompression chamber
- TSA operated canines
- Any other detection equipment accepted in the future by TSA

*All technologies must be on the current TSA Screening Technology List which will be made available to screening participants.

Future Air Cargo Supply Chain

Distributing screening technology and responsibility across the supply chain.

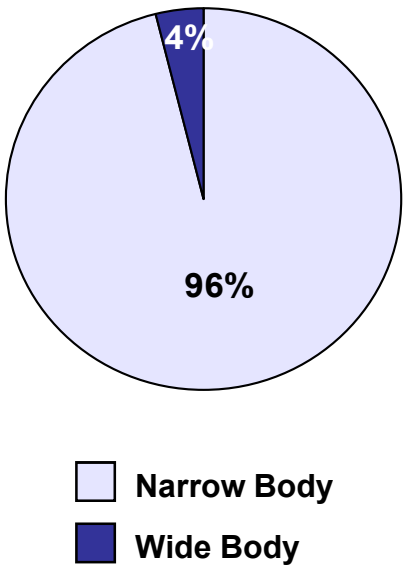


TSA's Approach to 100% Screening

- TSA is pursuing the following initiatives to aid industry in achieving the 100% screening requirements and milestones:
  - Narrow Body Screening Amendment
  - Phased Rollout of the Certified Cargo Screening Program (CCSP)
    - Shippers in 9 cities
    - Freight Forwarders (IACs) in 18 cities
      - IAC Screening Technology Pilot (STP) participants
      - Non-Pilot applicants

100% Narrow Body Amendment

- TSA issued an amendment to the air carrier screening programs requiring 100% screening of cargo transported on all narrow bodied passenger aircraft:
  - Released on August 1, 2008.
  - Effective on October 1, 2008.
- Requirement applies to originating cargo tendered on narrow body passenger aircraft.
  - i.e., B-737, B-757, A-320 (and smaller)
  - Shrink-wrapped and banded exemptions are removed under the amendment.



- 96% of passenger flights are narrow body.
- More than 80% of the passengers and 25% of cargo are carried on these flights.

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Certified Cargo Screening Program

Certified Cargo Screening Program Overview

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

- Customs-Trade Partnership Against Terrorism (C-TPAT)
- The UK's Known Consignor Program

CCSP was developed to:

- Allow screening of cargo early in the air cargo supply chain by a trusted, vetted, and audited facility.
- Establish the integrity of a shipment through enhanced physical and personnel security standards at Certified Cargo Screening Facilities (CCSFs).
- Maintain the integrity of a shipment throughout the supply chain by utilizing stringent chain of custody methods.

Participation in CCSP is voluntary, but once in, CCSFs must:

- Adhere to increased TSA-directed security standards.
- Employ chain of custody.
- Permit onsite validations.
- Be subject to TSI-C inspections.

Who can become a Certified Cargo Screening Facility?

The CCSP is a facility based program. Facilities screening under the CCSP will be known as Certified Cargo Screening Facilities (CCSFs).

- Facilities currently applying to become CCSFs:

Shipping Facilities

Manufacturing Facilities

Third Party Logistics Providers

Warehouses/ Distribution Centers

Contract Manufacturers

Independent Cargo Screening Facilities

Freight Forwarding Facilities

- Any entity with the desire to screen cargo must have a facility that can be secured.
- CCSFs must be no more than one node back from a currently regulated entity (freight forwarder/air carrier).
- Facilities that are not currently regulated by TSA will become regulated under the program.

What is a regulated entity?

- A regulated entity is an entity that TSA has imposed mandatory requirements on through an order, regulation, or other means to impose binding and enforceable requirements. Regulations are first published in the Federal Register and codified in the Code of Federal Regulations (CFR).

Currently Regulated Entities

- Certified Cargo Screening Facilities will need to be regulated:
  - To count CCSF cargo as screened.
  - To enable compliance to be enforced.

Newly Regulated Entities: CCSFs

CCSP Phased Approach

- Phased deployment allowed program deployment and development to occur in parallel.
- Phase One deployment began January 1, 2008. More: Phase One Facility Progress

Determine airport & shipper facilities → **Initiate simple scenarios** → **Evaluate & Refine Program** → **Introduce Complexity** → **Evaluate & Refine Program** → **Expand Program** → **Full Rollout**

Phase One Deployment

- 9 airport markets selected
- 10 to 15 shipper sites per airport
- 9 TSA experienced field staff deployed
- Gradually introduce cargo complexities

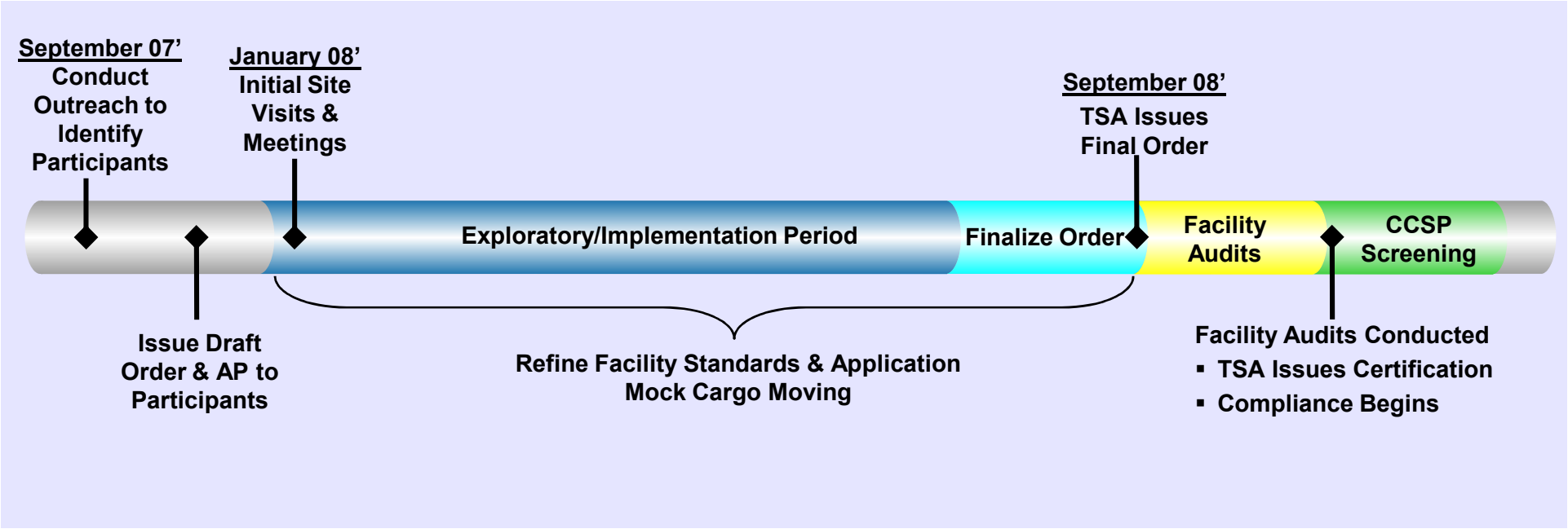
- Utilize 3PVs to conduct facility assessments
- Open to all cities in the US
- Air carries may count cargo screened by a CCSF towards the 50 and 100 percent mandate

Former Outreach Schedule

- **Initial Discovery: *September 2007*- Facilities identified in SFO, ORD, and PHL**
- **Formal Outreach: *March - April 2008*- Forums held in LAX, DFW, JFK, and EWR**
- **Formal Outreach Continued: *April - May 2008* - Formal outreach forums held in SEA, MIA, and ATL**

CCSP Phase One Progress

TSA has worked collaboratively with participants throughout the supply chain to learn best practices and refine overall CCSP standards for full rollout.



- Facilities in the "exploratory" phase are working with TSA to provide feedback on their ability to uphold facility standards, "mock screen" cargo, employ chain of custody, and tender/receive cargo as screened.
- Feedback on all aspects of the program should be provided to TSA.

TSA-Approved Validation Firms

- TSA-Approved Validation Firms are necessary due to the limited resources TSA has to validate facilities.
- These firms will act as third party validators (3PVs) to perform assessments of CCSF-applicants.
- Validators will provide TSA an assessment report along with a recommendation of “adheres to” or “does not adhere to” standards.
- TSA-Approved Validation Firms TSA will issue final certifications to qualified facilities.
- Facility assessment fees will be contractual between the CCSF-applicant and the 3PV.

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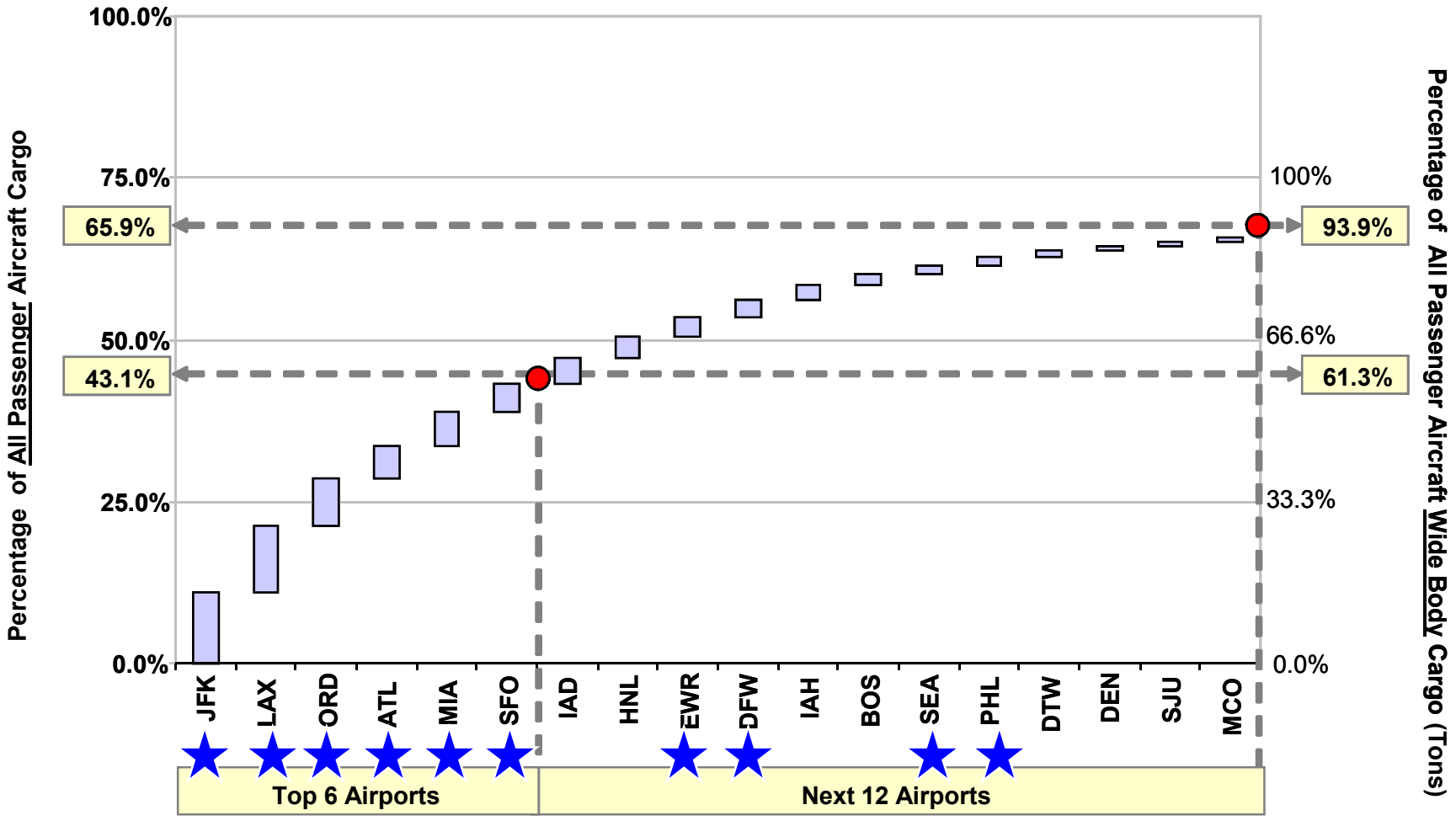
Freight Forwarder Screening

- IAC Screening Technology Pilot (STP) CCSFs
- IAC CCSFs

Screening Location Data

- Over 65% of all passenger air cargo originates from 18 airports/major gateways:



★ Indicates city where shipper facilities are targeted during Phase One Deployment in parallel with freight forwarding facilities.

IAC Screening Technology Pilot Overview

As part of the Certified Cargo Screening Program, TSA is conducting an IAC Screening Technology Pilot (STP).

TSA's objectives for the STP are:

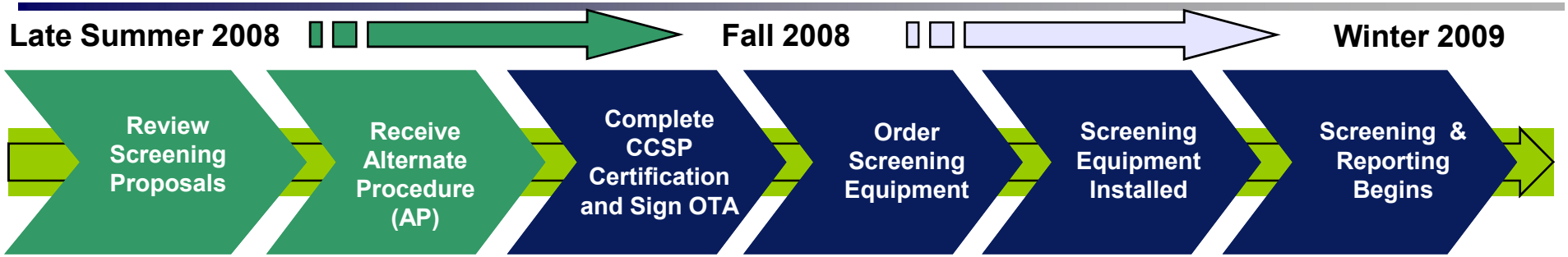
- To assist industry in achieving the screening requirements of the Act by creating screening capacity at the IACs
- To measure the effectiveness of select screening technologies on various commodity classes
- To evaluate chain-of-custody procedures for screened cargo as it moves from the IAC to the air carrier.

IACs participating in the STP must:

- Have a facility located in one of the 18 major gateways
- Have a minimum annual volume of 200 consolidations (ULDs) tendered to passenger aircraft
- Sign an Other Transactional Agreement (OTA) to receive funding from TSA
- Provide detailed reporting on cargo volumes screened **and** screening technology data

Additional Information

IAC STP Timeline



Current Participants:

- Have drafted their screening proposals and submitted them to TSA for review
- Are reviewing the Technology List issued by TSA in Spring 2008 to determine which technologies best their security needs
- Will sign an Other Transactional Agreement (OTA) in order to receive funding for the purchase of screening technology

Future Participants:

- TSA is preparing a second Broad Agency Announcement (BAA) that will be open to non-IACs or coalition screening groups that:
  - Have minimum volume of 200 annual consolidations (ULDs per location) tendered to passenger aircraft
  - Are not current STP participants
  - Are in the same 18 gateway cities

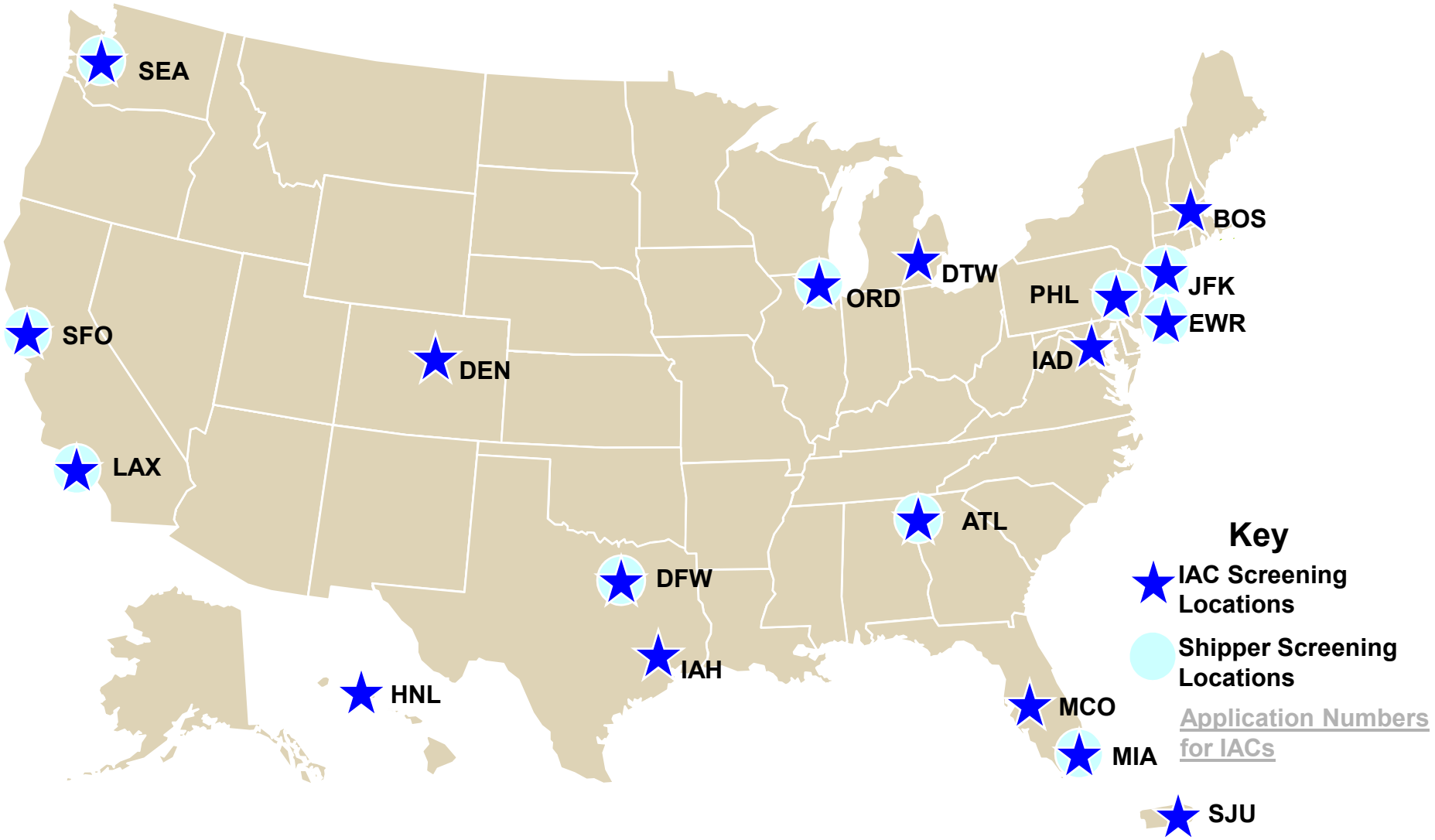
Differences between IAC STP and Non-STP Applicants

- During Phase One, other IACs may apply to become CCSFs if they are operating in the 18 major gateway cities.

Non-STP CCSF IACs:

- Will not receive TSA funding
- Have no minimum volume requirements
- Must report screening volumes, but not screening technology data
- Must be certified under the IACSSP Amendment, but no OTA is required

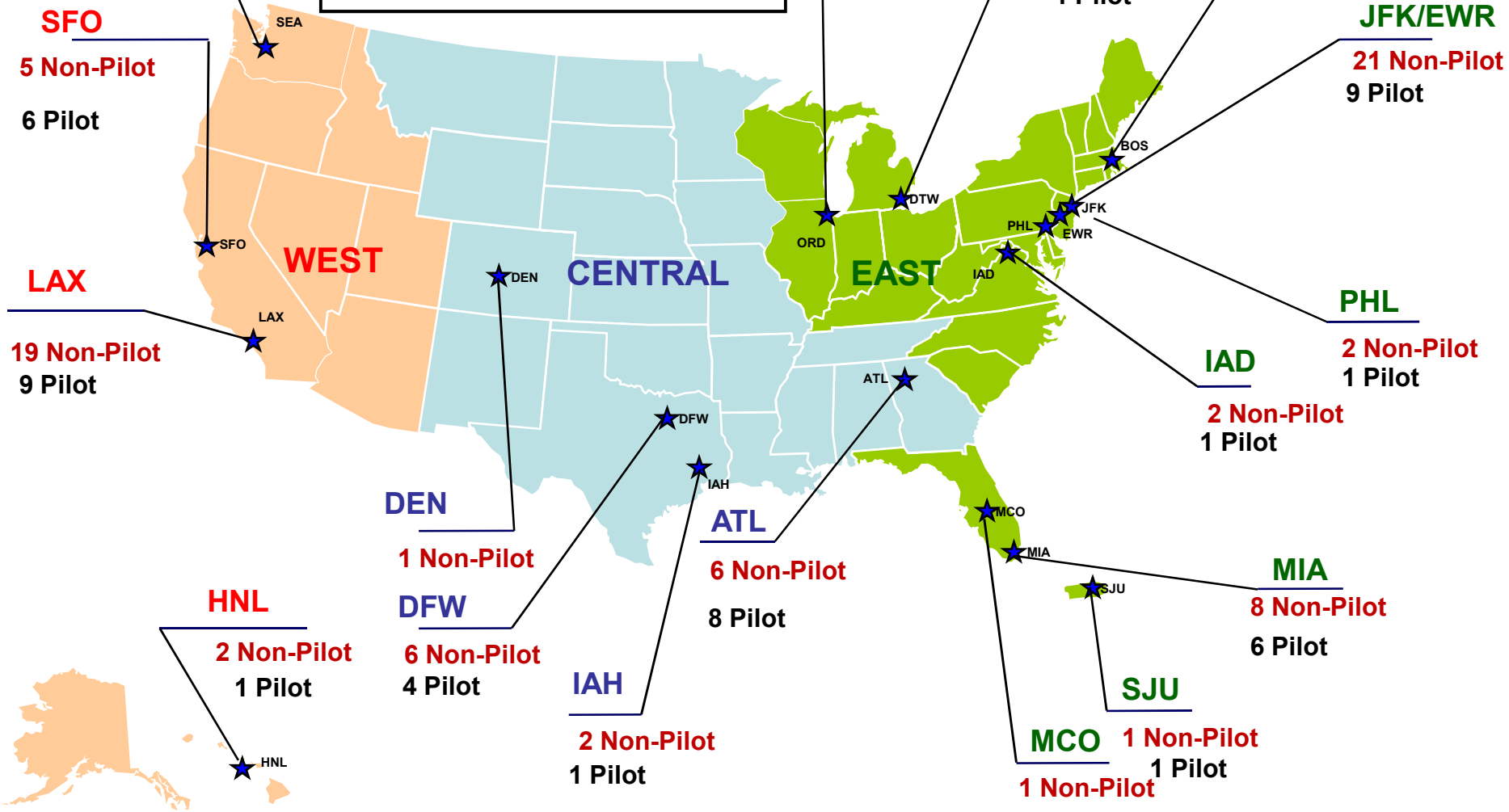
CCSP Phase One Locations



IAC CCSF Applicants and IAC STP Applicants

97 IAC CCSF Applicants

64 IAC STP Applicants



SEA
7 Non-Pilot
3 Pilot

SFO
5 Non-Pilot
6 Pilot

LAX
19 Non-Pilot
9 Pilot

HNL
2 Non-Pilot
1 Pilot

DEN
1 Non-Pilot

DFW
6 Non-Pilot
4 Pilot

IAH
2 Non-Pilot
1 Pilot

ATL
6 Non-Pilot
8 Pilot

MCO
1 Non-Pilot

SJU
1 Non-Pilot
1 Pilot

MIA
8 Non-Pilot
6 Pilot

IAD
2 Non-Pilot
1 Pilot

PHL
2 Non-Pilot
1 Pilot

JFK/EWR
21 Non-Pilot
9 Pilot

BOS
2 Non-Pilot
3 Pilot

DTW
2 Non-Pilot
1 Pilot

ORD
7 Non-Pilot
9 Pilot

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Program and Policy Details

Facility Requirements

- All facilities must adhere to the following requirements prior to validation:

Facility Security

Identify Designated Screening Area (DSA) and implement required access controls, etc.

Employee Training

All employees and authorized representatives must be trained as outlined in the Order/AP

Personnel Security

Submit Security Threat Assessments (STAs) for required direct employees and authorized representatives

Screening

Follow screening measures that meet TSA's standards

Chain of Custody

Controlling Access to the CCSF

Overview

- Maintaining access controls at facilities is a key requirement of the CCSP.
- Both physical and personnel security (i.e. STA, ID media) measures must be in place.
- The CCSF must identify a designated screening area (DSA) and ensure that unauthorized access is prevented at all access points.

Designated Screening Area

Overview

- The CCSF must identify at least one designated screening area (DSA) within its facility where cargo is screened, and after screening, is stored.
- A CCSF must only screen or store screened cargo inside the DSA.
- The DSA may be one or more designated areas within the CCSF, or it may be the entire facility.
- During non-operational periods the CCSF must ensure that the DSA is locked or monitored (constant in-person surveillance).
- Prior to removing any screened cargo from the DSA, the CCSF must initiate chain of custody measures.

Security Threat Assessments (STAs)

Overview

- STA requirements apply to all CCSFs.
- A facility cannot be validated until the appropriate employees have successfully completed STAs.

All employees and authorized representatives who perform one of the following must complete an STA:

- Conducts air cargo screening, supervises screening, or has unescorted access to screened cargo or to the designated screening area
- Acts as a Facility Security Coordinator, Principal Security Coordinator or designated alternate
- Locks, seals, or monitors any conveyance of screened cargo
- Has access to tamper evident technology

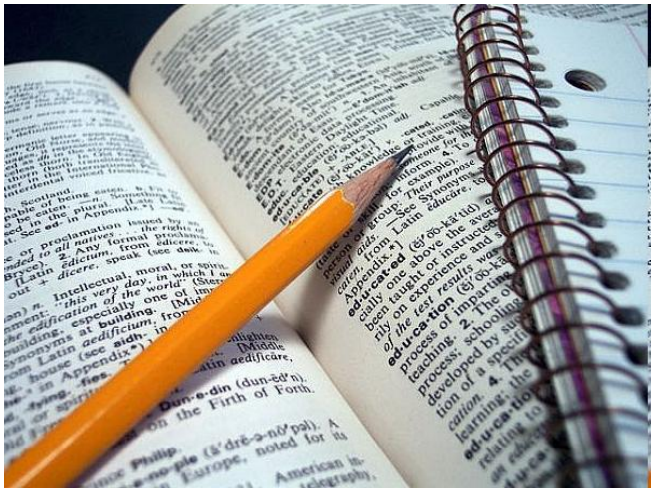
TSA accepts the following in lieu of STAs:

- CDL with HAZMAT endorsement
- Transportation Worker Identification Credential (TWIC)
- Free and Secure Trade (FAST) card

Training

Overview

- All facilities will be required to train anyone who screens, handles screened cargo, or has unescorted access to the DSA.
- Training materials and costs are the responsibility of the CCSF.
- TSA is planning to develop a standard training curriculum for all CCSF participants in the future.



Screening

Overview

- All cargo must be screened on the piece level.
- If the CCSF screens a shipment, the CCSF must screen **100%** of the pieces in that shipment.

Approved Screening Methods

- Physical search with verification of manifest or other packing document
- AT X-ray*
- Explosives Trace Detection (ETD)*
- Explosives Detection System (EDS)*
- Decompression chamber determined by TSA to be effective for the intended flight time and altitude
- Any other detection equipment accepted by TSA.

*All technologies must be on the current TSA Screening Technology List.

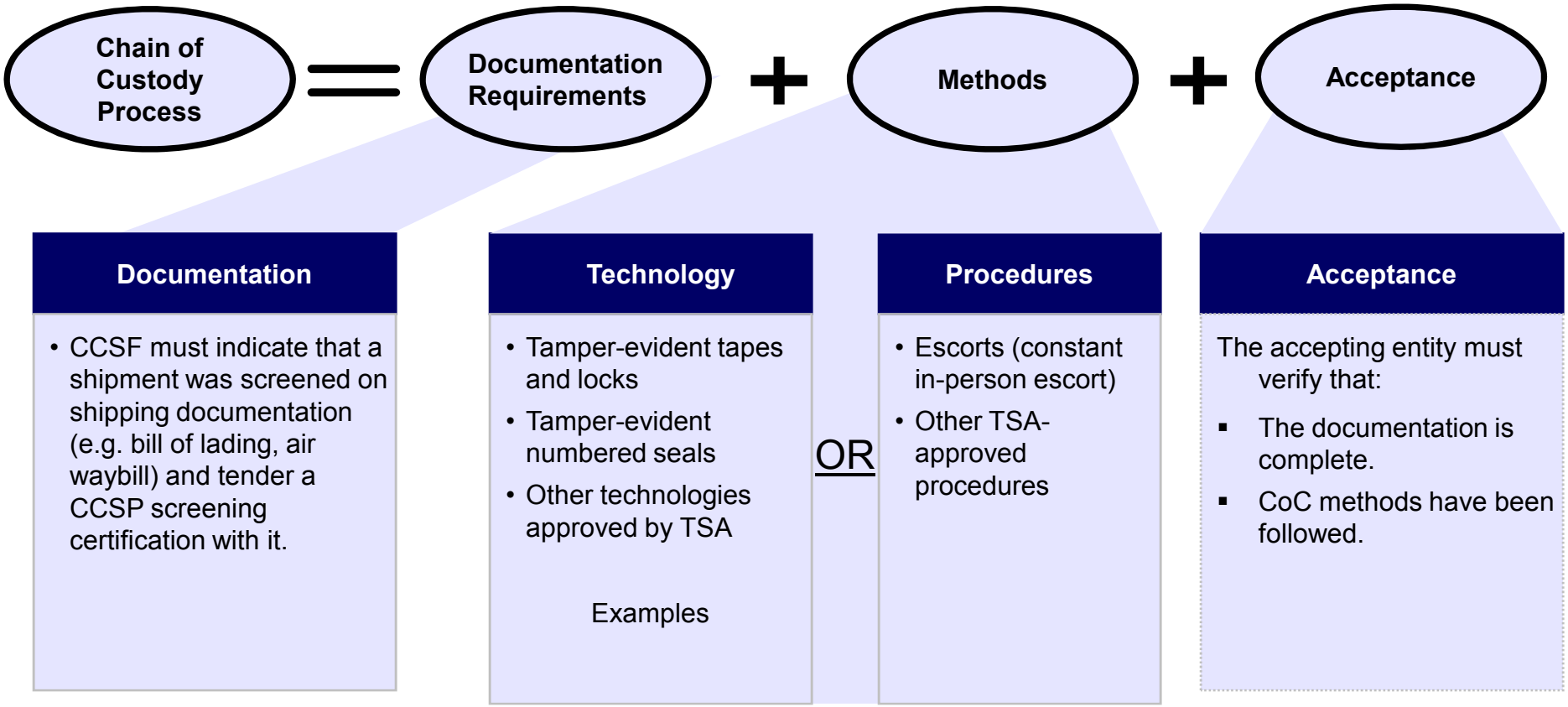
Screener Requirements

All persons conducting screening must be:

- U.S citizens or Permanent Resident Card holders
- Able to follow notification procedures
- Able to read, write, and understand English well enough to carry out instructions regarding screening duties, or must be under the constant in-person observation of someone who has this ability

Chain of Custody Overview

- The CCSF must initiate the Chain of Custody Process immediately following screening, before the screened cargo leaves the DSA
- The CCSF must adhere to chain of custody requirements until the screened cargo is accepted by an IAC, Air Carrier, or another CCSF



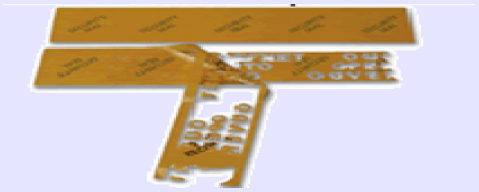
Tamper Evident Technology Examples

Application of Tamper Evident Technology is one part of the chain of custody process

Tamper Evident Technology shows evidence of tampering if broken, manipulated or opened

Tamper Evident Tape

When tape is removed, the adhesive remains on the box, indicating the package has been tampered with.



Tamper Resistant Tape

Tape is high quality 1.8 mil clear polypropylene printed in red with “TAMPER RESISTANT” every 1/8 inch.
All tape must clearly be able to demonstrate evidence of tampering

Custom Printed Fiber Tape

Corporate logos could be used to show tamper evidence, as approved by TSA

Tamper-evident Numbered Seal

A broken seal is evidence of potential tampering.

Note: TSA may issue standards in the future

Tendering Screened Cargo

1. Cargo must be physically identified as screened before tender.
   – TSA will issue size and sticker specifications, but will not work with a vendor to supply screening identification methods.

Cargo must be visibly identified as screened.

Tamper evident methods must be applied at the piece level – method may vary for different package types (e.g. box v. crate).

Once all cargo pieces have been screened, they can be shrink-wrapped, etc.

2. CCSFs must tender a certification statement that the cargo has been screened and is from a TSA-approved CCSF.

HAWB

√ Screened
√ CCSF #

Certificate

√ Compliance verification

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Joining the Program

CCSP Benefits

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

CCSF Benefits

CCSP:

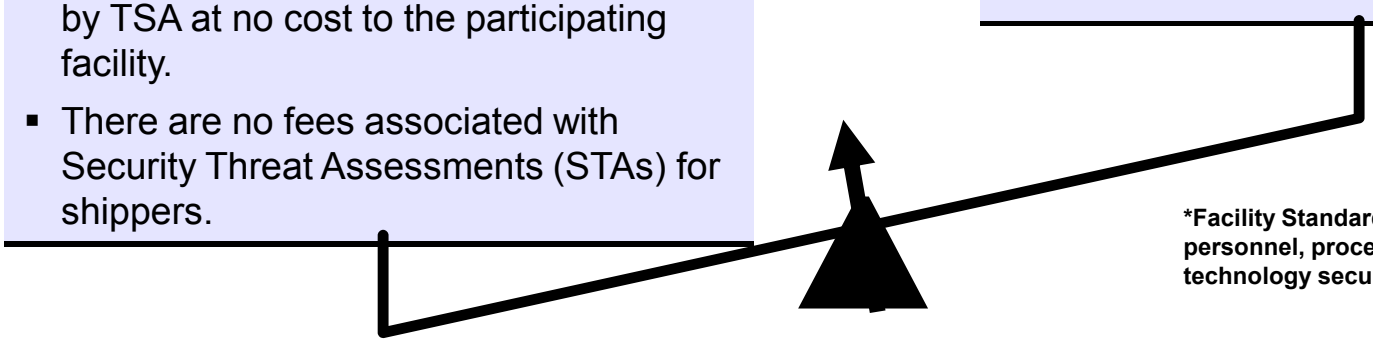
- Decreased log jams (carrier delays) and expedited supply chain flow.
- Ability to build bulk configurations.
- Ability to continue to ship certain cargo types without potential invasive screening later on in the chain.
- Ability to maintain in-house packaging integrity.

Phase One:

- Provide feedback on the structure and content of the program.
- Facility assessments will be conducted by TSA at no cost to the participating facility.
- There are no fees associated with Security Threat Assessments (STAs) for shippers.

CCSF Costs

- Implement facility and chain of custody standards*.
- Facility assessments.



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

CCSP Participation during Phase One

Steps to join the CCSP

1. Contact CCSP@dhs.gov for a CCSF application.
2. Submit application and all applicable Sensitive Security Information Handling Requirements.
3. Undergo CCSP assessment:
   - During Phase One, TSA performs assessments at no charge. After Phase One, TSA-Approved Validation Firms will perform this function.
4. TSA reviews facility assessment and makes final certification decision.
5. Shippers Sign Order and IACs comply with Alternate Procedure.
6. Receive Facility Certification from TSA HQ.

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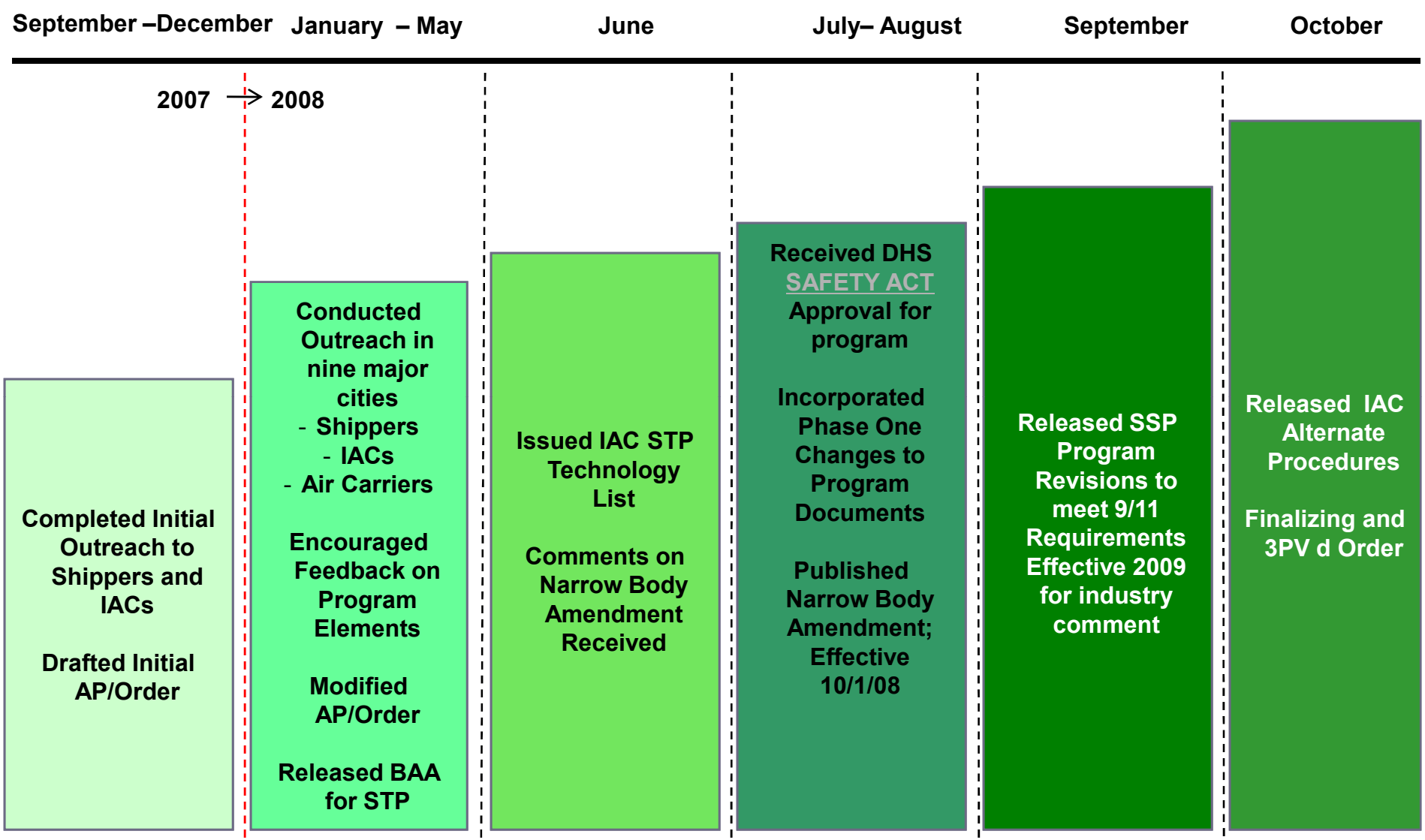
Looking Ahead

CCSP Policy Development Standards

- During Phase One:
  - Non-regulated entities will operate under a regulatory Order issued by TSA.
  - Freight forwarders and air carriers will operate under an Alternate Procedure (AP) to their standard security programs (SSPs).
- Upon publication of the Interim Final Rule (IFR), all IAC, Shipper, and Independent CCSFs will operate under the Certified Cargo Screening Standard Security Program (CCSSP).

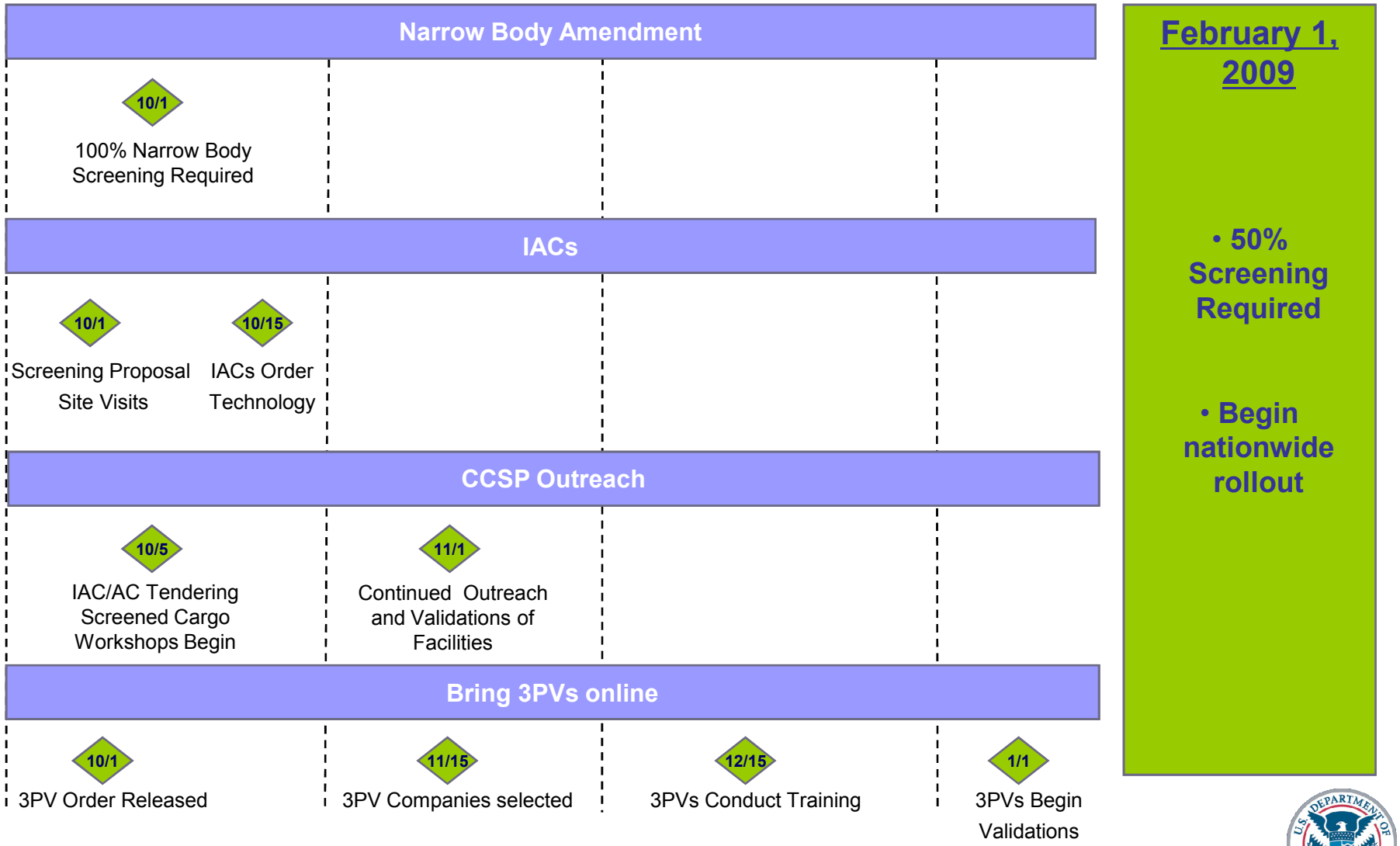
Program Milestones



Screening Liability and the SAFETY Act

- The Support Anti-terrorism by Fostering Effective Technologies Act of 2002 (SAFETY Act) provides important legal liability protections for providers of qualified antiterrorism products (eg. technologies) and services (eg. processes)
- The Department of Homeland Security Office of SAFETY Act Implementation (OSAI) has approved pre-qualification coverage of the CCSP as a service (process)
- In addition, manufacturers and validated facilities can apply and obtain SAFETY Act coverage for a screening product (technology)
- SAFETY Act protections extend to users of qualified anti-terrorism technologies
- For more information visit www.safetyact.gov

100% Screening Looking Ahead



In Summary

- The 50% and 100% milestones are fast approaching, congressionally mandated, and therefore not flexible.
- TSA will enable secure, audited, and certified facilities to screen cargo further upstream in the air cargo supply chain.
- Collaboration has been essential and effective through Phase One Deploymer for CCSP
- CCSP Phase One presents an opportunity to get into the program early
- Tamper evident technologies and chain of custody are critical elements of CCSP
- CCSP is a voluntary program and may not appropriate for some entities.
- Your participation will help ensure security in the air cargo supply chain.

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Q & A

For more information write to CCSP@dhs.gov