# Fight against terrorisme: security in land freight transport, security in the land transport supply chain, introduction of a common "secure operator" scheme

2006/0025(COD) - 27/02/2006 - Legislative proposal

PURPOSE : to increase the level of security along the supply chain.

PROPOSED ACT : Regulation of the European Parliament and of the Council.

CONTENT : this document is comprised of a Commission Communication on enhancing supply chain security and a proposal on measures to increase supply chain security in order to provide greater protection for all European freight transport against possible terrorist attacks.

Transport security has become a vital worldwide issue. There are currently no rules in place for the European land transport supply chain in its entirety. The supply chain is defined as comprising all the transport and transport related operations and processes beginning at the production site and ending at the cargo's point of destination. The Communication sets out the essential facts about freight transport security. It discusses the advantages and disadvantages of certain options and the reasons why the legislative measure proposed is the most realistic and focused approach to enhance security for European freight transport.

The objectives of the Commission’s proposal are:

- to increase the level of security along the supply chain without impeding the free flow of trade;

- to establish a common framework for a systematic European approach without jeopardising the common transport market and existing security measures;

- to avoid unnecessary administrative procedures and burdens at European and national levels.

The Commission proposes that each operator of each link in the supply chain assumes responsibility for the security of its own – but only its own – activities. The individual security measures add up to the security of the complete chain. Specific minimum requirements are set for operators involved in the four groups of activities:

- preparation of goods for shipment and shipment from the production site;

- transport of goods;

- forwarding of goods;

- warehousing, storage and inland terminal operations.

A “secure operator” scheme set up in the Member States would allow for operators in the supply chain to prove their compliance with minimum security requirements. The status of “secure operator” would be awarded to operators found to be in compliance with the requirements. For this purpose, Member States

may avail themselves of existing systems or procedures or wish to create a system specifically earmarked for supply chain security. The implementation will need verifying. There will be mutual recognition of the label "secure operator" on the internal market.

Accordingly, the measures required for enhancing land transport supply chain security would follow these principles:

- supply chain security requires an active security partnership between Member State authorities and industry;

- supply chain security complements transport security measures already in place in the fields of aviation and maritime transport, including airports and seaports;

- an obligation for Member States to set up a national scheme to increase supply chain security which are compatible with each other;

- a voluntary framework for operators setting minimum requirements with which operators in four identified categories of supply chain operations must comply in order to be awarded the "secure operator" status;

- "Secure operators" should benefit from "fast track treatment" security facilitations and simplification of customs controls, and will enjoy enhanced standing with their commercial partners;

- Member States must designate a competent authority for supply chain security for granting "secure operator" status. They may appoint recognised organisations for supply chain security for this purpose provided these meet certain specified conditions;

- Member States must appoint a national focal point for supply chain security to handle the necessary communication both with other Member States and with the Commission;

- "Secure operator" status awarded by authorities in one Member State will be recognised by authorities in the other Member States;

- a procedure is laid down for adapting the provisions to technical change.

The Commission feels that the framework proposed will stimulate interconnectivity between the various modes of transport and operators, thereby enhancing security along the supply chain as a whole. "Fast track treatment" can stimulate national authorities to enhance cooperation between various administrative institutions and with industry, thus reducing administrative burdens.

**FINANCIAL IMPLICATIONS** :

**ABM/ABB Framework:** Policy areas: Inland, air and maritime transport policy; Activities: Implementation and monitoring of supply chain security measures.

**Budget lines:** 06 02 03 02 Transport security; 06 02 11 03 Committees.

**Duration of the action and of the financial impact:** Indefinite, starting in 2008.

**Operational expenditure:** EUR 500.000 million in 2010.

**Administrative costs, other than human resources and associated costs <u>not</u> included in reference amount:** total EUR 0.168 million over 6 years 2008: EUR 0.056 million; 2009: EUR 0.0375 million;

2010: EUR 0.0375 million and 2011: EUR 0.0375 million). These are the costs of compulsory committees (3 meetings of a supply chain security representatives committee in the first year. 2 meetings in subsequent years. Reimbursement of national experts' travel expenses, estimated at 25 times an average of EUR 750/expert).

**Total indicative financial cost of intervention including cost of human resources:** EUR 0.668 million over 6 years.

Lastly, the Commission intends to order a study to evaluate the impact and the effectiveness of the measures adopted. Such a study should be conducted in 2010, and then every three years. Such regular evaluation is necessary to enable the Commission to propose, via the committee procedure, any adjustments to the proposed system which might prove necessary. The unit cost of each study is estimated at EUR 500.000.