

Strengthening EU-US Aviation Security for Cargo

Establishing a long term Mutual Recognition Agreement on aviation security for cargo between the EU and US

Executive summary

The Mutual Recognition Agreement (MRA) on aviation security for air cargo between the EU and US, established in 2012, has streamlined transatlantic cargo operations by improving the speed and efficiency of security measures. Following repeated, short-term extensions of the agreement, it is due to be renewed in March 2017 (and subject to conditions acceptable to both sides). This offers an opportunity to develop a longer-term, multi-annual arrangement that better addresses the global nature of air cargo security processes.

This document outlines the American Chamber of Commerce to the European Union's (AmCham EU) recommendations for a long term EU-US mutual recognition agreement on aviation security for air cargo. It provides comments on the integration within the agreement of recognized third country aviation security programmes around the globe.

* * *

AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €2 trillion in 2015, directly supports more than 4.3 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

American Chamber of Commerce to the European Union (AmCham EU)
Avenue des Arts/Kunstlaan 53, 1000 Brussels, Belgium
Register ID: 5265780509-97
Tel: +32 (0)2 513 68 92 | www.amchameu.eu

Secretariat Point of Contact: Brendan Moran; bmo@amchameu.eu +32 (0)2 289 10 32

5 December 2016

Introduction

The EU and US Mutual Recognition Agreement (MRA) on aviation security for air cargo ends in February 2017. This could mean that the both the EU and US aviation security regimes would no longer be mutually recognised and aligned, resulting in the duplication of security procedures at several stages during transit of cargo. Such duplication would significantly raise the cost of security compliance and disrupt the flow of air cargo, increasing transit times.

Without a renewed aviation security MRA, EU Member States and the US would face substantial economic consequences. The EU and US are each other's single most important air cargo recipients, with over two and a half million tonnes travelling each way across the Atlantic every year. This represents over 23% of all outbound air cargo from the EU¹ with a value of over 183 billion euro². Furthermore, with 96% of EU companies needing express, next-day delivery for their businesses to function, 47% of them believe they would be severely affected if no next-day delivery services were available.³

The need for an agreement

Until 2012, EU and US legislation was not harmonised on air cargo security. This meant that security controls meeting US requirements for shipments from the EU (or any third country excluding Canada) were being applied in Europe (duplicating some EU requirements) before onward travel to the US. With no technology able to reliably screen a consolidated air cargo container, shipments were broken down, security inspected and then rebuilt into the original cargo consolidation. This process inevitably added cost and time to the movement of cargo and did nothing to enhance the security of that consolidation.

The EU-US MRA on aviation security builds upon the International Civil Aviation Organisation (ICAO) guidelines (Annex 17 to the Convention on International Civil Aviation⁴) that set out a global framework on which mutual recognition and harmonisation of aviation security programmes are based. These principles are incorporated in current EU and US common standards for aviation security legislation, most notably EU1998/2015⁵ and US 9/11 bill⁶.

¹ [Transport Database, EuroStat, 2014](#)

² [EU Transport Statistical Pocketbook, 2014, Table 2.1.10](#)

³ [The Economic Impact of Express Carriers in Europe, Oxford Economics, November 2011](#)

⁴ [Convention on International Civil Aviation](#)

⁵ [Commission Implementing Regulation \(EU\) 2015/1998](#) of 5 November 2015 laying down detailed measures for the implementation of the common basic standards on aviation security

⁶ [Aviation and Transportation Security Act, 19 November 2001.](#)

Benefits of MRA

Since 1 June 2012, the EU-US aviation security MRA means that cargo being transferred or transiting the EU is not subject to screening or new security controls before it goes to the US, unless there is specific intelligence relating to it. This air cargo security regime increases the speed and efficiency of transatlantic cargo operations to the benefit of shippers and customers.

Mutual recognition and harmonisation ensures that once a consignment is secured in the supply chain (and remains protected), it is assessed as secure in both the EU and US. This creates optimum transit/transfer timelines and delivers cost efficiencies in the aviation sector, acting as an enabler for trade.

Fig1: Keeping cargo shipments secure during transit



Air carriers transporting cargo from EU airports to the US currently do not need to apply additional US security measures as they already comply with recognised EU requirements. Also, cargo or mail shipments from the US to the EU may transfer at EU airports to further destinations without additional controls. This recognition avoids duplication of controls, substantially cuts cargo operators' costs and saves around 24 hours of transit time.

Many processes in the air cargo business involve security measures, ranging from the training of staff, through shipping documents to physical screening facilities and handling processes. It is therefore difficult to estimate precisely the cost of security measures. As noted by the European Commission, the mutual recognition agreement has saved several tens of millions of euros per year in the EU alone, without negatively impacting security.⁷

The way forward for MRA

The aviation security MRA requires ongoing support and regular extensions to its application in the US and EU. Its current short-term scope does not encourage stability for investment in emerging

⁷ [Press Release - EU-US security agreement allows cheaper and faster air cargo operations](#), European Commission, 1 June 2012.

security initiatives or the integration of best practices. Any future MRA between the EU and US on aviation security for cargo would therefore benefit from a multi-annual structure.

With the aviation security MRA up for renewal in 2017, AmCham EU believes there is an opportunity for the EU and US to review and renew the agreement on a three year basis, ensuring harmonised mutual recognition and security equivalence measures over the long-term. This will minimise delays in transit/transfer as well as ensure the cost-effective application of security controls. It will also support the flow of commerce between these major trading partners.

A comprehensive and long-term agreement between the EU and US should allow for further recognition/harmonisation of aviation security programmes with other third countries around the globe which have developed aviation security procedures that comply with ICAO requirements.