



US air freight - Screening looms over industry

12 January 2009

[International Freight Weekly](#)

There remains a great deal of concern within the air freight industry about the impending requirements from the Transportation Security Administration (TSA) – 50% of cargo carried on passenger aircraft must be screened by February 2009 and, maybe more importantly, 100% by August 2010.

While some are worried the industry is not fully prepared for the changes, others believe next month's deadline is more a political gesture than a security enhancement.

"The 50% cargo screening mandate set for February 2009, should have never been put in place," says Jeff Massey, VP operations and security, [Kintetsu World Express](#). "And I believe Washington policy makers believe that as well. It was simply included as a milestone, as a way to show the public that something more was being done. All eyes are clearly on August 2010." Some in the industry believe the rules can still change, especially with the new presidential administration coming in. This uncertainty may be the reason why, so close to the February 2009 deadline for the 50% screening, so few companies have bought equipment and even less have been certified for screening.

On the other hand, it was a Democratic Party-dominated congress that put the mandate into effect, and with the party's influence becoming stronger in 2009, many in the air freight industry doubt there will be any change to current policy.

The TSA is clearly expecting to enforce the regulations.

"At this time we are working at doing everything we can to meet that requirement," says Dwayne Baird, a TSA spokesman.

Brandon Fried, executive director, **Airforwarders Association**, says: "My gut feeling is there will be a marginal impact on domestic US cargo, because they are already screening most domestic US cargo on passenger flights on narrow-body aircraft." "But the real impact we are going to see is on cargo moving out of the 18 [international] US gateways, in containers and strapped to pallets, mostly on wide-body aircraft.

"There is no machinery that TSA has vetted to fully scan these pallets or containers. If you have multiple commodities on the pallet, you need to unstrap the pallet and separate all the boxes and screen them individually. That is going to be very time consuming.

"This is an unfunded mandate," Fried continues.

"Unfortunately, it is going to become an industry-funded mandate that is not desirable. It will be interesting to see what the Obama administration will do in terms of imposing the regulations." Most of the air freight industry agrees there are not enough resources at airports to handle the 100% screening requirements.

"There is a lack of real estate at gateway airports, " says Fried.

"And there is simply not enough room to open pallets and spread them out and screen all the contents." Many shippers will doubtless have issues with boxes being opened at the airport, which might void warranties and incur cargo claims.

Space is not the only issue.

Time is also a critical problem facing the new regulations.

Many air freight industry experts predict significant delays at the airport, due to the 100% screening requirement.

Several freight forwarders point out that the TSA is concerned more about enforcing the policy – not whether a shipment misses a flight.

"On the front end, the learning curve is going to be tremendous, which will cause significant delays to begin with, " says Kevin O'Malley, station owner for the Seko Philadelphia office. "But also I think it will get to the point where in reality it won't be 100% screening, if cargo is pushed through but not properly screened, just to get onto the aircraft in a timely manner. The level of security may be compromised." Whether the industry is on track to be ready for these regulations appears to be unknown at the TSA. Baird says: "It is hard to say.

"We work with stakeholders throughout the industry and we are confident they want to comply with these regulations."

Getting certified

TSA has responded by initiating the Certified Cargo Screening Program, which will enable stakeholders in the supply chain – such as shippers and forwarders – to become certified to pre-screen cargo prior to arrival at the airport.

Subsequent updates from the TSA indicate that forwarders have recently made significant progress towards compliance.

Baird says nine US forwarders gained CCSP certification in the last week of December alone, and the agency expects between 70 and 100 certificates to be in place by next month.

DHL intends to do its own screening, and has purchased more than US\$2m worth of equipment for 10 pilot cities.

The TSA requirements open up potential for an entirely new industry of third party screeners. Some carriers see this as a concern, however, because they are reluctant to give a potential competitor access to their customer information.

In December, Falcon Global Distribution became the first TSA-certified cargo screening facility in the US.

"The value of a certified cargo screener is that screening gets done by any entity that has an economic incentive to do it quickly, efficiently and securely and get freight to the airport so it doesn't have to be screened again," explains Richard Fisher, president of parent company Falcon Global Edge.

Cost will be a substantial problem for many forwarders unable to afford this technology.

This could foster a competitive disadvantage, as they are forced to send all cargo through the overburdened airport screening facilities.

Philippe Naudin, president of SDV USA, says: "The small freight forwarder will not be able to afford the equipment and will have to go to a third party certified screener or take the cargo directly to the airline." Although this is being called an unfunded mandate by the air cargo industry, TSA's Baird says limited funds are available to help smaller forwarders deal with the new requirements.

"Air freight forwarders are very entrepreneurial, and I think they will seek out like-minded manufacturers of this equipment to develop more screening equipment that will be less expensive," says Gary Schultheis, senior VP air freight for DHL Global Forwarding, North America. "As we do more screening, I think we will find better ways to do this, and we will see costs go down." It is not just about the forwarders, Schultheis points out. It is about the bigger picture of trade with the US.

"What concerns me is that as a country, we need to make it easy to trade with us," he explains. "We need to make sure our costs don't prohibit countries from trading with us.

"Cargo screening, while necessary for national security, is making it difficult for people to do business with the US. I hope the new president's administration takes a hard look at what prevents the US from global trade." "Our number one priority is safety and security," responds Baird of TSA. "Secondly, we want to make sure we temper that with the needs of commerce to keep this cargo safely moving."