



Federal Screening is Unworkable

BRANDON FRIED, EXECUTIVE DIRECTOR, AIRFORWARDERS' ASSOCIATION

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As the mandatory screening deadlines approach for air cargo, all industry stakeholders have experienced a shared sense of urgency and concern.

Industry associations have effectively promoted dialogue within those stakeholder groups, which has led to improved communication and dialogue with TSA and Congress. There has been much conversation about the future of the Certified Cargo Screening Program (CCSP), alternative solutions to forwarders purchasing their own screening equipment, liability and the true cost of 100% screening.

Unfortunately, some have chosen to embark on a divergent path from what many understand is the majority opinion of shippers, airlines and forwarders. An unwise proposal for a TSA-led, federalized screening program has been offered as the primary tool to achieve 100% screening.

The very nature of our industry is that no "one size fits all" approach exists to solving the screening dilemma. That is why it is so important to have many options available to forwarders to meet those screening needs. Most forwarders do not support a screening process that would subject all cargo to a screening line at the airport.

While many have always supported airport screening as an option, focusing on that to the exclusion of all other options creates a very real threat to our industry. A federalized screening regime removes forwarders from the screening process, trading our aptitude, inventiveness and problem-solving skills for a system with delays, skyrocketing costs through a "revenue neutral" surcharge and less accountability over air cargo.

Delays

Bottlenecks from a single screening feed at the airport: There is no reason to believe that this can be accomplished in a timely process at each airport even with additional

personnel. Airport managers, airlines and forwarders-those most familiar with space and real estate limitations-have all expressed serious doubt regarding the operational effectiveness of a single long line for screening.

No incentive to be efficient: Because TSA is not competing for screening business and has no financial incentive to be accountable to industry for its actions, their inspectors will move as quickly or as slowly as they feel necessary. Conversely, industry stakeholders have incentives to screen quickly and effectively to ensure the maximum amount of air cargo moves on the flight for which it is booked.

Costs

Surcharges: The proposed federalization of screening would almost certainly include a surcharge to fund it. Forwarders would bear the primary responsibility to pay these surcharges and the surcharges would be levied in addition to existing security charges. While critics of the current program have charged that it will create an economic imbalance, the cost of surcharges will do the same. A disparity will be created between those forwarders who can afford to absorb the cost and those who cannot and must pass it on to shippers.

A flat rate hurts competitive pricing that would lower costs: Many forwarders and other industry stakeholders believe that through the use of co-ops, 3PLs, shipper or forwarder screening facilities, competition will drive down screening costs. The historical record of our industry validates this outcome.

Certified cargo may not be exempt from surcharges: While it is possible that certified cargo under CCSP could be exempt from surcharges, economic realities suggest a limited use of exemptions. Under the proposal, TSA would be responsible for hiring, training, and paying retirement benefits and overtime for personnel as well as facility construction and equipment purchase. To support this mammoth expenditure, a maximum amount of revenue will be necessary.

Losing the time and ground we have already gained: While many forwarders are concerned about a new Congressional and Administration evaluation of CCSP, industry's outreach has already found Congressional support for CCSP. With the 50% deadline rapidly approaching, jettisoning a program in favor of an unproven, hypothetical proposal could put the future of our industry at risk.

The recently mandated 100% cargo screening poses a significant challenge for airfreight forwarders. It is through dialogue and discussion-both with each other in the industry and with regulatory and legislative oversight bodies-that the air cargo industry ultimately will emerge from this particular crisis.

The industry must continue to work together in productive dialogue rather than divisive antagonism to improve CCSP, to level the playing field for forwarders of all sizes, and to create solutions that work as well for JFK as they do for Norfolk.