

## Press Release

### **The 29<sup>th</sup> of April 2013 can become a black day for the Air Cargo Supply Chain, ESC warns**

The European Shippers Council (ESC) is becoming increasingly concerned about the impact on supply chains from EC regulation 185/2010, amending the air cargo security regime.

After 29 April 2013, compliance with the new EU air cargo security regime will require that known consignors must have had their security procedures and measures validated by an officially approved inspector. Otherwise the air freight must be made secure by a regulated agent or a carrier by scanning. The worry is that there will be so few companies (shippers) that have had their security independently validated according to the new rules, that the freight forwarders and carriers will not be able to manage the demand for additional security checking, screening and scanning of air cargo.

Member States have already had 19 months of a three year window in which to implement the Commission regulation 185/2010, but this period will end on the 29th of April 2013. After this date 100 percent of the air cargo must be screened or have a Known Consignor as its origin.

ESC Chairman, Denis Choumert, said "Under current rules shippers are almost automatically made Known Consignors after a check by their freight forwarder and some administrative formalities, instead of by an independent validator under the new rules. Governmental institutes, freight forwarders, ground handlers and shippers are ill prepared for the obligations and requirements this legislation entails.

"Shippers will need to demonstrate they have in place extensive security measures that maintain the safety and security of the cargo to be moved by air. The number of shippers that have so far received the Known Consignor status under the new rules is very limited. In Germany there are now 66,000 Known Consignor companies under the old regulation and less than 50 under Regulation 185/2010. In the Netherlands the number of KCs is more, but still only some 150 companies compared to 2600 under the old regime."

Mr Choumert continued, " Many shippers seem reluctant to go to the trouble of independent validation while others who do want to be KCs under the new regime are finding it difficult to do so; there are too few independent validators appointed by government to run the validation audits. With one year to go before the end of the grace period many EU member states still have no

shippers with this security status. How can shippers avoid the screening procedures when they do not have the opportunity to become registered?

"We fear the number of shippers with a known security status will decrease dramatically in May 2013 and the amount of cargo that needs to be screened will increase significantly. And we are not convinced that the Regulated Agents (freight forwarders and ground handlers) are ready for the increase in demand for their security screening and scanning services. We do not see the necessary investment being made by the Regulated Agents to cope with the demand. A bottleneck in the air cargo supply chain is in the making, with serious delays as a result. Shippers of time-sensitive and high value goods will encounter major problems with dire consequences, unless the member states concerned act decisively now."

Mr Choumert concluded: "Urgent action is needed to avoid potential chaos occurring. The European Commission should advise, help or force member states to set up their validation programmes; alternatively the Commission should look at other options, such as extending the grace period given to member states to comply."

For more information please contact:

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