Dear Security Partners:

The Implementing Recommendations of the 9/11 Commission Act of 2007 was passed in August 2007. This legislation is a mandate for 100%, piece-level screening of cargo that originates in the U.S. and is transported on a passenger aircraft by August 2010.

Included in the legislation is a midpoint milestone, requiring the air cargo industry to screen 50% of all cargo that is moved on a passenger aircraft no later than February 2009. The current screening exemptions and alternate means of screening will be also eliminated due to the legislation.

In response to the 9/11 congressional mandates, the Air Cargo Office is embarking upon a paradigm shift that will forever change the way that the air cargo industry conducts business. We have created a number of new initiatives and improvements to our current programs that are designed to enhance air cargo security and prevent significant air cargo handling delays at airlines where all screening is currently performed.

This edition of the Air Cargo Programs Update shares an overview of TSA’s current plan for the future of Air Cargo Programs.

Best Regards,
Ed Kelly, Air Cargo General Manager

The U.S. Air Cargo Landscape

TSA Air Cargo Focuses on Two Primary Security Threats
- Improvised explosive device (IED) exploding on a passenger aircraft.
- Stow-away commandeering an all-cargo aircraft.

TSA’s Multi-Layered Approach to Air Cargo Security
In response to these threats, TSA takes a multi-layered approach to Air Cargo Security.
- Companies shipping and transporting cargo onto passenger planes are vetted to ensure they meet TSA security standards.
- Based on the 9/11 Act, Certified Cargo Screening Facilities (please see next page) and air carriers will screen cargo using approved screening methods and technologies.
- TSA conducts random and risk-based targeting to identify high-risk cargo that requires secondary screening.
- TSA inspectors continually assess the compliance of industry with security regulations.
The Congressional Screening Milestones

Background


The legislation requires TSA to establish a system to screen 100% of cargo transported on passenger aircraft at a level of security commensurate to that of passenger baggage.

Impacts

As mandated in the 9/11 Commission Act, all cargo must be screened at the piece level by TSA-approved methods prior to being loaded on a passenger aircraft. To ease the burden on a single industry sector, TSA is extending the right to screen cargo beyond the air carrier to Certified Cargo Screening Facilities.

Future Air Cargo Supply Chain

A key component of TSA’s strategy to help industry achieve the 100% screening requirements for passenger air cargo set in the *Implementing Recommendations of the 9/11 Commission Act of 2007* is the Certified Cargo Screening Program (CCSP). The CCSP is a voluntary program designed to enable vetted, audited, and certified supply chain facilities to screen cargo earlier in the supply chain. Facilities that are not currently regulated will become regulated under the CCSP regulatory Order that will be issued by summer 2008. All CCSP questions may be directed to CCSP@dhs.gov.)
Industry Participation

A collaborative environment among industry participants will be critical to the achievement of the congressional screening milestones. TSA is currently working on three initiatives to reach the February 2009 50% congressional screening requirement:

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<th>Certified Cargo Screening Program (CCSP)</th>
<th>IAC Screening Technology Pilot</th>
<th>Narrow Body Aircraft Screening Amendment</th>
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<td>TSA is conducting outreach to build <strong>industry awareness</strong> of the legislation and <strong>gain feedback</strong> on the CCSP. By incorporating industry knowledge from participants, TSA is building a stronger, more secure program.</td>
<td>TSA is pursuing an IAC Screening Technology Pilot in <strong>18 major gateways</strong> where 65% of all cargo originates to test screening equipment in a <strong>high-volume atmosphere</strong>.</td>
<td>TSA will issue policy requiring 100% screening of cargo transported on <strong>domestic narrow body aircraft</strong>. Narrow body aircraft account for 96% of total passenger flights and over 25% of total passenger air cargo by weight/in volume.</td>
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<td>• TSA has completed the last round of outreach to all Phase One marketplaces.</td>
<td>• TSA received applications for 14 entities in 12 gateways</td>
<td>• TSA will publish the amendment in July to begin the formal comment period.</td>
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<td>• TSI–C field teams are now deployed to all nine cities.</td>
<td>• TSA is scheduling initial meetings with the 14 companies (59 facilities) who applied.</td>
<td>• Compliance will begin October 2008.</td>
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Policy Pipeline for Industry

TSA has created the following timeline as a guide for what is planned in the coming quarters. The following dates are subject to change.

- TSA plans to release the amendments to the Jan. 2007 Standard Security Programs (SSPs) for **industry comment** in summer 2008.
- The CCSP regulatory **Order**, which gives TSA authority over shippers and other participating entities, and Alternate Procedures to the IACSSP, AOSSP and MSP are planned to be issued during summer 2008.
- TSA continues to target fall 2008 to publish the **Interim Final Rule**.
- TSA has begun revising its **Air Cargo Strategic Plan** that establishes Air Cargo's strategic vision and objectives from 2008–2013.
International Air Cargo Strategy:

TSA continues to examine trends behind the movement and quantity of international inbound and transfer cargo.

- TSA held meetings with airline representatives and visited cargo facilities at airports to discuss inbound cargo and observe first hand the flow of transfer cargo.
- Representatives from CBP and TSA continue with information sharing sessions relating to their risk-based programs to secure international inbound cargo.

All Cargo Carriers:
The All Cargo Carriers group provides security program management for over 800 regulated aircraft operators and full all cargo programs.

- Implemented TSA Inspector handbooks which provides historical information, hyperlinks to the security program and federal regulations, and is considered the “one stop shop” tool for inspectors.

Freight Assessment System:

FAS collects data on the characteristics of cargo transported on domestic flights and performs risk-based assessments as cargo moves through the supply chain and will be the primary system to direct secondary screening of cargo.

- The FAS pre-system test began with several participants to test the operational usage of assessing domestic passenger cargo.

Vulnerability Assessments:

A 2005 Government Accounting Office Audit of TSA recommended that TSA complete assessments of air cargo vulnerabilities and critical assets. Based on this recommendation, TSA conducted pilot air cargo vulnerability assessments across the country.

- Due to the success of pilot air cargo vulnerability assessments, Congress has mandated TSA complete air cargo vulnerability assessments at all Category X airports by the end of 2009.

Known Shipper Management System:

KSMS identifies and approves the known shipper status for qualified shippers located in the U.S.

- As of Q2 FY2008, TSA has processed approximately 900,000 unique shippers through KSMS. Enhancements have greatly increased the processing speed and further enhancements look to reduce the processing time for a shipper file by 3rd Quarter FY2008.
- TSA has also processed over 3,100 “New Business” shippers through the Rapid Response process.

Indirect Air Carrier Management System:

IACMS allows TSA to assess and capture pertinent information regarding IACs throughout the country and to process Security Threat Assessments (STAs) for all eligible employees. By working closely with compliance and outreach, IACMS Managers are able to better address non-compliance activities.

- IACMS processes approximately 150 new IAC applications and 350 certification renewals monthly.
- As of Q2 FY2008, TSA processed approximately 157,000 total STA applications through IACMS.