

Regional Forum on Transshipment Controls

Bangkok, 11 - 13 December 2002

Homeland Security

**“Ensuring a Smarter, Safer & Secured
Border to help grow Business”**

by

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Ensuring a Smarter, Safer & Secured Border to help grow Business

Outline of Presentation

- ◆ **Today's Global Economy Demands Expedited & Predictable Deliveries**
- ◆ **Growth of the Air Express Industry**
- ◆ **UPS & the new Security Environment of Today**
- ◆ **Maintaining Enforcement Responsibility without compromising Trade Facilitation**
- ◆ **UPS Risk Management Program enable Informed Decisions**
- ◆ **UPS Risk Management Program helps Protect Borders**
- ◆ **UPS and Homeland Security**

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Today's Global Economy Demands Expedited & Predictable Deliveries

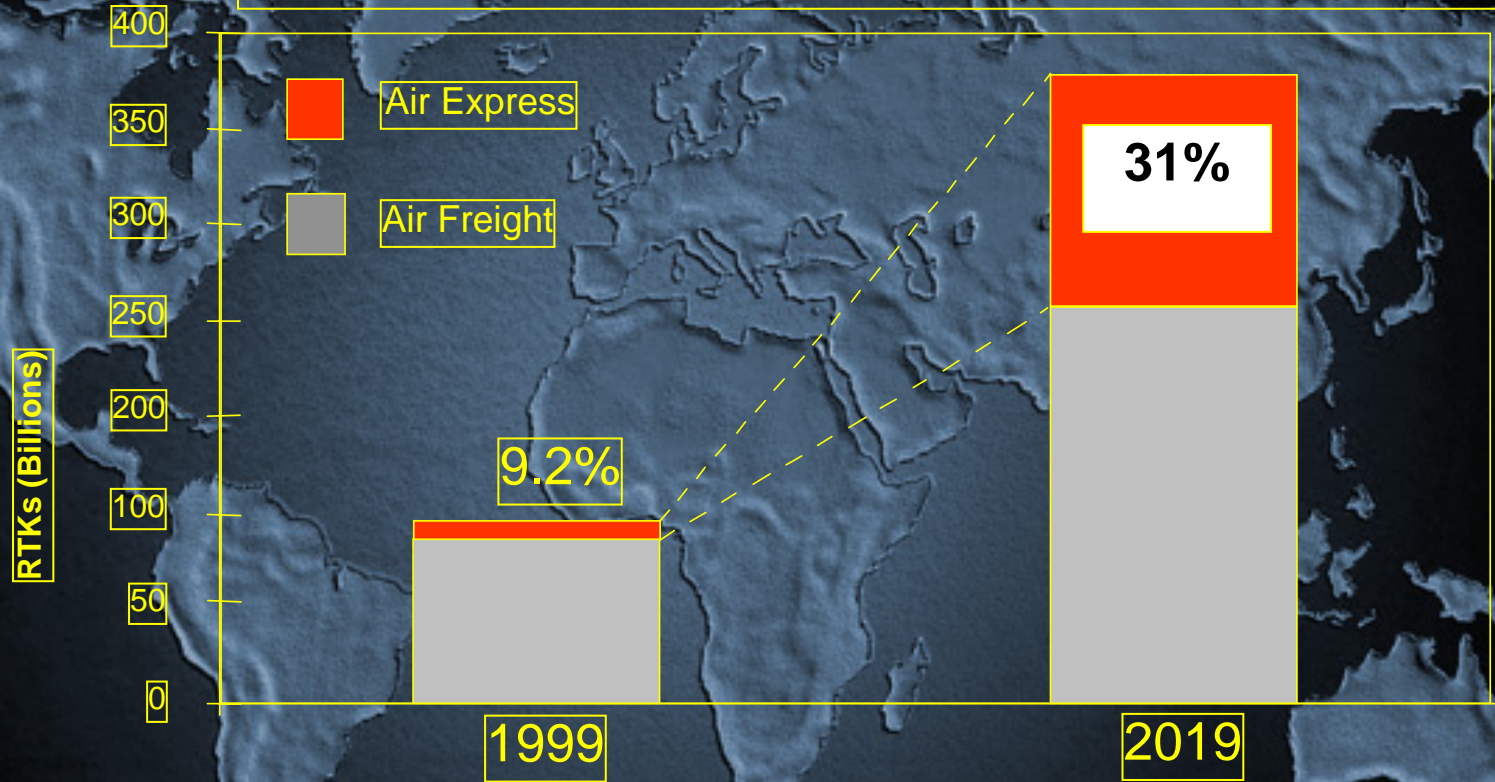
- ◆ **Emergence of Globalisation**
- ◆ **Advent of Internet and E-Commerce**
- ◆ **More products, in particular consumer and electronic goods, are becoming obsolete within shorter periods of time.**
- ◆ **Global Customers are becoming more sophisticated and are now looking for ways to improve customer service.**
- ◆ **Customers are outsourcing non-core business.**
- ◆ **Free Trade Agreements create new regional market growth.**

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GROWTH OF AIR EXPRESS INDUSTRY

International Air Express Market Growth - Boeing Reports International Air Express to Grow 13% per year



Source: Boeing World Air Cargo Forecast 2000/2001

Average shipment size 1992 - 2.7kgs, 1999 - 4.5kgs



UPS & the new Security Environment Today

- ◆ **UPS has recognised the need for a Smarter, Safer & more Secured Border.**
- ◆ **UPS has adopted own Risk Management program for all its major gateways.**
- ◆ **9-11 has created new operational challenges and imposed new costs. We accept these and work to minimise the impact on global cargo mobility.**
- ◆ **We are deploying our Risk Management program in all countries we operate in and will make it better in the future!**

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UPS Risk Management Program maintains Enforcement Responsibility without compromising Trade Facilitation

- ◆ **UPS builds on its infrastructure to implement Risk Management :**
 - **“Closed Loop Global System” allows for full co-ordination and control of shipments**
 - **Technology provides early shipment information prior to flight arrival**
 - **Data capture capabilities provide information on shippers and consignees**
 - **Information technology provides full “visibility” into characteristics of shipments and tracks packages**
- ◆ **UPS enforces “unknown shipper” policy**
- ◆ **Global network provides intelligence to Border Agencies**
- ◆ **UPS knows the Risks**

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UPS Risk Management Program Provides Scientific Methods to enable Informed Decisions

- ◆ **UPS builds Risk Management Software to Profile and Target Risks :**
 - **Origin Country**
 - **Blacklisted & Unknown Shippers / Consignees - by names or addresses**
 - **Mode of payment for shipments**
 - **Description of merchandise**
 - **Weight range for documents and non-documents**
 - **Shipment Value vs Weight risk analysis**
 - **Multiple pre-defined risk factors**
 - **Customs risk factors**

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UPS Risk Management Program helps Protect Borders

- ◆ **In collaboration with Border Agencies, UPS Risk Management program allows :**
 - **Early analysis of shipments prior to flight arrival**
 - **Focus on high risk areas**
 - **Faster clearance of low risk shipments**
 - **Prevents smuggling, drug trafficking, IPR violations**
 - **Prevents leakage of Customs duties and taxes**
 - **More effective use of Customs resources**
 - **Protection of Border**

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UPS and Homeland Security !

- ◆ **UPS has an Active Security function whose objective is to establish and maintain the appropriate level of security necessary to provide a safe working environment for employees and safeguard our customers' merchandise and UPS's assets.**
- ◆ **Security program incorporates a pre-employment screening process, physical security processes and actively participating in an existing security program that is administered by the USCS.**
- ◆ **UPS has signed a C-TPAT agreement with USCS .**
- ◆ **UPS screens all shipper/consignee info against State Dept and Bureau of Industry Security listings.**
- ◆ **Voluntarily agreed with USCS to screen (X-ray) one in five packages destined for the US.**



UPS and Homeland Security !

- ◆ **Also voluntarily agreed with the US government to install radiation detection systems (portals) in UPS major gateways to screen all small packages and cargoes.**
- ◆ **In collaboration with Border Agencies, UPS will work for a Smarter, Safer & more Secured Border to help grow Business and “Enable Global Commerce”.**



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Thank You

