

# Delivering the Goods

Most people would be unaware of an audit in March of two New Zealand freight forwarders by officials of the US Transportation Security Administration. But the success of those audits is a reflection of how well certificated cargo agents are doing in supporting our multi-billion dollar export market.



Freight forwarders have always had to meet security standards, but after 11 September 2001, those requirements became even more demanding.

In particular, freight forwarders in countries wanting to fly product to, or through, the United States had to meet stringent post-9/11 criteria, or face time-consuming and costly US-imposed security measures.

Separately, the International Civil Aviation Organization was mandating tighter security throughout the journey of air cargo, from producer to consumer.

So the National Cargo Security Programme (NCSP) was established.

A component of that was the implementation, in 2009, of Part 109. It aimed “to prevent, as far as possible, weapons, explosives or other articles or substances that could be used for committing an act of unlawful interference being loaded as cargo or mail onto international passenger aircraft.”

One way Part 109 set out to achieve that was the certification and regulation of companies handling cargo that was to be transported by air.

The Regulated Air Cargo Agent (RACA) was born.

The CAA aviation security specialist who helped usher in the era of the RACA, Mark Stephen, says to become certificated, a freight forwarder had to meet certain NCSP requirements.

“They had to prove they were applying access controls to their facilities – meaning they had robust procedures about who could get in and around their stores – as well as security controls to cargo and mail. They had to show they were carrying out proper background checks on staff, and providing

them with training on security awareness. And they had to show they had implemented an acceptable internal quality assurance programme – that is, the standards they set for their own processes to stick to.”

In October 2010, two packages each containing plastic explosives and a detonator were found on separate US-bound cargo planes in Yemen. Compliance with the NCSP then became the standard Washington was looking for.

So far, New Zealand’s RACAs have met that challenge.

“What that means,” says CAA Manager of Security, Hugo Porter, “is that this country’s export products don’t have to be broken down from pallets to virtually individual boxes, to have explosive detection dogs go over them, screening, or explosive trace detection applied.”

“Those security measures could well delay the movement of goods offshore, and put a lot more work in the bucket of the airlines, who carry the ultimate responsibility for security of cargo – and passenger safety. That would also have an impact on airlines’ operating costs. Eventually that cost would have to be passed back along the supply chain, to the cargo agent, the shipper, and the producer.”

Hugo says that, originally, New Zealand was one of only about 12 countries given the right to keep its air cargo in pallets.

Today that exclusive group has grown to about 30 countries worldwide. But to remain in that happy club, every two years, New Zealand RACAs have to demonstrate, anew, to US Transportation Security Administration (TSA) officials, that they continue to comply with the NCSP.



Hugo says after their first visit, in 2012, the TSA officials were very happy.

“They said that although New Zealand was operating in a low-terror threat environment, the NCSP principles applied were those consistent with security measures the officials would have expected from a medium-threat level environment.”

Hugo says the TSA has yet to formally sign-off the inspection report and letter from its latest visit, but officials have told him, they’ve found no issues ‘whatsoever’.

“The RACAs the TSA visited did a great job,” he says. “I didn’t instruct them on what they should do, or give them any direct information. They just showed what they do, business as usual.

“They understand the importance of ‘New Zealand Inc’ and their role in sustaining it.”

Because the two Regulated Air Cargo Agents were able to impress the TSA with their ‘workaday’ routines, all New Zealand RACAs are assumed by the TSA to have the same high standards.

Hugo Porter says given the methodical way RACAs are certificated and regularly audited, that is a fair assumption.

Mark Stephen says there are 65 RACAs out of an approximate 240 cargo agents in New Zealand.

“The advantage RACAs have is that they may have an association with what are referred to as ‘known customers’ – exporters who guarantee they pack their goods in a tamper-resistant way.

“The known customers are happy that once those goods leave their hands, the movement of the product will be smooth, free of issues, and quick. The shorter time frame is particularly important for exporters of perishables.

“The airlines like dealing with RACAs too, because the agents are also accredited by the International Air Transport Association (IATA) and that means the airlines are guaranteed payment.

Mark says the CAA has built a very good relationship with the RACAs.

“Over time, we’ve seen an improvement in their internal quality assurance programmes, which has possibly been the steepest of their learning curves in becoming certificated.

“But it’s that type of improvement that reassures the US that New Zealand is doing the job.”

Rosemarie Dawson, the head of the Customs Brokers and Freight Forwarders Federation, says her members know that becoming a RACA is about adopting best practice.

“They take pride in making sure the journey of product from producer to consumer is efficient and secure, and in delivering that assurance to their customers.

“Becoming a Regulated Air Cargo Agent is also a critical step for any freight forwarder who is keen on improving total quality management – that is, every member of staff committing to high standards in the company’s operation.

“And the members are delighted the Regulated Air Cargo Agent programme has proved to be so successful in ensuring the security of the supply chain for New Zealand exporters.” ■