



**Stakeholder Consultation on Voluntary Cooperation Between
Governments and Freight Forwarding Services for the Prevention of
Dangerous Substance Trafficking**

Virtual Meeting - February 21 through 23

CLADEC

Conference of Latin American & Caribbean Express Companies

Francisco X. Santeiro, Executive Director



The Express Delivery Services Industry Global Perspective



- **Over 30 million shipments daily**
- **220 countries and territories**
- **1,700 aircraft**
- **200,000 ground vehicles**



Source:

Frontier Economics, Express Delivery and Trade Facilitation: Impacts on the Global Economy, January 2015

Oxford Economics, The Impact of the Express Delivery Industry on the Global Economy, September 2009



CLADEC: Who we are

CLADEC, the Conference of Latin American & Caribbean Express Companies, represents the express industry in the region

Currently, sixteen national express industry associations and one regional group (Caribbean) are affiliated to the organization.

CLADEC's members include DHL, FedEx and UPS, the largest and most well-known global express companies, which offer their services throughout the region and around the world.

CLADEC is affiliated to the Global Express Association (GEA) and other regional express industry associations such as the Express Association of America (EAA)



Advocacy Efforts & Goals

Key areas of CLADEC's advocacy efforts are trade facilitation and customs modernization, as well as ensuring compliance, safety and security

CLADEC promotes & defends the interests of the users of express services and those of the companies providing express delivery services

We consider viable express transportation services to be critical to achieving and maintaining healthy economies in the region and globally

It is in our companies' interest and that of our customers to ensure our networks are not used for illicit and illegal purposes

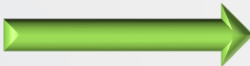


Express Carriers

- Have global networks and global reach
 - Operations are integrated and transparent “end to end”
 - Transport goods in good faith
 - But, Capacity to identify nature of goods is limited
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- **CLADEC’s members** have a deep concern for the safety and security of the societies and economies they serve
 - They strive to develop and maintain productive, trusting relationships with Customs, other border agencies and the governments in the countries where they provide their services



Complete & Correct Shipment Information – Critically Important

- | | | |
|---|--|--|
| <ul style="list-style-type: none">• Complete & Correct Information about the Shipper/Vendor• Complete & Correct information about the Consignee• Shipment value compared to shipment description• Clear description of shipment contents | <p>Will
Help
detect</p>  | <ul style="list-style-type: none">• Illegal drugs shipments• Trademark Violations• Attempts to evade appropriate duty & tax payments• Under-valuation• Illegal / Illicit Merchandise |
|---|--|--|



Key Aspects of Express Operations

Advance electronic shipment information: Allows Customs/Border Agencies to perform risk assessment and target shipments for further examination.

Track and Trace systems allow packages identified by Customs as suspicious to be removed from traffic flows and provided to Customs officers for further examination.

Facilities: Express delivery companies provide Customs officers at express delivery hubs with adequate facilities to enable them to identify and examine suspect shipments efficiently.

Information on shippers and consignees: Express delivery companies provide Gov't agencies with available relevant information that may legally be disclosed on shippers and consignees of shipments identified as containing offending goods.

Close accounts of customers identified by Gov't as repeat offenders.



Risk Analysis Systems

Every express parcel is associated with electronic information which our companies can supply before the goods arrive

Express companies are required to provide detailed manifest information prior to flight arrival

Express companies transmit advance electronic information, but not all authorities can receive it through secure channels, and not all can process it for risk targeting

The use of risk analysis systems is a necessary tool in any effort to detect and stop illicit shipments.



Examples of Cooperation & Collaboration between Express Companies and Regional Governments

- Argentina
- Dominican Republic
- Ecuador
- Mexico



Argentina

Protocol established between Express (Courier) companies and the Drug Interdiction Department of Argentina's AFIP (Tax Authority & Customs)

Commitment by Express companies to immediately share information regarding shipments which can be considered suspicious of containing illegal substances (narcotics and similar)

The information provided by the Express companies to the Argentine authorities include the following:

- Detailed information about the shipper (name, address, tax ID, etc)
- Information about the intended recipient
- Intended destination of the shipment
- Description of shipment contents, including weight and value
- Method of payment & total shipment charges
- Does the shipper have an established account with the express company or was this a one-off or occasional shipment
- Did the shipment originate through a third party provider



Dominican Republic

- Express/Courier companies have voluntarily installed x-ray machines at their facilities to allow for greater control of import and export shipments
- Dominican Customs have also installed x-ray machines at the main customs warehouse
- Express companies quickly communicate information about suspicious shipments to the customs authorities



ECUADOR

- Cooperation with Interpol with inspections at express/courier facilities of export shipments prior to these being moved to airport for loading
- Ongoing training by Interpol on methods of detecting illicit shipments
- Certification by BASC (Business Alliance for Secure Commerce) on operational procedures and hiring practices, with periodic audits



Mexico

- The Express/Courier industry in Mexico is currently in discussions with the Fiscalía General de la Republica (Attorney General's Office) with the goal of establishing a collaboration agreement (Convenio de Colaboracion) to facilitate detection and detention of shipment of illicit/illegal/dangerous substances:
- The agreement has 5 key areas:
 - 1) Establish effective channels of communication
 - 2) Implement procedures to help avoid acceptance of such shipments
 - 3) Develop procedures and methods of detecting such shipments
 - 4) Establish protocols for actions to be taken when such shipments are identified
 - 5) Establish & maintain a permanent working group which will meet regularly
- To date, it is the express/courier companies which identify suspicious shipments to the authorities in approximately 95% of cases



Questions?

Thank You