



**EUROPEAN COMMISSION**

Directorate General for Energy and Transport

Directorate J - Security – Protection, the security of persons, of the assets and the facilities.

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## **STANDARDISATION MANDATE ADDRESSED TO CEN FOR THE DEVELOPMENT OF A SERIES OF STANDARDS ON SUPPLY CHAIN SECURITY**

### **1. SCOPE**

This mandate concerns the possible development of one or more standards on operational supply chain management (SCS) and security measures in line with the security levels of public authorities and their underlying risk assessments, including identifying security needs of the European police authorities and most effective security measures.

The possible development of one or more standards should synergize with the existing security standards and legal requirements (e.g. on aviation and maritime security) and take account of the need for secure interconnectivity between the various transport modes and freight flows.

### **2. JUSTIFICATION**

#### 2.1 Rationale

The main rationale for the development of a standard/standards in this area is that no appropriate security standard or legislation for EU internal market transport activities is available and some security gaps between the various links in the supply chain have been identified.

Generally, most EU Member States tend to prefer the application of national security rules, given their desire to independently analyse national threats. The EU internal market and its supply chain are jeopardized when EU Member States independently impose national security rules on companies. Security standards for business should rather fit all EU internal market requirements.

The standard is required in order that the Commission meets its policy objective to avoid the proliferation of various SCS standards and harmonize the various standards in the supply chain in the internal market. It is essential that a standard is compiled impartially, objectively and with the involvement of the different stakeholders and operators, particularly SMEs, instead of reflecting only the views of specific parties, specific freight flows and transport modes. A CEN standard could also constitute a minimum performance level for transport security into the EU internal market and facilitate companies to be awarded the AEO, Safety and Security status.

## 2.2 Relevant political context

On 21 March 2004, the EU Heads of State identified the need to secure transport within the EU. Since 11 September 2001, the EU security legislation has developed and implemented various transport security related legislation, e.g. on aviation security – (EC(2002)2320), maritime and port facilities (EC(2004)725), ports (EC(2005)65, and international trade (Customs - EC (2005), 648, EC (2006)1875). For the supply chain in the EU internal market no security legislation is in place. Many standards exist, also business standards. This is confusing to many participating companies in the EU supply chain and does not clearly identify the EU in international trade as a trading partner which can offer an end-to-end secure supply chain. In US-EU trade this is a handicap.

The CEN activity in this field will also contribute to finetuning the interconnectivity issues between existing EU initiatives and legislation on transport security. The recent EC Freight Transport Logistics Action Plan COM (2007) 607 has identified the CEN standardisation activity on supply chain security as an important action:

"Start developing European standards, in line with existing legislation, international conventions and international standards, in order to facilitate the secure integration of transport modes in the logistic chain."

The CEN activity could further enhance relevant political concerns relating to:

- Uniform application of EU and WCO (World Customs Organisation) security legislation in EU Member States and by business.
- Secure interconnectivity between the various transport modes.
- Development of a harmonized terminology for various international and EU transport security labels, including transparencies.

## 3. **DESCRIPTION OF THE MANDATED WORK**

The objective is:

- To enhance security in the supply chain, i.e. secure interconnectivity between the various transport modes, operators and public authorities.
- To define the most effective and cost-effective measures in relation to the three different levels of risks<sup>1</sup>.
- To develop a method for supply chain vulnerability assessment by operators in the supply chain.

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<sup>1</sup> The three risk model which covers:

1. Normal risk: The level at which supply chain activities normally operate

2. Heightened risk: The level applying for as long as there is a heightened risk or security incident

3. Exceptional risk: The level applying for the period of time when there is the probability of imminent risk of a security level. This may include post-attack/post-event situations."

- To allow business the opportunity to develop tailor-made and cost beneficial security measures.
- To streamline different terminologies on supply chain security statuses.

The standardisation work should include some elements of research for the subject:

- Define whether a CEN SCS standard can be established.
- Analysis and comparison of the existing labels and standards.
- Identification of user requirements of possible standards.
- Development of a checklist on whether a standard could make business and operational sense.
- Analysis whether a specific rather than generic risk approach for SME's will be necessary.
- Analysis whether a CEN SCS standard can reflect the nature of security threats, which may be are country/mode specific rather than EU-wide."
- Analyse the experience obtained in various EU Member States while implementing the AEO, i.e. in relation to supply chain operators who, in the course of his business, are not involved in activities covered by customs legislation."
- Analysis whether a SCS standard would reduce the level of security in the areas which are already covered by existing national schemes.
- Identification of different needs and methods, i.e. a toolkit.

The result should be a toolkit that can be used by organizations of any size (particular attention to small and medium size companies) to evaluate the adaptability of their management and security measures to official security levels.

#### **4. EXECUTION OF THE MANDATE**

The work will be organised according to the CEN procedures on establishing a CEN standard. An expert group on supply chain security has already been established in CEN to study the possible need for a standard on supply chain security, leading to a report to the relevant technical body. CEN BT has already approved the proposal for the development of one or more standards on operational supply chain security. This initiative should be fully taken into account in the work under this mandate. Work on international standards, such as the ISO 28000 series, should also be taken into account in the execution of the mandate.

CEN will provide the Commission with a detailed work programme and a timetable for the adoption of the standard(s) needed within three months of the acceptance of the mandate. The European standard(s) is/are to be adopted within three years from acceptance of the mandate. At this time, the three linguistic versions (DE, EN, FR) must be available as well as the correct titles in the other official Community languages.

CEN will keep the Commission informed at least once a year following the submission of the work programme of the measures taken to execute this mandate.

The standstill period referred to in Article 7 of Directive 98/34/EC (OJ L 217, 5.8.1998 p.18) shall commence when CEN accepts this standardisation mandate.

## **5. BODIES TO BE ASSOCIATED**

The standard should be developed by representatives of operators in the supply chain and public authorities. Representatives of European associations have shown considerable interest in the project (i.e. CLECAT, ESC, ESPO, ESBA, EPSO, TAPA, Eurocommerce).

As appropriate, CEN will invite the representative organisations of consumers' interests (ANEC), environmental protection (ECOS), workers (ETUI-REHS) and small and medium-size enterprises (NORMAPME) to take part in the standardisation work.