



PERMANENT
TECHNICAL COMMITTEE

PC0521E1a

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221st/222nd Sessions

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5 - 8 November 2018

Brussels, 11 October 2018.

CUSTOMS-RAILWAYS COOPERATION
(Item III on the Agenda)

Introduction

1. In the light of the expansion of railway freight transportation and associated demands for ensuring harmonized and effective Customs procedures/control in railway transport, the PTC continued to discuss Customs-Railway Cooperation during its 219th/220th Sessions in April 2018. Delegates exchanged their initial thoughts on key issues such as transit declaration, Advance Electronic Information (AEI), cargo inspection with modern technologies and passenger control. As a result, it was agreed to establish a virtual working group to exchange practical information on railway transportation.
2. In parallel, WCO has been actively engaged in discussions about railways with related international organizations, such as OTIF (Intergovernmental Organisation for International Carriage by Rail), and OSJD (Organisation for Co-operation between Railways) and has attended several international forums and workshops on railway transportation.
3. At these gatherings, it was pointed out repeatedly that Customs procedures and cooperation between the railways and Customs administrations, are critical factors for securing and facilitating railway transportation. Furthermore, the Secretariat has recognized a growing need for the harmonization of Customs procedures and data exchange in railway transportation. Lack of common knowledge of each other's responsibilities and Customs transit procedures are other issues that could usefully be addressed.
4. Furthermore, WCO has cooperated with the UPU on a postal-rail project regarding the transportation of postal items by rail to provide a Customs perspective, as part of a task force, led by UPU. In this connection, to date more than 65 pilots have been carried out; these have revealed several key elements for facilitating and securing the

railway transportation of postal items, which have been compiled into draft Guidelines for establishing an international postal rail transport service. The draft Guidelines will be discussed at the upcoming WCO-UPU Contact Committee on 15 and 16 November.

Examples of national experiences

5. Following the initial discussion held at the PTC sessions in April 2018, the Secretariat has collected a range of national experiences of railway transportation through the virtual working group and bilateral consultations, as well as from open sources such as publicly-accessible national registrations and various news websites.
6. The following is a brief summary of these national experiences, the aim being to facilitate further discussions on each issue:
 - **Customs transit declaration and pre-arrival advance electronic information (AEI)**
7. Various Members have utilized pre-arrival for risk management. It is worth noting that some Members require the same data package or data elements for Advance Electronic Information (AEI) as for transit declarations, suggesting that there may be a possibility of exploiting a set of data elements in the entire data flow for Customs procedures in the railway transit process.

Example 1: Turkey's Customs transit declaration based on CIM consignment note data

- Railway Company (TCDD) lodges an Entry Summary Declaration (ENS) and Notification of Arrival by using their e-signature. When the CIM consignment note data is recorded in the IT system of the company, the ENS is simultaneously created and sent to Turkish Customs' IT system.
- Furthermore, for import procedure, a Transit Notice is sent by the authorized company to the Customs with a reference to the Entry Summary Declarations, which also contains information about the wagons and CIM consignment note, departure date and office of destination.
- For the export procedure, a Transit Notice is sent by the authorized company to the Customs including a reference to the Export Declaration Number.
- Transit Notice is a data package that has information about ENS or Export Declaration for import and export procedures where it fits. Thanks to the Transit Notice, when goods arrive at the office of destination, there is no longer need of data submission by the authorized company.

Example 2: Kazakhstan's risk assessment of railway cargoes with AEI

- AEI must be submitted electronically to Customs on a pre-arrival basis, with some exceptions (e.g., postal items, relief goods for national disasters, military cargoes and pipeline transport).
- Pre-arrival risk assessment is conducted based on the AEI in order to speed up Customs operations by optimizing Customs controls.
- The Customs system automatically generates and transfers transit declarations based on the data received as AEI.

(Information source: Kazakhstan's national legislations)

Example 3: South Africa's advance notice information

- South Africa require AEI (advance notice information) to be submitted by Carrier (railway companies) for import, export and transit.
- A carrier must give “advance notice” to the Customs if the train is transporting cargo, at least one hour before arrival at the first railway station.
- The advance notice should include data elements such as: total number of containers, cargo details, and container details and should use CUSCAR format to electronically send it to Customs.

▪ **Customs Control**

8. The WCO Transit Guidelines stress that joint border control can significantly facilitate transit trade, and that there should be mutual recognition of the results of controls and risk management analysis.
9. Acknowledging the fact that the private sector has aggressively explored the use of modern technologies to secure and facilitate railway transportation, it would seem essential for Customs to utilize these modern technologies, together with the necessary facilities at the border to facilitate the use of such technologies without disrupting the movement of trains.

Example 4: Joint Customs and border control in Laredo on the USA-Mexico border

- A joint cargo processing facility was established at the Laredo, Texas railroad border-crossing in 2017.
- The purpose of this facility is to: share Non-Intrusive Inspection (NII) security scanning images; conduct export processing to Mexico at the U.S. railhead; streamline the examination of documentation; and conduct joint inspections of inbound shipments.
- It was mentioned that eliminating stopping trains on the bridge would increase the velocity and fluidity of train movements over the border.

(Source: Business Wire.com: “KCS President and CEO Patrick J. Ottensmeyer Joins U.S. CBP and Mexican SAT Officials for Dedication of Joint Unified Cargo Processing Facility at Laredo, Texas Rail Border-Crossing”)

▪ **Data Elements**

10. As previously discussed, the CIM/SMGS consignment note is widely used among Member countries of both OTIF and OSJD to facilitate railway transportation between Europe and Asia. Cooperation towards the introduction of electronic CIM/SMGS consignment notes is underway between the EU, OTIF, CER (The Community of European Railway and Infrastructure Companies), CIT (The International Rail Transport Committee) and OSJD.
11. Discussions on the possibility of utilizing data elements in a consignment note especially for Customs transit procedures could be based on a comparison between the Customs transit declaration/AEI data elements and those of such a consignment note.
12. By way of example, the data elements/information contained in the CIM/SMGS consignment note include: *Consignor (name, address, country); Consignee (name, address, country, contact no.); Description of signs/marks, Description of Packing, Description of Goods, wagon no.; and Delivery points, etc.*

▪ **Passenger Controls**

13. The control of passengers' baggage in rail travel is an important role of Customs administrations, for safety and security purposes. The Passenger Name Record (PNR) is currently used by Customs administrations and border agencies for the risk management of, mainly, air passengers; PNR could also be used for rail passengers, as illustrated by a trial conducted by Belgian Customs.

Example 5: Passenger data surveillance in Belgium

- In 2015, Belgium's Federal Government identified the setting up of a PNR system as one of its top priorities, intending to use PNR not only for air passengers but also for travellers by road, sea or rail.
- A pilot project has been announced for the Eurostar, which connects Belgium and Great Britain. (Source: The Brussels Times "*Passengers data surveillance is now operational in Belgium*".)
- The passenger lists are forwarded to the Passenger Information Unit, where the Federal Police, National Security, Military Intelligence and Customs work together, checking the PNR with the security services' databases.
(Source: <https://newmobility.news/2018/07/26/go-ahead-for-pilot-projects-about-passengers-data/>)

Data requirements for movement of goods in transit – Panel discussion

14. The topic of harmonization of data elements required for movement of goods especially for Customs transit procedures in railway transportation has been placed on the Agenda of the 221st/222nd Sessions of the PTC. The PTC will address following questions relating to the possible harmonization of data elements, and discuss the future possibility to proceed this issue further:
- What are the benefits and challenges of harmonization of data elements required for Customs transit procedures in railway transportation?
 - What are the current data elements in commercial documents exchanged in the railway transportation?
 - How can harmonization of data elements facilitate trade while controlling illegal movements of cargoes by Customs administrations?

The way forward

15. The potential benefits of facilitating the railway transportation mode by standardizing Customs transit procedures could be significant, but there are also some challenges in terms of accommodating the different procedures prevailing in various regions.
16. Bearing in mind that the discussion on Customs procedures for the railway mode is relatively new in the WCO and for Members, a step-by-step approach should be adopted for the consideration of railway Customs procedures such as transit declaration/AEI, Customs control, etc., based on the continuation of information exchange about practical experiences, via the recently-established virtual working group on railways.
17. At the same time, it would be beneficial to initiate discussions on the following issues in the relevant WCO bodies, in order to receive appropriate expert advice, with the outcomes of the discussions in those bodies being reported back to the PTC:

- Possibility of developing data sets and business process for Customs transit procedures in railways, based on the WCO Data Model (e.g. data element name, definition, common code), using commercial transport documents (to be discussed by the Information Management Sub Committee (IMSC));
- Possible passenger controls in rail travel, with necessary adjustments to the relevant WCO instruments and tools (to be discussed by the API/PNR Contact Committee); and
- Discussion on the draft Guidelines for establishing an international postal rail transport service (to be discussed by the WCO UPU Contact Committee).

Action required by the PTC

18. The PTC is invited to:

- share practical experiences of railway transportation;
 - take note of the national experiences and examples mentioned in this document and the presentations during panel session; and
 - provide feedback and the way forward for future work on railway transportation.
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