



PERMANENT  
TECHNICAL  
COMMITTEE

PC0625Ea

-  
227<sup>th</sup>/228<sup>th</sup> Sessions

-  
18-20 May 2020

Brussels, 04 June 2020.

**PASSENGER FACILITATION AND CONTROL: Terms of Reference and Business Case  
for the Working Group on Passenger Facilitation and Control**

**(Item VIII. b) on the Agenda)**

**(”B” Item on the Agenda)**

**SUMMARY**

**Purpose of document**

The WCO Policy Commission requested the Secretariat in coordination with the Brussels Based Attaché Working Group (BBAWG), to prepare a Business Case and Terms of Reference (ToR) for the establishment of a new Passenger Controls and Facilitation Working Group (PCFWG). The document is presented under Item VIII. b) Any Other Business.

Annex I to this document, as finalized by the BBAWG, incorporates the results of deliberations and amendments from the 40<sup>th</sup> Enforcement Committee session. Annex II includes the revised Business Case and Annex III includes the ToR for the establishment of the PCFWG. Annex IV is the Final Cruise Ship Report entitled ‘Brussels Based Attaché Working Group on Cruise Ships Way forward to improve Cruise Ship controls - A Customs Perspective Final Report September 2019’ (hereafter ‘Final Cruise Ship Report’).

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**PASSENGER FACILITATION AND CONTROL: Terms of Reference and Business Case  
for the Working Group on Passenger Facilitation and Control**

**(Item XVI.a) on the Agenda)**

**(“A” Item on the Agenda)**

**SUMMARY**

**Purpose of document**

In December 2019 the 82<sup>nd</sup> Policy Commission (PC) conditionally approved the proposal by the 39<sup>th</sup> Enforcement Committee (EC) and the 225<sup>th</sup> / 226<sup>th</sup> Permanent Technical Committee (PTC) for the establishment of a new working group to carry out future work on passenger control and facilitation-related matters for all modes of transport in a comprehensive and sustainable manner. The Policy Commission requested the Secretariat in coordination with the Brussels Based Attaché Working Group (BBAWG), to prepare a Business Case (Annex II) and draft Terms of Reference (ToR) (Annex III) for the establishment of a new Passenger Facilitation and Control Working Group (PCWG).

**Action required of the Permanent Technical Committee**

The Permanent Technical Committee is invited to:  
- examine, provide further guidance and approve the draft Business Case and ToR.

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## Background

1. The 82nd PC was held in South Korea from 3-4 December 2019. At this session, the topic of cruise ships and a proposal for a corresponding new PCFWG were discussed.
2. In conclusion, the 82nd PC:
  - endorsed the Final Cruise Ship Report (Annex IV) of the BBAWG, including its recommendations concerning the creation of a Compendium of Best Practices and the creation of a global standard for Advanced Passenger Information (API) and Passenger Name Record (PNR) for cruise ships;
  - approved the recommendation in the PC paper for the establishment of a new PCFWG under the PTC that would report to the PTC and, as needed to the EC, to carry out future work on passenger controls and facilitation-related matters for all modes of transport in a comprehensive and sustainable manner; and
  - requested the Secretariat in coordination with the BBAWG, to prepare a draft Business Case and ToR for the establishment of the PCFWG, to be examined by the Finance Committee (FC) and the PTC as appropriate prior to submission to the PC in June 2020.
3. The new PFCWG is expected to bring together all work relating to passenger facilitation and control as recommended in the Final Cruise Ship Report, as well as work relating to all other modes of transport. Taking into account the cross-cutting nature of the topic, the PTC was of the view that such a working group would be established under the PTC and should report, as necessary, to both the PTC and the EC. The importance to Members of passenger risk management, regardless of mode of transport, was also noted.
4. Following the PC's decision, a Business Case and accompanying ToR were drafted by the WCO Secretariat in coordination with the BBAWG. The Business Case and the ToR are attached as Annex II (Business Case) and Annex III (ToR) to this document.
5. Prior to the Spring 2020 FC and PTC where the Business Case and ToR were to be considered and discussed, the World Health Organisation declared a global pandemic for the COVID-19 virus and the meetings did not occur as scheduled. Subsequent to this, the Secretariat in consultation with the Council Chair and Regional Vice Chairs, advised that new Business Cases would be postponed until the second half of 2020, with the next Policy Commission likely to be held in December 2020.

## I. Discussion at the 40<sup>th</sup> Enforcement Committee (EC)

6. The way forward of the envisaged new PFCWG was discussed at the 40<sup>th</sup> Session of the EC that was held from 24 to 28 February 2020. In conclusion the EC:
  - Acknowledged the work done by the BBAWG on cruise ship passenger control and highlighted several concerns regarding resourcing, reporting structure and scope of the work, in view of what was outlined in the Business Case and in the ToR for the new PCFWG;
  - After review of the Business Case and the ToR for the PFCWG, EC delegates identified the duration, the scope and deliverables of the PCFWG, as well as the body to report to (whether PTC only or PTC and EC) as issues to be further discussed.
  - Delegates also considered that the options for funding and staff resources regarding the PFCWG should be further explored. The Secretariat related that

other options had been explored and potential synergies resulting from sun-setting existing subgroups and working groups would not compensate the additional workload presumed to occur with the establishment of a new PFCWG. Subsequently, additional human resources would be appropriate to properly deliver the expected results.

- The EC agreed to forward these issues identified during this session to the next BBAWG in order to provide the FC and PTC with a clearer picture of the best way forward.

7. All comments and inputs provided by Members during and after the EC meeting are included in the annexed draft Business Case and ToR for further discussion by the PTC.

## **II. Next Step**

8. The PTC is invited to examine, further discuss and approve the resource requirements contained within the Business Case and ToR to initiate work on the recommendations cited in the annexed Final Cruise Ship Report. These recommendations include the creation of the new PFCWG, establishment of an API and PNR dataset and technical standards for cruise ships, as well as the creation of a Compendium of Best Practices. The PFCWG will start work on cruise ships, but it is envisaged that as new work for other modes of transport emerge, the PFCWG will provide the appropriate platform for members to have the necessary discussions.

## **III. Conclusion**

9. The PTC is invited to consider and approve the Business Case and accompanying ToR for the new PFCWG.

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## **BUSINESS CASE FOR THE CREATION OF THE PASSENGER FACILITATION AND CONTROL WORKING GROUP**

### **I. BACKGROUND AND JUSTIFICATION**

1. The 82nd Policy Commission session in December 2019 endorsed a report on cruise ships and the facilitation and security challenges customs administrations face in trying to adapt to the growing sizes of vessels and passengers. The report is entitled the 'Brussels Based Attaché Working Group on Cruise Ships Way forward to improve Cruise Ship controls – A Customs Perspective - Final Report September 2019' ('Final Cruise Ship Report' attached as Annex IV).
2. This Final Cruise Ship Report, and the three recommendations contained therein, namely;
  - the creation of a Compendium of Best Practices,
  - the creation of a global standard for Advanced Passenger Information (API) and Passenger Name Record (PNR) data for cruise ships, and
  - determine the best working platform for the emerging need of Members to discuss passenger related issues more holistically in all modes of transport, was prepared and presented by the Brussels Based Attaché Working Group (BBAWG) to the relevant working bodies of the WCO for consideration. The Final Cruise Ship Report was prepared in collaboration with the International Maritime Organization (IMO), Cruise Line International Association (CLIA), and other industry partners from Royal Caribbean and Vancouver Fraser Port Authority, Canada.
3. Since the 81st Policy Commission and 133rd/134th session of the Policy Commission and Council in June 2019, the Final Cruise Ship Report, and its recommendations, were acknowledged by the 1st WCO Advanced Passenger API/PNR Members Only meeting on 2 October, 2019. It was further endorsed by the 39th Enforcement Committee (EC) meeting on 21-22 October, 2019, and the 225th/226th session of the Permanent Technical Committee (PTC) from 28-31 October, 2019.
4. These groups all supported the work of the BBAWG and further acknowledged that the cruise ship mode of transport requires further attention, as emerging facilitation and corresponding security concerns continue to grow. Focused attention was paid to recommendation #3 of the Final Cruise Ship Report to determine the best working platform for the emerging needs of Members to discuss passenger related issues more holistically in all modes of transport, beginning with cruise ships.
5. The importance of passenger risk management to Members, regardless of mode of transport, was acknowledged and it should also be noted that from the further work related to cruise ships and other passenger related matters, the WCO-IATA-ICAO API/PNR Contact Committee (API/PNR CC) is expected to remain intact. Specifically, International Air Transport Association (IATA) and International Civil Aviation Organization (ICAO) have stated their reluctance to expand the API/PNR CC to other modes of transport, essentially diluting the focus of the air industry discussion and the

importance of implementation of the corresponding United Nations Security Resolutions (2396 and 2482). Further, it is also important to note that the topics currently handled by the API/PNR CC do not go beyond matters related to the processing of passenger travel using commercial airline as the mode of transport.

6. With regard to recommendation # 3 of the Cruise Ship Final Report and the need to identify the necessary working platform for the future work of the WCO in this domain, the PTC examined all possible options, including the continuation of the BBAWG, the creation of a virtual working group, or the establishment of a separate working group. After detailed deliberations, the PTC agreed to pursue a new working group to focus on passenger facilitation and controls in a comprehensive and sustainable manner.
7. The Passenger Facilitation and Control Working Group (PFCWG) is expected to bring together all work relating to passenger facilitation and controls for all modes of transport, while giving priority to cruise ship. It will exclude the maintenance of the commercial air API / PNR data standards and other related Guidelines, as this will remain under the purview of the API/PNR CC.
8. Taking into account the cross-cutting nature of the topic and consistent with the December 2019 Policy Commission decision, the PFCWG will be established under the PTC where it will also report. The PFCWG will keep the EC informed as required.
9. For clarity, recommendations #1 and #2 of the Final Cruise Ship Report will be implemented under the PFCWG.
10. Between the period in which the Policy Commission agreed to the establishment of the PCFWG and consideration of this Business Case and ToR, the World Health Organisation declared a global pandemic for COVID-19 virus. As part of national responses to contain the spread of the virus, a number of member administrations withdrew privileges of foreign-flagged cruise ships and required they depart sovereign waters and ports.
11. The global pandemic has further exacerbated the need to develop global standards that provided assurance to member governments that operators who comply with such standards would not present additional risk to communities, while providing certainty to cruise ships on requirements to resume business operations, following approval from respective governments.
12. The World Customs Organization is well placed to lead a global effort to establish said standards and support member administrations apply a consistent and effective approach to engaging with cruise ships on resumption of operations.

## **II. TIMEFRAME**

13. The PFCWG shall operate for an initial period of three years. Members will review progress at two years, and if necessary request the approval of Policy Commission to extend operation of the PFCWG.

## **III. MEMBERS**

14. Meetings of the PFCWG will be open to all Members of the WCO. The PFCWG may invite representatives from the private sector, partner international governmental / non-governmental organizations and other external stakeholders, academia, and subject matter experts to attend the meetings as necessary.

## **IV. PURPOSE AND SCOPE**

15. The purpose of PFCWG meetings is to allow a forum for members to discuss all matters related to passenger processing, including facilitation and enforcement matters, holistically across all modes of transportation, and to produce key deliverables such as:
- development of a Compendium of Best Practices in accordance with the Final Cruise Ship Report Recommendations;
  - development of a global data standard for cruise ship API and PNR, in accordance with the Final Cruise Ship Report Recommendations;
  - development of other global standards, within the remit of Customs, that provide assurance to member governments of the safety and security of respective communities;
  - raising global awareness regarding the importance of using API and PNR in all modes of transport;
  - development of key initiatives on all modes of transport; and
  - development of a report to PTC at the conclusion of two years, making recommendations to the closure or continuation of the PFCWG beyond the initial three year term.

## **V. MEANS OF OPERATION**

16. The members of the PFCWG shall annually elect a Chairperson and Vice-Chairperson from among member administrations.
17. The outgoing Chairperson will be eligible for re-election once, for an accumulative period of no more than two years.
18. The PFCWG shall carry out its work through at least one annual physical meeting, to be held where possible back-to-back with the API/PNR CC.

19. Meetings will be held at WCO Headquarters in Brussels, Belgium and be simultaneously interpreted in English and French. All working documents will be available in English and French.
20. Intersessional work may be carried out “virtually” via e-mail, telephone, video conference and/or the CLiKC! Platform, as appropriate.
21. The report of the Working Group shall be distributed to participants within two weeks after the meeting.
22. The general administrative arrangements and provision of support services shall be the responsibility of the WCO Secretariat.

## **VI. EXTRAORDINARY MEANS OF OPERATION**

23. In circumstances where business continuity within the WCO is impacted, and meetings cannot be held at WCO Headquarters, following consultation with the Secretary General, the Chairperson may call a virtual meeting of the PFCWG.
24. Where virtual meetings are required, in the absence of a suitable translation technology, these meetings may be conducted in one of the two official languages of the WCO, i.e., French or English as determined by the Chairperson in consultation with members registered in the PFFWG.
25. All working documents will be available in English and French, as too will all documents resulting from virtual meetings.
26. The general administrative arrangements and provision of support services shall be the responsibility of the WCO Secretariat.

## **VII. FUNDING AND ADMINISTRATIVE SUPPORT**

27. The Secretariat has estimated that two half-time staff should be requested to facilitate and coordinate the process. Half of the time will be spent on the support of Procedures and Facilitation matters, while the other half resource should be spent on Enforcement and Compliance matters.
28. Administrative costs to hold a meeting at the WCO include use of the meeting room, translation services for documents and presentations, interpretation services, and coffee breaks. In addition, costs will be incurred for Secretariat support for preparation of agendas, papers, meeting reports and general coordination.
29. The Chairperson will determine the appropriate duration of each PFCWG meeting, consistent with the size of the agenda. However, it is expected that the PCFWG will meet for one or two days, back to back in the same week as the API/PNR CC. It is expected that coffee breaks, translation costs, and interpretation will be required.
30. Administrative costs to hold a meeting at the WCO include use of the meeting room, translation services for documents and presentations, interpretation services,

and coffee breaks. In addition, costs will be incurred for secretariat support for preparation of agendas, papers, meeting reports and general coordination.

31. The Secretariat will provide, as part of their reports to the PTC, an acquittal of the resources expended on this activity.

Administrative costs:

Translation (# equivalent pages to API PNR MO Day meeting)	3,000 Euro
Interpretation Services – 1 day meeting	2,000 Euro

32. The BBAWG acknowledges the stated position of Deputy Director Procedures and Facilitation at EC (refer c. below), but believes that before new funding options are considered a review of the capacity to absorb funding within the Compliance and Enforcement Directorate should be explored. Failing this, the Secretariat should further investigate, in conjunction with members, savings that be realised in other areas of the organization in order to suitably resource this line of effort as per sub points c. and d. below. Notwithstanding, collectively, options to resource this activity include:

- a. a new Technical Attaché (TA) position, would not require additional funding from chapter X (salary), but from chapter X (office accommodation). The Finance Committee should take note that so far, no Member has offered a TA for this position.
  - i. Salary cost of a TA is to be borne by a Member
  - ii. Office accommodation cost for TA can be absorbed by the Secretariat
- b. a new Technical Officer (TO) position, would require additional funding for chapter X (salary) and chapter X (office accommodation)
  - i. Salary of TO - roughly 84,000 Euro per annum, depending on the personal situation of the successful applicant
  - ii. Office accommodation cost for TO can be absorbed by the Secretariat
- c. Reallocation of existing WCO staff recently 'released' as a result of concluded work within the WCO. Deputy Director Procedures & Facilitation addressed the EC and advised that no new bandwidth has been realized in the existing staffing resources, within his sub-directorate, as a result of the concluded work.
  - iii. The PTC and the FC should take note that the Secretariat explained in the EC that this option would not be feasible
  - iv. Additionally given the impact of Covid 19 the BBAWG consider it appropriate that the FC seek an update of the "Report of the Secretary General; Financial Perspectives, Outlook for 2020 / 2021" prior to determining that additional resources are required and that these also require additional funding The BBAWG recommends the WCO Members and the Secretariat to consider further options to enable reallocation of WCO staff. For example, by;-
    - 1) reviewing meetings which do not have to be conducted as a separate body,
    - 2) reducing the number of days of each meeting by reducing duplication and non-essential items from agendas in different meetings,

- 3) reducing the number of days TO spend on missions by increasing the use of the pool of 769 Accredited Customs Experts, over 500 of which have not completed a mission to date.
- d. Prioritize the newly identified work, beginning with the Final Cruise Ship Report Recommendations. Members to also provide direction on de-prioritizing existing PTC and/or EC work to prioritize the work of the PFCWG, again, beginning with the Final Cruise Ship Report Recommendations. However, the EC did not show any de-prioritization or prioritization of Compliance & Enforcement workload and activities, largely due to the lack of clarity that this was an option until late in the meeting.
- v. Determination of activities to be de-prioritized would not lead to additional staffing cost.
- vi. The FC should take note that the EC has approved the Compliance & Enforcement Package for the Financial Year 2020/2021 and subsequently identified the work priorities for that Financial Year.

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**DRAFT TERMS OF REFERENCE FOR THE PASSENGER FACILITATION AND  
CONTROL  
WORKING GROUP<sup>1</sup>**

**Approved by the Policy Commission:** June 2020

**Confirmed by the Council:** June 2020

**Duration:** The Passenger Facilitation and Control Working Group (PFCWG) shall operate for an initial period of three years. Members will review progress at two years, and if necessary, request the approval of Policy Commission (PC) to extend its operation.

**1. Mandate**

1.1. Members have indicated their desire to move forward with PFCWG that will allow for discussion and decision making on all passenger controls and facilitation matters, regardless of mode of transport. This is notwithstanding the continuation of the existing WCO-IATA-ICAO API/PNR Contact Committee (API/PNR CC). Relevant supporting documents include:

- 1.1.1. PL0004 API/PNR Members Only Meeting,
- 1.1.2. EC0584 Enforcement Committee (EC),
- 1.1.3. [Insert PTC Report Number] of the Permanent Technical Committee (PTC),
- 1.1.4. [Insert FC Report #] Finance Committee (FC), and
- 1.1.5. [Insert PC Report #] PC.

2. The PFCWG, consistent with the December 2019 PC decision, has been established under the PTC where it will also report. The PFCWG will keep the EC informed as required on enforcement-related matters.

**2. Membership**

- 2.1. The Working Group shall be comprised of representatives of WCO Members.
- 2.2. The PFCWG may invite representatives from the private sector, partner international governmental/non-governmental organizations and other external stakeholders, academia, and subject matter experts to attend the meetings as necessary and as observers.

**3. Purpose and Scope**

- 3.1. The PFCWG will provide a forum for members to discuss all matters related to passenger processing; including facilitation and enforcement matters holistically across all modes of transportation.
- 3.2. The Working Group will commence by initiating work to deliver the recommendations outlined in the Cruise Ship Final Report (recommendation #1 to develop

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<sup>1</sup> The draft Terms of Reference include some comments from Members and the Secretariat which still need to be addressed/decided.

a Compendium of Best Practices and recommendation #2 to establish an API and PNR Data standard for cruise ships).

- 3.3. Examine proposals for developing new or amendments to the existing instruments and tools related to passenger facilitation and control under the remit of the Working Group.
- 3.4. Ensure that the needs of Customs administrations, specifically in relation to the safe operation of Cruise ships in the post COVID-19 travel environment, are prioritised and informed by best practices, including cooperation between Customs and relevant authorities.

#### **4. Key Deliverables**

The Working Group will:

- 4.1. Report and make recommendations to the PTC and inform and make recommendations to the EC on enforcement-related matters.
- 4.2. As a priority identify Customs administrations' challenges and potential solutions associated with the safe operation of cruise ships in the post COVID-19 period and focus on Customs administrations' risks and avenues for their mitigation.
- 4.3. Develop a Compendium of Best Practices in the cruise ship environment;
- 4.4. Develop a global data standard for cruise ship API and PNR, similar to air, in accordance with the BBAWG Final Cruise Ship Report Recommendations.
- 4.5. Develop other global standards within the remit of Customs, that provide assurance to member governments of the safety and security of respective communities, while facilitating trade and travel.
- 4.6. Raise global awareness regarding the importance of using API and PNR in all modes of transport, to increase security and facilitate travel.
- 4.7. Develop key initiatives on other modes of transport.
- 4.8. Develop of a report to PTC at the conclusion of two years, making recommendations to the closure or continuation of the PFCWG beyond the initial three year term.

#### **5. Means of Operation**

- 5.1. Members of the Working Group shall elect annually a Chairperson and a Vice-Chairperson from amongst member administrations.

The outgoing Chairperson will be eligible for re-election once, for an accumulative period of no more than two years.

- 5.2. The PFCWG shall carry out its work through at least one annual meeting, to be held at WCO Headquarters, and where possible back to back with the API/PNR CC.
- 5.3. Intersessional work may be carried out "virtually" via e-mail, telephone, video conferencing and the CLiKC! Platform, as appropriate.

- 5.4. The agenda, with attached meeting papers, will be prepared by the Chairperson of the PFCWG in consultation with the WCO Secretariat and forwarded to Members by close of business 30 days prior to the scheduled meeting.
- 5.5. All working documents will be available in English and French.
- 5.6. Meetings held at WCO Headquarters will be conducted with simultaneous interpretation in English and French.
- 5.7. The report of the PFCWG shall be distributed to participants within two weeks after the meeting.
- 5.8. The outcomes of the meeting will be reported to the PTC and informed to the EC, as per the respective competency required to take note, approval, or endorsement.

## 6. **EXTRAORDINARY MEANS OF OPERATION**

- 6.1 In circumstances where business continuity within the WCO is impacted, and meetings cannot be held at WCO Headquarters, following consultation with the Secretary General, the Chairperson may call a virtual meeting of the PFCWG.
- 6.2 Where virtual meetings are required, in the absence of a suitable translation technology, these meetings may be conducted in one of the two official languages of the WCO, i.e., French or English as determined by the Chairperson in consultation with members registered in the PFCWG.
- 6.3 Provisions outlined above in section 5 'means of operation' equally apply during virtual meetings insofar as: calling a meeting 30 days prior, conducting elections, agenda setting, preparation of meeting papers, and producing a report post meeting.
- 6.4 In such circumstances the process for decision making will be agreed by a majority of attending PFCWG members.
- 6.5 All working documents will be available in English and French, as too will all documents resulting from virtual meetings.

## 7. **Resources Required**

- 7.1. Members of the PFCWG will fund their own participation, including travel, daily subsistence allowances and accommodation expenses.
- 7.2. The general administrative arrangements and provision of support services shall be the responsibility of the WCO Secretariat.

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**ANNEX IV IS UPLOADED SEPERATLY**