

## Comments of UEAPME on the information meeting of 6 June 2007 on SUPPLY CHAIN SECURITY

**UEAPME is the European SME employers organisation representing 11.5 million craft and small and medium-sized enterprises in the European Union and the candidate countries. A significant part of these businesses belong to the transport and the retail sectors.**

UEAPME welcomes the European Commission's will to maintain the dialogue with the transport industry. UEAPME wishes to be involved in the follow-up meetings to the information session of 8 June 2007.

At this meeting, two main topics were discussed and industry was invited to submit comments before 8 July 2007.

### **1. Co-operation with the police**

The representatives of the police (TISPOL, AQUAPOL and RAILPOL) seek a closer partnership with the transport sector. They want to establish a well-structured and inexpensive system allowing police to access the future digital information exchange within the transport chain. To this end, the police suggest the establishment of an interdisciplinary, informal working group with transport stakeholders to discuss the practicalities of such a system.

#### UEAPME comments:

Supply chain security is a topic of concern for the overwhelming majority of craft and SMEs. New solutions must be explored which must be proportionate to the real risk of the various segments of the supply chain and take account of small business needs. UEAPME has already published a detailed position on the "**Communication from the Commission on Public Private Partnership against organised crime and terrorism, including an Action Plan**", copy of which is attached to this position paper.

As pointed out at the meeting of 8 June 2007, the perspective of the transport sector differs from that of police. UEAPME therefore welcomes the offer from police to establish dialogue. This will increase mutual understanding and help identify appropriate ways forward. Hence, UEAPME wishes to be associated to the interdisciplinary group as proposed by police.

UEAPME also acknowledges that the majority of small enterprises are not sufficiently aware of criminal or terrorist risks. The reason for this is that, due to their small size, they usually cannot afford a security officer. The average size of a typical haulage contractor within the UEAPME membership is about two lorries or vans. The owner, who is usually in charge of administration, acquisition and also driving is unable to take on additional tasks.

It would therefore be pointless to simply impose new regulation which would only add to the administrative burden without solving the problem.

UEAPME membership comprises a unique network of national, regional and sectoral organisations. They are prepared to enter into a focused dialogue with policy in this matter. As security policy belongs to the Third Pillar, and even within countries rules may differ from region to region, such dialogue would be most appropriate at regional and local level.

The following actions could be envisaged:

- Regional / local public private partnerships between public authorities, police and craft and SME organisations to raise the awareness of businesses on criminal and terrorist risks in the supply chain.
- Training seminars for businesses organised by associations in co-operation with police;
- Publication of information flyers and dedicated websites by associations in co-operation with police.

## **2. Standardisation project on supply chain security**

At the meeting of 8 June 2007, the European Commission distributed a report of CEN/BT/WG161 on supply chain security. The document provides an analysis of transport-related security risks of examines ways to reduce them. It recommends the drafting of a CEN standard on “operational SCS management, security measures and vulnerability assessment in line with the security levels of public authorities and their underlying risk assessments”. The document sees no or little possibility to launch other standardisation projects relating to the registration of transport operators and external auditing procedures.

At this meeting, UEAPME gave a preliminary reaction to this paper, which was approved by the consultation of members.

### UEAPME comments:

- It is not correct to say that a European standard will automatically lead to the withdrawal of other supply chain security systems at national, regional or company supply chain level. This would only be the case if these systems were covered by a standard adopted by the national standardisation body. As this is usually not the case, a European standard might become just another security system or be required in addition to existing schemes. If such a situation occurred, the burden would be doubled instead of reduced.
- Still, UEAPME may accept the drafting of a standard on supply chain security in form of a toolkit for the self-evaluation of organisations as described in the above-mentioned recommendation for a CEN standard. This toolkit could considerably contribute to raising the awareness of transport operators and retailers on terrorist and criminal risks (including robbery).
- Due to the heterogeneous character of the transport supply chain, a one size fits all solution does not exist. The starting point of any such initiative must be a thorough analysis of the risks of the various supply chain segments. Otherwise, an undue burden may be put on certain transport operators.

- The standard should distinguish between professional transport businesses and others for whom transport is not their principle professional activity (construction, retail). While the former have already developed some risk awareness, the latter will need more basic information in the beginning.
- The standard must avoid the mistakes of the Commission proposal COM(2006)79 final. The impact assessment relating to this proposal (Report no.: 40008032-6-2) calculated implementation costs of more than EUR 48 billion and recurring maintenance costs of EUR 36 billion. A small enterprise would have had to invest on average EUR 50,000 and bear annual costs of EUR 39,000. The standard must not lead to similar expenses.
- It would not be acceptable if the standard led to third-party audits of transport operators. The recommendation for a CEN standard clearly states that “the standard should be a toolkit that can be used by organisations of any size (particular attention to SMEs) to evaluate the adaptability of their management and security measures to official security levels”. In this context it should be noted that CEN is an open structure and, although requested by a number of transport stakeholders, auditors cannot be excluded by definition.
- The starting point of the standardisation process must be the needs and realities of small enterprises. This is fully in line with the Commission’s “Think small first” approach and the new CEN guidelines to develop simplified standards for SMEs.

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