

## The APEC Secure Trade Project Summary

### Enhancing Secure Trade and Efficiency in the APEC Region with Intelligent Transportation Systems (ITS) and eCommerce Technologies (“*the APEC Secure Trade Project*”)

The overall project effort consists of multiple phases with overlaps among the phases to ensure effective transition:

1. Analysis of Container Track and Trace Technologies (presently underway)
2. Initial Planning and Concept Development (the subject of this summary)
3. Detailed Planning and Design
4. Initial Demonstration Deployment
5. Full Demonstration Deployment and Operations

The purpose of the overall project is twofold: to enhance Secure Trade in the APEC Region (STAR), end-to-end, by accelerating deployment of effective technologies; and to use the security improvements to enhance the efficiency of supply chain and trade activities. The project is responsive to the Leaders and Ministers direction from the Shanghai, Lima (ministerial) and Los Cabos meetings: it provides for the early implementation of the STAR initiative in a rapidly evolving multi-phased approach, with each phase gaining momentum from the previous phase. The project is expected to show measurable results to the Ministers and Leaders in 2003. In addition to being responsive to the STAR Initiative, it also demonstrates the effectiveness of Intelligent Transportation Systems (ITS) technology and facilitates the development of ITS standards that enhance interoperability amongst Economies.

Phase 1, Analysis of Container Track and Trace Technologies (currently underway). As coordinated at APEC-TPT21 in Brisbane, the *Sea and Air Container Track and Trace Technologies: Analysis & Case Studies Project* (the “APEC Track and Trace Project” for short) constitutes Phase 1 of this overall project. Phase 1 is currently assessing the integration of track and trace tools across APEC economies, surveying user needs for such tools, and developing several case studies. That activity will recommend best practices in order to improve supply chain efficiency and effectiveness.

Phases 2 through 5 will build upon Phase 1, broadening its scope and impact in three ways: first, applying the technologies to container security applications; second, demonstrating end-to-end use of the tracking and tracing technologies and best practices, and third, facilitating the development of ITS standards that enhance interoperability among APEC economies. Phases 2 through 5 will include movements among five loadcenter ports plus other ports. The loadcenter ports will be Los Angeles/Long Beach, Seattle/Tacoma, Vancouver, Hong Kong, and Singapore

Phase 2, Initial Planning and Concept Development: This phase will lay the foundation for subsequent work. It includes developing the concept for combining phase 1 results, STAR goals, non-APEC-sponsored supply chain security initiatives, end-to-end demonstrations, standards development, and a possible transition to operational use of the project results. One goal of the phase will be to identify options to expedite the process to get the project integrator and demonstrations in place and under way. Phase 2 will require coordinating with stakeholders and participants in multiple projects and initiatives, vetting and refining the concept with them, and informally enrolling stakeholders in this project. It also includes addressing the need for independent evaluations; preparing preliminary recommendations for phases 3, 4, and 5; and transitioning into Phase 3. Phase 2 will address movements from origin of goods, through multimodal conveyance including road, air, ship, and rail to final destination; performance will be measured at intermodal transfer points as well as border crossings. It will address east- and westbound trades. It will also address ITS technologies connected with "smart containers," such as electronic seals and sensors, and eCommerce technologies, especially electronic manifests. The U.S.

will host a meeting to get buy-in from potential participants and to reach agreements on partnerships and in-kind contributions. A report will be written documenting the findings of this phase and outlining the subsequent phases.

**Phase 3, Detailed Planning and Design:** During Phase 3, a detailed project plan, including a cost estimate, will be written for the demonstrations/deployments in phases 4 and 5. A multi-national project management team supporting APECTPT oversight will be formed to steer the project. Partnerships will be formalized. The concept of operations and the project design will be documented.

**Phase 4, Initial Demonstration Deployment:** This initial demonstration will be limited in the number of shipping lanes, number of ports, and the range of technologies and best practices employed. Reflecting APEC's diversity, it will include goods shipments originating in both developing and developed APEC Economies destined for other APEC Economies. Phase 4 is likely to include multiple trade lanes, transshipment ports when appropriate, and in-bond border crossings.

**Phase 5, Full Demonstration Deployment and Operations:** The limited demonstration will be refined based upon lessons learned and expanded to more technologies, ports, shippers, and trading lanes. It will add more inland movements from origins to ports and from ports to final destinations, and it will include shipments destined for developing economies. The achieved capabilities will be used operationally and will serve as a springboard to full-scale use throughout the APEC region and to the development of standards.

It is expected that Phase 2 can be completed and progress begun on phase 3 early in calendar year 2004; and phases 3, 4, and 5 will take three to four years to complete.