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Working Party on Customs Questions Affecting Transport
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Item 9 (b) (ii) of the provisional agenda

**CUSTOMS CONVENTION ON THE INTERNATIONAL TRANSPORT OF GOODS UNDER
COVER OF TIR CARNETS (TIR CONVENTION, 1975)**

Revision of the Convention

Preparation of Phase III of the TIR revision process

Transmitted by the International Road Transport Union (IRU)*

I. BACKGROUND

1. At the last session of the ad hoc Expert Group in Bratislava (7 and 8 March) the IRU and its member associations presented, at the request of the WP.30, a detailed proposal for computerizing the TIR procedure through a public-private partnership, as outlined in Informal document No. 3 (2006) presented at the one-hundred-and-twelfth session of WP.30.

2. The subjects open for discussion by the Expert Group were severely limited by the WP.30's earlier decision to exclude anything "non-technical". For example, the Expert Group was not allowed to discuss any formal or legal issues, the financial constraints of the project nor any other aspects of a non-technical nature, even though these issues would have a profound effect on the implementation of the "technical" proposals. Regrettably the inability to discuss these issues led the customs representatives from the nine Contracting Parties present at the

* The secretariat reproduces the document as received.

meeting to conclude that the proposal presented by the IRU and its member associations was similar to the eTIR procedure proposed by the Secretariat (ECE/TRANS/WP.30/2006/8 of 23 March 2006.) The IRU and its member associations firmly believe this was the wrong conclusion.

3. As a result the IRU and its member associations consider it imperative that the fundamental and profound differences between the two approaches be debated in the WP.30, without any constraints on which topics may be addressed. This note is intended to facilitate that debate by clarifying the major differences between the two approaches.

II. DIFFERENCES BETWEEN THE 2 APPROACHES

A. Exchange of information

4. A key difference between the two approaches is that the IRU and its member associations' proposal allow data to be exchanged securely and directly between the Contracting Parties. The WP.30 will recall that this requirement was stipulated by the great majority of the Director Generals of Customs in response to the Secretariat's questionnaire concerning the development of a computerized TIR system. On the other hand the proposal from the Secretariat requires that all data to be exchanged should be opened, read, reported on, and managed by an undefined supra-national body. The Secretariat bases its proposal on the assertion that direct data exchange is "neither feasible nor enforceable" in contradiction of the wishes of the Director Generals. This assertion was clearly disproved by the presentation made by the IRU and its member associations in Bratislava. As an analogy, mediated data transmission can be compared with an international postal system that requires every letter to be opened, read, and reported on by some supra-national body that then only gives photo copies of the letter to the addressee. The IRU and its member associations would of course prefer a system that delivers the letters, unopened, to the addressee.

5. Under the IRU and its member associations' proposal it is possible for the Customs authorities to perform direct communication by using a shared data transmission channel, called Customs BUS (Information Technology term) that enables encrypted data to be routed directly to a previously defined list of data receivers who can then decrypt the data and process it in their own systems if they so wish.

6. The Customs BUS also allows authorized stakeholders to submit and receive data, using Web services. For example, Holders of TIR carnets may address their TIR declarations through a Declarations Web service that transmits the data through the Customs BUS directly to the Customs authorities selected by the Holder. Customs, as they wish, may use this same Customs BUS to exchange data with other Customs authorities and may access the TIR guarantee data directly and online. In addition those Customs authorities who wish to do so may send their data to a central data repository, which could store copies of all the data exchanged.

7. In the system proposed by the Secretariat, the routing of all data through the central data repository is mandatory. Access to and management of the eTIR central database would be controlled by a supra-national body, as yet undefined. This new actor would be responsible for hosting, running and managing the eTIR central database. Yet this new actor would have no liability or accountability concerning the accuracy of the data, or the reliability of the database.

Who would manage and maintain this database? The IRU and its member associations doubt very much if the UN or a Contracting Party would be prepared to invest the significant resources needed to take on this responsibility.

B. Access to the status of the guarantee

8. The Customs BUS described in paragraph 4 above also enables the Customs authorities to use their national systems to access data contained in the authorized stakeholders' systems through Web services. For example, any Customs Office would be able to check the validity of a guarantee against the guarantor's database directly from its own internal application. In doing so, Customs would retrieve up-to-date information concerning the guarantee in the knowledge that the guarantor is fully liable and responsible with regard to the accuracy of the data. Many Contracting Parties already use this facility in their day-to-day work: 53 of them currently carry out individual queries to CUTE-Wise (there were some 690'000 such queries made in 2005). Some of them make integrated checks against the IRU database over the web using a specific and secure data exchange corridor directly from their own system in order to validate the status of a given TIR carnet and related data. These direct checks will, from mid-2006, allow the online validation of more than 800'000 TIR carnets by Customs. This system will be extended in the near future to all National Customs administrations which are interested in using the facility.

9. The facilities mentioned above also allow Customs to check online the status of the Holder through the ITDB, if they so wish.

10. The proposal presented by the IRU and its member associations builds upon IT systems that already exist. For example, the computer-to-computer validation of the guarantee data exists today, with NO DISCLAIMERS made by the IRU concerning the reliability or accuracy of the data. The Secretariat proposes to duplicate this capability as a first step in the eTIR project, and if the ITDB is any guide, this new capability is likely to INCLUDE DISCLAIMERS at the request of the UN's Office of Legal Affairs. In any case the Secretariat's proposal would result in an unnecessary duplication of both the development and the maintenance of an existing system. Leaving aside the very important point of disclaimers, where is the added value of duplicating something that already exists?

11. Moreover, the Secretariat's proposal would imply that Customs authorities would cease to have direct access to the guarantee as they currently have today with CUTE-Wise. The guarantee data would be accessible to Customs only when the data transmission tool is fully implemented. As this development is foreseen only in the second step of the eTIR project this means that the Customs authorities would not have access to data on the guarantees for many years to come.

C. The declaration

12. The computerization of the TIR Transit Data Input is almost ready as a result of the IRU's participation in the development of the European Community's so-called "NCTS-TIR declaration". This means that all elements shown in the goods manifest of the TIR Carnet can be delivered electronically to the Customs office of departure by the Holder. In contrast, and if the Secretariat's proposals have been correctly understood, the equivalent development in eTIR is

not foreseen until some time after Step 2. This means that the paper TIR Carnet will continue to be a mandatory requirement for years after the initial implementation of the eTIR project.

D. Justification of proposals

13. The IRU and its member associations' proposal is tangible in the sense that it is both realistic and achievable. Moreover it is designed to meet the business requirements as set out in the Reference Model and as stipulated by the Director Generals of Customs. In contrast the Secretariat's proposal is justified, to date only orally, on unsubstantiated requirements, and on elements that are considered beyond the scope of analysis (the duplication of guarantee management, for example.) If the business requirements as defined in the Reference Model are incorrect or are to be ignored, as implied by the Secretariat's proposal, then this should be addressed by the WP.30 before it is asked to analyze which "system" or "steps" are appropriate.

III. CONCLUSION AND PROPOSAL FOR DECISION

14. The computerization model of the TIR procedure as proposed by the IRU and its member associations builds on the long established concept of a public-private partnership that has held the TIR Convention in good stead since its inception. It is both natural and logical that this concept should continue to be applied to the computerization of the TIR procedure.

15. The approach proposed by the IRU and its associations is technically feasible and secure. Significantly it will enable the Customs authorities to transmit TIR transit data directly between themselves, thus meeting the clear requirement as stipulated by the Director Generals of Customs.

16. The proposed approach is realistic and achievable because it is based on existing tried and tested systems which are already used to the satisfaction of the stakeholders involved and which have been developed to meet the needs of the stakeholders.

17. By avoiding the need to duplicate and/or replace existing satisfactory systems this approach is cost effective for all the partners because it will avoid the huge investment costs (in terms of both human and financial resources) needed to develop and maintain the eTIR central database proposed by the Secretariat.

18. This approach will enable the objective to computerize the TIR procedure to be delivered sooner rather than later and will quickly lead to efficiency gains to the benefit of all the partners.

19. The approach proposed by the Secretariat would, assuming it ever came to fruition, certainly lead to delays in realizing the objective to computerize the TIR procedure. It would fail to deliver one of the more significant requirements stipulated by the Contracting Parties. Just as importantly it will require the Contracting Parties to commit themselves to financing the development, management and maintenance of the eTIR central database without any indication of the resources, both human and financial, required.

20. The IRU and its member associations appeal therefore to WP.30 to decide which approach should be followed and to mandate the Expert Group and the Secretariat accordingly.

21. In considering which approach to follow the WP.30 is invited to take into account the following objectives:

- (a) It should support the approach that is most likely to be achievable and which will deliver the technical and political objectives of a computerized TIR system;
- (b) It should support the approach that is the most cost effective and which utilizes, to the greatest extent possible, existing systems that have been developed by all the partners;
- (c) It should support the approach that is consistent with the basic principles of the TIR Convention and which avoids the need for a wide ranging revision of the Convention;
and
- (d) It should support the approach that is most likely to result in the TIR system continuing and enhancing its invaluable contribution to the development of international, and in particular east-west, trade.

22. The IRU and its member associations urge the WP.30 to decide in favour of the public-private partnership approach which, in the opinion of the IRU and its member associations, is the only approach that will achieve the objectives described in paragraph 11. Should the WP.30 decide not to support the public-private partnership approach then the responsibility for not realizing these objectives will rest squarely with the Contracting Parties and not with the IRU and its member associations.
