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**APPLICATION OF THE CONTAINER SECURITY SYSTEM - CSI ON
TRANSPORTATION OF GOODS AND INSURANCE**

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Abstract

Container system is very important for transportation of goods in international trade in all types of traffic. In the world huge numbers of goods are transported by containers, so many countries of the world and of the EU have taken the initiative for cooperation on inspection and control of containers that are transporting goods. This initiative, called CONTAINER SECURITY INITIATIVE (CSI), in the form of the so-called CSI system, which particularly applies to the transport in maritime transportation. Insurance for these goods is a necessary and is performed with appropriate insurance contracts regulated by international conventions.

CIS system is processed in the paper, with its characteristics, a strategic goal, strengthens and weaknesses and application in largest ports in the world.

It is recommended, application of this container safety system (CSI), anywhere where it is possible in the world, on available ports where happened transportation of customs goods, which provides security at the highest level and continuous international trade.

Key words: transportation of goods, insurance, container security initiative -CSI, container security system, legislation

1. Introduction

Container system of transportation of goods includes their transfer in different types of containers (containers or tanks). The system of containers is very important for the transportation of goods in international trade and it is developed at the beginning of XX century, in the kind of road and rail container system. After 1960, container system grown into a major system for transportation of goods in maritime transportation, and this initiate construction and production of new ships for acceptance and transportation of containers. Big and fast transportation ships carried transportation of containers between ports, thus reducing transportation costs per unit of cargo.

Manipulation with containers - loading and unloading of ships, is performed for a relatively short period of times, which increases the frequency of trips and minimizes loss of time at ports. Transportation facilities offered by the container system are often complex and expensive and economic for ports where there is a turnover of goods in both directions. In the system of transportation of goods by containers, it is necessary to put accent on consignments and goods that are placed in containers which are usually customs goods.

In the world there is a huge number of goods that are transported by container systems, a numerous of countries take the initiative for cooperation on inspection and control of containers that are transporting the goods. In this regard, a warrant for the establishment of control systems and cooperation between customs authorities of the countries where such transport is carried out, which in any case must not be misused as instruments of restraint of trade, but it should improve and increase it.

Insurance for these goods is necessary, and is done by appropriate insurance contracts regulated by international conventions. Transportation insurance covers insurance for transportation vehicles, insurance of goods in transportation, responsibility insurance of carrier, and other interests that arise during the transportation of goods (export, import or transit).

2. Transportation of goods

Transportation is one of the most important social activities of a country, because without it, transportation of people and goods is not possible. Transportation is an activity that is very complex and therefore it is considered from different aspects such as: in terms of technique and technology, economics, politics (particularly for international transport), from a legal aspect and international relations.

Transportation is the basis for the normal functioning of the economy in one country, and it is an inseparable part of trade of goods. It is organic related with production, trade and consumption of goods. Modern transportation has to be: safe, reliable, accurate, economical, to protect the environment, to adapt to the needs of different transportation means.

2.1. Transportation insurance

During the transportation, means and goods are exposed to numerous risks as basic, additional, detrimental effects of such faults and natural characteristics of the goods, as well as wars and political risks. With transportation insurance, insurance for vehicles is covered; than, insurance of goods in transportation; insurance of responsibility of carrier and insurance of other interests that occur during transportation.

With Casco transportation insurance, transportation vehicles are insured, and for cargo transportation insurance means, goods, freight are insured.

In international traffic under the provisions of the Warsaw Convention (1929, 1955, and 1975) and its provisions which were amended and changed in 1999 by Montreal Convention, the carrier obligatory insures whole goods. Additional insurance is not included in the cost of transportation and is not mandatory.

2.2. Containers and container security system (Container Security system - CSI)

In recent decades, modern container system as a contemporary system of transportation is very much used by transporters, transportation users and national authorities, in very developed countries and also in Macedonia. Container, as a space for goods, under rule is a uniform for all items of transportation.

CSI is given by program that aims to enhance safety of shipping container transportation of goods on the territories of the EU and U.S. (everywhere there are ports), and to increase safety, customs supervision and control of import of goods, which come from all over the world. More and more ports are connected with this system that provides security and not holding back trade but it improves it.

3. Basic characteristics of CSI system

Organized as a border agency of the U.S., Customs and Border Service of the U.S. (US Customs and Border Protection's - CBP) have a mission that is very important in protecting the country and population. After the events of September 11, 2001, the U.S. Customs Service began developing antiterrorism programs for maintaining of a high level of security. As part of these measures in the U.S. CSI – system was created. This system aims to control global trade of potential terrorist attacks which can use containers for illegal activities. CSI - system provides security, all containers to be identified and searched at border ports, before they arrive at certain destinations.

In performing of this system higher education professional staff is included. Also essential is the cooperation with other customs services of other countries which is inevitable phase in the development of high quality, efficient and effective system of control of global trade.

3.1. Basic elements of CSI system

Basic elements of CSI system are:

1. Identification of high risk containers. Customs administrations use automated tools for identification of containers which carry high risk.
2. Scanning and processing of containers before being loaded. Containers are inspected as soon as possible in the process of transportation, but mainly on outgoing port when they are stored.
3. Use of technology for identification of high - risk containers which aim to perform efficiently control without obstacle in movements in the trade, with the help of modern appliances and instruments, and detectors and radiation devices.
4. Using CSI system that identifies containers that are abused during transportation.

CSI system provides to countries – participants, the opportunity to have their own customs officials at ports which are part of this system, which control the shipments directed to their domicile country.

CSI system is now operable in customs ports in North America, Europe, Asia, Africa, Middle East and Latin and Central America. CSI system continues to occupy strategic locations around the world. World Customs Organization, WTO, EU and countries of the group G-8, passed a resolution for implementation of the CSI system.

3.2. Strategic plan of CSI system 2006-2011

Strategic plan of CSI is based on international law approach, which consists of strategies and objectives which are inter connected and produced one from another.

3.2.1. CSI - STRATEGIC OBJECTIVE 1 - Defense of the boundaries of the home country

Defense and security of borders against illegal shipments and abuse of containers by terrorist organizations and smuggling gangs before being unloaded at destination ports, which support CSI – system.

1. OBJECTIVE 1.1. Increasing of the qualitative aspect of the process for identification of high-risk shipments by collecting data for trade through which it will increase advantages of the system.
2. OBJECTIVE 1.2. Providing of high quality control for testing, review and inspection of containers with use of modern technology - state of the art technology
3. OBJECTIVE 1.3. Promotion and acceptance of previous control in the inspection of containers before they enter in destination ports

3.2.2. CSI - STRATEGIC OBJECTIVE 2 - Building a strong and consistent CSI - transportation security system

Building strong and consistent CSI - transportation security system, should be understood as a system building which will be inviolable from terrorist incidents and provide continuous surveillance of trade and taking on proper time, measures at the CSI ports, if there is potential opportunity for carrying contraband actions.

1. OBJECTIVE 2.1. Improving the security of all nations in the world, by promoting international program of accepted standards for conduction of activities, exchange of data and information, common actions, managing risk and equipment for detection
2. OBJECTIVE 2.2. Improving the security of load and trade facilitation with strategic identification of optimal trade routes and ports for their successful inclusion in the CSI system
3. OBJECTIVE 2.3. Acceleration of movement of various low-shipments through global supply chain of goods

4. OBJECTIVE 2.4. Continuing with collaboration with other agencies and departments to achieve synergistic effects

3.2.3. CSI - STRATEGIC OBJECTIVE 3 - Security and Trade Facilitation

The security and trade facilitation through the movement of legitimate trade by achieving an effective and operational CSI ports, cooperation with friend countries for inspection of all containers identified as potential carriers of the risk and increase the use and motivation of governments as well as trade partners.

1. OBJECTIVE 3.1. Improving of the effectiveness of CSI through negotiations with friend countries to increase the level of control of all high risk items identified by the customs authorities and their security systems

2. OBJECTIVE 3.2. Insurance of effective coordination with the friend countries of devising periodic tables of possible risks which may arise at ports for achieving of effective levels of staff and other necessary resources

3. OBJECTIVE 3.3. Promotion of cooperation with developing systems for collecting and sharing of information collected from CSI ports

4. OBJECTIVE 3.4. Presentation of CSI standards and appealing for greater participation by national governments, international organizations, chambers of commerce and other organizations dealing with security in transportation

5. OBJECTIVE 3.5. Enabling CSI operations through feasibility studies for regional management of CSI teams

4. OBJECTIVES of CSI system

Priority mission of Customs services is to prevent illegal activities of the national customs territory. This extremely important mission of providing security means not only on border line and border crossing but globally in cooperation with other countries and international trade.

The Customs Service has to perform this important task simultaneously with traditional missions. This includes prevention and arrest of individuals who try to illegally cross the borders, preventing the growth of drug trafficking and other illegal goods, protection of agricultural production and economic interests from pests and diseases, protecting intellectual property, regulation and trade facilitation, collecting import duties and the rule of commercial law. Customs Service must perform these security and border formalities and tasks at the same time facilitating legitimate trade and free movement of people which gets more prominent role in the national economy. In other words we have double-sided purposes in building secure and more efficient borders.

The border authority of customs services is superior in the defense of national interests so that the control of cargo or passengers is not conditioned by court warranty because of legitimate suspicion for potential illegal activities. In the way to allow the movement of legitimate trade and travel, CSI system use all available resources to target passengers and cargo, which is a potential risk of terrorism, and to facilitate legitimate trade. CSI system is one of the most important resources in completing of these missions and their successful implementation.

CSI system helps in establishing an unavoidable connection to chain of global trade: maritime i.e. or multimodal transportation of goods. Once the CSI system was introduced in January 2002 and became part of many government strategies for defending of the population from potential trafficking through container transportation of goods.

For the implementation of the CSI program, customs service set up multi-disciplined teams which have the task to select ports in countries which have bilateral agreements for implementing of CSI program. Official CSI partners with foreign governments through their collaboration made the identification of freight containers that carry potential risks and perform their inspection before they reach the destination ports.

Before using modern and advanced technology, cooperation in the field of information exchange and joint actions, CSI services together work for promoting of security in transportation.

5. Use of CIS system in the industry and trade

CSI system introduces mechanisms which in no way hide legal trade and its flow. The customs authorities cooperate with industry and trade to promote enhanced inspections and use the advantage of time while containers waiting to be loaded - Downtime. Effective use of downtimes is an advantage which is also promoted by other countries.

The faster trade community will accept the changes promoted by CSI system, usages will be more evident through the rapidly increasing movement of load and reducing of unwanted items. This will protect the industry and will allow faster export and import movement of market. CSI system offers enhanced protection on a day basis (on a day - to - day basis), for the primary system of international trade - a system which depends from all national economies in the world. The systems also performs acquisition of public opinion and creating a psychological defense with continuous building of a strong, safe and secure environment for free and expedite international trade.

Besides all advantages of a CSI system, there are financial costs that occur with inspections, examinations and searches initiated by CSI system. Costs of insurance can continue to decline due to effects of the CSI system. Growth of careful and detailed control or inspection of containers also has the potential to reduce the number and costs associated with fees to the state, i.e. procedures and costs which are charged by Customs Service.

6. External factors affecting CSI – system

Customs services continuously monitor the internal and external factors that affect the achievement of goals and ultimate success of the CSI system. Customs services will continuously meet the challenge of removing terrorists and their weapons out of the domestic

boundaries while trying to facilitate the trade. Globally speaking, many external events can have a major impact on the reliability of transportation, such as: regional conflicts, natural disasters, organized crime, terrorist activities, changes in political parties, corruption and retarded technological development.

Rapid changes that will affect maritime transport can increase the risk of misuse of containers for unwanted activities. The legal maritime trade, driven by global economic growth will increase three-times by 2020. Most growth will occur in the container manufacturing industry and their transportation containers with larger ships that will be able to receive more and more containers.

Benefits of the CSI program arising from the exchange of customs informations; resulting from bilateral cooperation and international need for secure global trade. The possibilities of the CSI system are implemented at 50 ports and border crossings at the end of 2006, promoting global security, and enforcing standards in air transport of goods. Through the CSI system, customs services are positioned as proactive leaders in safety of transportation, cargo and facilitating trade globally and with visible results.

In the future CSI system is expected to reduce its focus from terrorism and to divert to other activities that support terrorism, such as narcotics smuggling, violation of intellectual property laws, money laundering. Customs Services will continue an intensive exchange of information and increase inspections at ports and CSI system will build up. CSI system also focuses on improving communication and coordination between importers, exporters and trade officials to increase the participants and reciprocity between countries in function of their credibility. Other points that should keep the CSI system are negative results from the exchange of information and financial impact of the countries that support the CSI system.

CSI system provides quality training of personnel for handling and use of whole equipment which is available including weapons. Courses and cultural differences are part of CSI training programs. CSI system promotes improved capabilities for customs practical problems concerning: drug trafficking, illegal trafficking of agro - cultural and biological substances, various pests and diseases, strategic products and international trade regulations and import duties on a global scale, resulting in betterinformed customs officers. There is a specific process of selection of personnel which will serve CSI system, and it stems from specific tasks to be performed and instruments equipment should be operational. Therefore customs services must be more rigorous in completing jobs on CSI positions.

7. Ports which works with CSI system

Table 1. Ports in the world which work with CSI system

Continents	Countries	Ports
SOUTH AMERICA (together with Caribbeans)	Canada	Montreal, Vancouver & Halifax
	Brazil	Santos
	Argentina	Buenos Aires
	Honduras	Puerto Cortes
	Dominican Republic	Caucedo
	Jamaica	Kingston
	Bahamas	Freeport
	Panama	Balboa, Colon and Mauzanillo
	Columbia	Cartagena
EUROPE	Holland	Rotterdam
	Germany	Bremerhaven & Hamburg
	Belgium	Antwerp and Zeebrugge
	France	La Havre and Marseille
	Sweden	Gotenburg
	Italy	La Spezia, Genoa, Naples, Gioa Tauro and Livorno
	Great Britain	Felixstowe, Liverpool, Thamesport, Tilbury and Southampton
	Greece	Piraeus
	Spain	Algeciras, Barcelona & Valencia
	Portugal	Lisbon
ASIA	Singapore	Singapore
	Japan	Yokohama, Tokyo, Nagoya and Kobe
	Hong Kong	Hong Kong
	South Korea	Pusan
	Malaysia	Port Klang and Tanjung Pelepas
	Tayland	Laem Chabang
	United Arabic Emirates	Dubai
	Shanghai	Shenzhen and Shanghai
	Taiwan	Kaohsiung and Chi - Lung
	Sri Lanka	Colombo
	Oman	Port Salalah
	Pakistan	Port Quasim
AFRICA	Israel	Ashdod and Haifa
	South Africa	Durban
	Egypt	Aleksandria

*- Today 2011 in total 33 countries in 58 ports have introduced CSI system

8. Conclusion

Security is one of the most important aspects and needs of human life. Security, safety and legality of international trade ordered the formation of special systems for the detection of crimes in foreign trade and foreign currency exchange operations. Countries are forced to bilateral cooperation in the field of security measures to achieve synergistic results. That means better results and non-doubling of costs for detection of various items. These systems, i.e. CSI-system are based on principle for earlier as possible controlling over the transportation of containers.

Even more, it must be pointed out key role of cooperation between partner countries, transporters and users of transportation. These systems and its implementation demand solid financial basis, because for its successful functioning newest technology and high professional personnel are needed for manipulating with this equipment. It should be concluded that means legitimizes aim because human lives have no price. Customs authorities and national governments are found themselves before one big dilemma: who successful and painless to perform customs procedures and functioning of security systems without stop flow of trade. Therefore with these modern initiatives and new systems of security through transportation and will ensure better global trade.

Insurance in these activities with customs goods is essential, and is performed on the basis of particular legal acts and international conventions in the direction aim to be fulfilled.

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