



Minutes

for the Session of the Customs Commission of UFE in Lisbon on 21 September 2010

Participants:

see enclosed attendance list

1. **Welcome of the participants by the President of UFE, Dieter Ondracek, and the Chairman of the Customs Commission of UFE, Klaus-Hilger Leprich**

The President of UFE Dieter Ondracek opens the session at 9:00 am and welcomes the participants. He particularly welcomes the Director General for Customs and Special Excise Taxes of Portugal, João Manuel Almeida de Sousa. He excuses Vice President Giordano Schera, who for reasons of health cannot attend the congress.

He then hands over the management of the session to the Chairman of the Customs Commission, our colleague Klaus-Hilger Leprich.

2. **Speech of the Director General for Customs and Special Excise Taxes of Portugal, João Manuel Almeida de Sousa**

Director General de Sousa explains that in Portugal, it had been important to send the message, that despite the creation of the Single European Market in 1992, customs was still necessary. He explains that with special excise taxes, customs duties, special community taxes, fuel tax, tobacco tax, alcohol tax, motor vehicle tax and import turnover tax, Portuguese

customs secured revenue for the state of an annual 6 billion euros. These constituted 20 % of the entire tax revenue of Portugal. This furthermore meant that each employee of customs realised 3.6 million euros. One field of activity of Portuguese customs was also the protection of public health. Not only with the fight against drug smuggling, but also with the taxation of products hazardous to health, e.g. tobacco taxation. Customs, too, prevented the illegal import of explosives and guns. For the fight against terrorism, it was responsible for the control of the movement of funds and the prevention of the import of radioactive material. The protection of the cultural goods of Portugal also fell under the scope of activities of customs. If there was criticism, that the seizure of goods would not bring any money, then the destruction of the seized illegal goods served the protection of society. He explains that Portugal had become a member of the EU only in 1986. This was preceded by the accession to the world trade zone at the end of the 50ies; prior to that, Portugal had been very much isolated. With the accession in 1986, the entire legislation had to be adjusted to EU standards or EU standards had to be taken over, respectively, which had to be ensured until the foundation of the Customs Union in 1992.

A strong decline in staff was to be noticed. Today, customs had only 1,650 employees compared to 4,000 employees in 1992. Meanwhile, a number of employees had been reached, with which the fulfilment of the tasks of customs was no longer guaranteed.

Portugal was a gateway and transit country for drug smuggling at the same time. The problem of brand piracy had increased strongly, too. Thus, Portugal was flooded with counterfeit medicines. Shipment often took place in smaller quantities from countries like India and China.

A further task of customs was the supervision of the protection of species as well as cash controls.

Beside the organisation of the exchange with employees of other EU countries, customs cooperation with the former colonies was on the list of tasks, too.

In the subsequent discussion, the Chairman of the Customs Commission of UFE, our colleague Klaus-Hilger Leprich, points out that those politically responsible in Europe have to take care that goods are controlled right there, where they enter the EU. Later domestic controls were hardly effective. It is furthermore explained that it must be made clear to the governments of the individual member states, that a functioning customs administration still was indispensable. A further target was the implementation of uniform customs standards all over Europe.

Our colleague Emiel Boriau from Belgium addresses the problem of container gassing. He explains that the controls in Germany and in the Netherlands were stricter than in Belgium and therefore the flow of goods changed. His enquiry with regards to the situation in Portugal results in the fact that this problem is not known in Portugal. Only if radioactive material was indicated, customs withdrew, as soon as there was "beeping". Our colleague Klaus-Hilger Leprich explains that at Hamburg harbour, equipment was available, which indicates, whether gas was present in the container, and if so, which one. Only if it was certain that the containers were not contaminated, customs was allowed to open them. He furthermore explains that the University of Hamburg, which had been in charge of this investigation, "had been summoned back".

Our colleague Boriau explains that in Belgium and the Netherlands there had been three cases of poisoning due to containers contaminated with gas. Symptoms of poisoning were often dismissed as the "summer flu".

Our colleague Albert Van de Sande suggests the harmonisation of punitive sanctions within Europe as well. It could not be that tax fraud was a crime in one country, none at all in another, and only prosecuted as an administrative offence in a third country. Our colleague Klaus-Hilger

Leprich explains that at Hamburg harbour, 10 million containers a year were handled. Klaus-Hilger Leprich furthermore explains that the authorised economic operators (AEO) were examined by the General Accounting Office – with bad results. For simplified procedures, too, customs controls must not be entirely excluded.

The Portuguese Director General for Customs explains that customs officers in Portugal had privileges. The working conditions were better than in the rest of the public sector. He himself did not have the competence to employ people; he could only pass on the request of UFE to the government. He also could not change the salary structure, only make respective suggestions. The average age in customs administration was 49 years. For 10 years, no young employees had been hired. Furthermore, it is discussed that the economic and financial crisis had deteriorated the conditions for careers and salaries. It is demanded that the European Commission supports the customs administrations better. The awareness of European politics had to be increased as to what an important role customs played in Europe.

Vice President of UFE Peter Lockhart explains for Great Britain, that the customs administration cooperated with the police. In 2005, customs had been merged with the tax sector, and in 2006, an agency for organised crime had been established, which had taken over parts of customs. This, however, did not work satisfactorily yet. Customs was to be merged with the immigration authority into one authority. For the tasks assigned, however, there were not enough employees available. Cuts in staff and salary were planned. Great Britain was facing a radical reorganisation within the customs administration. The number of employees in the customs area had decreased from 18,000 in 2005 to 11,000 in 2009.

Our colleague André Friden of LDG explains the changes in Luxembourg. Thus, soon only 14 customs centres with 6 different inspections remained in Luxembourg. The airport was the only external EU border. The drug department was operating all over the country. Around one third of the 450

customs officers in Luxemburg were affected by the changes. There were stricter terms of admission for hiring customs officers, just as no salary increases in the entire public sector in 2010 were a fact. The reduction of premiums, however, could be prevented.

The Belgian colleagues explain that the salaries were frozen and that due to the high inflation in Belgium, there virtually was a cut in salary. It is explained for Belgium that less and less personnel was available and the average age in the customs administration of Belgium was 54 years. Overtime had to be rendered, but without the respective payment. Part of the customs officers were unnecessarily bound in controlling instead of being deployed in practice.

Our colleague Jorn Rise Andersen explains for Denmark, that the budget estimate 2011 for customs looked "bleak", and customs, in any case, must receive more funds, since otherwise 500 employees had to be fired. 20 million euros had been provided for two new scanners, just as eight new sniffer dogs were planned for the fight against weapon and drug smuggling as well as money laundering. From restructuring measures, 50 new employees were deployed for the fight against gang crime. For the control of ships, there were only 9 employees in Denmark. For Denmark, too, the urgent necessity existed, that greater importance was attached to the work of customs.

The Icelandic colleagues explain that the budget had been cut by 5 % this year. Today, the Icelandic customs administration only had 108 employees left, while in 2005, 207 people were still employed with customs. The inflation was 8-10 %, the salaries were virtually frozen.

The Czech colleagues explain that of originally 9,400 persons working in customs, this figure had been reduced by 5,400 to 4,000. The staff cuts will probably continue in the near future, whereat now already, not enough employees were available for the tasks assigned. Salary cuts of 10 % or staff cuts of 10 % were being discussed. Tax aspects had been separated

from customs, new areas of responsibility were monitoring of gambling, casinos and illegal employment.

The French colleagues explain that the crisis had resulted in high staff cuts in French customs. Until 2012, there would be approx. 400 jobs less than 4 years ago. The civil servant status had been discussed. From 2011 on, there were new plans for the salary development. More and more tasks were assigned to fewer and fewer employees.

The Irish colleagues explain that after 2008, there were massive staff cuts. The media were very hostile towards customs. The public sector was made responsible for the crisis. 10,000 jobs had been cut in the public sector, thus 10 % of the personnel had been lost. Furthermore, salary losses of 20 % had to be accepted. It was to be noticed that fewer and fewer employees had to render more and more work for less and less money.

The Norwegian colleagues report that customs were exempt from cuts. In bad times, the customs administration was very well equipped in terms of budget, since there was more smuggling, etc. Customs cost 1.4 billion dollars, however, it yielded 200 billion dollars. The situation in respect of personnel was good. They had more personnel than two years ago.

The Swedish colleagues explain that it had been planned to cut 350 jobs in customs. A debate had started in the parliament about customs in Sweden, wherein the media had taken the side of customs and expressed clearly, that Sweden still needed efficient customs controls. As a result, there was an increase in personnel, just as an increase of the salaries by 3-4 % was assumed. In addition, customs obtained new competences, like the responsibility for alcohol checks in road traffic.

The Finnish colleagues explain that 157 million euros were provided for the customs administration, for 2,257 jobs in 2011. Special excise taxes and value added tax were no longer a competence of customs.

The Italian colleagues refer to the document submitted to the General Secretary during the session on the situation of customs and the tax administration in Italy. The problem was that the work of the tax and customs administrations was not sufficiently acknowledged by the current government in Italy. Problems were an extension of the tasks in customs as well as in the tax area with fewer personnel.

The Hungarian colleagues explain that the customs administration in Hungary had to face hard times. The Hungarian customs authority had been merged with the tax authority. Customs authorities are to be dissolved, which was also opposed by the media. As far as the trade union is concerned, they want to maintain the independence of the customs and tax areas. The 13th monthly salary had been abolished, just as the quarterly premium. In order not to become even more dependent on the development of the salaries in the other European customs administrations, the Minister had been addressed. Upon enquiry of the Chairman of the Customs Commission Klaus-Hilger Leprich, the Hungarian colleagues explain, that a customs officer earned 300 euros per month at the beginning of his job. For that, 1 year of training at various locations and the general qualification for university entrance was required. In particular the training at various locations could not be financed by many of them, so that there were numerous people breaking off their training. The salary at the end of professional life was a maximum of 600-700 euros per month, following completion of a course of studies. The basic living costs, i.e. rent and food, were at least 350 euros.

The Spanish colleagues explain that there had been salary cuts of 5 % as a consequence of the economic and financial crisis. In parliament, the suggestion had been made to raise the retirement age from 65 to 67 years. New employment had been stopped over the past years. The staff in the customs area had been cut by 10 %. The trade union pursued aggressive campaigns with regard to the fight against tax fraud and the fight against illegal earnings to receive the required budgetary funds. On

the part of the Minister of Finance, unfortunately, the support required was missing.

The Dutch colleagues report about a big reorganisation in the Dutch customs administration. The right-wing government wanted to cut 25 % of the civil servant posts and highly restrict the independence in the fulfilment of their tasks towards policy.

Our colleague Klaus-Hilger Leprich explains that in the Federal Republic of Germany, there currently were 38,000 customs officers. Almost all of them were civil servants appointed for life. Due to the privilege of non-dismissability in connection with the appointment as civil servant for life, at least once a year there was a debate guided by envy in the press. The work of customs was very positively accompanied by TV; almost every day there were documentaries about the fight against illicit work / illegal employment and the fight against drug smuggling in Germany. Cuts in salaries could be avoided, and the increases in salary were slightly above the inflation rate. Tasks were, among other things, the control of goods traffic, the administration of excise taxes as well as the fight against illicit work and illegal employment. Since 1993, approx. 8,500 jobs had been cut, but also 6,500 new jobs created, in particular for the fight against illicit work. It was to be lamented, however, that more colleagues retired than personnel could be trained. A maximum of 2 % of all consignments of goods were checked. In addition, the motor vehicle tax had been assigned, currently still without additional personnel. In addition to that, there is the control of minimum wages as well as the fuel-rod tax. The additional tasks had to be handled without additional personnel. Our colleague Klaus-Hilger Leprich reports, that currently there was a huge boom of counterfeit medicines in Germany. With sale and smuggling of counterfeit medicines, more money was made than with drug trafficking.

In Germany, there was no comparable trade union landscape as in France with 8 customs unions. Competitors for the organisation of customs

officers were only the trade union of the police and ver.di, whereat BDZ, however, held the two-thirds majority in all personnel representations.

The Customs Commission then discusses the draft of a customs resolution to be adopted at the Committee Congress of UFE. Following extensive discussions, finally the resolution enclosed in the appendix is adopted. During the discussion of the resolution, the problem of container security is addressed, in particular the necessity to scan containers leaving towards the USA at the start harbour. The Spanish colleagues explain that there were three locations, where container scanning of containers leaving towards the USA was performed. The French colleagues explain that they likewise worked with mobile scanners as in the Netherlands.

The German colleagues explain that scanning took place in Hamburg and Bremerhaven, and that scanning was to take place in Wilhelmshaven, too.

Concludingly, the Hungarian colleagues discuss the problems with their government with regard to lacking integration of the personnel into modification processes in administration.

The suggestion of the Chairman of the Customs Commission of UFE Klaus-Hilger Leprich, to include this aspect into the resolution finds unanimous consent.

Thanking the participants warmly, the Chairman of the Customs Commission, our colleague Klaus-Hilger Leprich, closes the session at 6:15 pm.