

# FIATA

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**AIRFREIGHT INSTITUTE (AFI)**

**Doc. AFI/273**  
**2004-03-31**

**TO** : **Delegates, Airfreight Institute (AFI)**

**cc** : **Extended Board**  
**Honorary Members of the Board**  
**Honorary Members of FIATA**  
**National Associations**

**CLECAT**

**FROM** : Sandro Consoli, Manager Airfreight Institute (AFI)

**SUBJECT** : **71st MEETING OF THE AIRFREIGHT INSTITUTE (AFI)**  
Zurich, March 19, 2004

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**Attendance LIST** as per **ANNEX I**  
**AGENDA** as per **AFI/269**

## MINUTES

The Chairman of the Airfreight Institute (AFI), **Mr Herman Donker** opened the meeting at 15.30 hours.

He welcomed Mrs Valerie Jackson, IATA Geneva and Messrs Malcolm Johnson IATA Cargo Agency Conference Chairman, Colin Stevenson, IATA London, Lloyd Bartlett, IATA Montreal and Peter McQueen, Australia and all the delegates.

Apologies have been received from Messrs Sarosh Nagarvala, ACAAI, India, Reinhard Lankes, BSL Germany, Roger Blacklock and John O'Connell, BIFA UK and Oliver Layec, TLF France.

### **1. Approval of the minutes of the 69th Meeting in Bali, October 1, 2003 (Doc. AFI/264)**

Approved without comments.

The Chairman informed the delegates that the half yearly report is available at the entrance table. All the activities of AFI and its working groups are listed in the report. He asked for comments. No questions were raised and the delegates noted the activity report.

### **2. European Air Cargo Programme**

#### **2.1 Agency Handbook**

#### **2.2 Resolution**

#### **2.3 Programme for the Rest of the World**

The Chairman welcomed the speakers Mrs Valerie Jackson and Messrs Malcolm Johnson and Colin Stevenson from IATA. He informed the participants that the EACP (European Air Cargo Programme) would come into force on May 1, 2004. He requested the delegates to ask questions if any after the presentation of IATA.

The presentation is enclosed.

The Chairman thanked IATA for the presentation and believed that new agreement is an improvement on the current agreement as it takes into account the legitimate interests of all parties, forwarders, airlines as well as our customers. He mentioned also that two non-European countries have expressed an interest in joining the Programme. He opened the floor for questions.

A delegate raised the question whether the Programme gives any advantages to the FIATA members who join the Programme or will those without any affiliation to the national associations also have the same benefits.

Mrs Valerie Jackson (IATA) indicated that that there is no obligation for a forwarder to be a member of the national freight forwarders association to be allowed to join the program.

Mr Edward Little (South Africa) asked whether the guarantees to CASS will be cancelled as well, or only the individual guarantees to airlines will disappear.

Mr Colin Stevenson (IATA) explained that the freight forwarder is not required to give a bank guarantee if he trades within the parameters set by CASS. However, if he exceeds the exemption limit then the CASS Manager will review the forwarders trading and either extends the credit limit or require the freight forwarder to provide a bank guarantee to CASS.

Mr Rogerio (Portugal) mentioned that there was a very limited attendance in the joint meetings by the airlines. In Portugal the carriers have lack understanding about the new agreement and tend to raise individual bank guarantees, which is contrary to the aim of the new Programme.

Mr Johnson, CACConf Chairman said that at the last CACConf meeting last week the new Programme for Europe was well accepted by all airlines.

Mr. Stevenson mentioned that in Europe the insolvency ratio of the total amount collected by CASS is 0.001% which as compared to other industries extremely low. If national freight forwarders associations inform CASS Managers that airlines will require additional bank guarantees exceeding those set by CASS, then CASS will intervene and force the airline to delete the bank guarantee.

The Chairman thanked the IATA delegation for their presentation. He reminded the European delegates that a joint European Council meeting (ECAPJC) will be held on March 30, 2004 and requested the delegates to be present at this meeting

### **3. U.S. Customs – Air Cargo Advance Cargo Information (AAMS)**

#### **3.1 IATA/FIATA Guidelines**

The Manager provided information about the new US Customs Border Protection (CBP) requirements. For airfreight advanced Cargo information (AAMS), the reporting deadline will be four hours before the aircraft enters US territory. FIATA and IATA have established in 1997 guidelines for AMS transmission for pre-clearance of air cargo. The IATA / FIATA United States Customs – AMS Message Transmission Procedures and Implementation Guidelines will be available before August 2004. These guidelines may assist freight forwarders to comply with the electronic transmission of AMS to airlines. FIATA recommends that freight forwarders transmit the details for cargo to the US, to the carriers, as it will facilitate their work. Further, the adoption of the guidelines will prevent other countries implementing different procedures. The guidelines will provide freight forwarders with awareness and understanding of the new requirements. Further, a simple e-learning programme will be developed so that freight forwarders can access the web for information on the guidelines.

Further, he mentioned that FIATA informed their members through Doc. AFI/271 and AFI/272 of the delayed implementation of Air AMS, due to systems compatibility issues within US Customs, as well as of the lack of trained personnel. The introduction is postponed to August 13, 2004. However, the Manager recommended to the delegates to inform their members, to start transmitting the information to the carriers and not to wait until the last minute.

#### 4. Montreal Protocol and impact on the Conditions of Contract on the AWB

The Chairman welcomed Mr Peter McQueen, Solicitor of Blake, Dawson and Waldron, Australia. Mr McQueen defended Siemens successfully, in the Siemens/Schenker court case. He made a presentation regarding the Siemens/ Schenker case in the High Court of Australia (presentation enclosed). He concluded that the freight forwarders should review their own Conditions of Contract, to review the Conditions of Contract of the IATA Standard form air waybill and to consider the introduction of a combined transport door-to-door air waybill.

The Chairman thanked Mr McQueen for the presentation and reminded the delegates that AFI is already in contact with IATA regarding the changes of the Conditions of Contract and one of the issues is to change "airport of departure/destination" to "place of departure/destination".

The Manager advised that there is no FIATA AWB document, however FIATA does publish a brochure "The Air Waybill recommended by FIATA for use by freight Forwarders". The recommended Air Waybill is in fact, the Neutral AWB of IATA, in accordance with IATA Resolution 600a (AWB layout and Resolution 600b (II) (Conditions of Contract). The Conditions of Contract are mandatory and must reflect the Warsaw Convention subject to the rules relating to liability established by the Convention. In fact the Conditions of Contract are an excerpt of the Warsaw Convention. FIATA at no time developed any specific "Conditions of Contract". FIATA recommends to the freight forwarders, to use the Neutral AWB of IATA, as a matter of convenience in the day-to-day working and printing of AWB.

Mr Rogerio Alves Vieira (APAT) Portugal was of the opinion that the high court judgement was wrong. As long as the goods are not delivered to the consignee, they are still covered by the Warsaw and Guadalajara Convention and therefore still subject to the Warsaw Convention and its liabilities. He referred to a similar case which the court's judgement was also in favour of the freight forwarder, as the goods were still in his possession despite the fact that the goods had been destroyed by the customs authorities (perishables).

Peter McQueen did not see a parallel in the case mentioned and the Siemens/Schenker case. It is not clear were the goods were destroyed probably in the airport area and not outside the airport as in this case.

Mr Vieira explained that Schenker was a contracting carrier and therefore subject to the same responsibilities as the actual carrier. This is stipulated in the Guadalajara Convention and rules the door-to-door carriage by air. Otherwise the integrators would run into major problems. They use the same Conditions of Contract for door-to-door services and rely on the Guadalajara Convention, which supplements the Warsaw Convention.

#### 5. IATA/FIATA Training Courses, report by Mr Lloyd Bartlett

The Chairman welcomed Mr Lloyd Bartlett, IATA, and mentioned that between 1977 and 1997 a manager two assistants ran the Air Cargo Training Programme in Geneva to the full satisfaction of FIATA and IATA. Since the IATA/FIATA Air Cargo Training Programme has been transferred to ATDI Montreal in 1997 the Air Cargo Training Director has changed four times. The Training Programme was from the very beginning operated as a non-profit education Programme. Since 1997 IATA has looked at its training programmes as a source of revenue. FIATA advised already in 1998 all concerned that the Programme was not running as well as it did before. Due to the reorganisation of the Training Programme under Mr Lloyd Bartlett, AFI requested him to present an overview of the changes in the Programme and to discuss its future.

The presentation of Mr. Bartlett is enclosed.

After the presentation the questionnaire distributed by Mr Bartlett was collected. This was to be used as tool to review the Programme with possible introduction of e- learning. E- learning allows for standardised training to be given over a large geographical area with great flexibility, students will have to appear for the exams after the instruction, and the student will know whether he passed the exams and receives the certificate immediately. Presently, the exams for the Introductory and Rating Course take place twice a year, whilst the exam for the Dangerous

Goods and the Refresher Course was three times a year. The opinion was that e-learning and e-exams will enhance the acceptability of the courses and increase the enrolments.

Ms. Christine D'Arcy (BIFA) UK did not agree that IATA should develop the Dangerous Goods course solely. It is true that DGTTF (Dangerous Goods Technical Task Force) prepares the course material but FIATA is actively participating in this task force (Ms. D'Arcy and Mr Burek). However, at the IATA/FIATA Development Group, the questions for the home study and classroom courses are prepared and controlled. She fully agreed that certification should be distributed quickly after the exams and should be done more frequent than 3 times a year.

Further, she did not agree to e-exams with multiple-choice questions for DG exams. The questions asked in DG are not developed for multiple ticking and only one correct answer per question can be given. Therefore, for any e-learning exams the student has to sit for the exams under supervision and the exam papers must be controlled and verified by the local co-ordinator or instructor.

Mr Bartlett acknowledged the comments and agreed that not all courses can be taught using web-based training. Classroom courses will still be a preferred option to train students. However, they have had some encouraging results in web-based training and exams, which will be further, discussed with the working groups and the education centres. One of the issues is to develop paper form exams, which are completed at the PC and sent as PDF file to IATA or the instructor for correction. This would allow setting the exams any time and the results would be available immediately. He mentioned also that a web-based training would be discussed at the Dangerous Goods Cargo Week in Prague.

Mr. Pakenham Pim (IFFA), Ireland mentioned that at the ATC held in Montreal 2002, there had already been a discussion on having web-based training for the IATA/FIATA Introductory Course and that it should be introduced very soon.

Mr Bartlett explained that at the introductory level web-based training is more difficult and therefore he supports classroom training for the introductory level, which allows for interaction of students and opportunity for exchange of ideas amongst the students.

The Chairman thanked Mr Bartlett for the presentation and mentioned that he would be around to answer questions.

## **6. CASS report by countries**

The Chairman mentioned that new countries under CASS feasibility study are listed in the half yearly report. He requested notice from the delegates if other countries are under feasibility study and not mentioned in the report. Further, if any country has problems with CASS they should report it now as long as Mr Stevenson of IATA is present.

Mr Colin Stevenson (IATA) informed that Malta is presently undergoing a feasibility study and will be under the supervision of CASS Italy.

Mr Barry Vining (Australia) informed that Australia has in fact no problems with CASS but he was instructed by AFIF to report that they were disappointed in the sacking of Mr Nick Zakrias, Director CASS Asia, by the Director General of IATA. He explained that Mr Zakrias was a very capable person and due to his efforts CASS improved in the Far East area and particularly he was able to make CASS acceptable for the Philippines. The trust build up within the area with the CASS administration is endangered and freight forwarders remain apprehensive of the future, if IATA continues to terminate reliable persons this way. He requested that the sacking of Mr Zakrias should be minuted in the AFI minutes.

Mr Johnson (IATA) mentioned that this issue has been discussed at the Cargo Agency Conference in Singapore. There was a meeting of the Vice-presidents of all the airline cargo units and they used the same harsh words as Mr Vining.

**7. Any other business, by the permission of the Chair**

Mr Kladiva (Czech Republic) informed that an IATA DG week takes place in Prague just after the HQ meeting. The national freight forwarders association and Czech Airlines are sponsors of this event. However, for their members the registration fees are too expensive and while interest is great and the subject matter important it is not possible for the Czech freight forwarders to participate because of the high cost. In comparison with normal seminars on DG, the IATA one is five times more expensive. He asked Mr Bartlett to inform IATA accordingly.

There being no further business, the **Chairman** thanked the guests and members for their active participation and closed the first part of the meeting at 17.45 hours.

**8. Date and Place of the next Meeting**

The **72nd AFI meeting** will take place during the FIATA World Congress in **Sun City, South Africa** on **Monday, September 20, 2004 from 09.00 to 12.15 hours**

**ATTENDANCE LIST**

**Meeting of the Airfreight Institute (AFI)**

Zurich, March 19, 2004

**PRAESENTIA**

**Chairman:** Herman Donker - Belgium  
**Vice-Chairman:** William M. Gottlieb – Canada

**Participants present:**

Agbaga Joseph – Ahenkorah Carlos - Al Jallaf Ali - Alves Vieira Rogerio – Badat Babar – Baluch Issa – Bartlett Lloyd – Beaumont Colin – Bontemps Emmanuèle – Boogaerts Frank – Contractor Tej – Culas Walter – Dabrowska Teresa – Dahmani Abdelmalek – D'Arcy Christine – Delen Jean-Claude – Demmer Andreas – Gillespie Christopher J. – Gottlieb William M. – Grzegorzewski Marek – Guan Chuanyun – Jackson Valerie – Janicka Beata – Johnson Malcolm – Kanter Chris – Kladiva Jiri – Kowalczyk Ursula – Krainik Henri – Kronlund Krister – Li Limou – Liptuga Ivan – Little Edward – Luo Kaifu – McQueen Peter – Dr. Mihokovic Erich – Nicholls John – Njoroge Samson Mwangi – Okabe Takaharu – Ostbye Erik – Petrozzi Alberto – Pim Pakenham – Platonov Oleg – Radstaak Ben – Rogge Heiner – Sagel Rodolfo J. C. – Sandah Freddy – Schalk Willi – Schwarzenbach Thomas - Sim Thomas – Sorgetti Marco Leonardo – Stevenson Colin – Thomas Ashok – Timmermans Piet – Tiong Kenneth Chin Ang – Vinay M. V. – Vining Barry – Yang Guangqi – Yu Ruhe – Zhang Qizhong - Zhao Chuan.

**Press:** Schmeling-Ursula, ITZ, Basle  
Schnell Frank, DVZ, Germany

**Sekretariat:** Sandro Consoli, Manager, Airfreight institute (AFI)

**AIRFREIGHT INSTITUTE (AFI)**

**AFI/273**  
**ANNEX II**

**HALF YEARLY REPORT 2003 - 2004**

**AIRFREIGHT INSTITUTE (AFI)****European Cargo Agency Programme Joint Council Meeting on October 28, 2003 and January 27, 2004**

The EU individual exemption of all IATA Programmes expires by the end of April 2004. In connection with the Cargo Agency Programme, initially there was some doubt as to whether an extension of the individual exemption would be considered prior to the deadline. If granting a further extension were not possible, IATA was seeking at least a 'letter of comfort' from the Commission to continue to operate a cargo agency programme. In the meantime it has been confirmed that the EU will not grant a further individual exemption and that no comfort letter will be issued

However, the participants recalled three major statements made at the previous meetings as well as at the IFCC meetings that

1. The European Air Cargo Programme has been drafted first as a world-wide Programme but several times refused by some carriers at the CAConf with the unfounded argument that the New Air Cargo Agreement does not fulfil the requirements of the different areas and that the trade practice in other areas are not the same as in Europe. These arguments have been clearly rejected by the majority of the airlines as well as by the IFCC. Therefore, the European Cargo Agency Programme has been drafted in such a manner that individual non-EU country worldwide can participate in the Programme.
2. In the EACP Joint Council each country delegates one freight forwarder and one carrier with voting rights whilst additional delegates are observers which can comment proposals or propose amendments which are to be adopted by the EACP Joint Council. The majority of freight forwarders representation and the majority of the airline representation have both to agree. CAConf has no veto right.

It was acknowledged that a gradual introduction and a roll-out by country of the new programme, as had been envisaged previously, may no longer be possible in view of the deadline and loss of exemption at the end April 2004. It appeared necessary to implement the new programme throughout the current EU/EEA area replacing the current Resolution 805-programme with effect from May 1, 2004.

There was also a need to consider the enlarged EU, as well as other interested countries, at that time and develop some transition rules, as the new EU countries and some other interested countries do not operate CASS and the new programme requires the CASS machinery to effectively monitor the cargo industry credit scheme.

The costs of operating the new programme would come from contributions via fees from all participants i.e. both airlines and intermediaries.

Further, adjustments to the Resolutions and Handbook were made. Prenotified short payment due to a dispute with a single airline would be subject to the CASS code of Conduct Rules and should be resolved bilaterally.

**IATA/FIATA Consultative Council meeting  
Geneva, January 28, 2004**

The request of India and Canada to incorporate both countries in the ECAP was discussed and it was agreed to prepare a study and report. It is envisaged that both countries may be part of the ECAP as from 2005. FIATA submitted comments in regard of the changes in the Conditions of Contract on the reverse side of the AWB due to the ratification of the Montreal Convention 1999.

FIATA's counsel was present at the meeting and referred to the longstanding FIATA complaint in respect of the gold franc conversion note at the top of the air waybill, which indicated the approximate value of 20USD

for 250 gold francs. FIATA counsel noted that FIATA believed this to be inaccurate and further noted that the proposed addition of an illustrative conversion rate for the SDR in para 4 was also inaccurate.

FIATA's counsel further noted that the conflict between "point of departure" and "point of arrival" and "airport of departure" and "airport of arrival" had taken on a new importance in light of recent case law and the CMR. FIATA counsel contended that the air waybill in its phrasing only added to confusion for Intermediaries and shippers and that a redrafting of the language was called for so as to better reflect the forwarder's role in the provision of carriage.

After a lengthy discussion regarding FIATA's comments, it was suggested that IATA Legal Counsel would arrange a conference call with members of the Cargo Legal Working Group and report back to the IFCC. The representative from QF Mr Finemore also offered to provide issues for consideration related to Resolution 600a to IATA Secretariat. The IATA Secretariat advised that it also planned to discuss these issues with CSC delegates in a series of conference calls prior to Conference.

### **CASS Update**

The latest feasibility developments are:

- **Colombia** Feasibility Study: Reviewed by CPG-6. IFCC was requested to note that the CASS Policy Group had recommended deferring the endorsement of the proposed study. This postponement would allow Members to hold further consultations between Head Offices and local representatives on issues pertaining to this market.
- **Egypt** Feasibility Study: Endorsed by CPG-6. Director Cargo Area 2 in charge of pre-implementation details for 1<sup>st</sup> quarter 2004. Interviews for the CASS Manager position were held a week prior to IFCC.
- **Saudi Arabia** Feasibility Study: Endorsed by CPG-6. Director Cargo Area 2 in charge of pre-implementation details to be conducted 1<sup>st</sup> quarter 2004.
- **Thailand**: In line with the recent departure of Mr. Zakris, Ms. Chua Soon Keow was appointed Ad-interim Cargo Director for Area 3. It was foreseen that she would attend to this market to facilitate CASS implementation.
- **Hong Kong**: The new Ad-interim Cargo Director was expected to address issues in this market in order to continue with feasibility work.

The Group was also made aware of feasibility requests to develop CASS for Cyprus, Dominican Republic, Guatemala and El Salvador.

### **IATA/FIATA Cargo Training Programme**

Again the IATA /FIATA Training Programme has been reshuffled and this for the third time since 1996. FIATA provide a detailed history of the IATA/FIATA Cargo Training Programme. FIATA also stated its disagreement with the way IATA had handled important issues involving training. Mr. Sims (XB) explained the current changes that had taken place within IATA and mentioned that under the new Matrix concept, training is now directly under his responsibility.

He believed that in this new environment he would look at resolving all issues. He added that he would meet with Mr. Gottlieb to establish the parameters for a new working relationship and a joint IATA/FIATA working team would then be formed to move issues forward.

### **Process to meet the Mandatory Advance Electronic Transmission of Cargo Information requirements by US CBP (AIR AMS)**

IATA stated that the United States Department of Homeland Security (Bureau of Customs and Border Protection (CBP)) issued the Final Rule for required Electronic Presentation of Cargo Information last

December, 2003. IATA had convened a small ad hoc working group of interested parties to develop a proposal for an industry standard approach to comply with the US CBP regulations. The group also identified deliverables and a work plan to accomplish the required associated tasks. Mr. John O’Connell (BIFA) was present on behalf of FIATA.

The mentioned working group met in London where it reviewed the comments related to the draft documentation circulated prior to the meeting. The group recommended that short and long term solutions were required. After a long discussion, the group agreed several actions, described as follows:

<b>Actions:</b>	IATA would liaise with FIATA to put a message on their (FIATA) web site on what the industry is doing regarding meeting the requirements of CBP’s Mandatory Advance Presentation of Cargo Information. Similarly, IATA will post the same message on its web site as well. Mr. Okpro to coordinate
	To move forward with the working group as an IATA/FIATA joint effort. Formalization of the group would be sought through the CPCMG. Mr. Acheson (XB) to act as Secretary.
	It was noted that the group should welcome more US based carriers and that it would be inappropriate to have suppliers in the group at this stage.
	Mr. Sims (XB) reiterated IATA’s support to this industry initiative.

On March 11, 2003 the first meeting took place and the IATA/FIATA guidelines on AMS published in 1998 have been redrafted and amended. At the same time the Cargo-Imp messages were up-dated to fulfil the new requirements. Meanwhile the Department of Homeland Security has extended the implementation schedule of AMS from March 5, 2003 to August 13, 2004 up to December 13, 2004 as the systems are not ready and as well as not enough trained personnel is available. This gives us time to examine our messages on mistakes and eliminate them. Further it was examined if freight forwarders can transmit the messages directly to AMS. However, carriers raised concern that the releases are not transmitted to the carrier. It seems that the carriers will send also the House Manifest details.

**IATA Cargo ID card**

IATA asked input in relation to the re-design of the IATA Cargo Agent card, with the intention of making it more valuable for the forwarding Community. Whilst the concept of the re-design was presented to generate discussion and brainstorming, it was noted that at the moment there were 1.200 cards issued worldwide, with 600 in Canada alone (USA excluded), representing a drop of 30% since 1999.

FIATA noted certain value in the Canadian market given past travel requirements for staff. Most members believed the card did not provide anything of value and ultimately was not even recognized by governments or industry service providers. After a long discussion the IFCC agreed to discontinue the card.

**EUROPEAN AIR CARGO PROGRAMME**

**Presentation by**

**Ms Valerie Jackson, Senior Manager, IDS – Agency Accreditation, IATA Geneva**

**Mr. Malcolm Johnson, Cargo Agency Conference Chairman**

**Mr. Colin Stevenson, Director Cargo Operations Area 2, IATA London**

# European Air Cargo Programme (EACP)

**Malcolm JOHNSON**

*Chairman Cargo Agency Conference*

**Colin STEVENSON**

*IATA Director Cargo Operations (Europe/M.East/Africa)*

**Valerie JACKSON**

*IATA Assistant Director Accreditation Services  
(Europe/M.East/Africa)*

# **IATA CARGO AGENCY PROGRAMME - EUROPE**

## **MAJOR CHANGES AHEAD**

### **01 MAY 2004**

## **EU EXEMPTION EXPIRES**

**Presenting the NEW  
EUROPEAN AIR CARGO  
PROGRAMME**

**“EACP”**

**01 MAY 2004**

**An Airline / Forwarder Co-operation for  
the ECAA**

**(European Common Aviation Area)**



# What are the implications ?

- Any industry programme will need to operate in a non-immunized environment and demonstrate :
- It is NOT
  - anti-competitive
  - exclusive
  - restrictive to trade
- That it IS
  - of benefit to the industry and consumer
  - equitable and transparent
  - objective in seeking to improve security, safety
  - Creating common standards to enhance air cargo industry efficiency and professionalism.

*Minimise the risk of “challenge” in the courts*

**The present, outdated**  
**IATA CARGO AGENCY**  
**PROGRAMME**  
**Phases out in the EU from**  
**01 MAY 2004**

**IMPORTANT**  
**CASS Settlement Re-focus**  
**New IATA Res 801re**  
**(replaces 801r in Europe)**  
**on 01 MAY 2004**

# 801re Features

- **Maintains CASS as core**
- **Twice monthly billing**
- **30 days once monthly settlement**
- **Payment integrity maintained**
- **New Penalty points system**
- **No “collective” default**
- **CASS suspension penalty**
- **Bilateral options**

# PROGRAMME FEATURES

- **CICS (Cargo Industry Credit Scheme)**
- **CASS - the monitor**
- **Reduces need for Bonds / Guarantees**
- **‘Monies-in-Trust’ out**
- **EACP Hand Book**
- **EACP Directory**

# PROGRAMME FEATURES

- **Voluntary**
- **Joint Airline / Forwarder control**
- **Joint funding**
- **Not For Profit**
- **Dual Agent / Forwarder role**
- **Promotes Professional Standards**
- **Industry Standards-Ready for Carriage**

## PROGRAMME FEATURES

- **Covers all air cargo segments**
- **The “Intermediary”**
- **Secures the future**

## **The EACP JOINT COUNCIL**

- **IATA Airlines**
- **National Forwarder Associations**
- **IATA Head of Cargo**
- **Chairman FIATA-Air Freight Institute**
- **Director General of CLECAT**

# European Air Cargo Joint Council

## Mission statement & Terms of reference

- ➔ To provide a seamless, on-demand choice of products and services which enables shippers and producers to freely move cargo to/from and throughout the European Area
- ➔ To develop, manage and promote the EACP
- ➔ To determine objective criteria for the registration of intermediaries, including,
  - Financial standing, staff competence & training, cargo handling & processing equipment, products & services
- ➔ To publish the EACP Handbook
- ➔ To compile & publish an EACP Directory

# REGISTRATION CRITERIA

- **Any IATA Airline**
- **Any existing IATA Agent**
- **Any existing CASS Associate**  
(Subject to 2 year satisfactory record in CASS)
- **Any new applicants**  
(Subject to meeting entry criteria)

# CARGO INDUSTRY CREDIT SCHEME

## Existing CASS Participants

- **Highest month of last 2 years of CASS**
- **Minimum EUR 8,000 per month**
- **Subject to no significant irregularity**

## New Applicants

- **Minimum EUR 3,000 per month**
- **Or Financial Review if higher**

# **CARGO INDUSTRY CREDIT SCHEME**

**Bank guarantees required when:**

- **Excess credit is requested**
- **Unsatisfactory CASS trading record**

# **CARGO INDUSTRY CREDIT SCHEME**

## **Continuous CASS Monitoring**

- **15% monthly tolerance**
- **If exceeded in 3 consecutive months:**
  - **Financial review**
  - **Excess settled within 3 days**
  - **Credit level re-assessed**
- **Ad-hoc excess credit facility**

# **European Air Cargo Programme**

## **TRANSITIONAL**

### **6 Months**

### **“WINDOW OF OPPORTUNITY”**

### **For existing CASS Associates**

# EUROPEAN AIR CARGO PROGRAMME

- **Waiver of financial and physical criteria if 2 years satisfactory CASS trading**
- **6 months to complete DG requirements**
- **No entrance fees (presently \$1,000)**

# EUROPEAN AIR CARGO PROGRAMME

## IATA INTERMEDIARY FEES NATIONAL STRUCTURE

- **\$300 pa + 1 - 4 Branches at \$125 each**
- **\$350 pa + 5 - 9 Branches at \$100 each**
- **\$400 pa + 10 < Branches at \$75 each**

# **EUROPEAN AIR CARGO PROGRAMME**

## **IATA INTERMEDIARY FEES**

### **PAN - EUROPEAN STRUCTURE**

- **\$4,200 pa**
- **Unlimited Branches at \$75 each**

# EUROPEAN AIR CARGO PROGRAMME

## IATA AIRLINE FEES

- **\$200 pa for each CASS country**
- **\$2,500 pa Pan - European**

# **IATA EACP Airline Concurrence**

- **General Concurrence**
  - **all intermediaries**
- **Individual Concurrence**
  - **selected intermediaries**
- **Subject to relinquishing bonds, guarantees, insurances ....**

# TRANSITIONAL ARRANGEMENTS

- **Phasing from old to new**
- **“Softening” of old Default & Irregularity**
- **Non – CASS participation**
- **Non CASS countries**
- **New EU member countries**

# **EUROPEAN AIR CARGO PROGRAMME IMPLEMENTATION PLAN**

- **Presentations to Airlines .. 26 Feb 2004**
- **IATA Cargo Conference .. 10 Mar 2004**
- **Presentations to Intermediaries .....**  
**beginning March 2004....**
- **Assessment/documentation .. Apr 2004**
- **Effective 01 May 2004**

**AIRFREIGHT INSTITUTE (AFI)**

**AFI/273**  
**ANNEX IV**

**SIEMENS/SCHENKER CASE SENTENCED BY THE HIGH COURT, AUSTRALIA**

**Presentation by**  
**Mr Peter McQueen, Blake Dawson Waldron, Lawyers, Australia**



# FIATA - HQ Session Zurich 18-21 March 2004

Application of Carrier's Limitation of Liability  
Clause 4 of FIATA Neutral AWB

A Case Study — Siemens Ltd v Schenker International  
(Australia) Pty Ltd - High Court of Australia - 9 March 2004

Peter McQueen, Partner, Blake Dawson Waldron, Lawyers, Australia

# A Case Study - Siemens v Schenker



## ▶ Overview

- ▶ Facts of Case
- ▶ Findings of High Court of Australia
- ▶ Future Steps by FIATA / freight forwarders

# Facts of Case



- ▶ Agreement among Siemens and Schenker companies
  - ▶ Siemens Group companies - Siemens Germany and Siemens Australia
  - ▶ Schenker Group companies - Schenker Germany and Schenker Australia
  - ▶ “Direct Traffic” agreement for transport of goods and provision of related services - overarching and standing

# Facts of Case

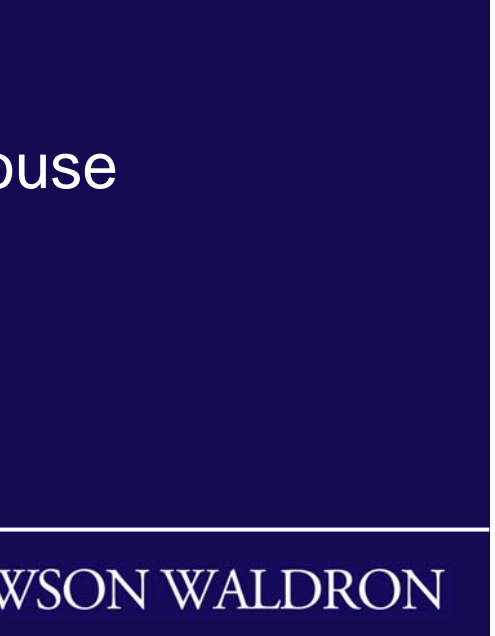


- ▶ Agreement among Siemens and Schenker companies
  - ▶ Schenker Germany agreed to carry goods from Siemens Germany factory in Berlin to bonded warehouse of Schenker Australia outside perimeter of Melbourne airport
  - ▶ Schenker Germany and Schenker Australia agreed to provide all transport and related services
  - ▶ “Direct Traffic” agreement, with no limitation of liability provision, was supplemented by Clause 4 of FIATA Neutral AWB issued by Schenker Germany

# Facts of Case



- ▶ Time and place of damage to goods
  - ▶ After arrival at named airport of destination
  - ▶ Beyond perimeter of airport
  - ▶ Within customs' control
  - ▶ Prior to delivery to consignee
  - ▶ During road carriage to bonded warehouse



# Facts of Case



## ▶ Cause of damage

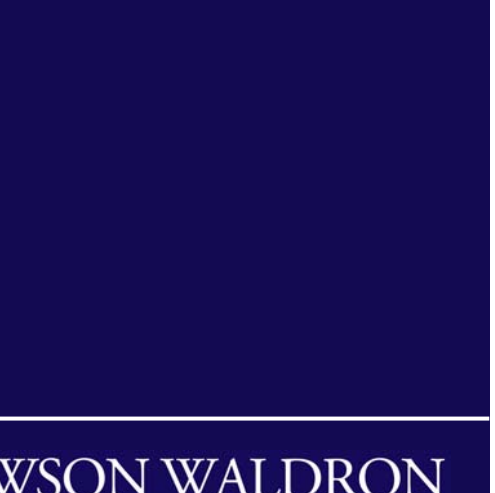
- ▶ Negligence of Schenker Australia, subcontractor of Schenker Germany, performing road carriage
- ▶ Liability exposure
  - ▶ Value of claim AUD1,700,000
  - ▶ Limitation of liability, if applicable, AUD140,000 (Clause 4 of FIATA Neutral AWB)

# Facts of Case



## ▶ Clause 4 of FIATA Neutral AWB

- ▶ “Except as otherwise provided in carrier’s tariffs or conditions of carriage, in carriage to which the Warsaw Convention does not apply , carriers’ liability shall not exceed USD20 ... per kilogram of goods ... damaged ...”



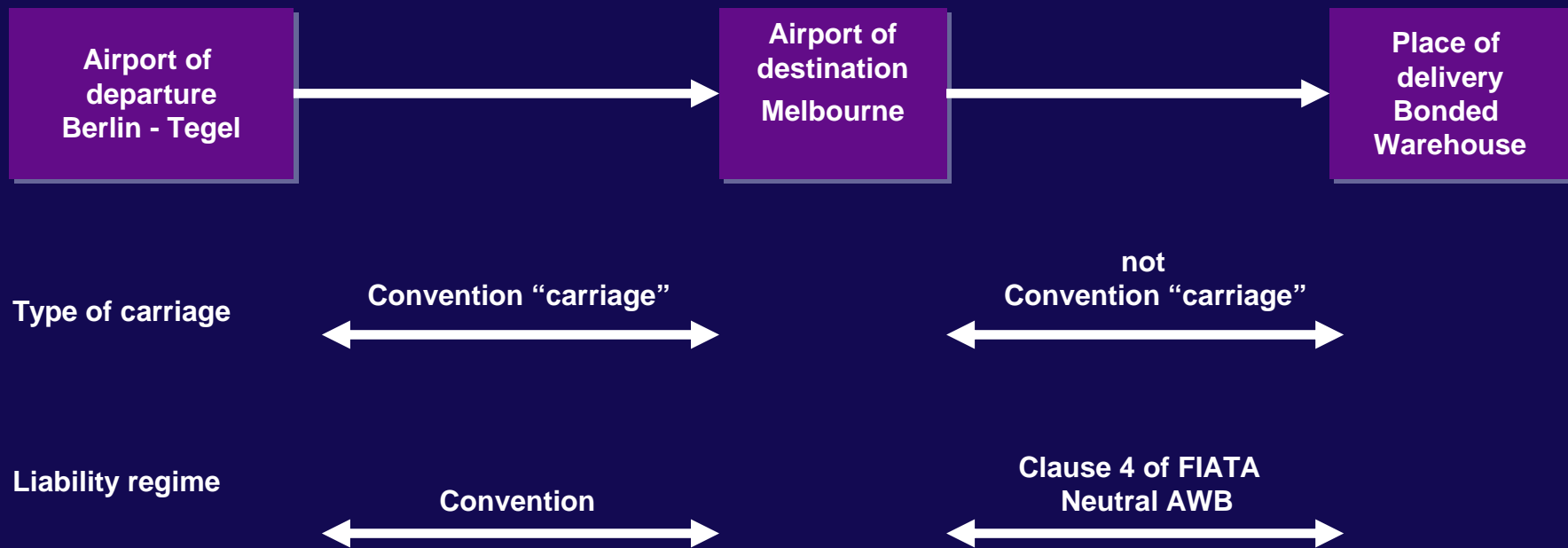
# Findings of High Court of Australia



- ▶ By a 3 to 2 majority
  - ▶ Clause 4 did apply to road carriage and was not restricted to air carriage or airport to airport carriage
  - ▶ Clause 4 did apply after goods collected at airport of destination and up to time when delivery allowed by laws at place of destination outside airport perimeter
  - ▶ Note findings of Court minority



# Findings of High Court of Australia



# Future Steps by FIATA / freight forwarders



- ▶ Review conditions of contract for application beyond airport to airport carriage
- ▶ Review conditions of contract of FIATA Neutral AWB and IATA Neutral AWB
- ▶ Review combined transport / door to door / Express AWB



# FIATA - HQ Session Zurich 18-21 March 2004

Application of Carrier's Limitation of Liability  
Clause 4 of FIATA Neutral AWB

A Case Study — Siemens Ltd v Schenker International  
(Australia) Pty Ltd - High Court of Australia - 9 March 2004

Peter McQueen, Partner, Blake Dawson Waldron, Lawyers, Australia

**AIRFREIGHT INSTITUTE (AFI)**

**AFI/273**  
**ANNEX V**

**IATA/FIATA AIR CARGO TRAINING PROGRAMME**

**Presentation Mr Lloyd Bartlett, IATA**



# **IATA/FIATA Training**

## **Update and Proposed Plan Forward**

**FIATA HQ Meeting**

**19 Zurich, 24 March 2004**



# **IATA/FIATA Training**

## **What it is...**

- **Developed through cooperative efforts of IATA/FIATA, providing a worldwide standard basis for cargo agent training**
- **In place for some 25 years, this training is recognized by the industry as a pre-requisite for entry-level as well as advancement in the field**
- **4 key courses delivered in 'kit' and classroom training format to some 4,800 students worldwide**



## Where we are at: Some issues ..

- Material requires updating in content and presentation:
  - » Introductory course updated 2000
  - » Rating course updated 1997
- Sales 'flat', DG Recurring decline

	<u>2001</u>	<u>2002</u>	<u>2003</u>
<u>Introductory</u>	3360	3024	3046
<u>Rating</u>	587	559	520
<u>DG</u>	923	923	1065
<u>DG Recurrent</u>	<u>184</u>	<u>213</u>	<u>148</u>
	5054	4719	4779



## Some issues (cont'd)

- Declining diploma examination  
(by 10% in non-DG courses)
- Declining pass rates  
(by 34% for Rating..)
- Non-uniform distribution  
(Half within 1 country -Japan)



## Some recommendations

1. Initiate a process to jointly re-vamp the material
2. Add course offerings to reflect requirements (ex Security? ..)
3. Introduce web-based offerings for:
  - » Advanced Information
  - » DG Recurrent
  - » Others as required



## Some recommendations

- 4. For DG courses, use IATA (DGTTF) resources**
- 5. Assist students to pass their exams, through classroom learning, and bundling of materials such as Cargo English, Exam Prep questions, etc.**



## Some recommendations

- 6. Exam on demand process**
- 7. Introduce a web-based 'Exam on demand' process (Q4) through which students would be able to:**
  - Take their exams at day of their choice
  - Complete their exam at a designated centre, and receive results instantly
  - Be notified when refresher re-examination is due.



- 8. Formalize and standardize the certification, through single 3<sup>rd</sup> party network process**
- 9. Promoting the requirement for standardized training at National levels**
- 10. Jointly promote the courses through the National Associations!**



## Do you support?

- Questions?
- Comments?
- Further ideas?

