IATA Cargo Committee

Conference Call
Thursday 24th May 2007

Discussion and Agreed Actions

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1   Participants

Cargo Committee Members:

Name	Title	Company
Michael Wisbrun (Chair)	EVP Cargo	KLM Royal Dutch Airlines
Ron Mathison	Director and General Manager	Cathay Pacific Airways Limited
Carsten Spohr	Chairman and CEO	Lufthansa Cargo
Andy Lynn	Director, Legal Department	Federal Express Corporation
Pradeep Kumar (for Ram Menen)	VP Cargo Revenue Optimisation	Emirates
Kim Choong-Ho (for Ken Choi)	Manager Cargo IT Development / AM Industry Affairs	Korean Air Cargo
Lim Tee Aun (for Choon Phong Goh) / Nazim Ros	VP Services	Singapore Airlines Cargo
Henrik Ambak (for Ulrich Ogiermann)	Vice President, Head of IT	Cargolux Airlines International
Ed Searancke (for Steve Gunning)	General Manager Customer Delivery	British Airways

Apologies:

Name	Title	Company
Scott Dolan	President, Cargo	United Airlines

IATA

Name	Title
Tom Murphy	Senior Vice President, Industry Distribution and Financial Services
Aleks Popovich	Global Head of Cargo
Guillaume Drucy	Head IATA e-freight Implementation
Steve Smith	Director Safety and Standards
Michael Gill	Legal Counsel

2   Agenda

See Appendix A.

3   Legal Context

Michael Gill (IATA Legal Counsel) made the following remarks to the Cargo Committee:
- He had reviewed the agenda of this Cargo Committee Conference call and confirmed that its agenda items were appropriate for discussion by the Cargo Committee.
- If he saw the discussion inadvertently approaching any area outside the legal context of this meeting, he would intervene and guide the Cargo Committee accordingly.

4   Introduction

Michael Wisbrun (Chair) introduced the call, stating that its main focus would be on status of e-freight pilots.

5   Agenda Item 1: IATA e-freight

5.1   Pilots

Discussion

Guillaume Drucy (IATA) outlined the status of e-freight pilots.

A critical meeting of the e-freight Pilot Central Action Group (PCAG) took place on 23rd May in GVA. The meeting was critical because the e-freight project is concluding the elaboration / proof of concept phase. The purpose of the meeting was to confirm the e-freight pilot scope (i.e. documents and types of freight), trade lanes, participants by trade lanes, and TO BE business processes to be put in place.

The output of the PCAG was as follows:

Documents:
- An agreement to include 6 core documents in scope of pilots: Commercial Invoice, Packing List, House Way Bill (HAWB), Consolidation Manifest, Master Waybill (MAWB) and Flight Manifest.
- From a Customs and Regulatory standpoint, these documents are not needed in original paper format between the five pilot locations.
- Electronic means can be used to convey the information between the parties (industry participants and customs) in the five pilot locations, which will be either via EDI proper (Cargo-IMP messages) or imaging (i.e. scanning, faxing).
- The pilot participants confirmed that they either have the capabilities already in place, or will be able to put the capabilities in place to support this scope from a technology standpoint (EDI and imaging capabilities).

Trade lanes:
- There is agreement on the target trade lanes between the pilots.
- However, it was observed that with the exception of DHL (who will participate on all pilot trade lanes) all other forwarders were currently planning to participate on at most 2 trade-lanes. FFI participants other than DHL were challenged to support additional e-freight pilot trade lanes. Response has not yet been received from FFI participants on additional trade lanes they would support.

Shipments in Scope:
- Participants could not agree on what shipments to include in scope.
- Scope main options considered:
  1. Start with a narrow scope in terms of shipments, i.e. those direct shipments and consolidations that contain freight for which only the 6 documents above are present, which allows them to be fully paper free;
  2. Start with a broader scope, with some pieces of freight still having some documents transported.

- There are reasons why either of these options could be simpler to start with and it was agreed to commission a task force to come up with a recommendation to the PCAG by June 8th.
- If necessary, if the PCAG cannot come to a resolution, the scope issue will be escalated for resolution to the e-freight Industry Action Group.

Key points made by Cargo Committee sponsors of specific pilot locations were as follows:

Hong Kong (Ron Mathison):
- The Hong Kong location favours starting with as broad a scope as possible (i.e. include all types of cargo) so as not to create complexity.
- However, the key step is that the 5 locations reach consensus on an agreed scope.

Netherlands (Michael Wisbrun):
- One of the findings of the Netherlands local implementation group is that there are less legal and technical issues than anticipated.
- The main focus has to be on defining new business processes and operational changes.
- The project is about the overall vision of eliminating paper and not just about the steps taken to get there.
- Scope of the pilots should not introduce new EDI message standards at this stage.
- The working group should set the scope of the pilots and escalate through the e-freight industry action group if necessary.

United Kingdom (Ed Searancke):
- An accurate summary of current status provided by Guillaume Drucy.

Singapore (Lim Tee Aun):
- No additional comments.

Actions:

Commission task force to recommend scope to e-freight PCAG.

Guillaume Drucy, By 08 Jun 07

5.2   E-freight Message Improvement Programme (MIP)

Discussion

Aleks Popovich (IATA) gave a brief overview of status of IATA e-freight MIP. Having achieved a critical mass of participation, the focus of e-freight MIP would now shift to root cause analysis and targeting action with the forwarder community. The Cargo Committee was asked for further actions that would increase forwarder engagement in addressing data quality issues.

The first conference call of the new e-freight MIP Industry Action Group had been held. Participation on this group includes: KLM, Air Canada, North West, Singapore

Airlines Cargo, Cathay Pacific, Lufthansa Cargo, American Airlines, British Airways,, Kuehne Nagel, Schenker, and Cargo 2000.

Key points from Cargo Committee were as follows
- Whilst industry participation is high, there are fundamental quality issues to address.
- The industry now has more information on connectivity and quality of messages that should be shared with Freight Forwarders.

5.3   E-freight: Beyond Pilots

Discussion

Aleks Popovich (IATA) advised the Cargo Committee that whilst pilots remained the prime focus of the e-freight project, work was also proceeding in parallel to prepare for assessment and qualifications of countries beyond existing pilot locations. Work would proceed via 4 steps:
- Step 1 (Q3 07): High level world-wide assessment of countries
- Step 2: (Q4 07 / Q1 08): Willing and Ready detailed assessment (filtered countries)
- Step 3: (TBA): Country action plan during 2007 and 2008
- Step 4: (TBA): e-freight endorsement, and ready for implementation

6   Agenda Item 2: Other industry priorities and issues

6.1   Cargo 2000

Discussion

The Cargo Committee was reminded of the need to produce a formal statement of support for Cargo 2000 as well as ensuring airlines allocate common resource for e-freight MIP and Cargo 2000.

The importance of engaging the GHA in Cargo 2000 in order to ensure better quality was noted.

Actions:

Produce a draft formal Cargo Committee statement of support for Cargo 2000.
Aleks Popovich, By 30 Jun 07

Allocate common resource to e-freight MIP and Cargo 2000
Cargo Committee, Ongoing

6.2   Cargo Security

Discussion

The Cargo Committee was advised that:
- The first meeting of the Global Air Cargo Security Industry Task Force would be held by end June.
- An internal Project Brief had been drafted within IATA to develop IATA quality validation of security for supply chain operators.

The Cargo Committee made the following key points:
- Expression of concern that the USA TSA was now moving into an implementation phase leading to air cargo industry compliance risks and potential fines. Industry needs a regular update on status.
- It was important for IATA to include day-to-day anticipation of industry security issues in its brief as well as influencing adoption of harmonized solutions by governments.

Actions: (John Edwards, IATA Head Cargo Security)

Share for Cargo Committee feedback, the IATA project brief for IATA validation of security for supply chain operators

By 15 Jun 07

Hold first Global Air Cargo Security Industry Task Force in Brussels

By 26 Jun 07

Raise the issue of how the industry can be more anticipative regarding security issues arising.

By 26 Jun 07.

Share IATA Cargo Security "News Brief" on regular basis (including news on TSA) with Cargo Committee.

Ongoing.

6.3   CASS

Discussion

There will be an updated CASS scorecard report shared with Cargo Committee at its meeting in September showing market penetration of existing / planned CASS by Cargo Committee members, and any issues arising.

The Cargo Committee was advised of two areas of significant focus: China and India.

China: Progress was being made in addressing the issues list shared at the March 2007 Cargo Committee meeting in Mexico City. Delivery of this action list would enable Cargo Committee members and the industry to participate in CASS China. In July a further report on China would be shared with the Cargo Committee.

India: The ongoing court case is now closed. The next step was to lobby the Indian Government to progress adoption of Resolution 815.

Actions:

China: Share status report on issues resolution with Cargo Committee.
                    Glyn Hughes (IATA, Director Cargo Distribution), By 06 Jul 07

6.4 Environment

Discussion

IATA has commissioned a joint study with the University of Hong Kong to scope the Environment Challenge for Air Cargo. This subject would be featured at the next Cargo Committee meeting in September 2007, with interim updates provided before then.

Key point made by the Cargo Committee were as follows:
- There should be included within the study a benchmark comparison between carriage of cargo and other competing transport modes, e.g. ocean
- The study by Hong Kong University should also address the supply chain globally, not just airport to airport.

Actions: (Aleks Popovich, IATA)

Provide Cargo Committee feedback on scope of Environment and Air Cargo study to University of Hong Kong, regarding need for benchmarking with other transport modes (e.g. ocean), and also addressing the supply chain globally,
                                                                By Fri 01 Jun 07

Provide to Cargo Committee regular updates on status of Environment work with University of Hong Kong.
                                                                Ongoing

Report back to the Cargo Committee on the challenges for Air Cargo and the Environment.
                                                                By 13 Sep 07

6.5   Plain paper printed AWB

Discussion

A survey had been sent to each IATA members asking whether or not they supported forwarder printing of AWB on plain paper. In the event of a negative response, the member was also asked for main reasons why such support was not being provided. Based on interim responses, it has been found that so far 81% of IATA members responding do provide support for forwarder printing of AWB on plain paper. The only

significant issue arising is a query as to which Customs Administrations may not support such activity.

Action:

Complete survey to assess IATA member support of forwarder printing of AWB on plain paper, assessing significance of any obstacles to such capability. Share results with Cargo Committee

Aleks Popovich, 30 June 07

6.6   World Cargo Symposium 2008

Discussion

The proposed theme of the Symposium is to be "Focus on the Customer".

More than 1,200 delegates are expected to attend. It was reported that the venue in Rome is entirely self-contained which will cut down on unnecessary travel by delegates.

To maximise efficiency of the World Cargo Symposium for senior executives, the Cargo Executive Summit would precede the Cargo Committee meeting on the same day.

It is proposed to renew the role of the Cargo Executive Summit, for example in seeking particular heads of Cargo to sponsor a critical topic for the industry.
Key points arising from the Cargo Committee
- Having the Cargo Executive Summit precede the Cargo Committee on the same day is a welcome step.
- The "Focus on the Customer" theme should be made less open and positioned as a direct link with the previous year's theme of "Focus on Simplicity".

Action:

Ensure the theme "Focus on the Customer" is positioned as a logical follow on step from the World Cargo Symposium Theme of "Focus on Simplicity".

Aleks Popovich, 30 June 07

6.7   ULD Project

Discussion

The IATA ULD project is currently focussing on the following 4 elements:
- Recommending ULD standards based on Total Cost of Ownership principles.
- An RFI for Track and Trace
- Development of ULD Handling standards
- Development of ULD Fleet Planning tools.

The challenge of addressing a long-standing air cargo industry issue was acknowledged.

Feedback from the Cargo Committee was that it was critical to prioritise and identify achievable short-term practical steps in moving the ULD project forward.

Action:

Share with the Cargo Committee a project plan including short-term practical priorities and deliverables.

Steve Smith, 31 July 07

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7 AOB

7.1 IATA Board of Governors meeting 03 June 2007, Vancouver

Discussion

Tom Murphy (IATA) stated that for the first time, cargo will feature as a separate update to the IATA Board of Governors. Items featured in the Board cargo update would be: e-freight pilots, Cargo Security, and the ULD Project. He urged the Cargo Committee members to brief their CEO's on the cargo update in advance of this session.

Action:

Continue to brief CEOs on importance of work on e-freight, Cargo Security, and ULD project as outlined in this document.

Cargo Committee, Ongoing

7.2 Montreal Treaties

Discussion

Korean asked for support from IATA for Korea's adoption of Montreal Convention 99.

Action:

IATA to determine how best to support Korea in adoption and ratification of Montreal Convention 99.

Aleks Popovich, 13 Sep 07

7.3 Next meeting of the Cargo Committee

Thursday 13 September 2007, IATA offices in Geneva.

Appendix A

Agenda for Cargo Committee Conference Call
1400-1500 GVA time Thursday 24th May 2007

Agenda Item 1: IATA e-freight

(Led by IATA e-freight Team)

Objectives:
- Feedback on status ((a) pilots, (b) MIP, (c) beyond pilots). (see pages 3-8)
- Advice on further motivators for forwarder addressing data quality.

Method
- Update Cargo Committee on status of e-freight (pilots, MIP, beyond pilots)
- Go round table to seek feedback and guidance.

Agenda Item 2: Other industry priority and issues

(Led by Aleks Popovich)

Objective:
- Cargo Committee feedback on status of:
    - (a) Cargo 2000 (see page 10):
        - Formal statement of support needed from Cargo Committee
        - Allocation of common resource for e-freight & Cargo 2000
    - (b) Cargo Security (see page 11)
        - First Action Group planned later in 2007
    - (c) CASS (see page 13)
        - CASS China: Progression of plan
        - CASS India: Court case closed (subject to confirmation)
    - (d) Environment (see page 14)
        - University of HKG to work on problem statement
    - (e) Plain paper printed AWB (see page 15)
        - Brief verbal report to be provided
    - (f) World Cargo Symposium 2008 (see page 15)
        - Theme: Focus on the Customer
        - 1200+ delegates forecast
        - Rome: Self contained hotel and conference facility
    - (g) ULD Project (see separate attached IATA Board Paper)
        - Actions proposed on: Standards, RFI for track and trace, Handling standards, ULD Fleet Planning Tools
    - (h) Next Cargo Committee meeting: 13 Sep 07, Geneva

Method
- Go round the table to seek feedback and guidance.

Agenda Item 3: AOB