



Cargo Agency Modernization Program (CAMP)

An Update

AFI Meeting – Zurich March 19, 2015

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IATA-FIATA Air Cargo Program



The objective of the Cargo Agency Modernization Program

To reengineer the current IATA Cargo Agency Program to ensure it meets the needs of today's air cargo community, ensuring mutual benefits for Freight Forwarders and Airlines alike.

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Benefits

- The proposed IATA-FIATA Air Cargo Program (IFACP) offers a simplified Governance Structure, reducing the administrative requirements to manage the program
- It addresses the Principal-to-Principal relationship between Freight Forwarders and Airlines, given that >80% of transactions are performed by Freight Forwarders acting as principals, the IFACP better clarifies and validates the buyer/seller relationship
- Potential to set agreed industry standards and best practices in key industry priorities; safety, security and e-cargo

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Key Issues Resolved Since March 2014 HQ Meeting

- The IATA-FIATA Air Cargo Program (IFACP) is a single Principal to Principal program.
- Joint Governance; 6 forwarder / 6 airline delegates.
- Joint Program Management; FIATA nominated Governance Manager / IATA nominated Operations Manager.
- Joint Airline and Forwarder funding of IFACP.

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Key Issues Resolved in since March 2014 HQ Meeting (continued)

- Potential to reduce program administration costs.
- Potential to set agreed industry standards and best practices in key industry priorities; safety, security and e-cargo
- IATA Cargo Agency Conference endorsed IATA FIATA Air Cargo Program (IFACP) and the new CASS Rules for IFACP (Shanghai 9 March 2015)
- Airline IFACP Governance Board Members – LH, AA, FX, MS

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Implementation



- Projected January 2017 global IFACP implementation target date.
- 2015 – 2016 IFACP roll-out period.
- Pilot implementation projects in North and South America.
- Staggered regional IFACP implementation leading up to January 2017.
- Cargo Agency Conference to rescind applicable Agency Program Resolutions to coincide with IFACP implementation.

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Key Highlights

1. The current Cargo Agency Program will be replaced by the new IATA-FIATA Air Cargo Program (IFACP) and it will be governed by IATA-FIATA Governance Board (IFGB).
2. Future regional or national Joint Councils (as appropriate), will be established to provide local feedback and to discuss and submit proposals to the IATA-FIATA Governance Board (IFGB). This new streamline governance will replace the current local Assemblies, Councils and ICAPs, which have been established by today's IATA governance structure.

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Key Highlights

3. The new Joint Councils may propose to IFGB the minimum criteria of financial standing required for endorsement and retention of Freight Forwarders in their respective country/ies or Region).
4. The financial and operational criteria as applicable today in the Cargo Agency Program will continue and be transferred to IFACP, until the new Joint Councils review these and make recommendations for IFGB's approval.
5. CASS remains 'as is' and under the jurisdiction of the Cargo Agency Conference.

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CURRENT	FUTURE
8 agency programs (incl. 4 Intermediary Programs)	1 Global Air Cargo Program jointly managed by IATA and FIATA
Cargo Committee and Cargo Agency Conference advise strategic direction	<ul style="list-style-type: none"> IATA- FIATA Governance Board advises strategic direction for the IATA FIATA Air Cargo Program Cargo Agency Conference advise strategic direction on CASS FIATA Airfreight Institute and IATA Cargo Committee advise strategic direction to respective IFGB delegates
CASS settlement and procedures	CASS settlement and procedures
Diverse local and regional joint or airline-only governance bodies	Potentially 8 Regional/National Joint Councils; Canada, LATAM, Europe (including Russia), India, China, Africa/Middle East, Asia, Australia (including New Zealand and South Pacific)
Conference adopted Resolutions	<ul style="list-style-type: none"> IATA FIATA Air Cargo Program governed by IATA FIATA Governance Board (e.g. determining financial and operational criteria for membership endorsement) CASS governed by Cargo Agency Conference
A degree of Conflict with forwarding community caused by ambiguous rules and terms	Clearly defined roles and responsibilities
Agency based accreditation standards	Customer based accreditation standards

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6. Ready for carriage conditions, operational criteria (DGR training requirements) and best business practices (cargo standards) will be referenced in the IATA-FIATA Air Cargo Program Handbook helping to raise the Airline and Freight Forwarder's awareness of their responsibilities and their compliance to agreed industry operational requirements.

7. New fee proposal will be presented to the IFGB which will include the following key principles:

IFACP will be funded by the participating Freight Forwarders and Airlines. based on the number of locations. Freight Forwarders and Airlines will pay the same amount for each location. At the Program's outset Airlines and Freight Forwarders will not pay more than what they pay today.

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How will the new program be implemented?

Current participants of Cargo Agency Program

- i. Current participants of the IATA Cargo Agency/Intermediary Program will be provided with a new IFACP Freight Forwarder Agreement and CASS Participation Agreement. Upon execution and receipt of those completed Agreements, the Endorsed Freight Forwarder will join both the IATA-FIATA Air Cargo Program and CASS. No further assessment will be required.
- ii. If a current participant of Cargo Agency Program does not want to join IFACP, it may relinquish its IATA accreditation status.

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New Applications

- i. A Freight Forwarder may be endorsed as a member of the IATA-FIATA Air Cargo Program (IFACP) by submitting an application and by meeting the defined financial and operational criteria.

- ii. The Freight Forwarder signs the Freight Forwarder Agreement and the CASS Participation Agreement to join CASS. The CASS Participation Agreement will contain the CASS rules as adopted by the Cargo Agency Conference. It is mandatory for the members of IFACP joining CASS.

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Next Steps



1. FIATA has engaged K&L Gates LLP to undertake a legal due diligence process, this review to include;
 - Competition law compliance.
 - Governance.
 - Rules and Procedures outlined in the draft Program Handbook.
 - Taxation issues.
 - A recommendation to the FIATA Presidency.
2. FIATA and IATA to enter into a Cooperation Agreement