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The CASS Program in Israel

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The CASS Program

A cargo account settlement program

A computerized central clearance program which regulates the reporting, account settling and payment procedures between cargo agents and airline companies

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The CASS Program

The CASS Program was first approved in Israel by the Israel Antitrust Commissioner in 2011, for a limited period of 3 years.

IATA requested to extend the CASS validity for an additional period

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The IFFCCA’s opposition against the CASS Program

1. Unreasonable demands from cargo agents to provide IATA with exaggerated new bank guarantees

2. Arbitrary demands to furnish IATA with cargo agents’ private financial statements.

3. Creating difficulties for cargo agents who asked to work with airlines outside the CASS arrangement and not as a part of it.

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The IFFCCA’s claims against the CASS Program

4. Unreasonable difficulties for the cargo agents who dispute freight payments issued to them as part of the CASS Program.

5. IATA's demand to sell information product (CargoIS) which includes data on the business activity of cargo agents.

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The results of the IFFCCA’s opposition: New terms in the CASS Program

The approval of the CASS Program by the Antitrust Commissioner is subject to 2 material conditions:

Notice of amount in dispute-

The cargo agent is given full independence to issue a notice of amount in dispute without any obligation to provide IATA with any explanation for submission of that notice.

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Information Product (Cargo IS)-

The information product will not allow identification of data with respect to individual bill of lading, individual cargo, or a certain type of cargo.

The product will not enable identification of data regarding the cargo agent's activity with a specific airline.

The information will not be available to the cargo agent regarding another cargo agent, and not to the airline with respect to another airline.

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Arrangement between IFFCCA and IATA’s representatives in Israel

The bank guarantees of the cargo agents will not be increased. Cargo agents who were not required to deposit bank guarantees will not be required to do so.

New bank guarantees will be required from new cargo agents (or those who had more than a 30% change in ownership) or cargo agents who committed over four violations (IRR) in 12 months.

The amount of a new bank guaranty will be determined by an agreed mechanism of financial strength (a mechanism that was agreed upon between IFFCCA’s accountant and IATA’s accountant)

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Conclusion

Based on the Antitrust Commissioner’s conditions and the arrangement between the IFFCCA and IATA - the CASS program allows cargo agents to benefit from the technical advantages of the program with a substantial reduction in the risks of cargo agents.
Thank You

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